

**Remarks by Secretary of Defense Leon E. Panetta
U.S. Army Garrison Vicenza, Italy, January 17, 2013**

SECRETARY OF DEFENSE LEON E. PANETTA: Thank you, guys -- at ease. Great.

It's a great honor to have a chance to come here to Vicenza. Especially as the son of Italian immigrants, it's particularly nice to be in Italy and have a chance to -- we visited Rome, and now we're here in Vicenza.

But I wanted to come here to pay tribute to this great brigade. You guys have carried the burden of war for the last 10 years and paid a high price. I think some 84 of the members of this brigade have been killed in battle. You've got one Medal of Honor winner, who received tremendous honors for bravery in battle. So you've paid a high price, but you've served well, and you serve with distinction. And I want to thank you for your service.

The proudest thing -- the proudest thing that I do as secretary of defense is have the honor and the pride to serve and to lead the men and women in uniform who put their lives on the line every day for our country. A generation of young people since 9/11 who have come forward and been willing to serve this country and willing to fight and, yes, to die has been a great tribute to the dedication of young people to what our democracy is all about.

Our democracy doesn't survive unless there are men and women who are dedicated to keeping our country free and to protecting it. Our fundamental mission -- fundamental mission of the secretary of defense is to keep our country safe. I can't do that job -- nobody can do that job -- without men and women who are willing to dedicate themselves to service, who are willing to dedicate their lives to helping secure the United States of America. And that's what you do.

And that's why I'm here, is to thank you for that service on behalf of the country, on behalf of all of those in the United States who are able to be safe in their homes and safe at home because there are those who are willing to go off to far places and fight an enemy that has made clear that they will not hesitate to attack our country and to attack innocent men and women and children.

So that's -- that's been the challenge of the United States. It's a challenge we've taken on, and it's a challenge that, because of your sacrifice and your service, a mission that we have been able to fulfill.

We're at -- we're at a historic time. We're at a turning point in this country after 10 years of war. After 10 years of war, we have fought hard, military, intelligence operations, have gone after al-Qaeda. And because of those operations, we've been able to decimate the leadership of al-Qaeda. And I've been very proud to have been a part of operations, both on the intelligence side and the military side, that have targeted those who attacked our country and whose intent is to continue to attack our country. We've gone after their leadership. We've decimated it. We've made it very difficult for them to develop the kind of command and control that is essential to putting together a 9/11-type attack. Our country's safer by virtue of what we've done.

We've ended the war in Iraq. This is a brigade that served in Iraq. And because of your service, we were able to bring that war to a conclusion. And now we're in the process of bringing the war in Afghanistan to a conclusion, as well. We just completed meetings in Washington with President Karzai in which we've made clear we're going to continue to implement the plan that General Allen put in place that will ensure that we make the transition to Afghan control and security. We've transitioned almost 75 percent of the Afghan population now, and our hope is next year to do 100 percent of the population, transferring to Afghanistan security and control.

And the reason we're able to do it is because of you, because of the sacrifices that have been made by our men and women in uniform, by this brigade, and by so many others, in ISAF and, indeed, the Afghans themselves have paid a hell of a price.

But the end result is that we are making good progress. We are on the right track. We have weakened the Taliban. They haven't been able to come back and regain any of the territory that they've lost. We've been able to transition, as I said, almost 75 percent of the population to Afghan control and security, and the Afghan army is becoming a hell of a lot better at being able to take on the battle.

A few months ago, when I was in Afghanistan, I had the chance to meet with all of our key generals in Afghanistan. And every one of them -- every one of them said that the Afghan army is becoming much better operationally at being able to provide security. And that's a key. That's a key to our ability to fulfill the mission that we're embarked on.

It's still going to be a battle. The Taliban is still resilient. We're still going to have to confront IEDs. We're still going to have to confront their attacks. We still have to worry about those that come across from Pakistan, from the safe haven in Pakistan, to attack our troops in Afghanistan. But having said all of that, we are on the right track and have to stick to it. And if we do, by the end of 2014, we will have drawn down and we'll maintain an enduring presence in Afghanistan to ensure that we have fulfilled that mission.

All of this has happened because of you, because of the sacrifice of men and women in uniform. And I think all of you can take great pride in the fact that since 9/11 we have taken the battle to the enemy and we have taken on the mission of making sure that that never happens again. The message is that nobody attacks the United States of America and gets away with it.

We're now at a time when, after 10 years of war, we also face the challenge of budget constrictions and budget constraints. It's happening here in Europe, and it's happening in the United States. We're running these huge deficits, record deficits, huge debt, and it's important that the United States begin to exercise some fiscal responsibility.

And the Defense Department has to play its role, as well. We've been handed a number by the Congress in the Budget Control Act to reduce the defense budget by \$487 billion over the next 10 years, almost a half a trillion dollars. That's the largest defense cut certainly in the time that I've ever been in the Congress, and I've dealt with budgets, you know, for the last 30 or 40 years. But this is a big cut.

And what we decided to do was not to just cut across the board, not to hollow out the force. That's a mistake that's been made in the past. Coming out of the wars in the past, what happened was that cuts were just made right across the board, and we hollowed out the force. We can never -- we should never do that again.

So what we did was we worked together to develop, what is the defense strategy we need, not just now, but in the future? And I had a chance to work with the chairman of the Joint Chiefs, with all of the service chiefs, worked with the civilian leadership at the Pentagon. And we said, okay, what are the key elements of the strategy that we need for the United States for the future?

And it's basically five elements that I'll share with you. Number one, we know we're going to be smaller, we know we're going to be leaner as a result of coming out of these wars, but we have to be agile, we have to be flexible, we have to be deployable, quickly, and we have to be on the cutting edge of technology.

In many ways, that's what you guys are about. It's the ability to move fast, the ability to deploy quickly, the ability to engage an enemy on a fast basis. That's what we have to do. That's the future. It's the present, and it's also the future.

Secondly, we have to have force projection in those areas where we face the biggest threats. So we need to have force projection in the Asia Pacific region. We're facing threats there from North Korea, facing other challenges. It's an area that is going to be vital to the rest of the world economically. And so for all those reasons, we need to have force projection in the Asia Pacific region, and we need to have force projection in the Middle East, confronting the challenges there, from Iran and the kind of Middle East turmoil that we see.

Thirdly, we've got to have a presence elsewhere in the world. The United States is a world power. We have to engage with the rest of the world. So we need to have a presence in Europe, we need to have a presence in Latin America, we need to have a presence in Africa. And the key to that is going to be in strengthening the alliances and partnerships that we have. NATO is a model for that kind of partnership and alliance. It goes back to World War II, just after World War II. It is the strongest alliance we have. And it has been incredible in coming together and working with us in Libya, in Afghanistan, and elsewhere.

That's a model for the kind of partnerships and alliances we have to develop elsewhere. What we'll do is we'll do rotational deployments. Units like this will go into an area, exercise, train, assist countries to develop their capabilities so that they can help provide for their own security. That's the future; that's what we have to do, is to develop their capabilities so that they participate in being able to provide security.

Fourthly, we've got to be able to defeat more than one enemy at a time. If I face a war in Korea and, at the same time, have to deal with somebody that closes the Straits of Hormuz, I've got to -- we've got to be able to fight in both places, and we have that capability, and we have to maintain that.

And, lastly, we've got to invest in the future. It can't just be about cutting. We have to invest in the kinds of things we're going to need for the future. We're going to need unmanned systems. We're going to need space. We're going to need cyber investments. We're going to need special forces investments. We're going to need to invest in the ability to mobilize quickly, to maintain a strong reserve, to maintain a strong National Guard, to maintain an industrial base in the United States of America so that if we ever go to war again, we will not have to worry about contracting out our defense to other countries. We need to maintain an industrial base in our own country.

So those are all key elements of a new defense strategy that we have. And we've built our budget based on that strategy. And we feel confident that the United States can remain the strongest power in the world if we implement that strategy.

Frankly, the greatest threat I face right now -- and the military officers that I serve with agree -- greatest threat we face right now is continuing uncertainty in Washington as just -- to just exactly what will happen on the budget. We've got a perfect storm coming up in these next few months. There's the challenge of increasing the debt ceiling in order to make sure that we pay our bills. Congress has yet to do that. We have this whole crazy mechanism called sequester, which has been delayed and now is supposed to take effect on March 1st. Well, that means \$1 trillion will be cut across the board, \$500 billion out of defense, across the board, in a meat axe approach that will hollow out our force if it happens.

And then I've still got to worry about appropriations. We don't have FY13 appropriations enacted by the Congress. I'm working on a continuing resolution. So we don't know, frankly, what we're going to have for FY13 because the Congress hasn't made those decisions.

So uncertainty is one of the great threats to national security, fiscal uncertainty. And my hope is that Congress will ultimately come together and make the right decisions for the sake of national defense, for the sake of our country, for your sake, make the right decisions that have to be made in order to govern the country. That's the responsibility we expect of people when we elect them, is to govern the country. And so that'll be the challenge, that'll be the fight, you know, that we'll have to make here in these next few weeks.

But understand that, when all is said and done, the fundamental strength of our -- of our defense rests in the men and women in uniform that serve it. We've got great technology. We've got great planes. We've got great ships. I've got great tanks. I've got great technology. But it isn't worth a damn without men and women in uniform that are willing to serve this country.

So, again, I want to extend to you my deepest thanks for your service. You know, I've spent a good part of my life in public service. And the time has come for me to be able to go home. And you'll all have that opportunity, as well, at some point.

And I hope that when all of you go home, that you'll have the same deep sense of pride that I have in the service that we've provided this country. We don't make a hell of a lot of money in these jobs, but if we can have a sense that we have maintained our integrity and that we have given something back to this country that has given us so much, that's the best pay we could ever have.

My parents used to -- I used to ask my parents, why would you come all that way from Italy to come to this country, like millions of other immigrants? And my parents said that the reason was because they really felt they could give their children a better life.

And that's the American dream. That's what my wife and I want for our three sons. That's what they want for our grandchildren. And that's what you want for your children -- give them a better life than you have.

I think because of you, we can look at our children and say, we've given them a safer life. And hopefully, they will make the same commitment to their children in the future.

So, again, thank you. God bless you. And God bless the United States of America. Thank you. (Applause.)

Okay, guys, you've got a chance to ask questions for the secretary of defense, so if there's anything you want to ask, go ahead and shoot away.

Yeah, right here.

Q: Mr. Secretary, Sgt. Jackson, HHC. Mr. Secretary, Sgt. Jackson, HHC, 2nd of the 503rd Infantry. You were talking about appropriation of funding. How is that going to affect the civilians that work alongside us on these posts in Europe in the next 10 years, sir?

SEC. PANETTA: Same problem. If -- you know, if they don't pass a new appropriations for us for FY13, and we're going to operate on a -- in other words, a flat budget for the rest of '13, it's going to create problems for us, and I'll tell you why, because we are now basically spending money pursuant to the budget that we thought we had for FY13. And so our burn rate -- so-called burn rate for putting money into, you know, what we need to do is running at, you know, the level that we thought we were going to get for FY13.

Now, if we suddenly find that we're not going to get that level in the last six months of this fiscal year, after all, almost a half of that fiscal year is already gone. Fiscal years at the federal level start on October 1 and run -- you know, run through the last part of September.

So here we are. We're almost a half -- you know, a half a year into the next fiscal year, and we're running at the level we thought we were going to get for F.Y. '14. Now if suddenly they cut us, and then if this damn sequester goes into effect, we're facing huge cuts, largely that would have to come out of readiness and maintenance. And if it happens, one of the things I've got to do is send a notice out to civilian employees that we may have to furlough them in order to be able to secure the savings we need to meet what -- you know, what Congress has done to us.

So it's going to affect -- it's going to affect readiness. It's going to affect your training. You know, for those -- obviously, we've got to maintain the war effort. We've got to be able to protect the warfighter. We've got to be able to make sure that those who are deployed to Afghanistan are trained, but everybody else, you know, training is going to be cut. Readiness is

going to be cut. You know, ships that should go into maintenance won't go into maintenance. That's the challenge we're going to be facing if this uncertainty doesn't get resolved by the Congress.

So for all of those reasons -- and I've made it clear, Marty Dempsey, my -- you know, the chairman of the Joint Chiefs, and I had a press conference that laid all of this out, laid it all out for the Congress, laid it all out for the country. This has got to be dealt with.

And as a matter of fact, the chiefs just sent a letter to the Congress saying we've -- they are dealing with tremendous uncertainty, we have got to deal with this. So it's going to impact on -- on all of you. It's going to impact on readiness. And it's going to impact on our civilian workforce as well.

Okay, other questions? Back of the room.

Q: Mr. Secretary, Staff Sergeant Mike Caffer. I'm the brigade engineer, so similar question. With the budget cuts, a lot of the government service and non-appropriated fund positions are being dissolved. So our military dependents that are in these positions, is there any plan in place to help them get laterally transferred or some sort of hiring preference?

SEC. PANETTA: You know, we -- we want to make sure that -- that as we go through this transition -- I mean, you know, it -- look, if we can have a rational budget, if we can do what we've -- I mean, if we can follow the -- you know, the defense strategy we've put in place and, you know, implement -- the cuts we've been handed, if we can do that over 10 years, we can do it in a transition basis that allows us to do it and be able to protect, you know, not only you, but your families and those that -- that serve in the United States military. That -- you know, we're able to do this right.

And as long as we're on that track, I think we can -- you know, we'll be able to do what we can to try to assist those that might be impacted by some of the cuts we've made, because, you know, we'll still -- we'll still be able to -- to target investments, we'll still be able to do the things that we -- we need to get done.

But if I face another half-a-trillion in cuts, you know, all bets are off. I don't know what the hell to tell you at that point. We're all going to pay a hell of a price. I hope it doesn't come to that. I mean, look, the United States of America is the strongest military power in the world. We've got the strongest democracy in the world. But the strength of our democracy is the ability to govern our democracy. If we can't govern our democracy, you know, it's the -- it's the surest way to undermine the strength of everything that we hold dear.

So, you know, this is -- it's not like it's an unsolvable problem. This is not an unsolvable problem. We can do this. People have just got to suck it up and take some of the -- you know, take on some of the risks and take on some of the challenges that are required by people in leadership.

Listen, you guys go out and you put your lives on the line. You take the worst risks of all, which is that somebody may shoot you and you may die. It's a hell of a risk. You know, all we're asking of our elected leaders is to take a small part of the risk that maybe, you know, they'll piss off some constituents. But the fact is that we'll be doing what is right for the country.

So that's what I keep telling them. I said, if I've got men and women in uniform that put their lives on the line in order to fight for this country, you can -- you can have a small bit of the courage they have to do what you have to do.

Other questions? Yeah.

Q: Mr. Secretary (off mic) 503rd. I was wondering if, in the near future, what we're going to see from the Obama administration as far as stopping attacks on our children in schools that don't have to do with tearing apart our Second Amendment.

SEC. PANETTA: I think -- you know, you heard the president yesterday on gun control. And, you know, they've laid out a series of things that, you know, they're going to propose to the Congress and that he will do by executive order to try to tighten up on the situation.

And, you know, I -- I think -- I've been through the Congress. Actually, I was chief of staff in Bill Clinton's administration when we had to implement, you know, some gun control measures at that time, largely dealing with assault weapons. We banned the sale of assault weapons at that time. And then, unfortunately, that ban went out of effect.

I think there are -- you know, there are areas like armor-piercing bullets -- I mean, who the hell needs armor-piercing bullets except you guys in battle? I mean, you know -- look, I'm a hunter. I go out. You know, I've done duck hunting since I was 10 years old. And I love to hunt. And I love to be able to -- you know, to share that joy with my kids.

But I don't -- I mean, for the life of me, I don't know why the hell people have to have an assault weapon. And I don't -- you know, look, I believe in the Second Amendment. I believe people ought to have the right to own weapons. But, you know, when these kids are getting killed in schools -- and I know it's tragic. I know what an impact it must have on those families -- we just have to try to do what we can to make sure that we take some steps here to try to protect those kids.

And I -- you know, I think this can be done -- I think steps can be taken that will not -- that will not undermine the Second Amendment and, at the same time, try to protect some of our schools so that the nuts that are out there won't use these kinds of weapons to -- you know, to wipe them out.

It's going to be a tough debate. This is not going to be easy. I've been in the Congress. I know how politically sensitive these issues are. But I do hope that steps are taken to try to do something to make sure that -- and, look, that's all we can do. All we can do is to try to take some steps to try to protect these kids in the future.

It doesn't mean -- it doesn't mean that there aren't nuts out there. It doesn't mean that there are people that might use other ways to do it. But we have to take some steps to try to make sure that it's a safer environment.

Yeah?

Q: Mr. Secretary, it's -- (inaudible) -- what would you say your greatest achievements, your greatest regret, and one thing -- the one thing that you want us to take away from the military?

SEC. PANETTA: You know, I have -- I've really -- the reason I enjoy public service -- I mean, the greatest satisfaction of public service is the ability to help others. I mean, I -- I think that has always been the greatest satisfaction when you're elected to public office.

When I was -- when I was in Congress, the ability to do things in Congress that could serve my constituents, that could help them in some way and help them get a better life, that could help others get a better life, that was the greatest satisfaction I had. And it was true when I was OMB director. It was true when I was chief of staff to Bill Clinton, working on budget issues. It was true as director of the CIA, you know, the opportunity to have been a part of the bin Laden operation, working with a lot of others, was about, you know, something I'll never forget, in terms of -- of being a part of something that really, I think in the end, helped all Americans and the whole world to be safer.

Are you okay, dear?

And, you know, as secretary of defense, you know, because of you, because of all that you've done, I really do feel that we have kept the world safer. And we -- we have. And that -- that, in the end, is the greatest satisfaction. If I can stare my fellow citizens in the face and say, as secretary of defense, you know, I was able to keep you safer and to keep your families safe, that's the greatest satisfaction of all. And I'm able to do that because of you, because of the men and women in uniform that have served this country.

These are all tough jobs. These are tough jobs, not easy to run a place as big as the Pentagon. It's 3 million people and a big budget. But the reason I'm able to do it is because I have dedicated men and women, and when you tell them to take the hill, they take the hill. And that's what counts.

So, I mean, I -- I am very proud of having had the opportunity to be able to work with all of you, to be a part of your family, be a part of our family that recognizes that freedom is not free. You've got to fight for it.

Next question? Let me go to this side. Yes, sir?

Q: Mr. Secretary, Specialist Whit, Able Company, 2nd, 503rd. Throughout history, we've seen that the 173rd Airborne Brigade Combat Team has been just that, a combat brigade that's activated in time of war and then shuts down after the combat stops. As Operation Enduring

Freedom comes to a close, are we going to see history repeat itself? Or are we going to see a couple more operations out of the 173rd?

SEC. PANETTA: You know, look, chances are we're going -- we're going to need to put you to work -- put you to work in a lot of places. I mean, this is not -- you know, I talk about after 10 years of war. When we came out of World War II, when we came out of Korea, when we came out of Vietnam, when we came out of the Cold War, I mean, it's to some extent the enemy we were confronting, you know, diminished.

Today, after 10 years of war, we face a hell of a lot of threats out in this world. Number one, we're continuing to fight terrorism. I mean, yes, we've -- you know, we've gone after al-Qaeda. Yes, we've decimated their leadership. But al-Qaeda is still there. They're still a threat. They're a threat in Yemen. They're a threat in Somalia. They're a threat as we speak in Mali. AQIM is part of al-Qaeda. So we still have a challenge to confront terrorism and to make sure that they never again get the opportunity to attack our country.

Two, we're still fighting a war in Afghanistan.

Three, we're confronting threats in North Korea and Iran. These are two countries that are trying to develop a nuclear capability, unpredictable regimes both places. Who the hell knows what they're going to do from day to day? And right now, you know, North Korea just fired a missile. It's an intercontinental ballistic missile, for god sakes. That means they have the capability to strike the United States. So we've got to worry about what North Korea is going to do. We've got to worry about what Iran is going to do. We've got a Middle East in turmoil.

We've got Syria that is in a tragic situation right now in which millions of Syrians are getting killed. We don't know what's going to happen there, when the Assad regime comes down, and it will. So we've got to worry about that.

We've got to worry about other Middle East turmoil. We've got to worry about cyber attacks. I mean, we're living in a world now where we are increasingly vulnerable to cyber attacks. This is a whole new battlefield. You can use cyber to basically take down our power grid system in the United States. You can use cyber to take down our financial systems. You could take down our government systems. You can take down our banking systems. The fact is, we are the target of cyber attacks every day. This is the weapon of the future. And so we're going to have to develop a capability to make sure we know how to respond to that.

So bottom line is, we're facing a hell of a lot of threats. And as long as we're facing those threats, we're going to need units like this to be able to mobilize and respond to the battles that are going to be out there.

GEORGE LITTLE: Mr. Secretary, one more question.

SEC. PANETTA: One more.

Q: Mr. Secretary, (off mic) AJC Brigade. When you spoke of the American dream, do you fear that the American dream is becoming more and more unattainable?

SEC. PANETTA: Is the American dream becoming more and more unattainable? I -- you know, I -- I'm someone that believes deeply in the American dream because I lived it. I had parents from Italy who were immigrants, didn't have -- had no skills, no money, but understood that if they worked hard, they could be able to make use of the great opportunity that America offers people, and they did. And as a result of that, they gave my brother and I a better life. We were the first kids in our family to go to college and then to law school.

And I've seen our kids -- you know, I've got three sons, two lawyers and a doctor. One has served in the military in Afghanistan and others who served in the Peace Corps. I mean, I've seen them be able to, you know, make use of the opportunity that was afforded them.

And I honestly think that the United States can continue to provide that kind of greater opportunity to our children in the future so that every one of them -- every one of them can achieve their dreams. And, you know, that's what it's all about. That's what it's all about. If you have dreams about what you can be and you have a chance to achieve those dreams, then that's what the American dream's all about.

And I think -- I think we can -- we can make that happen. But to make that happen, to make that happen, it doesn't just come about. It happens because there are people who are willing to make sacrifices. Sacrifice sometimes becomes a bad word in politics. I don't know why, because, frankly, that's what makes us great is our willingness to sacrifice, our willingness to put our lives on the line, our willingness to work hard, our willingness to do with less in order to make sure our kids do with more.

It is about sacrifice. And that's true not just for you; it's also true for the people we elect. They've got to be willing to make sacrifices, too. And if people are willing to accept that responsibility, to make a sacrifice, to do something that may be tough, to take a risk, to sometimes take on a challenge that you may not want to do, but if you're willing to do that, if we are willing to do that, then we will give our children that better life. And that's the example we have to set in order to make sure that that happens.

Again, thank you for your service. Thank you for what you've done. You've shown that you have the courage to do what's necessary. And, again, God bless all of you. Take care, guys. (Applause.)

We're going to give coins and take pictures with each of you. The coins aren't worth a hell of a lot, but they might get you a drink someplace, okay? So we'll do coins for everybody.