

67. WALL STREET ANALYSTS, BANKERS & INVESTORS (76x)

Normally, when defense spending drops, so does the stock value of military contractors. But defense stock values have defied financial gravity as firms have continued aggressive efforts to shed personnel and facilities and cut internal costs, including R&D spending to underwrite share buyback programs and generous dividends to retain investor interest. It's worked, but analysts debate how much longer companies can continue the same tactics. Although bankers are laying the groundwork for future deals, until there's greater budgetary certainty, the expected wave of mergers and acquisitions that will accompany US and European spending cuts will remain stalled. Joe Nadol of JPMorgan Chase, Doug Harned of Sanford Bernstein and Ron Epstein of Bank of America are the top sell-side analysts, according to Institutional Investor, and Wall Street veteran Byron Callan at Capital Alpha Partners remains the leading independent financial analyst covering the sector. Bankers to watch in this cycle include the venerable duo of Denis Bovin and **Mike Urfirer** of **Stone Key Partners**, Credit Suisse veteran Craig Oxman, mid-cap expert Anita Antenucci of Houlihan Lokey, Evercore's Les Fabuss and Citigroup's Kevin Cox. Investors who other investors watch include Steve Binder of Adage Capital Management, Steve Roorda of Ameriprise, Jason Toner of Capital Group, Matt Simon of Citadel Investment Group, Douglas Scott of Fidelity, Claude Staehly of Wellington Management and Frank Finelli at The Carlyle Group. James McAleese of McAleese & Associates is a bridge between Washington and Wall Street.

The complete report follows...

SPECIAL REPORT

December 16, 2013

www.defensenews.com



The Defense News 100 Most Influential People in US Defense is back, but it's a bit different from last year.

This year's list focuses more on policy, budget and strategic issues, and less on personnel and veterans issues.

The list also includes a number of foreign leaders, notably the most influential person in US defense: Chinese Premier Xi Jinping. Since foreign leaders — including Xi, Iranian President Hassan Rouhani and others — have such a strong impact on US defense spending, we felt it appropriate to include them on this list.

Another major change is including members of the Joint Chiefs Staff as individuals, as opposed to grouping them into a single entry. Service chiefs distinguish themselves and their services to varying degrees. All of the chiefs made the top third of the list.

There are more than two dozen other newcomers to this year's list. Some are folks who didn't make the cut last year, while others are people who have assumed positions of influence. A year ago, no one knew Edward Snowden, the former National Security Agency contractor who leaked classified descriptions of widespread US government spying. Now he's a household name.

Some of the list's biggest movers between 2012 and 2013 were people who left government or became key players in President Barack Obama's administration.

For example, Defense Secretary Chuck Hagel, who last year was chairman of the Atlantic Council, rose nearly 40 spots to No. 3 on this year's list. Former Secretary of State Hillary Clinton fell 40 spots and former Deputy Defense Secretary Ashton Carter fell nearly 60 spots.

The exceptions to the rule are retired Navy Adm. James Stavridis and former Navy Undersecretary Robert Work, both of whom rose on the list. Stavridis retired this year as NATO's supreme allied commander and is now the dean of the influential Fletcher School of Law and Diplomacy at Tufts University and chairman of the US Naval Institute. Work was named CEO of the prominent Center for a New American Security think tank and is said to be the frontrunner to become deputy defense secretary.

Two high-ranked newcomers include Acting Deputy Defense Secretary Christine Fox and Jamie Morin, who is awaiting confirmation as

director of Cost Assessment and Program Evaluation.

The Tea Party Caucus — which has remained a united force on Capitol Hill — is new to the list, as is another grouping of lobbyists, who must compete even harder to get their interests funded as defense spending falls.

As on last year's list, Obama's national security adviser outranked his defense secretary. Also,

government officials who oversee the shaping of the defense budget and US policy tend to place high.

This year's list also has another first, an "unknown" Air Force bomber czar. DoD won't tell us who he or she is, but there is an Air Force general in charge of a classified acquisition program that is developing a new long-range bomber. It's a multi-billion program at the center of the Pentagon's Asia-Pacific shift, not to mention the future of military aerospace.

Other notable movers on the list include:

■ Frank Kendall, undersecretary of defense for acquisition, technology and logistics, rose 12 spots to No. 18.

■ Bill Swanson, chairman and CEO of Raytheon, rose 18 spots to No. 38.

■ Wes Bush, Northrop Grumman president and CEO and Aerospace Industries Association chairman, rose 27 spots to No. 45.

■ Marion Blakey, Aerospace Industries Association president and CEO, fell 35 spots to No. 98.

So how did we rank them? Defense News editors and reporters spent months compiling the list. The team began with last year's list and decided who should remain. At that point, newcomers were added, giving us about 125 candidates, and the ranking process began.

Candidates were tagged according to their spheres of influence — policy, money, intelligence, Afghanistan, special operations, Congress, homeland security, military service, industry, opinion shaping, cyber, Asia-Pacific, Middle East and veterans issues — and relative values were assigned to each. For those with multiple spheres of influence, their primary spheres were weighted over lesser areas to create a composite score. Bonus points were awarded in some instances for individuals whose access to the president or other key leaders deserved special consideration. □

HOW TO READ THE LIST

Indicates change from last year

Last year's ranking

2. SUSAN RICE (25 ▲)

National security adviser

Areas of influence —

See keys, pages 12-29

(-) indicates no previous ranking.

1. XI JINPING (—)

President, People's Republic of China



No country is shaping Washington defense and economic policies more than China, the United States' leading trading partner and increasingly, a global rival. And no individual has more impact on China's policies than Xi, who took over this year as China's president, chief of its Communist Party and head of its military commission. He has raised the stakes, demonstrating a willingness to test the will of his international rivals. For more than 20 years, Beijing has methodically invested in its military might and sought ways to coerce its neighbors into territorial and economic concessions and to minimize US influence in the region. Late last month, China declared an air defense identification zone over most of the East China Sea, the latest chess move in a territorial dispute with Japan, and one that raised tensions across the region, with implications for South Korea, Taiwan, Vietnam and the Philippines. With the world's second-largest economy and largest military behind him, Xi has an unparalleled capacity to influence US defense investment and strategy.



2. SUSAN RICE (25▲)

National security adviser



Rice, long among President Barack Obama's most trusted national security and foreign policy aides, is said to make her mind up quickly and not change it easily. When GOP senators blocked her from becoming the administration's second secretary of state — they cited her statements after the Benghazi attack — she got a job even closer to the president and one that didn't need Senate approval. Rice is part of a tight inner circle that sets the policy agenda, whether the topic is intervention in Syria, talks with Iran, Beijing's destabilizing moves in Asia, the Afghanistan drawdown, the controversy over the NSA's electronic surveillance programs, shifting the armed drones from CIA to Pentagon control, and the fight against al-Qaeda. A tough bureaucratic infighter, Rice cut her teeth during the Clinton administration, spending two years on the National Security Council handling African affairs before becoming assistant secretary of state for African affairs in 1997-2001.



GETTY IMAGES

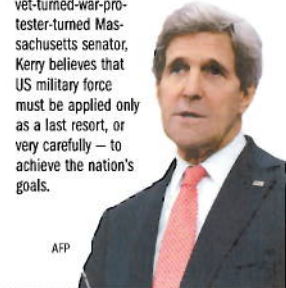
4. JOHN KERRY (16▲)

Secretary of state



Taking over the reins at the State Department in early 2013, Kerry had large shoes to fill. His immensely popular predecessor, Hillary Clinton (No. 43), had helped restore the department's significance after it had drifted toward disuse in the George W. Bush administration. But where Clinton focused on improving the agency and relationships with allies around the world, Kerry has become a foreign-policy juggernaut in the Obama administration, responsible for restarting the Middle East peace process, negotiating to end Syria's chemical weapons program and working toward the demise of Iran's nuclear program, amid other diplomatic crises. Kerry's weapons are a rare

willingness to put his neck on the line for international issues and an iron stomach for marathon direct negotiations. He spent nearly 11 hours over two days personally negotiating a tentative deal to keep US troops in Afghanistan past 2014. A Vietnam vet-turned-war-protester-turned Massachusetts senator, Kerry believes that US military force must be applied only as a last resort, or very carefully — to achieve the nation's goals.



AFP



Key

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|--------------|-------------------|-----------------|
| Afghanistan | Air Force | Army |
| Asia-Pacific | Coast Guard | Congress |
| Cyber | Homeland Security | Industry |
| Intelligence | Marines | Middle East |
| Money | Navy | Opinion shapers |
| Policy | Special Ops | Veterans |

3. CHUCK HAGEL (42▲)

Secretary of defense



Hagel's 10 months on the job have been a blur dominated by automatic budget cuts, a continuing war in Afghanistan and planning for a future that most analysts say will likely be even leaner than the military services expect. By all accounts, the no-nonsense Republican former senator and former Army sergeant plunged into the job, diving into debates about reshaping the US military for

the next decade. Hagel continues to counsel his service chiefs that it's time to stop trying to stave off cuts and start thinking about the right balance of personnel, readiness and equipment. To set the example, he's announced plans to cut his own headquarters staff by 20



percent. A former Senate Foreign Relations Committee member and Atlantic Council chairman, Hagel is known and respected worldwide.

Among his undone tasks: persuading lawmakers and military leaders to reform military end strength, pay and compensation. He must also convince Congress to allow the shedding of excess bases and facilities.

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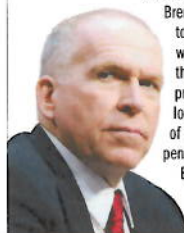
5. JOHN BRENNAN (4▼)

Director, Central Intelligence Agency



When Obama sent Brennan to Langley to head the CIA, he was doing more than showing his preference for longtime members of his hard-to-penetrate inner circle. Brennan, previ-

ously the White House's top counterterrorism official, was uniquely qualified for the job. As the CT adviser, Brennan ran the clandestine effort to kill suspected terrorists with CIA-operated Predator UAVs. Denounced by the Democrats' liberal wing as immoral and illegal, the campaign nevertheless damaged al-Qaida's core leadership in Pakistan, earning Brennan significant sway. Now the head of the CIA, Brennan has said he wants to hand the armed UAV program to the Pentagon, and return the agency to its traditional functions of gathering intelligence and providing analysis to decision-makers.



STAFF

THE LIST

Last year's rank in parentheses.

- 1 (—) **Xi Jinping**, president, People's Republic of China
- 2 (25▲) **Susan Rice**, national security adviser
- 3 (42▲) **Chuck Hagel**, secretary of defense
- 4 (16▲) **John Kerry**, secretary of state
- 5 (4▼) **John Brennan**, director, Central Intelligence Agency
- 6 (7▲) **Army Gen. Martin Dempsey**, chairman, Joint Chiefs of Staff
- 7 (—) **Hassan Rouhani**, president, Islamic Republic of Iran
- 8 (5▼) **Michael Vickers**, undersecretary of defense for intelligence
- 9 (19▲) **Army Gen. Keith Alexander**, commander, US Cyber Command; director, National Security Agency

- 10 (6▼) **Navy Adm. William McRaven**, commander, US Special Operations Command
- 11 (18▲) **Navy Adm. Samuel Locklear**, commander, US Pacific Command
- 12 (13▲) **Congressional Big 8**
- 13 (12▼) **Robert Hale**, DoD comptroller
- 14 (10▼) **Andrew Marshall**, director, DoD Office of Net Assessment
- 15 (14▼) **Steve Kosiak**, associate director, Office of Management and Budget
- 16 (24▲) **Mark Lippert**, defense secretary's chief of staff
- 17 (—) **Decision Drivers**
- 18 (30▲) **Frank Kendall**, defense undersecretary, acquisition, technology & logistics
- 19 (9▼) **Marine Gen. Joseph Dunford**, commander, International Security Assistance Force

- 20 (20) **James Clapper**, director of national intelligence
- 21 (15▼) **Rep. Mike Rogers, R-Mich.**, chairman, House Permanent Select Committee on Intelligence
- 22 (11▼) **Navy Adm. James "Sandy" Winnefeld**, vice chairman, Joint Chiefs of Staff
- 23 (—) **Christine Fox**, acting deputy defense secretary
- 24 (17▼) **Army Lt. Gen. Mike Flynn**, director, Defense Intelligence Agency
- 25 (—) **Benjamin Netanyahu**, prime minister, Israel
- 26 (—) **Hamid Karzai**, president, Islamic Republic of Afghanistan
- 27 (—) **Vladimir Putin**, president, Russia
- 28 (—) **Edward Snowden**, former NSA contractor
- 29 (11▼) **Navy Adm. Jonathan Greenert**, chief of naval operations

- 30 (11▼) **Army Gen. Ray Odierno**, Army chief of staff
- 31 (11▼) **Marine Gen. James Amos**, Marine Corps commandant
- 32 (11▼) **Air Force Gen. Mark Welsh**, Air Force chief of staff
- 33 (11▼) **Army Gen. Frank Grass**, chief, National Guard Bureau
- 34 (35▲) **Robert Work**, CEO, Center for a New American Security
- 35 (—) **Jamie Morin**, Air Force comptroller, nominee for director, Cost Assessment and Program Evaluation
- 36 (—) **Arab Leaders**
- 37 (—) **Tea Party Caucus**
- 38 (56▲) **Bill Swanson**, chairman & CEO, Raytheon
- 39 (—) **The Lobbyists**
- 40 (48▲/—) **Air Force Lt. Gen. Christopher Bogdan/Lorraine Martin**, program executive officer, F-35 Joint Program Office; executive VP, general manager, Lockheed Martin F-35 program

- 41 (73▲) **The Oracles**
- 42 (—) **Air Force Gen. Philip Breedlove**, NATO supreme allied commander
- 43 (3▼) **Hillary Clinton**, former secretary of state
- 44 (—) **Navy Vice Adm. Mike Rogers**, commander, US Fleet Cyber Command
- 45 (72▲) **Wes Bush**, president & CEO, Northrop Grumman; chairman, Aerospace Industries Association
- 46 (—) **Message Shapers**
- 47 (51▲/—) **James McInerney/Dennis Muilenburg**, chairman & CEO, Boeing; president & CEO, Boeing Defense, Space & Security
- 48 (—) **VFW/American Legion**
- 49 (—) **Navy Adm. John Richardson**, director, Naval Nuclear Propulsion Program
- 50 (36▼) **Sean Stackley**, assistant Navy secretary, research, development & acquisition

6. ARMY GEN. MARTIN DEMPSEY (7▲)
Chairman, Joint Chiefs of Staff



Just months after becoming chief of staff of the Army in spring 2011, Dempsey was named chairman of the Joint Chiefs, a job he had neither planned for nor expected. Moreover, he succeeded Adm. Mike Mullen (No. 60), perhaps the most influential occupant of that office since Colin Powell. Gregarious by nature — he is known to serenade audiences with “New York, New York” — Dempsey has nonetheless chosen to work more quietly than his predecessor. He urges the service chiefs to prepare for cuts and craft a comprehensive road map to preserve as much capability as possible on a leaner budget. He’s been willing to bump heads with a Congress conflicted over a downsizing military, deep budget cuts and the end of a war, while shifting the nation’s strategic gaze to the Asia-Pacific region. And then there is Benghazi. Dempsey

has been repeatedly taken to task on Capitol Hill for intelligence and security failures surrounding the Sept. 11, 2012, attack on the US consulate in the Libyan city. Still, Dempsey possesses a distinct influence above and beyond the other members of the Joint Chiefs.



STAFF

7. HASSAN ROUHANI (—)
President, Islamic Republic of Iran



Rouhani swept into office on promises to get Iran out from under sanctions that have crippled its economy and to normalize Tehran’s relations with the world. That’s exactly what he appears to be doing. He has agreed to negotiate away the country’s nuclear weapons program in exchange for permanent sanctions relief, and he’s even dialing back tensions with gulf states, withdrawing fighters from an island claimed by the United Arab Emirates. To some, Rouhani is too good to be true; to others, he represents the voice of change. No country has amassed a worse reputation over the past 30 years than Iran — a global pariah, a state sponsor of terrorism with Shiite proxy forces at the throat of every Sunni nation in the region. Oh, and it’s also been using its oil revenues to build a nuclear bomb. But if Iran changes from regional bad guy to something less bad, it could reduce

a threat that has shaped US forces for decades. Since the 1979 Iranian Revolution swept Islamists to power, the United States has maintained a constant carrier, naval and air presence in the region at the cost of tens of billions of dollars a year. And weapons programs such as the Littoral Combat Ship are developed at least in part to neutralize Iran’s occasional threats to close the Strait of Hormuz.



AFP/GETTY IMAGES

8. MICHAEL VICKERS (5▼)
Undersecretary of defense for intelligence



A former Special Forces enlisted soldier who later joined the CIA, Vickers has spent decades in the shadowy realm where the military and intelligence communities overlap. As a CIA paramilitary operations officer in the 1980s, he helped arm Afghanistan’s mujahedeen against occupying Soviet forces; more recently, he has helped forge closer ties between the Pentagon and the CIA. Vickers’ Defense Department tenure straddles the Bush and Obama administrations. He was appointed assistant secretary of defense for special operations and low-intensity conflict in 2007 and promoted to his current post in 2010. Amid an often-invisible war fought by special operators whose most vital asset is intelligence, Vickers is one of the nation’s most critical behind-the-scenes leaders, as well as a skilled bureaucratic battler. Retired Army Gen. Stanley McChrystal, a former US Special Operations Command chief and Afghanistan war commander, credits Vickers with expanding the military’s fleet of armed UAVs. He also pushed the attack that nailed Osama bin Laden. Once thought to be a candidate to succeed David Petraeus (No. 71) as CIA director, he remains a major influence in the counterinsurgency efforts waged by DoD and CIA. He is a candidate for any top national intelligence job — no matter which party controls the White House.



AFP/GETTY IMAGES

9. ARMY GEN. KEITH ALEXANDER (19▲)
Commander, US Cyber Command;
Director, National Security Agency



The double-hatted king of electronic intelligence, Alexander has overseen an extraordinary leap in capability in the decade since 9/11. The NSA’s immense abilities to collect data — emails, texts, phone records, Internet searches — are a testament to Alexander’s bold vision, organizational prowess and ability to persuade politicians and defense leaders to back his efforts. Articulate, engaging and thoughtful, Alexander has argued that extraordinary capabilities — and measures — are vital to defend nations, their interests and citizens. But the bombshell revelations by Edward

Snowden (No. 28) have turned the chief of the secretive agency into the public face of government surveillance in the cyber age. Many wonder whether the massive cyber organization Alexander helped establish will survive after he retires early next year.



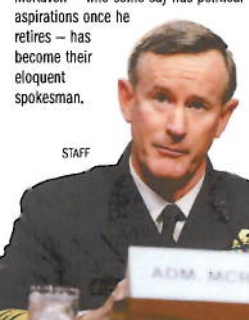
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10. NAVY ADM. WILLIAM MCRAVEN (6▼)
Commander, US Special Operations Command



Before the 2011 raid that killed Osama bin Laden, few outside America’s special operations community knew McRaven, and he preferred it that way. But when members of SEAL Team 6 raided bin Laden’s compound in Pakistan, McRaven — then the commander of Joint Special Operations Command at Fort Bragg, N.C. — earned his place in the spotlight. A highly decorated SEAL combat veteran, he has long been a mover and shaker in the special operations world. His 1996 book “Spec Ops” is a must-read on special operations theory and practice. A native Texan who survived devastating injuries from a parachute collision in 2001, he took the helm of Tampa, Fla.-based US Special Operations Command a month after the bin Laden raid. He has since maintained a

high-profile speaking and public engagement schedule, and is a regular at Washington conferences and think tank events. He has pushed to give SOCOM more control of the military’s 66,000 special operators and staff — a number slated to rise to 72,000 by 2015 — but has met resistance from lawmakers wary of taking power away from combatant commanders. Still, the mission sets and public profile of special operations forces have increased in recent years, and McRaven — who some say has political aspirations once he retires — has become their eloquent spokesman.



STAFF

- 51 (70▲) **Michèle Flournoy/Kurt Campbell**, co-founders, Center for a New American Security
- 52 (59▲) **Michael Bayer**, president & CEO, Dumbarton Strategies
- 53 (—) **Samantha Power**, US ambassador to the UN
- 54 (57▲) **Arnold Punaro**, CEO, Punaro Group
- 55 (—) **Robert “Bobby” Stein**, chairman, Defense Business Board
- 56 (46▼) **Coast Guard Adm. Robert Papp**, Coast Guard commandant
- 57 (43▼) **John Hamre**, president & CEO, Center for Strategic and International Studies
- 58 (—) **Kim Jong-un**, supreme leader, Democratic People’s Republic of Korea
- 59 (62▲) **Michael Hayden**, former director, NSA and CIA
- 60 (38▼) **Mike Mullen**, former chairman, Joint Chiefs of Staff

- 61 (65▲) **Pierre Chao**, managing partner and co-founder, Renaissance Strategic Advisors and Enlightenment Capital
- 62 (—) **Service Secretaries**
- 63 (1▼) **Thomas Donilon**, distinguished fellow, Council on Foreign Relations
- 64 (31▼) **Ron O’Rourke/Eric Labs**, congressional naval analysts
- 65 (—) **Michael Strianese**, chairman & CEO, L-3 Communications
- 66 (8▼) **Ashton Carter**, former deputy defense secretary
- 67 (76▲) **Wall Street analysts, bankers & investors**
- 68 (—) **Mike Petters/Fred Harris**, president & CEO, Huntington Ingalls Industries; president, General Dynamics NASCO
- 69 (41▼) **Andrew Krepinovich**, president, Center for Strategic and Budgetary Assessments
- 70 (67▼) **Marillyn Hewson**, president & CEO, Lockheed Martin

- 71 (100▲) **David Petraeus**, former director, CIA
- 72 (47▼) **Army Gen. Lloyd Austin**, commander, US Central Command
- 73 (75▲) **Gordon Adams**, distinguished fellow, Stimson Center
- 74 (77▲) **Todd Harrison**, senior fellow, Center for Strategic and Budgetary Assessments
- 75 (44▼) **Richard Danzig**, chairman, Center for a New American Security
- 76 (71▼) **Gordon Sullivan**, president & CEO, Association of the United States Army
- 77 (45▼) **Rudy deLeon**, senior VP, National Security & International Policy, Center for American Progress
- 78 (91▲) **James Stavridis**, dean, The Fletcher School at Tufts University; chairman, US Naval Institute

- 79 (78▼) **David Berteau**, director, International Security Program, Center for Strategic and International Studies
- 80 (—) **Asia-Pacific Leaders**
- 81 (—) **Unnamed Bomber Czar**
- 82 (89▲) **Army Gen. David Rodriguez**, commander, US Africa Command
- 83 (—) **Arati Prabhakar**, director, Defense Advanced Research Projects Agency
- 84 (61▼) **Elon Musk**, CEO & CTO, SpaceX
- 85 (96▲) **Barry Blechman**, co-founder, Stimson Center
- 86 (82▼) **Christopher Preble**, VP, defense & foreign policy studies, Cato Institute
- 87 (64▼) **Sean O’Keefe**, chairman & CEO, EADS North America
- 88 (80▼) **Loren Thompson**, COO, Lexington Institute; CEO, Source Associates
- 89 (—) **Scott Seymour**, president & CEO, GenCorp

- 90 (—) **Fred Kempe**, president & CEO, Atlantic Council
- 91 (—) **Richard Aboulafia**, vice president for analysis, Teal Group
- 92 (88▼) **Frank Hoffman**, director, National Defense University Press
- 93 (—) **The Conservatives**
- 94 (93▼) **Phebe Novakovic**, chairman & CEO, General Dynamics
- 95 (92▼/—) **Peter Singer/Michael O’Hanlon**, senior fellows, Brookings Institution
- 96 (97▲) **Larry Korb**, senior fellow, Center for American Progress
- 97 (98▲) **Mackenzie Eaglen**, senior fellow, American Enterprise Institute
- 98 (63▼) **Marion Blakey**, president & CEO, Aerospace Industries Association
- 99 (—) **Air Force Gen. Paul Selva**, commander, Air Mobility Command
- 100 (—) **Airpower Advocates**

11. NAVY ADM. SAMUEL LOCKLEAR (18▲)

Commander, US Pacific Command



Key to the Obama administration's "Asia rebalance" is increasing cooperation with allies across the vast region, a job that falls to Locklear as chief of US Pacific Command. Responsible for US defense interests in some 105 million square miles of land and sea in Asia, no one is more directly engaged in the region as a military officer and diplomat. A surface warfare officer, he commanded a carrier battle group, led Naval Forces Europe, Naval Forces Africa and Allied Joint Forces Command in Naples, Italy, before taking his current job. Under his watch, US ships will start forward deployments from Singapore and the Philippines, as well as increase visits to Vietnam as Marines increase their training cadre in Australia. Locklear spends little time at his headquarters at Camp Smith, Hawaii. Instead, he shuttles continually across the region to build bridges, explain US actions and serve as a conduit for allies trying to reach Washington. Locklear has also been trying to improve military-to-military relations with China to enhance mutual understanding. That effort has paid off with an increase in cooperative efforts. Those links with China, as well as his relationships with leaders from Japan, South Korea and elsewhere across the region, will be vital in the wake of Beijing's decision to extend its air defense identification zone over nearly the entire East China Sea — and likely beyond.



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13. ROBERT HALE (12▼)

DoD comptroller



In a Washington where money equates to power, and the money is declining, the man controlling the biggest discretionary account in government is important. Hale has been the Obama administration's defense budget chief since the start, a role the former Navy captain has been preparing for his whole career. He was the chief of the American Society of Military Comptrollers before reporting to the Pentagon. Well-respected and with a reputation for candor, Hale mapped how the Pentagon would implement sequestration, absorbing brutal cuts that furloughed workers and temporarily halted air, land and sea training. The cold-turkey approach to spending helped DoD save more money than it expected, but its performance under sequester convinced some that automatic defense cuts had no impact. Then he had to worry about a government shutdown. Hale's brutal work ethic — he works 18-hour days, 6.5 days a week — has some wondering



when he will make good on his threat to retire.

12. CONGRESSIONAL BIG 8 (13▲)



Washington's dysfunction has derailed the annual defense legislative process in both chambers. But HASC Chairman **Rep. Buck McKeon**, R-Calif., and his SASC counterpart **Sen. Carl Levin**, D-Mich., along with ranking members **Rep. Adam Smith**, D-Wash., and **Sen. James Inhofe**, R-Okla., still have a say over the Pentagon's future spending plans and policies. The remaining four will have a big say over helping the Pentagon fit under mandated spending caps: Senate Appropriations defense subcommittee Chairman **Sen. Richard Durbin**, D-Ill., and Ranking Member **Sen. Thad Cochran**, R-Miss.; and House Appropriations defense subcommittee Chairman **Rep. Rodney Frelinghuysen**, R-N.J., and Ranking Member **Rep. Pete Visclosky**, D-Ind.



when he will make good on his threat to retire.

14. ANDREW MARSHALL (10▼)

Director, DoD Office of Net Assessment



Marshall has been one of America's most revered and influential defense intellectuals, but a DoD facing steep budget cuts is folding the office he's run for 40 years back into the Pentagon's policy organization instead of reporting directly to the defense secretary.



Critics say it will dilute ONA's influence, but the ever-loyal Marshall supports the move (his office spent two decades in policy until Donald Rumsfeld returned it to direct report status). At age 92, Marshall

still reports to work daily, but confidants say he's again hinting at retirement. His vast alumni network, known as St. Andrew's Prep, is focused on ensuring the survival of net assessment as a key Pentagon function, defined by DoD as "the comparative analysis of military, technological, political, economic and other factors governing the relative military capability of nations ... to identify problems and opportunities that deserve the attention of senior defense officials." The essence, however, is diagnosing near-, mid- and long-term challenges, not necessarily prescribing solutions. Indeed, one of Marshall's maxims is: Getting the right answer depends on asking the right question. Marshall helped invent and define the field of net assessment to allow every administration since Nixon's to better understand the nature of military competition with its adversaries and suggest ways to stay ahead or beat them. His legions of acolytes will ensure Marshall's influence spans for many more generations. He is best known for trying to assess "unthinkable" scenarios few others are willing to tackle, and focus on emerging threats. And even at his advanced age he remains a



Durbin



Frelinghuysen



Inhofe



Levin



Cochran



Smith



Visclosky



McKeon

shrewd judge of talent, mentoring, among others, Michael Vickers (No. 8), former Navy Undersecretary Robert Work (No. 34), Andrew Krepinovich (No. 82), Eliot Cohen, strategists Tom Ehrhard and Barry Watts, former Air Force Secretary Jim Roche, Gen. Paul Selva (No. 99), as well as DDR&E special adviser Jaymie Durman, Jamie Morin (No. 35) worked indirectly for Marshall at the Center for Strategic and Budgetary Assessments.

15. STEVE KOSIAK (14▼)

Associate director, Office of Management and Budget



A career budget analyst, Kosiak is arguably one of the most powerful behind-the-scenes men in American defense. He translates congressional or administration guidance into what DoD can spend. And few people are more intimately familiar with the nation's defense budget, having spent 18



years as Washington's top Pentagon spending analyst at the Center for Strategic and Budgetary Assessments. Kosiak has been directing defense spending priorities and will play a central role as DoD prepares to chop what will likely be hundreds of billions of dollars from planned spending over the coming decade.

16. MARK LIPPERT (24▲)

Defense secretary's chief of staff



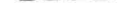
When you're one of Obama's inner circle — Lippert was then-Sen. Obama's foreign policy adviser from 2005 to 2008 — you've got pull. Lippert, a former Navy intelligence officer who earned a Bronze Star for his service in Iraq with Navy SEALs, is officially called "The Special Assistant" and involved in every aspect of Pentagon operations and decision making. His operational experience gives him street cred with military leadership, making

him the ultimate Washington gatekeeper who has a direct line to the White House. That can cut both ways: He conveys information to 1600 Pennsylvania and gets orders directly from the Boss. Before taking his current job, Lippert served briefly as the assistant secretary of defense for Asian and Pacific



security affairs, a key position as DoD increases its focus on the Asia-Pacific, and spent nine months as the chief of staff for the National Security Council in 2009. In an unusual career move, he left the White House for two years to go on active duty as an intel officer with SEAL Team 6, serving in Afghanistan and Africa.

17. DECISION DRIVERS (—)



Capitol Hill is full of movers and shakers, but few will have a bigger impact on how much the US spends on defense and how it spends it than the House-Senate Bipartisan Budget Committee. **Sen. Patty Murray**, D-Wash., chairwoman of the Senate Budget Committee, and her House Budget Committee counterpart, **Rep. Paul Ryan**, R-Wis., issued a compromise deal that cut government spending and raised revenues to help lift spending defense caps and give about \$31 billion in sequestration relief over the coming two years. Passage by Congress would allow for a return of normal budgeting and avert another crisis with the nation's borrowing limit that would otherwise expire in January. Lawmakers and analysts say Ryan and Murray are now symbols of bipartisanship, and as Washington tries to remember how to cut deals, the duo likely will be front-and-center.

Joining them almost certainly will be longtime Senate Armed Services Committee member **Sen. John McCain**, R-Ariz., one of Washington's last artful dealmakers. He routinely dines with Obama, talks strategy with Senate leaders, badgers Pentagon brass and courts the press. McCain has rebounded

from his 2008 presidential election loss, and again is one of Washington's ultimate insiders, resurgent in 2013. From the pursuit of a "grand bargain" fiscal deal to shaping US foreign policy to efforts to save the 2014 defense authorization bill, McCain was a major player. Expect that to continue in 2014. In addition, Senate Appropriations Committee Chairwoman **Sen. Barbara Mikulski**, D-Md., remains a strong and powerful voice against sequestration from a pro-defense state.

Several young guns in each chamber also are gaining respect in defense circles and on the Hill. Leading this group is SASC member **Sen. Tim Kaine**, D-Va., joined in the upper chamber by McCain's "Three Amigos" colleagues **Sens. Kelly Ayotte**, R-N.H., and **Lindsey Graham**, R-S.C. On the House side, keep an eye on rising GOP star **Rep. Mike Turner**, R-Ohio, who controls the gavel of the influential HASC tactical air and land forces subcommittee and the panel's vice chairman — and its likely next chairman — **Rep. Mac Thornberry**, R-Texas. **Rep. Randy Forbes**, R-Va., chairman of the HASC seapower and projection forces subcommittee, is a voice of reason and bipartisanship.

18. FRANK KENDALL (30▲)

Defense undersecretary, acquisition, technology and logistics



Kendall is not only the Pentagon's top acquisition and logistics official, overseeing hundreds of billions in annual spending on



goods and services, but he's also among those ideally suited for the job he holds. A West Point graduate, Kendall is an engineer, career acquisition officer and lawyer who also spent a dozen years in industry. So few

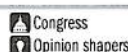
are better suited for the job at a time when deeper cuts are coming. He returned to government at the start of the Obama administration as deputy acquisition chief, becoming DoD's top procurement official in 2011 after his boss Ashton Carter was promoted to become deputy secretary. His signature achievement is the Better Buying Power 2.0 initiative to improve how the Pentagon buys goods and services. Faced with the deepest spending cuts in a generation, Kendall is working overtime to protect key investment programs, arguing DoD should shield technology development efforts vital for the future. In his scant spare time, he's rewriting DoD's acquisition guidebook.

19. USMC GEN. JOSEPH DUNFORD (9▼)

Commander, International Security Assistance Force



Few defense jobs will be tougher over the coming year — and beyond — than Dunford's. He's the head of a coalition of more than 40 nations that constitute NATO's International Security Assistance Force that oversees everything in Afghanistan, from operations to training Afghan Army and police forces.



Viewed as a potential chairman of the Joint Chiefs of Staff, Dunford has kept a relatively low profile while being America's last top war general of the post-9/11 era, commanding US and NATO operations in Afghanistan. As assistant commandant of the Marine Corps before heading to Kabul, Dunford played a critical role in a range of initiatives, including an ongoing effort to overhaul infantry training and new policies aimed at curbing alcohol abuse, hazing, suicide and other behavioral issues. As commander in Afghanistan,



Dunford is managing the orderly but complicated withdrawal of American and European combat troops by the end of 2014 – while helping to negotiate terms of a potential follow-on force of as many as 10,000 US troops after 2014 – while also turning over primary responsibility for security operations to Afghan forces. He is also charged with the thankless task of finding ways for billions of dollars worth of military equipment to snake its way out of the landlocked country over the next year. As a colonel, Dunford earned a reputation as “Fighting Joe” during the 2003 invasion of Iraq while commanding the 5th Marine Regimental Combat Team. He went on to spend 22 months in Iraq in various roles. His career really took off in December 2007 when he was nominated for his second star; just three months later he was nominated for a third star. Within two years he had a fourth star and was the Corps’ No. 2 general.

20. JAMES CLAPPER (20) Director of national intelligence



He may lack budget authority, but Clapper remains one of the most visible faces in



American intelligence, with more than four decades of experience. Gen. Keith Alexander (No. 9) may have built the infrastructure that allowed for unprecedented spying worldwide, but it was Clapper

the Obama administration tapped to defend it. Following Edward Snowden's disclosures, Clapper has been busy testifying before Congress and releasing statements trying to defend intelligence community actions. A retired Air Force lieutenant general who largely worked for DoD before taking his current job in 2010, Clapper is effective with lawmakers, especially in private. Tellingly, the Obama administration has made no real changes to the existing spying programs following the disclosures, a testament to Clapper's ability to defend their necessity where it could do the most good – inside government and to Congress.

21. REP. MIKE ROGERS, R-MICH. (15) ▼ Chairman, House Permanent Select Committee on Intelligence



One of Obama's frequent critics on national security issues, Rogers has also built a reputation for being less partisan than many of his House counterparts and more willing to quietly work with the White House on key issues. Rogers criticized the administration over Syria, noting that it let



Russia essentially call the shots on President Bashar al-Assad staying in power by playing into a deal that solved a short-term problem and created a long-term one in its place. But Rogers has sided with the administration over the controversial NSA surveillance programs disclosed by former agency contractor Edward Snowden (No. 28). That even-keeled steadiness and reputation for focusing on getting things done rather than scoring political points is why Obama considered Rogers for director of the FBI to succeed Robert Mueller on his retirement.

22. NAVY ADM. JAMES “SANDY” WINNEFELD (11) ▼ Vice chairman, Joint Chiefs of Staff

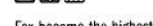


Although he's kept a low profile since becoming the nation's No. 2 military officer, Winnefeld has been working behind the scenes to help craft a long-term military strategy. He's been an active proponent of thinking outside the box and recognizing the need for the Defense Department to reshape itself. A former “Top Gun” naval aviator who famously turned a homeward bound carrier Enterprise toward Afghanistan on 9/11 before getting orders to do so, he has told retired brass not to judge today's military leaders on the size of the force. He's tried to change long-standing bureaucratic processes, leading an effort to reform Pentagon requirements widely acknowledged to be a major factor in runaway weapons costs.



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23. CHRISTINE FOX (—) Acting deputy defense secretary

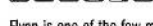


Fox became the highest-ranking woman to ever serve at the Defense Department after Obama named her acting deputy defense secretary this month to replace Ashton Carter (No. 66). She has in-depth knowledge of DoD's major weapons



programs from her prior role serving as the director of Cost Assessment and Program Evaluation for four years, a position she left in June – but she remained an adviser to Carter. She returns to the Pentagon at an extremely important time and will oversee the finalization of DoD's 2015 budget proposal and the 2014 Quadrennial Defense Review. She faces inherent challenges of having an acting title as DoD searches for a deputy secretary nominee. She developed a strong relationship with Defense Secretary Chuck Hagel (No. 3) while working on the Pentagon's Strategic Choices and Management Review.

24. ARMY LT. GEN. MIKE FLYNN (17) ▼ Director, Defense Intelligence Agency

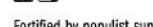


Flynn is one of the few military officers who have remained in the thick of military operations – virtually nonstop – since 9/11. From his post as the chief intelligence officer for three years at the toughest time in Iraq to his position as the intel boss for the



International Security Assistance Force mission in Afghanistan from 2009 to 2010, Flynn has proved to be a driven advocate for improved sharing and cooperation among the military and intelligence agencies. His 2010 report, “Fixing Intel: A Blueprint for Making Intelligence Relevant in Afghanistan,” published by the Center for a New American Security, blasted the intelligence community for its fixation on terrorists and insurgents, and its inability to understand the human dimensions of what was going on in Afghan society. Flynn became deputy national director of intelligence the following year, and a year later, was assigned to lead DIA. Now, Flynn is shepherding DIA through the process of building out the newly created Defense Clandestine Service, designed to increase the number of DIA intelligence-gatherers around the globe. He has run into opposition from both the CIA and the service chiefs, who see it as a way to take away some of their human intelligence-gathering capabilities. The initiative is still working its way through congressional committees, and the high-stakes fight is one worth watching.

25. BENJAMIN NETANYAHU (—) Prime minister, Israel

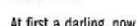


Fortified by populist support at home and powerful friends on Capitol Hill, the conservative, well-connected Israeli leader who supported Republican contender Mitt Romney in the last election is now confronting President Obama on the top two items of his Mideast policy agenda. On Iran, Netanyahu continues to threaten military



action while lobbying for additional congressional sanctions that the White House insists would torpedo chances for a diplomatic solution to the nuclear threat. And despite his professed support for a two-state peace deal with the Palestinian National Authority, Netanyahu continues to appease hard-liners in his coalition government by expanding Jewish settlements in the disputed West Bank.

26. HAMID KARZAI (—) President, Islamic Republic of Afghanistan



At first a darling, now seen as ungrateful, irascible and erratic, Karzai has been irritating American leaders for years. His term expires in April. Few expect him to go quietly; rather, he will keep wielding influence for years to come – assuming he survives in a country not known for treating former



leaders well. Despite enormous pressure from Washington and his own tribal elders, Karzai has refused to sign the status-of-forces deal that will keep about 10,000 American troops in the country after the end of next year. He says he'll do so after April elections, but US officials have given him until no later than February to do so. Karzai is convinced US officials won't abandon him, a dangerous calculation given that the Obama administration walked out on Iraq after officials refused to sign a deal unless American troops could be prosecuted under Iraqi law. There remains an overarching fear that, like in Iraq, Washington may have spent a trillion dollars and a dozen years to stabilize a country that may fall apart unless large numbers of US troops remain engaged for many more years to come.

27. VLADIMIR PUTIN (—) President, Russia



Russia isn't the enemy it used to be, but that doesn't mean the relationship between



Washington and Moscow isn't occasionally chilly. Putin is back for another term as president, and the former KGB lieutenant colonel remains fond of playing from the Cold War hard power playbook. Flush with oil and gas revenue, Putin loves the role of powerbroker, whether bailing out Washington in Syria after the White House balked at airstrikes, or asserting his authority over former Soviet republics. The most recent example: backing the government in Kiev after it decided to delay economic links with the European Union in response to pressure from Moscow, sparking mass demonstrations across the Ukraine. Still, Russia is a United Nations Security Council member that also happens to be a nuclear power and major global arms supplier. The US may never fight Russia directly, but is sure to face its military equip-

ment and be on the receiving end of its sharp-elbowed diplomacy.

28. EDWARD SNOWDEN (—) Former NSA contractor



Snowden is the latest example of what happens when a poorly vetted information



technology technician is given unfettered access to classified government networks. Like Army Pvt. Bradley Manning, Snowden made off with a treasure trove of government secrets before escaping for Hong

Kong and ending up exiled in Russia. While there is little Snowden has released that wasn't known to intelligence insiders, his disclosures have proved embarrassing to governments worldwide and compromised capabilities that have cost billions of dollars and many years to develop. And it is a staggering global infrastructure underpinned by a web of agreements among nations worldwide to collect data on hundreds of millions, analyze it and disseminate the conclusions not just in Washington but worldwide. Whether he's viewed as a traitor or a defender of civil liberties protecting American rights in an act of conscience, Snowden has sparked a global debate about the use and limits of electronic surveillance in the modern digital age. And it's a debate that is likely to be a long one given the sheer volume of material Snowden has that he's promised to gradually release over time to reporters and privacy activists. Those documents – outlining spying programs, budgets and even secret presidential orders – have some in Congress pushing to rein in the blanket authority intelligence agencies have to spy. Substantive and lasting change, however, has yet to occur, and if they don't, the power of the disclosures will likely be blunted.

29. NAVY ADM. JONATHAN GREENERT (11) ▼ Chief of naval operations



Greenert has led his compatriots on the Joint Chiefs of Staff all year in warning of the negative effects of sequestration, continuing resolutions and uncertain funding. The Navy produced numerous presentations – some made available publicly, some leaked to congressional supporters or the press – that showed in great detail the pernicious effects of budget uncertainty. It was the Navy that said sequestration would force it to leave ships pier-side, and Greenert took advantage of the fiscal crisis to withdraw one of two carriers deployed in the Arabian Gulf – a requirement that had been straining the force. A razor-sharp submariner with an affable demeanor, Greenert has worked the Hill more



than his fellow service chiefs, on a mission to avert sequestration but also make the case to protect the Navy as much as possible from impending cuts. And he has been effective: A year ago many in Washington would tell you the Asia pivot was about sea and air power, but today you hear more about the Navy than the Air Force.

30. ARMY GEN. RAY ODIERNO (11 ▼)

Army chief of staff
★ ★ ★ ★ ★

Intense and driven, Odierno has had to manage a force that is drawing down from a wartime high of 570,000 to about 490,000 — or possibly as low as 420,000 by the end of the decade. Others suggest the Army will drop to 390,000 in the future. That leaves Odierno caught between an administration and Congress bent on cuts

and the Army's influential retired brass, which is pressing to preserve the size of the force at all costs. The 38th Army chief of staff has used every bit of the integrity, gravitas and passion earned over nearly seven years in Iraq to defend his service from sequestration's thoughtless attack. Odierno insists that he won't make the mistakes of his predecessors who traded away modernization programs to keep force structure, only to lose both — and got rid of the wrong people in the bargain. He stresses it's better to have a smaller, ready and well-equipped force than a larger one that isn't — at a time when some 30,000 soldiers are in Afghanistan. Still, Odierno, like his fellow service chiefs, is dancing a delicate line. Straight-talking and not averse to mixing it up to make his point, he has continually made the case against sequestration and raised the specter that expectations must change if spending drops sharply. He also recognizes that the impact of this downturn will be far worse than past ones because everything, from people to gear, is far more expensive this time around.

31. MARINE GEN. JAMES AMOS (11 ▼)

Marine Corps commandant
★ ★ ★ ★ ★

As the first aviator commandant in Marine Corps history, Amos gets credit for rescuing the Corps' most important aircraft program — the short-takeoff and vertical-landing version of the F-35 Joint Strike Fighter — and with it perhaps the whole JSF program. Saving the F-35 from

extinction was just one of a series of priorities Amos brought to office; the others were to finish the hard fight in southern Afghanistan, return the force to its expeditionary roots, prepare for impending budget cuts, protect

the short-takeoff and vertical-landing version of the Joint Strike Fighter, and reinstall discipline across a war-weary force. Amos — an old school Marine who joined the Corps in 1970 — got in trouble on the discipline front; his outspoken comments were interpreted by many as apparent command influence. But he demonstrated he can also get results, moving quickly, for example, to get his Marines back on ships, deftly shifting the Corps' focus from being a landlocked fighting force to a more agile afloat force ready to be America's first responders for any sort of crisis overseas.

32. AIR FORCE GEN. MARK WELSH (11 ▼)

Air Force chief of staff
★ ★ ★ ★ ★

The dynamic and outgoing Welsh was expected to make a more public case for air power when he became Air Force chief of staff in August 2012, and to patch up a bruising rift between the active force and the Air National Guard that had prompted Congress to freeze the service's budget. But while he has worked hard to better coordinate active, Guard and reserve components, Welsh, like his counterparts, has been hammered on the Hill for other issues, notably sexual assaults of female airmen. By most accounts, he

has helped heal some internal tensions, but his biggest challenge lies ahead — convincing Congress and the Pentagon that divesting relatively small fleets of planes like the A-10 attack jet and KC-10 aerial tanker is necessary as the service's budget is cut to ensure funding for new systems like the F-35A fighter, the KC-46 tanker and a new long-range bomber. Some analysts expect another fight with Congress over aircraft cuts as members fight to save units as a means of protecting bases in their districts. Unlike his fellow service chiefs, Welsh spent much of his first year on the road, meeting and talking to airmen rather than in Washington shaping the budgetary battlefield. Critics say that's why the Air Force has already suffered deeper cuts than the Navy. Either way, what Welsh does in the next two years will decide what US air power looks like for decades to come.

33. ARMY GEN. FRANK GRASS (11 ▼)

Chief, National Guard Bureau
★ ★ ★ ★ ★

Grass leads a force of 470,000 Army and Air National Guard personnel who over the past decade played a key role in America's wars in Iraq, Afghanistan and elsewhere. And at a time when deep defense cuts have arrived at the Pentagon, it's

important to remember that Grass represents the nation's most politically formidable organization, with support from 50 governors

and 535 lawmakers. He's the second Guard chief to sit on the Joint Staff, which has traditionally comprised the chiefs of the Army, Air Force, Navy and Marines. The move was met with heated opposition from the sitting chiefs, who argued it would create confusion among command authorities. Grass took over at a time when the role of the Guard was also being hotly debated due to the postwar budget trimming. While publicly released plans for Guard end strength show that the force should stay relatively constant, Grass has said that he sees 460,000 personnel as a limit for how low it could go. Since enlisting in the Missouri Army National Guard in 1969, Grass has served in a variety of staff roles in the Army National Guard, as well as deputy commander of US Northern Command.

34. ROBERT WORK (35 ▲)

CEO, Center for a New American Security
★ ★ ★ ★ ★

As the Navy's No. 2 civilian, Work won accolades for his performance, overseeing the service's daily operations, from budgeting to force structure to programs. He stepped down from the Navy to join the Center for a New American Security in April, but is now seen as a frontrunner to replace Deputy Defense Secretary Ashton Carter. (No. 66) who stepped down this month. At the Navy Department, the retired Marine artillery colonel was a tireless public

speaker, a presence on websites and relentless on the Hill engaging lawmakers. A first-order strategist — who was one of Andrew Marshall's (No. 14) military advisers, he backed unmanned carrier-launched aircraft, converting an old amphibious ship into an innovative afloat staging base to support countermine ships and patrol craft in the Arabian Gulf, and the Air-Sea Battle concept to bolster Air Force-Navy strategic cooperation. Unflappable, analytical and ruled by reason, Work is a broad national security thinker able to handle any defense job without bias. "He was an advocate for the Navy because that was his job," says one friend of Work, "but if he's at OSD, he's going to work for the best interests of the department he serves."

35. JAMIE MORIN (—)

Air Force comptroller; nominee for director, Cost Assessment and Program Evaluation
★ ★ ★ ★ ★

Seen as one of the Pentagon's rising stars, Morin, 38, is Air Force comptroller, but nominated to become the next director of the Pentagon's Cost Assessment and Program Evaluation office. In that role, he will be at the forefront of the budgetary analysis that will be crucial to Pentagon decision making in the years

ahead. Few jobs will be more important to decide which programs, organizations or initiatives survive and what gets cut — assuming he's confirmed by the Senate. In his five years as Air Force comptroller, he managed a \$110 billion budget and was a key figure in establishing the service's Global Strike Command and strongly supported the US nuclear enterprise. Armed with a Ph.D. from Yale and experience conducting research for Andy Marshall during his stint at Center for Strategic and Budgetary Assessments, Morin is widely respected for his analytical, budget and strategic skills. This year he was named as a "Young Global Leader" by the World Economic Forum.

36. ARAB LEADERS (—)

★ ★ ★ ★ ★

Shaping the American strategy and security affairs are Arab leaders across the Middle East who view Washington as security guarantor, trading partner, aid donor or adviser. And almost all of America's friends in the region are mad at the administration over failing to attack Syria, cutting off aid to Egypt, a rapprochement with Iran, growing US energy independence and the increasingly gloomy outlook for peace talks between Israelis and Palestinians. And when these allies are angry, Washington dispatches both Kerry and Hagel to the region to listen, explain and reassure. Key regional players include King Abdullah of Jordan and King Abdullah of Saudi Arabia; Sheikh Khalifa bin Zayed Al Nahyan, the president of the United Arab Emirates; King Hamad bin Isa Al Khalifa of Bahrain; and Gen. Abdel Fattah el-Sisi, the powerbroker in Cairo.

37. TEA PARTY CAUCUS (—)

★ ★ ★ ★ ★

They came to Washington to shrink government and eliminate the nation's debt as quickly as possible. They are the House and Senate GOP classes of 2012 and 2014, and they have become a disruptive force, pushing a 2011 debt default scare that produced

sequestration, forcing a 16-day government shutdown in 2013, and preventing the House from taking up any big fiscal bill the Senate would also pass, and regularly using the



Cruz

upper house's rules to keep Democrats from passing any budget measures. House Republican leaders repeatedly have altered their tactics to appease this wing, and many analysts say the Tea Party Caucus is the biggest impediment

to doing away with the remaining sequester cuts. To this group, including one of its leaders, Sen. Ted Cruz, R-Texas, all government spending is bad and anything that helps reduce it should be embraced. While the group was larger in 2010, it remains a highly influential and uncompromising block. The only way the Republican leadership has been able to pass a handful of critical measures has been with Democratic help, which might explain why the 113th Congress is considered the least productive in US history.

38. BILL SWANSON (56 ▲)

Chairman & CEO, Raytheon
★ ★ ★ ★ ★

The defense industry has seen a new wave of top executives sweep into power in the last couple of years, executives dedicated to buffering margins and cutting research and development costs. Swanson, one of the few remaining who was around during the last defense downturn, has been bucking the trend to cut R&D, bolstering his company's spending by roughly \$200 million in the last few years. That investment has led to some tectonic wins for the company, including the Air and Missile Defense Radar contract, which pushed aside longtime incumbent Lockheed Martin. That award is being protested. Raytheon also beat BAE Systems and Northrop Grumman to win a Navy next-generation jammer award that was overturned on protest, which will prompt the Navy to re-compete the award. Still, Swanson's penchant for investment is also helping the company win business it's keeping, and bolstering his reputation for getting results. No executive has as effectively shaped a company in his image as Swanson has in his more than four decades with Raytheon. His technical savvy and experience as an engineer are why he serves on more government defense panels and advisory boards than any of his counterparts. And his passion for education — he's a longtime proponent of better science, technology, engineering and math education — drives his push for improved vocational institutions and community colleges to provide technical training for the future workforce. All of which means Swanson's legacy will long outlive his tenure at Raytheon.



Abdullah (Jordan)



Abdullah (Saudi Arabia)



al-Khalifa



al Nahyan



al-Sisi



39. THE LOBBYISTS (—)



Washington is a town full of lobbyists in every field, including defense. Some work directly for companies; others are hired guns, specialized tools in any company's toolbox. Some open doors or help secure funding, others shape DoD requirements, media or crisis strategies. Heavyweights running the Washington operations for major contractors include Boeing's **Tim Keating**, General Dynamic's **Bob Helm**, Lockheed Martin's **Greg Dahlberg** and Northrop Grumman's **Sid Ashworth** as well as Raytheon's **Mark Esper** and BAE Systems' **Frank Ruggiero**. As for outside talent, **Michael Herson**, president and CEO of American Defense International, is close to top Republican and Democratic defense lawmakers as well as Pentagon brass, helping him shape outcomes and drum up business. The Podesta Group's **Jim Dyer** is as key to helping tap Republican appropriators as **Tim Hannegan** of Hannegan Landau Poersch Advocacy is with Democrat appropriators. Then you've got the "rifleshot" guys who can deliver specific results or boost your octane, including **Caleb Baker** of C Baker Consulting, **Jim Ervin** of Ervin Hill Strategy, **Menda Fife** of Fife Strategies and **Steve McBea** of McBea Strategic Consulting and **Letitia White** of Innovative Federal Strategies. Then there is a Burdeshaw Associates with its unmatched roster of retired officers who can help companies shape military requirements and decisions.

40. AIR FORCE LT. GEN. CHRISTOPHER BOGDAN/ LORRAINE MARTIN (48 ▲/—)

Program executive officer, F-35 Joint Program Office; executive VP, general manager, Lockheed Martin F-35 program

A year ago, Bogdan was settling into his role as the head of the F-35 Joint Strike Fighter Joint Program Office and letting prime contractors Lockheed Martin and Pratt & Whitney know the most expensive acquisition program in history was under new management.

His first public comments in 2012 put the companies on notice, and he spent the next few months throwing "hand grenades" at company executives. Bogdan's pressure to change how the program was managed was heeded by Lockheed, which installed Lorraine Martin, a longtime company executive who managed both the C-5 and C-130 programs for the defense giant, as executive vice president and general manager on the F-35 program. The two have credited an improved working relationship with a year that saw life-cycle sustainment costs drop to \$857 billion and the unit cost of the F-35A fall to



Bogdan



Martin

below \$100 million, along with new orders from international partners. While sequestration threatens, DoD officials have made clear that the JSF is a priority and will be protected from major cuts. If the duo can keep the program on track, both may be destined for bigger things.

41. THE ORACLES (73 ▲)



They may be getting older and slowing down slightly, but that doesn't mean they're any less engaged shaping policy, strategy or yet another generation of national security leaders. Former national security advisers **Henry Kissinger**, **Zbigniew Brzezinski**, **Colin Powell**, **Brent Scowcroft**, **Sandy Berger**, **Condoleezza Rice**, **Steve Hadley** and **Jim Jones** continue to shape policy, as do former Defense Secretaries **James Schlesinger**, **Harold Brown**, **Mel Laird**, **Bill Perry**, **William Cohen**, **Robert Gates** — who will soon issue his latest book — and the most recent addition to the former secretaries club, **Leon Panetta**, who spends more time on the air than he did when he was at DoD. Former Secretaries of State **George Schultz**, **Jim Baker** and **Madeleine Albright** — and former deputy Secretary of State **Richard Armitage** — continue to advise, as former Sen. **Sam Nunn** continues to chair the Center for Strategic and International Studies. There's a considerable battery of retired executive talent as well, including: legendary former Lockheed Martin CEO **Norm Augustine**; former Pentagon acquisition chief, longtime defense industrialist and father of stealth technology **Paul Kaminski**, who chairs the Defense Science Board that also includes former TRW Chief Executive **Phil Odeen**; former Pentagon acquisition chief and reformer **Jacques Gansler** helped build TASC into a defense heavyweight and remains a reform-minded thought-leader; former deputy acquisition chief **Dave Oliver**, a retired submarine rear admiral and EADS senior executive; and **Larry Welch**, a retired Air Force four-star who long headed the National Defense Industrial Association.

42. AIR FORCE GEN. PHILIP BREEDLOVE (—)

NATO supreme allied commander



Over the last two decades, the US military's focus may have shifted from Europe toward Asia and the Middle East, but America's closest allies remain in Europe. As such, NATO remains the linchpin to American strategic interests worldwide. The supreme allied commander in Europe wears dual hats, one as NATO's top military officer, the other as commander of US European Command, the top American officer in Europe. In May, Breedlove became the third airman SACEUR — the others were Gen. Lauris Norstad and Gen. Joe Ralston — at a time when America continues to draw down forces in Europe as war-weary allies look to the



financially leaner future. A former commander, his top priority is enlisting member nations to remain in Afghanistan after 2014 to support the country and its military forces. Equally important, he will play a critical role in shaping NATO's future strategy while working to retain lessons and building on those learned from the past dozen years of combat operations. Other future challenges include modernizing NATO's cyber assets and ensuring future phases of Europe's integrated missile defense program are implemented. While Europe may not be the focus of US operations, it is a breeding ground for top leaders: **Mike Mullen** (No. 60) was the Navy's top officer in Europe before becoming CNO, then chairman; **Mark Welsh** (No. 32) became Air Force chief of staff from his service's European command; and **John Shalikashvili** springboarded from SACEUR into the chairman's office.

43. HILLARY CLINTON (3 ▼)

Former secretary of state



Clinton's well-regarded run at the State Department ended on a sour note as political opponents blamed her for the September 2012 Benghazi attack that left four Americans dead. But the combination of her close relationship with many senior administration officials, many of whom owe their positions to her patronage over the years, means that she will be involved in the shaping of US policy for years to come. An authority on defense issues, she may become far more absolute if, as many expect, she runs for president in 2016 and becomes the first woman to occupy the White House as both first lady and chief executive.

44. NAVY VICE ADM. MIKE ROGERS (—)

Commander, US Fleet Cyber Command



To better manage, defend and exploit the electromagnetic spectrum, US Fleet Cyber Command made a priority of merging electronic warfare and cyber operations. Rogers got the job in 2011 and got a boost when Adm. Jonathan Greenert (No. 29) became CNO, a leading advocate of Navy efforts to dominate the electromagnetic spectrum as a key element of future war fighting. A cryptologist — a career field that historically has attracted some of the Navy's sharpest minds — he's held top intelligence and information operations jobs in both the Atlantic and Pacific, as well as on the Joint Staff where he led computer network attack and defense and directed the Chairman's Action Group and led the Joint Strategic Working Group. Rogers is widely considered a



leading candidate to succeed Gen. Keith Alexander (No. 9) as head of US Cyber Command. While it appears that prior efforts to elevate CYBERCOM to a unified command have been put on hold, the post is becoming one of the most powerful and critical to military operations around the world.

45. WES BUSH (72 ▲)

President & CEO, Northrop Grumman; Chairman, Aerospace Industries Association



Aggressive, decisive and thoughtful, Bush has been one of the more outspoken critics of Congress and the sequester, becoming a prominent voice for industry since taking over Northrop Grumman in 2010. He's been re-engineering his company to cut cost and become more agile and competitive in a market that is fundamentally changing, not just shrinking. Bush wants to again position his company so it's one of the survivors of the coming downturn. Having spent 2013 as the chairman of the Aerospace Industries Association's board of governors, Bush has been busy trying to defend military spending and arguing for smarter acquisition practices and greater DoD investment in R&D. He's now gearing up for what may be a make-or-buy program for Northrop, the Next-Generation Bomber, set to square off against a combined Lockheed Martin and Boeing team for one of the few major programs still slated to proceed during the downturn.

46. MESSAGE SHAPERS (—)



At a time of defense upheaval, you need guys who can shape messages. **Rear Adm. John Kirby** followed now-retired Adm. Mike Mullen (No. 60) from the CNO's office to chairman of the Joint Chiefs office, and got a solid schooling in high-level joint and world politics. Now the Navy's chief spokesman, he brings a special competence and depth of understanding to a role where plain-speaking and sensitivity are valuable assets. His insistence on using those attributes also forces senior officers and officials to better define what it is they're doing, to have a better understanding of the way ahead, and better communicate in ways that leave little chance for head-scratching. Kirby is now up for a second star and expected to head back to OSD to help shape the Pentagon's message. There, he'll work with **Carl Woog**, DoD's assistant press secretary, who's the man working behind the scenes to shape the Pentagon's public message. Straight-talking and tough, he's one of Defense Secretary Chuck Hagel's (No. 3) trusted gatekeepers, having worked with the former Nebraska senator since he was nominated. Part of the secretary's inner circle, Woog will be a key player now that **George Little** has stepped down from DoD's top press job. Little, who came with Leon Panetta from the CIA, formed a dynamic duo with Kirby, then a captain, conducting regular

on-camera briefings and becoming the public faces of DoD. Little, recently named a vice president with Booz Allen Hamilton, expanded the DoD press corps' access to senior officials and helped develop the department's strategic messaging against automatic spending cuts.

47. JAMES MCNERNEY/ DENNIS MUILENBURG (51 ▲/—)

Chairman and CEO, Boeing; President and CEO, Boeing Defense, Space & Security



Unlike many of its competitors, Boeing is lucky to have a booming commercial aircraft business and landed a huge order from Arabian Gulf states to offset declining US defense spending. The company is also America's largest single exporter in terms of total monetary value, which gives McNerney clout: He chairs the President's Export Council. And he's got production operations in 48 states, especially Washington, which is home to Sen. Patty Murray, the chair of the powerful Senate Budget Committee. Still, the General Electric and 3M veteran faces a tough task as some of the company's premier programs, from the C-17 transport to the F/A-18 Super Hornet and F-15 fighters are slated to conclude — absent additional international orders. The daunting task of



McNerney



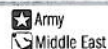
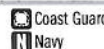
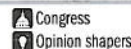
Muilenburg

running and growing the company's \$33 billion defense business during a defense downturn is Muilenburg's. Dynamic and driven, the 49-year-old executive joined Boeing in 1985 and steadily moved up the ranks. He insists on protecting internal research and development funding to win new business, unlike some of his competitors. Top priorities include winning the Air Force's new bomber competition — in partnership with Lockheed Martin against Northrop Grumman — and keeping the vitally important KC-46 aerial tanker program on schedule and budget. McNerney has taken advantage of the dual nature of Boeing's business, moving top talent from defense to commercial sides of the house, challenging his leadership team to keep them motivated, expose them to new ideas and, most important, keep them in house.

48. MILITARY COALITION (—)



Referred to as America's military unions by some, and its military mafias by others, the Military Coalition combines more than 30 military and veterans associations into a unified lobbying bloc that holds great sway on Capitol Hill on matters regarding military pay, benefits and career matters. Representing millions of active, reserve, Guard, veterans,

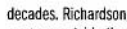
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Middle EastAsia-Pacific
MoneyCoast Guard
NavyCongress
Opinion shapersCyber
PolicyHomeland Security
Special OpsIndustry
Veterans

retirees and family members, the Coalition wields extraordinary influence. Through most of the past dozen years of war, its clout was nearly unparalleled, driven by a common belief that all military benefits were earned, and that to dial back on any is to break faith with all. Still, pressure is mounting for reforms to generous war-time benefits, and the fact that the Ryan-Murray budget deal included a cut to the cost of living adjustment for working-age military retirees may indicate the coalition's power is beginning to wane.

49. NAVY ADM. JOHN RICHARDSON (—) Director, Naval Nuclear Propulsion Program

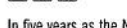


The head of naval reactors is at the core of debate over the shape, structure and funding of the Ohio Replacement Program, an enormous effort to design and build a new class of strategic ballistic missile submarines. With a total price tag north of \$60 billion, the program will eat up a huge chunk of Navy shipbuilding money across two

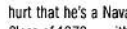


decades. Richardson, a fan of funding the program outside the normal shipbuilding budget, will be a key figure in the program across his eight-year tenure — stretching to 2020 — when most of the key issues will be decided. His job is unique in US defense, with an eight-year term and absolute authority over the nuclear reactors that power US aircraft carriers and submarines, it also oversees the highly specialized training infrastructure and industry associated with nuclear power.

50. SEAN STACKLEY (36▼) Assistant Navy secretary, research, development and acquisition



In five years as the Navy's top weapons buyer, Stackley has dramatically quieted the once turbulent world of shipbuilding and aviation programs. Program costs have been dropping, a key to getting more for each available shipbuilding dollar, while performance problems have been dropping. It doesn't



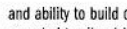
hurt that he's a Naval Academy graduate — Class of 1979 — with two master's degrees from MIT. His methodical approach to problem solving combined with his steady engagement with lawmakers and industry has made him one of the Pentagon's most trusted and respected acquisition officials. So much so, Stackley's name was widely circulated as a possible replacement for acquisition chief should Kendall (No. 18) be tapped to fleet up to deputy secretary. Even the Navy's strongest critic, the Government Accountability Office, spends more time talking about pre-Stackley

performance problems rather than new issues. That doesn't mean that he doesn't have a full plate of challenges, among them, improving capabilities of the littoral combat ship and how to afford a new ballistic missile sub and joint strike fighter without gutting other priority shipbuilding efforts.

51. MICHÈLE FLOURNOY/KURT CAMPBELL (70▲/23▼) Co-founders, Center for a New American Security

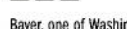


Together, they founded what rapidly has grown into one of Washington's foremost think tanks. And while they have gone their separate ways, they distinguished themselves during their latest stint in government and are both expected to assume even bigger future jobs. After a tour in the Pentagon as the undersecretary for policy, Flournoy spent the last year back at the think tank she co-founded in 2007 after helping the Obama campaign. Respected for her insight, pragmatism



and ability to build consensus, Flournoy is expected to sit out the rest of the Obama administration given both she and her husband held top jobs and have decided to spend more time with their three children. Her husband, Scott Gould, was the deputy secretary of veterans affairs. Most expect her to wait for Hillary Clinton to get to the White House, after which she is a frontrunner to become the nation's first female defense secretary — unless Christine Fox (No. 23) beats her to it. Campbell, who also is close to Clinton, is now at The Asia Group after a successful tenure as the State Department's Asia chief, credited with forging the administration's emphasis on the Pacific. Tough, fair and well-connected, the former Navy intelligence officer is well-known for his persuasive powers as well as his ability to twist arms to get the job done, then take you out for a beer. A brilliant problem solver and policy mind, Campbell is a strategist with skills that will ensure he remains a player.

52. MICHAEL BAYER (59▲) President and CEO, Dumbarton Strategies

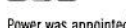


Bayer, one of Washington's ultimate defense insiders, is a man on a mission: over dinner and in briefings nationwide, trying to convince America's defense leadership of the stakes involved in screwing up this ongoing



budget downturn. A retired Army Reserve colonel turned adviser, strategist and sounding board for the Pentagon's leading civilian and military leaders, Bayer worries top officials don't fully recognize that this round of cuts will have far greater consequences than past downturns because everything, from people to weapons to operations, is more expensive now than 20 years ago. And given sequestration, several cliff-like drops in funding will demand far more careful planning and bigger tradeoffs that — as of presstime — leadership has been avoiding. It's a message he's been preaching even before defense spending peaked, urging top officials to start preparing for the inevitable downturn when he was chairman of the Defense Business Board. He now serves as a Defense Science Board member and top management consultant.

53. SAMANTHA POWER (—) US ambassador to the UN

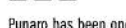


Power was appointed to her post as the chief US representative to the UN in 2013. Known for her aggressive advocacy for humanitarian issues, the Irish-born former journalist is a close ally of President Obama. Since her appointment, she's been

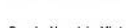


busy trying to manage the global response to the conflict in Syria, an area where she has been vocal in her strong support for intervention. How effective she is at getting UN support for US policy in Syria and Iran, another powder keg, will dictate her legacy.

54. ARNOLD PUNARO (57▲) CEO, Punaro Group



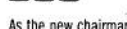
Punaro has been one of the loudest critics of the Pentagon's overhead growth and is one of Chuck Hagel's leading supporters in the drive to reduce the headquarters ranks by 20 percent. His insights are sought because few in Washington have a résumé to match: a retired Marine Corps major general who earned a Bronze



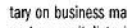
Star for valor and a Purple Heart in Vietnam and also served in Desert Shield, the Balkans, Enduring Freedom and Iraqi Freedom. A former senior staffer for then-Sen. Sam Nunn, the Georgia Democrat, Punaro was staff director for the Senate Armed Services Committee for eight years, then spent more than a dozen years as a top executive at SAIC. Sharp, experienced and unrelenting, Punaro has a reputation for getting the job done even if it means bruising egos, toes and other body parts along the way. Indeed, his outspoken nature has ruffled feathers but hasn't made him any more shy about expressing himself. If he thinks you've got a bad idea — or are on the

wrong side of an argument — you'll know it. A longtime reservist, he chairs the Reserve Forces Policy Board where has been advocating greater reliance on the Guard and reserves as the active force shrinks. He also heads the Defense Business Board task force on acquisition reform.

55. ROBERT "BOBBY" STEIN (—) Chairman, Defense Business Board

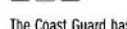


As the new chairman of the Defense Business Board, Stein's charter is to come up with innovative ways to help the Pentagon become more efficient at a time when its budget is dropping further and faster than its leaders expected. The board is the top panel that advises the defense secretary on business matters and the Florida

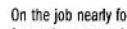


venture capitalist with close ties to the White House has been a member for three years, during which he's built a reputation for innovation. But with no military experience, Hagel wanted Stein's vice chairman to have served in uniform, picking Richard Spencer, managing director of Fall Creek Management, who flew A-4 attack planes as a Marine Corps aviator.

56. COAST GUARD ADM. ROBERT PAPP (46▼) Coast Guard commandant



The Coast Guard has a tough time advocating for funding in the best of times, much less when government spending is plunging. And no one wields greater authority over a force larger than most of the world's front-line navies than Papp.



On the job nearly four years, he's been focused on protecting the service's core modernization programs. Papp has skillfully walked the tightrope of service advocacy without publicly showing up his Department of Homeland Security superiors, getting Congress to restore funding for the last two of eight national security cutters originally zeroed by the DHS. Although the Coast Guard constitutes DHS' largest single component with the widest array of missions, roles and responsibilities, the department's leadership has cut the service's modernization budget to the bone, about \$1 billion a year — half of what's needed to refresh aging gear much less acquire the new icebreakers needed to ensure access to Arctic regions made accessible by climate change.

57. JOHN HAMRE (43▼) President and CEO, Center for Strategic and International Studies

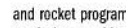


When you're the chairman of the Defense Policy Board, the top advisory panel to the US defense secretary, you've got clout. Hamre is among the top heavyweights in Washington for his résumé — top Senate defense staffer, Pentagon comptroller and deputy defense secretary — and his intimate knowledge of money, policy and how to make government work. Hamre's name is regularly mentioned whenever top slots become available, but he was committed to CSIS until the think tank completed its own headquarters on Rhode Island Avenue. Although the new digs are finished, Hamre shows no sign of doing anything but continue to expand his already formidable think tank's punch. Other notable CSIS big thinkers include retired Marine Gen. James Cartwright and strategy guru Anthony Cordesman, Asia and Japan expert Michael Green, China and Korea expert Bonnie Glaser and Taiwan hand Randy Schriver, also of Armitage International.

58. KIM JONG-UN (—) Supreme leader, Democratic People's Republic of Korea

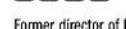


He may be young and dress like a cartoon villain, but there's nothing funny about the third-generation dictator from a family that's ruled North Korea brutally for seven decades. And like his dad and grandfather, Kim is brutal. He's willing to starve his people to underwrite his nuclear

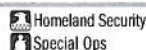
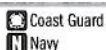


and rocket programs and even willing to crack down on his own family, recently arresting and killing his uncle, a prominent general. Having the bomb and working diligently on the means to deliver it, combined with a penchant for attacking South Korean ships and towns and other outlandish antics, make for a very destabilizing force. War on the Korean Peninsula has driven Pentagon planning and weapons procurement for decades, and why some 30,000 American troops remain stationed in the country. Pyongyang's unpredictability is one major reason Washington can't ever get a good night's sleep.

59. MICHAEL HAYDEN (62▲) Former director, NSA and CIA



Former director of both the National Security Agency and the Central Intelligence Agency, Hayden, already an important thinker on cyber issues, has been in the spotlight as the US grapples with how it wants to handle surveillance capabilities. For years Hayden, now with the Chertoff Group, has argued that more information about capabilities and programs



needed to be disclosed to the public, pushing for greater debate. That debate has arrived, with the former intelligence official arguing for an intelligent balance of privacy and security. The retired Air Force general is not only insightful but has a singular ability to explain highly complex, often highly classified concepts clearly to the public. The son of a welder, Hayden once was the equipment manager for his hometown Pittsburgh Steelers. He went on to establish a sterling leadership pedigree that opens doors and carries weight with lawmakers and military brass.

60. MIKE MULLEN (38▼) Former chairman, Joint Chiefs of Staff



Today an advocate for veterans and wounded warriors, Mullen retired as chairman of the Joint Chiefs in 2011, an admiral who led the military through two ground wars. After spending nearly 50 years in uniform, including holding some of the nation's top military jobs, Mullen's influence will be felt for decades. He remains one of Washington's sought-after minds, thoughtful, politically savvy as well as innovative and open minded — his support for gays serving openly in the military was instrumental in the historic scrapping of "don't ask, don't tell." One attribute that made him one of the most successful chairmen was his willingness to continuously talk to the public to drive the defense agenda — and debate. In the last year, however, he's mostly been mentioned because of his involvement as one of the leads on the State Department's investigation into the 2012 attack that killed four Americans in Benghazi, including US ambassador to Libya Christopher Stevens. Tapped for his nonpartisan expertise, Mullen and legendary diplomat Tom Pickering found no evidence of wrongdoing in their exhaustive report, but the GOP remains convinced Benghazi is a political weapon in the anti-Obama toolbox, so Mullen will continue to be part of the debate for a long time to come.

61. PIERRE CHAO (65▲) Managing partner and co-founder, Renaissance Strategic Advisors and Enlightenment Capital



While management consultants have endured hard times as US defense spending has dropped, Chao's Renaissance Strategic Advisors has continued to expand. The company's computer model for expected defense spending has proved a popular data set as contractors struggle to map their business future in the midst of Washington's spending uncertainty. Chao, 47, honed his skills on Wall

Street as a top analyst who also earned a reputation as an equally respected investment banker. He then became the founding defense industry fellow at the Center for Strategic and International Studies when he joined numerous government advisory panels, such as the Defense Business Board. His private defense investment firm, Enlightenment Capital, also ramped up quickly, backing three fast growing companies.

62. SERVICE SECRETARIES (58▼) S I A M

Under law, the military service chiefs derive their power from their service secretaries. While Obama's secretaries have been less public than some of their predecessors, they are the ultimate authority over their service's budget and policy decisions. And given declining budgets and thorny political decisions of the post-war era, each has or will play a more public role in telling the story of their service. Longtime Republican congressman turned Army secretary, **John McHugh**, is a quiet political insider who expertly runs interference for his more public chief of staff, Gen. Ray Odiemo (No. 30). Ditto for Navy Secretary **Ray Mabus**, a well-connected former Mississippi governor and ambassador who has tirelessly promoted green technologies and energy independence for the future fleet, and assumed a prominent public role after a gunman killed 12 and wounded three at the Washington Navy Yard on Sept. 16. The newcomer to the group, former Science Applications International Corp. sector President **Deborah James**, was confirmed by the Senate as Air Force secretary Dec. 13. She'll be working closely with Gen. Mark Welsh (No. 32) to not only get up to speed but tackle impending challenges that face all the services.

McHugh
James
Mabus

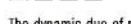
63. THOMAS DONILON (1▼) Distinguished fellow, Council on Foreign Relations

Donilon left his post this year as one of Obama's closest and most trusted confidants. He was an integral player in every major national security policy decision and operation since assuming the position. A lawyer, Donilon never served in the military, and his previous administration jobs — he was a State Department spokesman and chief of



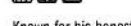
staff during the Clinton administration — were not the classic background for the role. But Donilon had Obama's ear and played a part in everything from setting troop levels in Afghanistan to the raid on Osama bin Laden's compound in Abbottabad, Pakistan. Donilon had his share of critics, but his years at Obama's side mean their legacies are intertwined, and he remains close to his former White House colleagues.

64. RON O'ROURKE/ERIC LABS (31▼) Congressional naval analysts



The dynamic duo of naval analysis, these two stalwarts routinely put their personal and professional credibility on the line as they provide Congress with some of the most unbiased and accurate information available on naval programs, spending and shipbuilding. Often working unofficially in tandem, O'Rourke tracks and documents the history of shipbuilding programs, always leading to key issues to be considered now and in the future. Labs develops comprehensive spending forecasts based on facts, figures and historical trends. Together they provide Congress with a solid foundation to question the Navy and debate ways ahead.

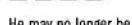
65. MICHAEL STRIANESE (—) Chairman & CEO, L-3 Communications



Known for his honest and direct assessments of both his own company and government policy, Strianese spent 2013 as the vice chairman of the Aerospace Industries Association's board of governors. While an early and vocal opponent of Armageddon-like predictions on the impact of the sequester, he has been warning about difficulties maintaining the engineering talent the defense industry needs through the downturn. To help L-3 manage declining defense budgets, he's put L-3, which he's run since 2006, at the forefront of what has been a trend toward divestiture for major defense contractors.



66. ASHTON CARTER (8▼) Former deputy defense secretary



He may no longer be the deputy defense secretary, but he remains close to Obama and is widely regarded as a Cabinet secretary-in-waiting for this or any other Democratic administration. Until his departure this month, Carter ran the day-to-day at the



Pentagon for secretaries Chuck Hagel (No. 3) and Leon Panetta. It was his second stint in the building: the first during the Clinton administration as assistant secretary of defense for international security policy, and in the Obama administration as acquisition chief, then deputy secretary. This year, he spearheaded a major Pentagon budget and strategy review, budget-cutting efforts as well as working to improve ties with India. A no-nonsense and demanding manager, Carter was among those considered to succeed Panetta, but after Obama tapped Hagel the president asked Carter to stay on through the end of the year. He's also been on the short list to become the next energy secretary. A former Harvard Kennedy School professor — with a Ph.D. in theoretical physics from Oxford University as a Rhodes scholar — hasn't announced his post-government plans, but returning to academia wouldn't come as a surprise. Nor would returning to government.

67. WALL STREET ANALYSTS, BANKERS & INVESTORS (76▲) W S B I

Normally, when defense spending drops, so does the stock value of military contractors. But defense stock values have defied financial gravity as firms have continued aggressive efforts to shed personnel and facilities and cut internal costs, including R&D spending to underwrite share buyback programs and generous dividends to retain investor interest. It's worked, but analysts debate how much longer companies can continue the same tactics. Although bankers are laying the groundwork for future deals, until there's greater budgetary certainty, the expected wave of mergers and acquisitions that will accompany US and European spending cuts will remain stalled. **Joe Nadel** of JPMorgan Chase, **Doug Harned** of Sanford Bernstein and **Ron Epstein** of Bank of America are the top sell-side analysts, according to Institutional Investor, and Wall Street veteran **Byron Callan** at Capital Alpha Partners remains the leading independent financial analyst covering the sector. Bankers to watch in this cycle include the venerable duo of **Denis Bovin** and **Mike Urffier** of Stone Key partners, Credit Suisse veteran **Craig Oxman**, mid-cap expert **Anita Antenucci** of Houlihan Lokey, Evercore's **Les Fabuss** and Citigroup's **Kevin Cox**. Investors who other investors watch include **Steve Binder** of Adage Capital Management, **Steve Roorda** of Ameriprise, **Jason Toner** of Capital Group, **Matt Simon** of Citadel Investment Group, **Douglas Scott** of Fidelity, **Claude Staezly** of

Wellington Management and **Frank Finelli** at The Carlyle Group. **James McAleese** of McAleese & Associates is a bridge between Washington and Wall Street.

68. MIKE PETTERS/FRED HARRIS (—) President and CEO, Huntington Ingalls Industries; President, General Dynamics NASSCO



The success of its major shipbuilders is a key element to making the Navy's shipbuilding programs affordable and efficient, and



shipyards have their share of ups and downs. Petters, head of Huntington Ingalls Industries, and Harris, now the head of two of the three major yards of General Dynamics, have been key in keeping their outfits moving ahead. Petters gets credit for stabilizing his yards, which produce two of every three major ships for the Navy — including nuclear aircraft carriers and submarines, destroyers and big amphibious



ships — after their spinoff in early 2011 from former parent Northrop Grumman. Harris, who restored the National Steel and Shipbuilding yard in San Diego to efficiency, now is taking on Bath Iron Works. With ship orders shrinking, Petters is closing down his Avondale yard, while Harris must figure how to keep NASSCO in business if programs are cut further.

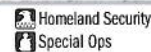
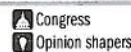
69. ANDREW KREPINEVICH (41▼) President, Center for Strategic and Budgetary Assessments



Krepinevich's Center for Strategic and Budgetary Assessments continues to stand apart as one of Washington's top think tanks, focused on strategy and signature budget analysis shaped by his mentor Andy Marshall's (No. 14) net assessment principles. At a time when



the Pentagon is struggling to redefine its future and facing a broad array of emerging threats, Krepinevich's advice is in demand, issuing a series of new approaches to air, land and sea power, as well as how the Pentagon should counter emerging anti-access/area-denial threats from Iran to China, as well as the dangers posed to US forces in the future from the proliferation of unmanned and precision technologies. In a novel move, CSBA's director of studies, Jim Thomas, persuaded fellow think tanks the Center for Strategic and International Studies, the American Enterprise Institute and the



Center for a New American Security to work together to map how best the Pentagon should cut spending. And like Marshall, Krepinovich has recruited a string of top talent that has returned to the Pentagon with distinction, including Michael Vickers (No. 8), Robert Work (No. 34) and Steve Kosiak (No. 15) as well as Bob Martinage (Navy), and Tom Ehrhard in OSD policy.

70. MARILLYN HEWSON (67▼) President and CEO, Lockheed Martin



Since becoming the head of the world's leading defense contractor late last year, Hewson has largely followed in the footsteps of her predecessor Bob Stevens in preparing the company for the ongoing defense downturn. The company has dropped an additional



4,000 people from its payrolls since she took over, but continues to see strong revenue figures and stock prices thanks to continuing a share buyback plan and returning strong dividends to shareholders. Still, Hewson, who joined Lockheed in 1982 and worked her way up the ranks, faced a series of challenges. First, she worked to improve the company's relationship with a Pentagon increasingly frustrated with the company over its management of the Joint Strike Fighter program and reluctance to increase internal research and development funding. On JSF, the relationship, by the admission of top officials, among them Air Force Lt. Gen. Christopher Bogdan (No. 40), has markedly improved as has program performance. Plus, in another nod to DoD and some investors who worry Lockheed dialed too far back, Hewson is spending more time talking about investments to keep the company on the cutting edge of key markets.

71. DAVID PETRAEUS (100▲) Former director, CIA



When Petraeus retired from his celebrated



Army career, Joint Chiefs Chairman Adm. Mike Mullen (No. 60) compared him to generals Ulysses S. Grant, John J. Pershing, George Marshall and Dwight D. Eisenhower as one of the "great battle captains of American history." More than any other officer of his generation, Petraeus has influenced countless leaders of all ranks within the US military and forces worldwide. While Petraeus famously resigned his job as head of the CIA in November 2012 after admitting to an affair with his biographer, Paula Broadwell, he has since kept a low profile. In the last months of 2013, he joined several veterans organizations and taught courses at The City University of New York and Harvard's Kennedy School of Government. Petraeus was hired in May by the

investment firm of Kohlberg Kravis Roberts as the chairman of the company's newly created KKR Global Institute to study new investment opportunities. His ability to always see the big picture and link seemingly disparate political, social, economic and cultural factors puts him in a rare intellectual category. And whenever he gets the chance, he makes the case for retaining the counterinsurgency lessons learned in Iraq and Afghanistan, arguing it's a skill set the nation can't afford to relinquish. Petraeus wrote a lengthy forward for the book titled "Surge" about the influx of 30,000 US troops in Iraq in 2008-2009, written by one of his top aides, Pete Mansoor.

72. ARMY GEN. LLOYD AUSTIN (47▼) Commander, US Central Command



A member of West Point's Class of 1975, Austin rose through the ranks in a variety of command positions to culminate in his taking over as chief of the critical CENTCOM in March 2013. Austin assumed the position at a time when the Egyptian street regularly



exploded into paroxysms of violence as protesters raged against the Egyptian military's takeover of the government, and Washington engages in delicate military-to-military diplomacy with generals in

Cairo. He is also the point man for any military assistance the US provides for the Syrian rebels, while keeping a watchful eye on al-Qaida in Yemen, the Sinai, and other Arab Spring-related uprisings in the region.

Austin brings years of Middle East experience with him to the job. He served with the 3rd Infantry Division in Iraq in 2003 before deploying to Afghanistan. After a stint commanding the 10th Mountain Division, he headed back to Iraq as head of Multi-National Corps-Iraq in 2008-2009. He headed back to Baghdad the next year to wind down American involvement there in 2011. Most recently, Austin served as vice chief of the Army from January 2012 to March 2013.

73. GORDON ADAMS (75▲) Distinguished fellow, Stimson Center



The former defense budget chief at the Clinton Office of Management and Budget, he's one of the nation's foremost



experts on national security and foreign affairs budgeting. A prominent member of the Stimson Center's team, Adams is respected on both sides of the aisle for his blunt

assessments of the administration and Congress' budget maneuvers, which he explains as "Kabuki dances" or "shadow

plays." His cynicism comes from having spent more than four decades at the top of his game, so there's little he hasn't already seen. He writes about defense budget drama that has engulfed Washington in recent years with insight and humor, providing vital analysis for decision makers and continues to shape future leaders from his perch at American University, where he teaches.

74. TODD HARRISON (77▲) Senior fellow, Center for Strategic and Budgetary Assessments



At a time when the fiscal future for defense spending is unclear, those who are good at divining a picture of what's to come are in demand. Harrison is sought by Congress, government, industry and the press. A former Air Force officer, he doesn't pull any punches in his analysis, spearheading budget cutting drills and collaborative efforts among Wash-



ington's largest think tanks generating strategic, thought-provoking analysis. Harrison joined CSBA after his predecessor Kosiak (No. 15) joined the Obama administration to oversee the defense account at the

all-powerful Office of Management and Budget. At CSBA, he continues the annual ritual of briefing reporters on the administration's upcoming budget submission — a week before it happens. And so far, his track record of getting it right is about as good as it gets.

75. RICHARD DANZIG (44▼) Chairman, Center for a New American Security



Democrat, lawyer, Rhodes Scholar and former Navy secretary, Richard Danzig remains one of Washington's most influential and thoughtful defense leaders who works quietly in the background. A member of the Defense Policy Board, he regularly advises top leaders in geostrategy, technology or simply how to get things done, a skill he honed for three years as the Navy's No. 2



civilian before taking the top job. It was Danzig who lent national security credibility to then-Sen. Obama's 2008 presidential campaign, although he didn't get either of the jobs many

expected him to get: defense secretary or national security adviser. Danzig campaigned for Obama in 2012, remaining a loyal adviser and public advocate. Always diplomatic but sometimes blunt, his forte is cutting to the core of tough problems with often innovative solutions. As chairman of the Center for a New American Security, he recruited former Navy Undersecretary Robert Work (No. 34) as its new CEO.

76. GORDON SULLIVAN (71▼) President & CEO, Association of the United States Army



Call him the chairman of the board of the United States Army. There isn't any such job, but if there were, it would be Sullivan's. More than 17 years after he retired as chief of staff of the Army, Sullivan, now 75, uses his position as chief of America's biggest professional military booster organization to fight for his beloved service and against threats, such as Air-Sea Battle, which he sees as a



blatant grab by the Navy and Air Force for resources the Army earned over the past 12 years of war. He has also led the fight against sequestration, which is set to take a large bite out of Army programs. Due to the

drawdown in defense spending and the reluctance of some contractors to spend tens of thousands of dollars on big, shiny display booths at the two big AUSA shows each year, Sullivan's staff has also started to livestream panel discussions on the Web during the shows to ensure that the Army's message is heard loud and clear. As Army chief, he led the service through the post-Desert Storm drawdown and transition from a Cold War construct, then transformed the sleepy Association of the United States Army during his 14 years as president into a vibrant advocate for Army programs, soldiers and their families. AUSA links the Army and its industrial base, pushing for programs and requirements that would keep the soldiers of tomorrow the dominant land force in the world. When the Army wants to sell a program, Sullivan and AUSA are almost always part of the plan.

77. RUDY DELEON (45▼) Senior vice president, National Security & International Policy, Center for American Progress



DeLeon's reputation as skilled, even-keeled and trusted administrator had many in Washington speculating he would leave the Center for American Progress to reprise his role as deputy defense secretary, this time with the Obama administration. DeLeon's intimate knowledge of how Washington works



from the standpoint of a top Hill staffer as well as Air Force and Pentagon personnel chief, and DoD's No. 2 civilian during the Clinton administration, has helped put CAP on the map and landed him a coveted seat

on the key Defense Policy Board that advises Hagel (No. 3). Always courted for his views and discreet counsel, DeLeon will play a key role in shaping — and selling — the administration's drawdown plans. Especially key: DeLeon's role in shaping the Goldwater-

Nichols legislation that fostered greater US military jointness, a landmark step that many argue needs further refining to even better integrate future operations.

78. JAMES STAVRIDIS (91▲) Dean, The Fletcher School at Tufts University; chairman, US Naval Institute



When Stavridis stepped down last year, all wondered what the wunderkind 57-year-old would do next. His answer: lead one of the nation's most respected foreign policy academies — where he got his Ph.D. in 1984 — to use his skills as a strategic and inspirational thinker to shape a new generation of civilian and military leaders. Like



David Petraeus (No. 71), Stavridis has the ability to meld global political, economic, social and cultural trends into a big-picture view that had many convinced he would become the nation's next Joint Chiefs

chairman. Stavridis also is chairman of the US Naval Institute at a time when the nation is debating the future size and shape of sea services.

79. DAVID BERTEAU (78▼) Director, International Security Program, Center for Strategic and International Studies



Berteau has been one of the most respected defense analysts in Washington, having served four administrations — under Democrats and



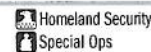
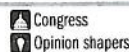
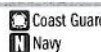
Republicans — and 15 years with industry. That experience makes him among the most capable prognosticators of where defense policy is going, as well as capable of understanding the

broad implications of any shift. Berteau has held positions overseeing weapons production, readiness, budget and policy. Consulted routinely by the Pentagon, Berteau has highlighted concerns about the health of the US defense industrial base.

80. ASIA-PACIFIC LEADERS (—)



As China works to exert its influence in Asia, it's up to the region's other economic, military and political heavyweights to balance the scales. On this score, Washington has strong allies and even several old adversaries who want a closer relationship with the United States. Japanese Prime Minister Shinzo Abe is a nationalist who is committed to cracking his country out of its post-World War II shell to take a more aggressive line with Beijing. Washington, which is treaty-bound to back Japan in a conflict, worries that Abe could spark a regional crisis by overreacting to



incessant, and growing, Chinese provocations. American officials are also trying to convince South Korean President **Park Geun-hye** to stop regarding Tokyo as a potential adversary but an ally in a more unified front against Beijing. Meanwhile, in America's onetime colony, Philippine President **Benigno Aquino** wants a larger US presence as China bullies its smaller neighbor. Ditto with Vietnam, where President **Truong Tan Sang** wants a closer relationship with its former enemy Washington. American forces are increasing their deployments to Australia, where Prime Minister **Tony Abbott** is a willing host. And while **Ma Ying-jeou** was elected to improve relations with the mainland, he too worries about a more assertive China that claims Taiwan as its own, rather than an independent nation. Meanwhile, Singapore's President **Tony Tan** is a key regional sounding board for Washington and ally, allowing the forward deployment of US littoral combat ships from the country's base at Sembawang.

81. UNNAMED BOMBER CZAR (—)



The Air Force's new long-range strike bomber ranks as one of the Pentagon's top priorities, is one of its most watched programs and — for a public effort — shrouded in mystery. Even where the money is going is considered top secret information. Given its priority status, funding for the new plane has been largely protected from sequestration. But three things are clear: The Pentagon is eyeing 100 aircraft at a cost of \$550 million each; service officials have set the mid-2020s for initial operational capability; and Northrop Grumman and a team composed of Boeing and Lockheed Martin are ready to beat each other into submission to win. The program executive officer — the Air Force has confirmed there is a PEO for the new bomber, but not revealed a name — must keep the program on financial and technological track. That's key given then-Defense Secretary Robert Gates canceled the last bomber effort, accusing it of lacking focus. If the program fails again, the Air Force will have another potentially costly disaster on its hands at a time when it can't afford to spend money and get nothing in return. If he or she succeeds, the Air Force can reap the benefits, and the nation's long-range strike leader and the bomber czar can write his or her ticket for a future assignment.

82. ARMY GEN. DAVID RODRIGUEZ (89▲)

Commander, US Africa Command



Rodriguez took over AFRICOM as US policy makers began taking increased interest in the continent, as al-Qaida-related groups spread from Yemen and the Middle East into much of northern Africa. The Pentagon has conducted an increasing number of military operations on the continent in recent years in Libya, Somalia and Kenya, while using Air Force and special operations assets to support French and African Union forces in Mali and the Central African Republic. AFRICOM is also hosting the US Army's first regionally aligned brigade, which is a test case for how the Army will equip and train its soldiers in the future. A 1976 graduate of West Point, Rodriguez came to AFRICOM following a stint commanding the US Army's Forces Command. Rodriguez spent much of the previous four years in



Rodriguez also served in combat in Panama, and in Iraq in 1991 and then again in 2003 and 2005.

Afghanistan, commanding Joint Task Force-82 in 2007-08, and as operational commander of NATO forces as head of the International Security Assistance Force-Joint Command from 2009-11.

83. ARATI PRABHAKAR (—) Director, Defense Advanced Research Projects Agency



Prabhakar has restored morale and order to America's premier research agency after her predecessor's turbulent tenure. Prabhakar has emerged as a strong voice for intelligent investment while also protecting the "blue sky" nature of the agency. She's respected not only for her technical savvy — she started her career at DARPA and has also directed



companies. That experience will be vital for DARPA over the coming years of financial hardship.

the National Institutes for Standards and Technology — but also her investment acumen honed over years in the venture capital business at U.S. Venture Partners and director at startup

84. ELON MUSK (61♥) CEO and CTO, SpaceX



Inventing PayPal made him a billionaire, but changing the world — whether developing electric cars that actually work and people want to drive or reducing the cost of launching satellites into orbit — has become the driving focus of the South African-born Musk. Since founding SpaceX in 2002, he has emerged as a serious challenger to the United Launch Alliance, which has had a

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stranglehold on military space launch for decades. Musk hopes to enter the national security market through the Air Force's Evolved Expendable Launch Vehicle program, which will competitively award 14 launches to new entrants in the coming years, with contracts expected in 2015. Musk, founder of electric-car company Tesla, has nurtured a reputation as a technological pioneer; at age 42, he will likely find



new ways to influence the defense realm in the coming decade. Indeed, despite withering early criticism, his Falcon rockets have redefined lean development, production and operations — the company prides itself on engineering its vehicles and engines — steadily becoming more reliable and powerful. On Dec. 3, his improved Falcon 9 launch vehicle proved it could successfully place a 7,000-pound spacecraft into a transfer orbit, paving the way to move up the business food chain.

85. BARRY BLECHMAN (96▲)
Co-founder, Stimson Center



Blechman — a thoughtful, soft-spoken strategist and longtime advocate of eliminating nuclear weapons — and his colleagues at the Stimson Center have produced valuable analysis and commentary that could help aid the Pentagon as it faces steep cuts to planned spending levels in the coming years. A bipartisan panel he assembled has offered what some consider among the most balanced templates for the Pentagon. That insight is derived from decades of experience at the Pentagon, State Department and the Office of Management and Budget as well as industry — he was the CEO of DFI International, one of Washington's most successful defense consultancies — and served on top advisory panels, including the Defense Policy Board and the State Department's Advisory Committee on Transformational Diplomacy.

86. CHRISTOPHER PREBLE (82▼)
VP for defense and foreign policy studies, Cato Institute



Once Preble — a former Navy surface warfare officer — was a lonely voice calling for the shrinking of America's sprawling defense establishment. Today, his is an articulate and thoughtful spokesman for the classically libertarian message that America is better off

with a smaller military. It's an idea that is steadily gaining traction among Republican lawmakers, giving them the intellectual scaffolding in their effort to shrink government spending, including the US defense structure. That's not a surprise as the think tank was founded in 1974 by Charles Koch, one of the Koch brothers who is a prominent backer of tea party Republicans.

87. SEAN O'KEEFE (64▼)
Chairman & CEO, EADS North America



One of the elder statesmen in the defense industry, O'Keefe marries deep industry knowledge with legislative and governmental experience that give detailed knowledge of the machinations of defense. A former Navy secretary, Pentagon comptroller and NASA administrator, O'Keefe helped engineer the growth of EADS after the company lost its second bid to build the Air Force's future tankers to Boeing. He helped secure major deals that made EADS North America a leading US space services provider, including to the Pentagon.



88. LOREN THOMPSON (80▼)
COO, Lexington Institute; CEO, Source Associates



Over the past 20 years, no one else in American defense has built as specialized a franchise and gained as large a megaphone as Thompson. A must-read who still is one of Washington's best-informed defense commentators, he's more widely read than ever. Defense companies pay him for advice and to shape the public debate on systems, strategies and policies, but his independent streak has cost him lucrative contracts over the years. Still, he occupies a unique and highly coveted space where he's in demand as an adviser, commentator, analyst and media source. And although he hasn't taught at the security studies program he helped found at Georgetown University for some 15 years, those legions he mentored are now increasingly senior leaders at the Pentagon, in industry and on the Hill.

89. SCOTT SEYMOUR (—)
Chairman and CEO, GenCorp



After spending decades at Northrop Grumman, Seymour left in 2008 to head a small, capable but problem-plagued company: GenCorp. Half of the company was solid-rocket maker Aerojet and the other a real estate firm. He restored the company to financial health and methodically cut costs, earning the admiration of the Pentagon. To

grow the company, in July 2012 he made a bold move: to buy Pratt & Whitney's Rocketdyne business to merge the nation's two legacy liquid-fuel rocket engine makers. The deal would test the limits of the government's willingness to allow consolidation in sectors with no new program opportunities just as declining defense spending is expected to force more mergers to monopolies. The companies argued the deal should



move ahead given the government was buying too few engines to keep both companies alive, and that there was a new liquid-fuel rocket competitor, SpaceX. The Pentagon strongly advocated for the deal to save \$100 million a year and the Federal Trade Commission agreed — without demanding any concessions by the companies. The attorney representing the companies was Jeff Bialos, the Pentagon's former industrial affairs chief who is a partner with Sutherland.

90. FRED KEMPE (—)
President & CEO, Atlantic Council



When you can pick up the phone and talk to America's defense secretary just about anytime, you've got influence. Do that with top movers and shakers around the world and build an all-star team, that includes such veterans like Brent Scowcroft and Zbigniew Brzezinski, then you've got a heavy-hitting organization. When Kempe — a former Wall Street Journal reporter and editor — took over the Atlantic Council, it was a sleepy but venerable think tank committed to supporting the Atlantic Alliance. But it has expanded dramatically, opening Middle East, Latin America, Asia and defense industry studies arms as well as shifting to new glitzy offices. Kempe hired National Security Council veteran Barry Pavel to direct the Council's Scowcroft Center that includes former Pentagon industrial affairs chief Steve Grundman, and Shuja Nawaz, one of the town's top South Asia analysts. It's annual awards gala is widely regarded as the Oscars of national security, with luminaries from defense, industry and the arts converging on Washington for a star-studded evening.

91. RICHARD ABLOUAFIA (—)
VP for analysis, Teal Group



Aboulafia is a veteran aerospace analyst, a favorite of journalists and industry alike for his ability to break down complex platforms and markets into easy-to-understand



terms. He is also a rarity in Washington, D.C. — a man unafraid to voice his opinions, often with a razor wit, about programs and the individuals behind them. With a worldwide clientele relying on his expertise, Aboulafia helps color global perception of successes and failures in the aerospace world.

92. FRANK HOFFMAN (88▼)
Senior research fellow, National Defense University



As strategists are working to figure out the future of post-war US forces, Hoffman is actively engaged in debates about the future of American ground and maritime strategies. A retired Marine Corps infantry officer, he served for nearly a



decade in the Corps' Warfighting Lab and long urged the Marines to abandon their long-standing "forced entry" emphasis on amphibious landings against heavily defended enemies that drives costly weapons requirements, including amphibious fighting vehicles that can zip through the water. Instead, he contends the Marines can retain the ability to conduct littoral operations and focus on crisis response missions, which would allow the Corps to buy fighting vehicles more optimized for ground combat ashore and in urban fights rather than risky and costly hybrids. Hoffman developed the concept of hybrid warfare, in which an adversary simultaneously uses conventional capabilities, irregular tactics, large-scale terrorism and criminal actions to gain its objectives. A voracious reader, Hoffman also is a prolific writer and coveted speaker and increasingly a popular blogger. He's contributed to each quadrennial defense review since 1993, numerous Defense Science Boards and commissions, and staffed the Hart-Rudman Commission that recommended the creation of a Homeland Security Department.

93. THE CONSERVATIVES (—)



While out of power, a host of conservative thinkers and strategists continue to argue their corner, demanding a more muscular American foreign and security posture. **Elliot Cohen**, the director of strategic studies at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University, has influenced generations of students at one of the nation's leading security programs. Other vocal Bush Pentagon alumni include former comptroller **Dov Zakheim** and policy chief **Doug Feith**, **Eric Edelman**, **Seth Cropsey** and **Bryan McGrath**, two former naval officers, have joined forces to launch a new sea power center at the Hudson Institute to advocate for a larger American fleet, while **AEI's Tom Donnelly** and **Fred Kagan** argue for land power.

94. PHEBE NOVAKOVIC (93▼)
Chairman & CEO, General Dynamics



One of the more private executives of a top defense company, Novakovic doesn't make many big public speeches or spend much time with reporters. That may be because Novakovic is accustomed to secrecy — she was once a CIA operations officer — and prefers to work quietly and methodically to adapt her company for the coming drop in spending. Novakovic joined General Dynamics in 2001 and became a protégé of the company's forceful and equally private former CEO Nick Chabreja, ascending to her current role at the beginning of 2013. She's had her hands full since taking over, however, trimming the company and tackling a \$2.1 billion goodwill impairment as the company adjusts for the downturn. She was special assistant to William Cohen when he was defense secretary and a deputy associate director in the Office of Management and Budget, ensuring she's both well connected and knows her way around strategy and budgets.



95. PETER SINGER/MICHAEL O'HANLON (92▼/—)
Senior fellows, Brookings Institution



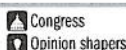
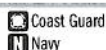
Singer and O'Hanlon are a yin-yang of the think tank world. O'Hanlon is a veteran strategy and policy hand, respected for his classically prudent approach to national security. Singer, on the other hand, has focused on how emerging drone and cyber technology will change national security, becoming a major policy shaper in his own right on 21st-century warfare. At age 29, he was the youngest senior fellow in Brookings' history. Now 39, he has written four books on warfare, its impacts and its future. O'Hanlon, who earned all three of his degrees including a Ph.D. at Princeton, has nine books to his credit, was a leading analytical voice during of the Iraq and Afghanistan wars, and a budget and technology analyst in his own right. Both eschew reason on budget issues and avoid the rhetorical flourishes — or gross exaggerations — that inhabit Washington security debates.



Singer



O'Hanlon



96. LARRY KORB (97▲)

Senior fellow, Center for American Progress



A frequent critic of defense spending and advocate of the need for reforms, particularly military pay and benefits, Korb is a thought leader. A retired Navy captain who became assistant secretary of defense for manpower, reserve affairs, installations and logistics during the Reagan administration, he has argued the downturn in defense spending is a normal correction after a decade of increased budgets and can be managed by DoD with careful thinking and planning.

97. MACKENZIE EAGLEN (98▲)

Senior fellow, Marilyn Ware Center for Security Studies, American Enterprise Institute



A hawk who was an adviser to Republican presidential candidate Mitt Romney, Mackenzie Eaglen ranks among a new generation of young conservatives critical of her party's defense messages that she argues erode the traditional view of Republicans

as good national security stewards. She argues for a more measured approach to the use of force and budgeting — not giving the Pentagon a blank check, nor cutting government spending indiscriminately at the expense of national security. She argues that if spending has to be cut, so do the expectations of the US military, acknowledging deep cuts are coming that will require the Pentagon to make tough choices and launch overdue structural reforms. Close to tea party members, Eaglen has teamed with other think tankers to brief GOP lawmakers on defense nuances.

98. MARION BLAKEY (63▼)

President & CEO, Aerospace Industries Association



Blakey has had a tough couple of years trying to guide the Aerospace Industries Association through the beginnings of the defense downturn. The organization's all-out assault on the sequester failed to prevent it from taking effect, and AIA's stand on

Worker Adjustment and Retraining Notification Act notices permanently separated it from the Obama administration with which it had been working closely to protect defense spending. 2013 saw the group reorganize its national security staff, toning down some of its tougher rhetoric in favor of efforts to garner more communication between industry and DoD.

99. AIR FORCE GEN. PAUL SELVA (—)

Commander, Air Mobility Command



The backbone of America's air superiority are the tankers and cargo planes of Air Mobility Command, headed by Selva. With 54,000 individuals and hundreds of aircraft, Selva still needs to balance modernizing a dangerously aging fleet while deciding whether legacy platforms such as the KC-10 will become budget casualties. One good sign:



Pacific Air Forces is the senior-most officer to have spent a tour as one of Andrew Marshall's (No. 14) military assistants.

The KC-46 tanker replacement program is on track and has been protected from sequestration. Selva, who took over the command in November 2012 following a stint as vice commander for

100. AIR POWER ADVOCATES (—)



The Navy and Marine Corps are selling their future role, but that doesn't mean air power advocates aren't making their case for reach, speed, flexibility and deterrent power — all with minimal entanglement. Retired Air Force Lt. Gen. Dave Deptula, one of the architects of the successful 1991 Gulf War air campaign and air power strategist, is now the dean of the Mitchell Institute for Aerospace Studies, affiliated with the Air Force Association, with

AFA's Doug Birkey as the institute's executive director. Rebecca Grant, founder of IRIS Independent Research, is a vocal advocate, as is Mark Gunzinger, a retired Air Force colonel and B-52 bomber pilot who was conventional forces chief at the Pentagon before joining the Center for Strategic and Budgetary Assessments, and AEI's Misha Auslin. Retired Gen. Chuck Wald, a top Deloitte executive, is another strong voice, and retired Gen. T. Michael "Buzz" Moseley, former Air Force chief of staff, is taking a more public role.

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