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**STATEMENT BEFORE THE HOUSE ARMED SERVICES COMMITTEE
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE**

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Chairman Roby, Ranking Member Tsongas, and Members of the Subcommittee, thank you for inviting me to testify this afternoon on the subject of the Quadrennial Defense Review. In my testimony, I will offer some lessons from past QDRs and recommendations for the upcoming review. These lessons and recommendations are based on my involvement in the 1997, 2001, and 2006 QDRs, as well as the 2010 QDR, during which I served on the Secretary of Defense's external "Red Team." I will first address the issue of the defense strategy, and then turn to how the upcoming QDR might weigh risks, prioritize forces and capabilities, and reformulate the force planning construct.

I. Thinking About "Defense Strategy"

One of the QDR's major tasks is to set out a defense strategy that articulates a vision of what the Department of Defense seeks to accomplish and how it will do so. The strategy is supposed to be the foundation for determining the Department's priorities, where it should invest and what activities it should undertake. Given its importance, it is difficult to imagine a process less suited to developing good strategy than the highly bureaucratic QDR process. That process involves thousands of well-meaning military personnel and civilians, ultimately resulting in a strategy being publicly communicated to friends and foes alike in a glossy, unclassified report. The QDR's development of strategy is a far cry from the War and Navy Departments' efforts to formulate strategy at the start of World War II. In the aftermath of the Japanese attack on Pearl Harbor in 1941, the nation's most senior civilian and military leaders devised a secret military strategy that focused on defeating Nazi Germany first while conducting a holding action with a far smaller force in the Pacific. That prioritization and sequencing of efforts – coupled with the adoption of a peripheral, indirect campaign in North Africa, while delaying the invasion of Europe and avoiding altogether the invasion of the Japanese main islands – proved to be a war winning strategy. It is doubtful a QDR-like process could ever have produced such a result.

The Pentagon's record of fashioning strategies since the end of the Cold War is poor. For two decades now, those who aspire to take up George Kennan's pen have taken their best shot at drafting a one-size-fits-all "defense strategy" that addresses all of the threats we face. Many have attempted to articulate a strategy for how we will reconcile our national ends and means that can be summed up in a single word like "Containment," but the security challenges we face today defy such Cold War era approaches. Recent strategies, moreover, have often degenerated into "laundry lists" of objectives with no real plan for how they will be achieved, much less where we will accept greater risks against some lower priority threats to reduce the risks from current adversaries and emerging rivals that pose the most significant threats to our vital interests. Having failed here, they cannot help but fail to provide a realistic estimate of the resources required to achieve these objectives. Strategies that have been offered in past QDRs, such as "Shape, Respond, Prepare" (1997); "Assure, Dissuade, Deter, Defeat" (2001); "Prevail, Prevent, Prepare, Preserve" (2010) had catchy titles, but lacked the conceptual "connective tissue" linking strategy to capabilities and plans in the form of meaningful guidance and prioritization about how to design, posture, and prepare our forces. As public documents, they also skirted awkward, undiplomatic, albeit necessary discussions, such as what we should do if friendly states collapse. Moreover, a bureaucratic process that tries to capture everything the Department does and address every challenge it faces within a single defense strategy inevitably leads to a simplistic, lowest common denominator result. Challenges as diverse as transnational terrorism, long-term strategic competitions with other great powers, volatility in key regions, nuclear proliferation, and cyber warfare each demand their own strategies. I would argue, therefore, that developing a coherent set of strategies, each tailored and differentiated for a particular challenge, would be preferable to attempting to craft a single defense strategy intended to address all of them.

Strategy development also has to explicitly take into account available resources. None of us want a strategy that is simply "budget-driven," but neither can we responsibly craft a strategy that is unconstrained by resources. The crafting of a good strategy requires a sensible estimate of the resources likely to be available, which in turn should inform our strategic appetite. To draw from another historical example, Army planners in the years before World War II firmly believed their Service was woefully under-resourced. But they saw their task as formulating a strategy that could be executed at the current level of resourcing, rather than bemoaning their lack of funding. They crafted a modest strategy of hemispheric defense even as they perceived the clouds of war gathering in Europe and Asia. The planners recommended this limited strategy – consisting of a rudimentary "anti-access/area denial perimeter" around North America and the Caribbean to oppose the most formidable naval fleets in the world – believing that it was the extent of what the nation could afford at the time. However, they also assumed that if war broke out with Nazi Germany and Imperial Japan, the nation would rapidly increase the resources available for national defense and that the Army and Navy would have to massively expand their power-projection capabilities. This would require a very different and far more expansive strategy, in which the Services would have to "digest" a massive inflow of resources and conduct an unprecedented mass mobilization of manpower and industry. Thus, they actually had to develop two very different strategies – one for the present and one they would keep in their hip pocket in the event of war – and they had to have a transition plan to shift from one to the other when the time came. To a large degree, strategy has mattered less for the United States since the end of the Cold War because we have enjoyed such a large margin of advantage economically and militarily over our rivals. But as those margins are reduced, strategy will matter far more, just as in the past.

Historically, single individuals and small groups have tended to formulate the best strategies. Their details are classified to avoid signaling to adversaries how we intend to compete, deter, counter, or defeat them. They are also kept secret to avoid embarrassing our friendly foreign relations; sometimes we must hedge against friendly states failing, shifting sides, or not meeting their commitments. Frequently, good strategies are counter-intuitive and orthogonal; they defy expectations, while delivering surprise. They leverage non-obvious asymmetries in competitions and play on the propensities of competitors to entice them to follow their preferences to a point of excess that accentuates their vulnerabilities. Good strategies tend to exploit trends rather than trying to defy them.

Finally, strategy development should not be something that occurs in four-year increments but rather requires constant reappraisal as our estimates of situations change. Good strategy should be dynamic. The implementation of successful strategies also requires socialization across the military and interagency bureaucracies, with the Congress, defense industry, and with allies to achieve “buy-in” and sustain support for them over time.

II. Weighing Risks

The 2010 QDR accurately described the major factors in the international environment that could affect national security in the coming years and outlined a set of priority missions that built on the core tasks defined in the 2006 QDR. It failed, however, to foresee or address the most significant national security threats we face today: a stalling global economy, America’s own sluggish economic growth, and its unsustainable fiscal trajectory. Consequently, less than 18 months after the 2010 QDR report was issued, it was overtaken by the Budget Control Act and the specter of sequestration. America’s fiscal predicament and the prospect of more economic hard times ahead will undoubtedly dominate the upcoming QDR. Budgetary concerns have the potential to crowd out broader strategic considerations. Rather than making hard choices about what portions of the force should be maintained or expanded even as the overall size of the Defense pie shrinks, the danger is that the Department will simply choose the politically less painful option of across-the-board, “salami-slice” cuts to the force.

One of the tricky “risk balances” that the next QDR needs to get right is the balance between America’s sustained economic health and maintaining a strong national defense. Drastically cutting defense discretionary spending in an era of austerity could lead to a world in which the global commons of the high seas, skies, space, and cyberspace – so critical to our economic well-being – become far more vulnerable. Similarly, large-scale wars could become more probable, requiring even greater defense spending in the future. On the other hand, failing to take measures now to reduce our national debt over time as a percentage of our Gross Domestic Product will only compound the fiscal problems our children will face and leave even fewer resources for our future defense. While DoD leaders should fight for every penny they can get to maintain a strong defense, there also needs to be a recognition that putting the United States on a path back to strong economic growth and fiscal rectitude is essential to sustain the country’s long-term military predominance.

The other key risk balance is related to the first: balancing between military preparations for current operations and future operations. There is a danger that in fiscal hard times, we will attempt to preserve near-term readiness (largely defined in terms of operations

and maintenance spending) at the expense of longer-term readiness (defined more in terms of research, development, and procurement). Clearly, we must strike a balance to ensure that we preserve sufficient forces and capabilities to deal with today's challenges and avoid hollowing out our forces, while also reshaping our forces and capabilities to meet the challenges of tomorrow. Although this debate is often portrayed as the "fighting-the-last-war" crowd versus the "next-war-it-is" gang, the reality is that the major challenges facing the United States today are likely to be of an enduring character. Thus, I believe that the choice between preparing for current and future threats may be less stark. More accurately, we have to strike a balance between addressing challenges in the forms they take today while anticipating how they will evolve in the future.

III. Prioritizing Forces and Capabilities

Although it is impossible to predict the future, three key challenges are likely to persist and evolve over the next several decades.

- First, while al Qaida has been weakened through the intelligence, military, and law enforcement efforts of the United States and its partners in recent years, Islamist extremism has metastasized and new nodes have spawned in an ever-adapting global terrorist network.
- Second, as nascent nuclear powers grow their arsenals and aspirants like Iran continue to pursue nuclear capabilities, the threat of nuclear proliferation as well as the potential for actual use of nuclear weapons will increase.
- Third, a number of countries are fielding anti-access and area-denial capabilities including ballistic and cruise missiles, attack submarines, advanced fighter aircraft, and sophisticated air defense, as well as robust cyber warfare capabilities that will challenge the U.S. military's ability to conduct power-projection operations in vital theaters and could be used to hold at risk our critical infrastructure at home.

The 2012 Defense Strategic Guidance accurately captured these challenges, but fell short of aligning the Department's program – defined as the forces and capabilities it will need to develop, field, and sustain – with them. The upcoming QDR offers an opportunity to better align the Department's program with the guidance. The challenges and top missions outlined in that guidance remain a good filter for establishing what the Department's priorities should be in an era of austerity.

The major decisions taken by the Secretaries of Defense over the past several years appear to take this approach, although more work remains to be done. Former Secretary of Defense Robert Gates appears to have used such a filter in January 2011 when he announced cuts in defense spending and the cancellation of a number of defense programs, while at the same time called for expanding or initiating a number of new programs including long-range, nuclear-capable bombers, sea-borne unmanned surveillance and strike aircraft, and electronic jammers to enhance the survivability of U.S. forces.¹ Building on Gates' decisions and even in the shadow of the sequestration

¹ Department of Defense, "Statement on Department Budget and Efficiencies," as delivered by Secretary of Defense Robert M. Gates, The Pentagon, January 6, 2011.

threat, Secretary of Defense Leon Panetta has called for an enhanced Virginia-class submarine with a new payload module to greatly increase the number of weapons each platform can carry, advanced U.S. cyber capabilities, and improved precision weapons.² Outside analyses, including one conducted last year by CSBA that brought together diverse teams of defense analysts, Congressional staff, former government officials, and retired military officers in exercises to rebalance DoD's program assuming sequestration-level cuts over the next decade, tend to confirm the strategic direction Secretaries Gates and Panetta set out.³

The key security challenges we face and the priority missions outlined in the 2012 Defense Strategic Guidance place a premium, in particular, on highly distributed, autonomous, and low-signature forces capable of operating independently, far forward in denied areas. Such forces and capabilities will need to be far less dependent on vulnerable forward bases but vastly more effective operating in non-permissive environments where adversaries will contest our air forces, jam our communications, and blind our sensors and command and control. Accordingly, among the highest capability priorities for countering terrorism, eliminating WMD, or projecting power into anti-access zones will be:

- Special operations forces for both direct action and indirect efforts to enable foreign security partner forces;
- Submarines with greater strike capacity, larger unmanned underwater vehicles (UUVs), advanced mines, and the ability to communicate at depth;
- Land and sea-based long-range, air-refuelable, unmanned stealth aircraft for surveillance, kinetic strike, and non-kinetic electronic attack;
- Deeper inventories of stand-off precision munitions that can overcome modern air defenses and electronic countermeasures, as well as more powerful air-delivered conventional weapons for holding deep underground facilities at risk;
- More survivable and/or resilient, space-based precision, navigation and timing (PNT), intelligence, surveillance and reconnaissance (ISR), and secure satellite communications (SATCOM) to enable operations; and
- Non-kinetic cyber, electronic warfare, and directed energy capabilities to achieve both lethal and non-lethal effects.

Combinations of such access-insensitive forces and capabilities are likely to be the spearhead of future campaigns against terrorists, WMD powers, and adversaries possessing robust anti-access networks. As DoD aligns its program with the challenges and missions outlined in the Defense Strategic Guidance and continues to improve the ability of U.S. forces to operate in contested environments, these conventional and special operations “crown jewel” capabilities – coupled with a robust nuclear deterrent as

² Department of Defense, “Shangri-La Security Dialogue,” as delivered by Secretary of Defense Leon Panetta, Shangri-La Hotel, Singapore, June 2, 2012.

³ Mark Gunzinger and Todd Harrison, *Strategic Choices: Navigating Austerity* (Washington, DC: Center for Strategic and Budgetary Assessments, November 2012).

long as nuclear weapons exist in this world – should become more central in the American military, especially in an era of declining resources.

IV. Reformulating the Force Planning Construct

Another major component of every QDR is the development of a so-called “force planning construct” which provides guidance for determining what kinds of forces will be needed in the future, and their size. The reality is that QDR force planning constructs have had very little practical effect on sizing forces. To all intents and purposes, the force structure outlined in the 1993 Bottom-Up Review remains the force structure blueprint of the Department to this day. Where the force is smaller, it has largely been the result of budgetary pressures and the retirement of older ships and aircraft, rather than any conscious effort made during QDRs. The modest exceptions to this are the substantial increases in Special Operations Forces, as directed by the 2006 QDR, and subsequent increases in support forces (e.g., intelligence, logistics, and rotary wing aviation) to enable them, as directed by the 2010 QDR.

Across the last two administrations, DoD leaders have also struggled to move beyond the canonical “two regional war” construct that was first outlined in the 1993 Bottom Up Review. Each QDR has offered what it claimed was a shift from the “two war” construct. Nevertheless, because decision makers across multiple administrations have seen value in maintaining the principle of “concurrency” – defined as the ability to deal with multiple threats simultaneously – they have been loathe to adopt more innovative alternatives that might facilitate greater changes in defense.

I support the principle of concurrency and believe it is the *sine qua non* for a military superpower with global commitments. Relinquishing the ability to fight multiple wars could invite collusion between potential adversaries as they try to stretch our resources thin responding to multiple crises for which we are ill-prepared. At the same time, however, maintaining the forces and capabilities to fight multiple combined arms campaigns similar to Operation Desert Storm or Operation Iraqi Freedom over-optimizes our forces for a particular type of war while leaving our forces less prepared for a wider range of contingencies. It would be prudent, therefore, to accelerate the shift away from preparing to conduct multiple, traditional land combat-centric campaigns (focused on invasion/counter-invasion scenarios), toward a new set of scenarios to inform the shaping and sizing of U.S. forces. Specifically, any future force planning construct should ensure sufficient U.S. forces and capabilities to:

- Eliminate or secure a hostile power’s WMD and delivery means should its government threaten to use those capabilities against the United States or its allies, or should it lose control of its WMD arsenal during the collapse of the state or civil war.
- Wage a long-term strategic competition with cost-imposing measures short of war against rising military powers and prevent their domination of critical regions, limit their ability to coerce neighbors and, be prepared to deny their military objectives and ability to project power. The latter may be accomplished in part by encouraging U.S. allies and partners to build their own anti-access/area denial capabilities.

- Deter or punish “second mover” aggression. The United States should anticipate that if it must fight a war in one region, it must maintain sufficient global strike capabilities – including special operations forces, cyber, conventional, and nuclear – to deter opportunistic aggression or coercion by third parties elsewhere by holding out the prospect of swift and devastating punitive attacks and/or the denial of their military objectives.

V. Conclusion

Given both the fiscal and external security challenges facing the nation, the upcoming QDR could be the most consequential of the last two decades. However, a “business as usual” approach in the QDR is unlikely to lead to the major changes in our forces and capabilities that are needed. The new Secretary of Defense with the Joint Chiefs would do well to agree up front on the major trades and decisions the QDR should make before drafting Terms of Reference for the QDR. The classified Terms of Reference should then outline concepts that explain how U.S. forces should address the most pressing security challenges (rather than trying to define a single defense strategy). It should also identify highest priority capabilities and offer a new planning construct at the start of the process, thereby allowing the review to focus on the implementation and alignment details. Such an approach would also minimize the risk of a protracted strategy debate. Among the most critical issues DoD will face, is the choice between pursuing a smaller version of today’s force or a rebalanced force that better aligns DoD’s program with the critical challenges it faces and its priority missions. To preserve the country’s military edge in austere times, I believe DoD has no choice but to aggressively rebalance its portfolio of capabilities. It will need to prioritize those capabilities that perform best in contested operating environments, while divesting those that depend on relatively benign operating conditions. Finally, it is worth bearing in mind that the upcoming QDR will have far less margin for error than previous reviews. Given the bleak fiscal outlook, we will likely be stuck with the force that results from the upcoming review for decades to come, for better or worse.

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