

AS PREPARED

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**SPEECH TO CSIS**  
**“A NEW ERA IN STATE-DEFENSE COOPERATION”**  
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Thank you John. Thank you very much for having me. It is my distinct pleasure to be here at the Center for Strategic and International Studies.

I want to congratulate John and the entire organization on the 50<sup>th</sup> anniversary of the creation of CSIS. Since its founding, CSIS has been at the center of critical foreign policy debates and has proved to be a vital resource for those of us in government. So I want to congratulate and thank CSIS for the great work it does and hope that it experiences another 50 years of excellence.

I can also think of no better place to speak about the work we are doing to improve interagency – and in particular, State-Defense collaboration.

While this may not be the most attention-grabbing topic, it is of vital importance to U.S. national security – something that I know is well understood here at CSIS. And I know this because a number of CSIS

reports have called for better interagency cooperation. In fact, a CSIS report this very July on stabilization and reconstruction, noted that “almost all experts cite the need for improved interagency coordination.” So I think I am at the right place to talk about the significant progress that we are making.

Under this administration, there has been a *sea-change* in State-Defense cooperation. In previous Administrations – both Republican and Democratic – relations between the two departments were often characterized by suspicion and distrust. Under the leadership of Secretary Clinton, as well as former Secretary Gates and Secretary Panetta, relations between State and DoD are the best they have ever been. The cooperation between the State Department and the Pentagon is truly unprecedented and I think this will be remembered as one of Secretary Clinton’s lasting legacies.

As Assistant Secretary of State for Political-Military Affairs, I oversee the bureau that serves as the principal link between the State Department

and the Department of Defense. And under the Secretary's direction we have been working to make tangible advances to interagency collaboration. Today I want to talk to you about some of the significant steps we are taking in the Political-Military Affairs Bureau to strengthen the interagency relationship. We are not simply finding new ways to cooperate. We are also institutionalizing this cooperation to make it lasting and durable.

**But before I go into the specific steps, let me first talk briefly about why interagency coordination is so important.**

The challenge of coordinating diplomacy and defense is not unique to the U.S. In fact, when I lead joint Political-Military Dialogues with foreign partners, I often see other countries struggling with this first hand. Frequently, I'll hear from someone on the other side about how useful these talks were in forcing their Foreign and Defense ministries to actually communicate with each other. So the problem of coordinating between agencies is not a unique challenge just to our government.

However, in many ways the coordination challenges are unique and more necessary for the United States. We not only conduct a truly global foreign policy, but we also have a truly global military posture. In fact, the very impetus for creating the Political-Military Affairs Bureau at the State Department came as early as the 1960s.

As the U.S. was expanding its global presence during the Cold War, the State Department felt that it not only needed a bureau to focus on security from a global perspective, but it also needed one that would serve as a dedicated link to DoD.

The need for State and DoD to coordinate has become even more essential today. In a world that is increasingly interconnected, with global supply chains, highly developed global financial systems, and unprecedented global travel and connectivity, the potential impact of both state-based and transnational threats has become magnified. As Secretary Clinton observed: “the geometry of global power is becoming more distributed and diffuse even as the challenges we face become

more complex and cross-cutting.” The complex and cross-cutting nature of today’s challenges was all too evident in Iraq and Afghanistan, and is a feature of transnational challenges, such as piracy off the Horn of Africa.

The need for a more multifaceted and integrated approach to address these challenges is clearly understood by Secretary Clinton. At her confirmation hearing, she outlined the need for what she called “smart power” – noting that we must use “the full range of tools at our disposal – diplomatic, economic, military, political, legal, and cultural – picking the right tool, or combination of tools, for each situation.” She also noted that “with smart power, diplomacy will be the vanguard of foreign policy.”

Secretary Clinton also understands that improving the State-Defense relationship is fundamental to advancing this approach. This view was deeply shared by Secretary Gates, who had long sought to improve relations and was a strong advocate for the State Department on Capitol

Hill. Both understood that improving relations started at the top. At a joint appearance in 2009, Secretary Gates noted that through most of his career the Secretaries of State and Defense often “weren't speaking to one another... It could get pretty ugly,” he remarked. When those at the top are engaged in internecine bureaucratic fighting, it can filter down the bureaucratic chain, choking-off cooperation. But, as Gates said, the reverse is also true: “if the bureaucracies realize that the principals get along and work together...it radiates downward.” The close coordination among principals can create a broader culture of collaboration between respective agencies, where energy once spent fighting turf battles can instead be devoted to getting things done. This strong relationship between Secretaries has continued under Secretary Panetta, who in one of his first public appearances as Secretary of Defense argued that the State Department’s budget “is absolutely essential to our national security.” As you may have noticed, you don’t see many stories in the press of policy disagreements in this Administration descending into bureaucratic backstabbing – and that’s for a reason. The working relationships are better than ever.

This is important because the partnership with the Department of Defense spans the entirety of regional and functional diplomacy at the Department of State. Counterterrorism, counternarcotics, counter proliferation, energy security, and counter trafficking are just some of the areas in which we work together. Interaction occurs daily and crosses the full spectrum of activities. In the broad area of foreign policy in the security sector, it is impossible to find an instance where State-DoD dialogue is not occurring.

But while the improved relations at the top have been widely noticed, what is less recognized is that Secretaries Clinton, Gates, and Panetta have also pushed us to make tangible advancements to find ways to improve, expand, and institutionalize collaboration.

**So now let me turn to some of the tangible steps we are taking to improve interagency cooperation.**

**One of the principal ways we are improving collaboration is through personnel exchanges.** Foreign policy and diplomacy is about building and tending to relationships. This is what the State Department does. But for too long, we weren't building this sort of durable relationship with our partners across the river. Contact and communication were stove-piped. Counter-parts working on the same issues often didn't know each other. One way we have worked to change that is through increased personnel exchanges and interaction.

This past January, State and DoD signed a new Memorandum of Understanding, which effectively doubles the number of personnel exchanged between our Departments. This was no easy task. The coordination process took two years of continuous back and forth. Once the agreement was finally signed, a General who was working with me and my team noted that something this bureaucratically difficult and complicated to complete was going to last a long time. And that of course is the point.

Under the prior personnel exchange agreement, the State Department was actually sending more people to DoD than DoD was sending to State, despite the dramatic size differences between agencies. Under the new arrangement, approximately 100 DoD personnel will be detailed to State, while approximately 95 State Department Foreign Policy Advisors will be assigned to DoD. In addition, 30 State personnel will also serve as faculty advisors at the war colleges.

Among the key positions newly created by this expanded agreement is the first-ever Foreign Policy Advisor to the Chairman of the Joint Chiefs of Staff. Also under the agreement, a 2-star flag officer is to serve as a Deputy Assistant Secretary in the Political-Military Affairs Bureau. Prior to this Administration, State hadn't had a flag officer serving as a Deputy Assistant Secretary since George Schultz was Secretary of State.

The State Department will also benefit greatly from the expanded number of military officers that will serve in Foggy Bottom. A number

of them are currently working in my Bureau and throughout the State Department – and they provide us with critical insight and expertise into the methods and practices of the military.

The agreement also importantly institutionalizes the growth of the Foreign Policy Advisor program. Foreign Policy Advisors, also known by the acronym POLADs, are Foreign Service Officers that are assigned to serve with military commands. Their job is to serve as foreign policy advisors and to act as a link between military commands and the State Department. They play a critical role in making sure that the U.S. Government speaks with one voice, as they help ensure that DoD policies and military activities are in sync with U.S. foreign policy.

The growth of the program over the past several years has been remarkable. In the last four years, the number of POLAD positions has approximately doubled. It was just a few short years ago that POLADS were found only with the four-star service chiefs and with the combatant commanders. Now POLADs are posted to every Service headquarters,

to every Unified Combatant Command, and to the majority of the component and subordinate commands. Recently U.S. Africa Command voluntarily funded four additional State Foreign Service Officers to serve in directorates dealing with regional affairs, counterterrorism, and public diplomacy. The POLAD presence with other commands, such as U.S. Special Operations Command, has also expanded.

This is testament to their increasing utility to our military leaders.

Military commanders now rely on the input of POLADs on a whole host of issues. For example, when the Haiti earthquake struck, U.S.

Transportation Command or TRANSCOM dispatched its POLAD to help coordinate humanitarian relief on the ground. He spent eight weeks eating MREs and living in a tent next to a runway, right along with his DoD counterparts. He helped ensure that USAID and others bringing in supplies got where they needed to go and were synched with the TRANSCOM team that was keeping Haiti's damaged main port open.

Many of the POLADs assigned to Commands are very senior Foreign Service Officers, including former Ambassadors. But one challenge we faced as the program grew was that we needed to attract more junior and mid-level Foreign Service Officers to a job that had not necessarily been seen as career enhancing. This is where Secretary Clinton's emphasis on collaboration with DoD and her support for the program – describing it as “more essential than ever” – has helped increase its profile and attract talented officers. This is critical, not just because we were trying to fill positions, but because junior and mid-level Foreign Service Officers have decades of service ahead of them. And the knowledge, connections, friendships, and political-military skills they will develop during their tours as POLADs will help strengthen the linkages between State and the Pentagon – not just for the next few years – but for decades to come.

During the past decade many State Department officers gained experience working with the military in Iraq and Afghanistan. But with the withdrawal from Iraq and the drawdown in Afghanistan, there are

now fewer opportunities for State Department officers to gain experience working with the military. The POLAD program is therefore essential to maintaining and developing a cadre of pol-mil savvy Foreign Service Officers, which over the coming years and decades will foster even deeper integration with the Defense Department.

Additionally, through the State-Defense Integration Initiative, the State Department has dramatically expanded the number of events, seminars, conferences, and briefings it holds for military personnel. Thousands of DoD personnel – from three or four star flag officers to enlisted personnel – are now coming to the State Department to learn more about how it works and to hear from State Department experts. In 2012, we'll host 80 seminars and conferences for different DoD organizations at the State Department. And we are looking for new ways to engage. For instance, we recently arranged for a State Department desk officer to brief deploying Marines by video teleconference before they departed. In the past, these sorts of events were ad hoc. Today we are working to both dramatically expand the number of events and make them routine.

**A second area where we are increasing cooperation is in planning.**

State input into DoD planning has increased substantially. Through new and existing initiatives, such as the 3D Planning Group, interagency planning events, and military advisors assigned to the State Department, collaboration between State and DoD continues to expand and mature.

One important recurring forum for State input into DoD planning is what we call the Promote Cooperation series of interagency planning events.

These events allow State – as well as other Departments and Agencies – a chance to review and provide input to DoD plans. State has also increased its involvement in DoD’s strategic planning guidance and the Quadrennial Defense Review. The Political-Military Affairs Bureau, or as we call it in the State Department – PM, leads State’s efforts to shape U.S. global defense posture. After current operations, defense posture is the most politically sensitive issue for U.S. foreign policy, since any adjustment sends a signal – intended or not – to our allies, partners, and potential adversaries alike. State’s involvement in this area is critical.

As U.S. global defense posture continues to evolve, PM plays a vital role in linking offices within the State Department with planning efforts at DoD. This includes providing State input into overseas force structure changes, posture master plans, theater posture plans and, as appropriate, the discussion of defense posture matters with our partners as part of bilateral political-military dialogues. We also coordinate State's participation in DoD exercises. These are often the single greatest demonstration of our commitment to the security of our allies and partners and can be very diplomatically sensitive. The State Department therefore reviews each and every significant military exercise to ensure they advance U.S. foreign policy.

For example, U.S. Pacific Command has hundreds of thousands of troops in the Asia-Pacific region. At any one time, there are some 40,000 service members sailing around the Pacific and Indian Oceans aboard U.S. Navy ships. It is vitally important that the employment of these forces – whether pertaining to the exercises in which they participate, the ports of call they visit, or the security cooperation

engagements they facilitate – be closely planned and coordinated with State on a consistent basis.

This engagement is also a two-way street. From Secretary Clinton’s experience serving on the Armed Services Committee in the Senate, she saw the effectiveness of DoD planning efforts. And when she became Secretary of State she sought to apply some of those practices to the State Department. The Quadrennial Diplomacy and Development Review or QDDR was modeled after the Quadrennial Defense Review or QDR, and it laid out the need for reforms to State’s strategic planning processes. We are in the process of implementing those reforms to our planning system, which will provide greater opportunities for State and DoD, as well as other U.S. Government agencies represented on embassy country teams, to improve cooperation.

**Third, we are working with DoD to improve our ability to partner with other countries in the security sector.** Building the security capabilities of our partners is a critical national security priority.

And we are working closely with DoD, as well as the Departments of Commerce and Homeland Security, to update and modernize our export control system to better protect our sensitive technologies, as well as to improve our ability to partner. We are also well synched with DoD as we strengthen our security partnerships in Asia, particularly by expanding defense trade with longstanding allies and new emerging powers in the region. In Iraq, we completed the largest military-to-civilian transition since the Marshall Plan.

The State Department also negotiates all security agreements, including Status of Forces Agreements, Defense Cooperation Agreements, access and transit agreements, and cost-sharing agreements. These help ensure freedom of movement of U.S. forces and are a key part of U.S. global defense posture. We have made significant progress in developing the Northern Distribution Network, which has proved critical to support U.S. forces in Afghanistan.

Critical to expanding and strengthening our partnerships is U.S. security assistance. Security assistance includes a broad array of tools - from direct military grant assistance, to licensing the sale or transfer of military items and equipment, to peacekeeping training programs, and support for demining efforts. The State Department has the lead in directing and managing security assistance because these programs have broad foreign policy implications. That's why the Arms Export Control Act and the Foreign Assistance Act require that the Secretary of State oversee and authorize all arms transfers.

However, over the last decade the sometimes urgent need to provide security assistance to our partners led to the creation of new authorities and funds often under DoD control. Concerns arose that State authority was eroding, and a confusing array of authorities and programs was being created. In response, we have been working with DoD to improve coordination, as well as to improve U.S. government ability to provide security assistance to partners.

A clear example of this is the creation of the Global Security Contingency Fund or GSCF. This fund serves as a new business model, emphasizing collaboration and the interrelated nature of defense, diplomacy, and development. It is innovative in a few ways:

**One particular way is how GSCF is funded.** What makes GSCF unprecedented is its requirement to pool resources. Last year, Congress authorized GSCF's formation, enabling State and DoD to pool up to \$250 million in resources. Given the resource disparity between the agencies, DoD can allocate up to \$200 million, while State at least \$50 million. Rather than two departments fighting over resources, this fund makes us work and contribute together.

**Another innovative aspect of GSCF is its joint structure.** Housed at the Department of State, the Fund will be staffed by personnel from State and DoD, and can pull in people from other relevant agencies as well. The director of the fund is from the State Department and the Deputy is from DoD. Additionally, the fund requires that both the

Secretaries of State and Defense approve the countries eligible for funding through GSCF. We believe the joint structure will encourage joint planning and ensure we are working on the same page.

**GSCF is also innovative in its ability to respond to unanticipated events.** GSCF is designed to provide security sector assistance to partner countries in response to urgent and emergent challenges and opportunities. Currently, many existing programs are planned and budgeted years in advance and are not always able to respond quickly to emerging events or to help countries address urgent needs. GSCF provides us with the agility and resources needed to respond rapidly to crises. When a crisis erupts or an opportunity presents itself, we will no longer be starting from scratch, arguing in the interagency over who has what authority and who has what capability. We will simply be able to get started.

We are now working to stand up the fund and to identify the first recipient countries. Importantly, this fund will preserve the Secretary of

State's leadership and authority over security assistance, while at the same time leveraging the resources and planning capability of the Defense Department.

**A fourth and final area where we are working closely with DoD and other interagency partners to improve coordination is in addressing transnational global security challenges.** Let me provide you with a few examples that are emblematic of the types of interagency approaches necessary to effectively address transnational security threats.

When the conflict in Libya unfolded, we worked together closely with DoD and our interagency colleagues to combat weapons proliferation. Through the Interagency MANPADS task force – which focuses on combating the proliferation of shoulder-fired anti-aircraft missiles – the State Department led the effort to combat MANPADS proliferation in Libya. Sometimes the State Department is accused of not being deployable when a crisis strikes. Well, in the case of Libya, we had a

State Department MANPADS expert on the ground in Benghazi as fighting was still going on. We also deployed our Quick Reaction Force, which is made up of teams of experts, to assist the Transitional National Council in securing and destroying these weapons. As the violence grows in Syria, the MANPADS task force is building off its experience in Libya to plan and prepare for possible contingencies in Syria.

We are working together to combat piracy off the coast of Somalia.

While piracy on the high seas is not new, its modern day form is a prime example of a security challenge that cannot simply be solved through military means. When this Administration came to office piracy was spiraling out of control. In response, we drew on all components of national power. We ramped up our naval response, helped build an international coalition with more than 70 nations, pushed industry to do more to protect itself at sea, and we pursued pirate networks by targeting financiers. This means Justice, FBI, Treasury, State, USAID, Defense, and the private sector are all involved. This is smart power in action.

And these efforts are paying off. Successful pirate attacks are down dramatically. 2011 had 50 percent fewer successful attacks than in 2010. And there has been a 70 percent decline in hostages held since January 2011.

The United States has become a leader in training and supporting international peacekeepers – which is critical to advancing stability and denying space for terrorists, pirates, traffickers, and other transnational actors to operate. The principal U.S. mechanism for assisting peacekeeping operations is a security assistance program called the Global Peace Operations Initiative, or GPOI, which helps train prospective UN or international peacekeepers. This program has contributed to the training of more than 206,000 peacekeepers since 2005 – of which roughly 80 percent have deployed to serve in peacekeeping operations, while others are serving as trainers or administrators overseeing their country’s peacekeeping deployments. GPOI is also a prime example of an effective and productive partnership between the Departments of State and Defense. Currently, DoD

implements approximately half of the GPOI program's efforts to build peacekeeping capacity in partner countries through the regional Combatant Commands. The State Department implements the other half, primarily through the Africa Contingency Operations Training and Assistance or ACOTA program. This effort is helping the world meet the growing demand for international peacekeepers.

## **CONCLUSION - BUDGET**

Before I close – it is important to note that while we are making progress, many challenges remain. I'm sure many here in the audience could point out areas where coordination could be improved and where collaboration is lacking. We will never have perfect coordination.

There is always more that can be done.

Going forward, we will need to lock in the progress we have made and constantly work to develop and institutionalize our cooperation. While the State Department's involvement in planning has significantly

expanded, there is still room to grow and regularize our involvement. In the years ahead, we will also need to work to preserve and maintain State Department authority over security assistance, which is a critical *foreign policy* tool.

Additionally, responding to new transnational challenges will require us to work closer than ever before. We are seeing this in the multi-agency response to Somali piracy and through the Merida Initiative to support Mexico's efforts to combat narco-trafficking. Our responses to new transnational threats will need to become less ad hoc and more regularized, as these are all security threats that lack pure military solutions.

One of the biggest challenges for State-DoD collaboration is the sheer difference in size and resources between our two respective departments. It can be as obvious as when we host a simple meeting and find ourselves vastly outnumbered by our DoD colleagues. This asymmetry in the relationship can even become counterproductive when

our respective activities in the field fall out of proportion – which is part of the reason that the QDDR stressed the importance of Chief of Mission authority. Our ambassadors in the field – the Chiefs of the U.S. mission – are responsible for overseeing U.S. activities and personnel in a given country and ensuring that all of the elements of national power are working in synch. After all, we’re all on the same team, working hard to advance our economic prosperity and our national security.

Unfortunately, there remains a lingering misperception out there that funding for the State Department isn’t as essential to strengthening our country’s national security. Of course, our defense colleagues know better, just ask Secretary Panetta or General Dempsey. They understand that investments in development and diplomacy today will make it less likely that we ask our troops to deploy tomorrow. It’s important that elected officials, too, understand that the State Department and USAID – with just one percent of the federal budget – make an outsized contribution to keeping America safe. And it’s important that we fund them accordingly – it will save us both blood and treasure.

In this era of complex and integrated challenges, it is more important than ever that we continue to improve State-DoD relations. I believe that the tangible progress we have made under Secretaries Clinton, Gates, and Panetta, is durable and will have a lasting impact. But ultimately strengthening the State-Defense relationship is just like strengthening any relationship – it requires constant tending and constant effort.

Thank you very much. And I look forward to the discussion.