



## **In Brief:**

# **Assessing the January 2012 Defense Strategic Guidance (DSG)**

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On January 5, 2012, President Obama announced a new defense strategy entitled “Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense,” and commonly referred to as the defense strategic guidance or “DSG.”<sup>1</sup> The DSG was significant at the time because it was explicitly intended to reshape future Department of Defense (DOD) priorities, activities, and budget requests for the following decade. That reshaping meant, in part, reducing defense spending by about \$487 billion over 10 years, to meet the initial budget caps set in the Budget Control Act (BCA) of 2011.<sup>2</sup> And it meant in part refining DOD’s 10-year strategic outlook in response to changes in the global security environment and the end of the decade of warfare that followed the terrorist attacks of September 11, 2001.

The DSG is significant now, in 2013, because it is still intended to serve as the strategic foundation for further DOD policy and resource decision-making, under tighter fiscal constraints. By all accounts, the Strategic Choices and Management Review (SCMR), conducted by DOD at the direction of Secretary of Defense Chuck Hagel during spring 2013, adopted the DSG as its baseline and tested options for cutting costs against the impact such steps might have on DOD’s ability to execute that defense strategy. The Quadrennial Defense Review (QDR), which is statutorily mandated to be conducted in 2013, with a report based on the review due to Congress in February 2014, is also expected to be based broadly on the premises of the DSG.<sup>3</sup>

Importantly, the DSG did not account for the possibility of sequestration—further significant, across-the-board cuts triggered by the BCA. At the time the DSG was issued, defense officials stated that, were they directed to find an additional \$500 billion in cuts, the guidance would not apply, and DOD would have to shed “missions and commitments and capabilities that we believe are necessary to protect core U.S. national security interests.”<sup>4</sup> This year, discussing the outcome of the SCMR, senior DOD officials argued that sequester-level budget cuts would “break” some parts of the defense strategy as reflected in the DSG, and that an “in-between” approach, half-way between sequester-level cuts and the President’s budget request, would “bend” the strategy.<sup>5</sup>

Some observers have wondered whether the next step should be further evaluating the risks posed to the execution of the strategy by proposed spending cuts; or whether the next step should be,

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<sup>1</sup> See Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense*, January 2012, available at [http://www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf), hereinafter “DSG”; Department of Defense, *Defense Strategic Guidance Briefing from the Pentagon*, January 5, 2012, available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4953>, hereinafter “Guidance Briefing”; and Department of Defense, *Defense Strategic Guidance Media Roundtable at the Pentagon*, January 5, 2012, available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4954>, hereinafter “Guidance Roundtable.”

<sup>2</sup> Budget Control Act of 2011, P.L. 112-25, August 2, 2011, see §101 and §302, which amended §251 of the Balanced Budget and Emergency Deficit Control Act of 1985. See *Guidance Briefing*.

<sup>3</sup> At a full House Armed Services Committee hearing regarding the SCMR, held on August 1, 2013, Vice Chairman of the Joint Chiefs of Staff (VCJCS) Admiral James Winnefeld stated, “Basically, we used the defense strategic guidance as the baseline [for the SCMR] and it was something that we strove to protect as best we could with potential budget cuts.” See DOD press briefing by Secretary Hagel and VCJCS Admiral Winnefeld, Washington, DC, July 31, 2013, available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5280>, hereinafter DOD press briefing, July 31, 2013; and Deputy Secretary of Defense Ashton B. Carter and Vice Chairman of the Joint Chiefs of Staff James A. Winnefeld, Jr., Prepared Testimony, House Armed Services Committee hearing, “Initial Conclusions Formed by the Defense Strategic Choices and Management Review,” Washington, DC, August 1, 2013, available at <http://docs.house.gov/meetings/AS/AS00/20130801/101242/HHRG-113-AS00-Wstate-CarterA-20130801.pdf>, hereinafter Carter and Winnefeld, “Initial Conclusions.”

<sup>4</sup> See *Guidance Briefing*.

<sup>5</sup> See DOD press briefing, July 31, 2013; and Carter and Winnefeld, “Initial Conclusions.”

instead, reconsidering the objectives and priorities of the strategy itself in the context of tighter fiscal constraints. Of course, one might explore both of those approaches simultaneously. This CRS report highlights and analyzes key strategic-level issues raised by the DSG.

## What the DSG Said

The defense strategic guidance, written as a blueprint for the joint force of 2020, emphasized the following:

- a shift in overall focus from winning today's wars to preparing for future challenges;
- a shift in geographical priorities toward the Asia and the Pacific region (hereinafter, "Asia Pacific") while retaining emphasis on the Middle East;
- a shift in the balance of missions toward more emphasis on projecting power in areas in which U.S. access and freedom to operate are challenged by asymmetric means ("anti-access") and less emphasis on stabilization operations, while retaining a full-spectrum force;
- a corresponding shift in force structure, including reductions in Army and Marine Corps endstrength, toward a smaller, more agile force including the ability to mobilize quickly; and
- a corresponding shift toward advanced capabilities including Special Operations Forces, new technologies such as intelligence, surveillance and reconnaissance (ISR) and unmanned systems, and cyberspace capabilities.

## Background

The review that produced the DSG was initiated by President Obama's direction to DOD, in April 2011, to identify \$400 billion in "additional savings" in the defense budget, as part of a broader effort to achieve \$4 trillion in deficit reduction over 12 years. The President indicated from the outset that the search for savings should be driven by strategic considerations.<sup>6</sup> In May 2011, then-Secretary of Defense Robert Gates stressed that the review would help "ensure that future spending decisions are focused on priorities, strategy, and risks, and are not simply a math and accounting exercise." He warned against identifying savings by simply "taking a percentage off the top of everything" – in his words, "salami-slicing" – because that approach would result in "a hollowing-out of the force."<sup>7</sup>

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<sup>6</sup> President Barack Obama, "Remarks by the President on Fiscal Policy," The George Washington University, Washington, D.C., April 13, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/04/13/remarks-president-fiscal-policy>. The President called for "a fundamental review of America's missions, capabilities, and our role in a changing world," and stressed that he personally would "make specific decisions about spending" upon completion of the review.

<sup>7</sup> Secretary of Defense Robert Gates, Remarks at the American Enterprise Institute, Washington, D.C., May 24, 2011, available at <http://www.defense.gov/speeches/speech.aspx?speechid=1570>.

In August 2011, then-Secretary of Defense Leon Panetta confirmed that DOD was implementing the President's April guidance by conducting a "fundamental review." He added that key questions in the review included "What are the essential missions our military must do to protect America and our way of life? What are the risks of the strategic choices we make? What are the financial costs?"<sup>8</sup> U.S. officials stressed that while the fiscal crisis had made the conduct of the review more urgent, changes in the global security environment and in U.S. commitments – particularly in Iraq and Afghanistan – would have necessitated a strategic shift in any case.<sup>9</sup>

The DSG stated that it was designed to implement the U.S. National Security Strategy.<sup>10</sup> Yet the conduct of the review, which had no statutory mandate, took place outside of the usual frameworks for crafting U.S. and DOD strategic guidance, including the Quadrennial Defense Review (QDR) and national defense strategy.<sup>11</sup> The DSG and related official commentary about it also underscored the importance of "the unique global leadership role of the United States,"<sup>12</sup> but the DSG did not describe the scope or scale of the "leadership" role it prescribed.

## Issues

### Priorities

The title of the DSG—"Priorities for 21<sup>st</sup> Century Defense"—reflected the intent, confirmed by President Obama, to base the guidance on "a smart, strategic set of priorities."<sup>13</sup> The DSG prioritized in the sense of naming a list of 10 priority missions, and pointedly excluding others. The list was not numbered; defense officials indicated that the missions were presented in "loose, not strict" priority order.<sup>14</sup> The 10 missions included the following:

- counter terrorism (CT) and irregular warfare;
- deter and defeat aggression;
- project power despite anti-access/area denial challenges;
- counter weapons of mass destruction (WMD);
- operate effectively in cyberspace and space;
- maintain a safe, secure, and effective nuclear deterrent;

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<sup>8</sup> Secretary of Defense Leon Panetta, Meeting Our Fiscal and National Security Responsibility, August 3, 2011, available at [http://www.defense.gov/home/features/2011/0711\\_message1/](http://www.defense.gov/home/features/2011/0711_message1/).

<sup>9</sup> Guidance Briefing.

<sup>10</sup> See President Barack Obama, National Security Strategy, May 2010.

<sup>11</sup> Law requires that the President submit to Congress a national security strategy (NSS) every year; that DOD submit a QDR report, consistent with the NSS and delineating a national defense strategy, every four years; and that the Chairman of the Joint Chiefs of Staff submit a national military strategy or update every two years. See National Security Act of 1947, P.L. 80-235, §108; Title 10, U.S. Code, §118; and Title 10, U.S. Code, §153. See also CRS Report R43174, *National Security Strategy: Mandates, Execution to Date, and Issues for Congress*, by Catherine Dale.

<sup>12</sup> Guidance Briefing.

<sup>13</sup> Ibid.

<sup>14</sup> Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.

- defend the homeland and provide support to civil authorities;
- provide a stabilizing presence;
- conduct stability and counterinsurgency (COIN) operations; and
- conduct humanitarian, disaster relief, and other operations.<sup>15</sup>

On the surface, the list of missions alone did not differ very strikingly from past strategic guidance. The 2010 QDR named six priority missions, including defend the homeland; succeed in counterinsurgency and counterterrorism; build partner capacity; deter and defeat aggression in anti-access environments; counter WMD; and operate effectively in cyberspace.<sup>16</sup>

However, some changes were apparent, reflecting the overall shifts in emphasis that underpinned the DSG. Shifting DOD's geographical focus, the DSG called for maintaining focus on the Middle East, and it echoed the "deliberate and strategic decision" announced not long beforehand by President Obama and then-Secretary of State Clinton to turn more U.S. attention to the Asia Pacific, pointedly including South Asia and the Indian Ocean.<sup>17</sup> Accordingly, the priority list invoked concerns with "states such as China and Iran" to stress the need to be able to project power in areas where U.S. access is challenged. Shifting focus from today's to tomorrow's challenges, the DSG and the official commentary surrounding it downplayed the importance of COIN, noting that its future use was expected to be "limited" and that COIN requirements would not be used to size the future force.<sup>18</sup>

Some critics argued that the DSG fell short by failing to rank the 10 priorities in order of importance. In principle, ranked priorities – for example, as in DOD's classified, internal Guidance for the Employment of the Force – can help Services and components better understand and execute based on intent, either operationally or institutionally, and can provide a clear basis for helping external audiences, including Congress, understand the rationale for tough decisions now and in the future.

Key questions concerning priorities in the DSG might include the following:

- Are the 10 missions highlighted by the DSG the most appropriate top priorities for DOD? Is 10 too many? Are there any other missions that ought to be part of the list?
- To what extent is the prioritization among the 10 priority areas clearly and commonly understood throughout DOD? To the extent that overall prioritization may have different implications for different military services and agencies, to what extent do they clearly understand how the priority list applies to them?

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<sup>15</sup> See DSG, pp. 4-5.

<sup>16</sup> Department of Defense, Quadrennial Defense Review, February 2010, p. 2.

<sup>17</sup> President Barack Obama, Remarks by President Obama to the Australian Parliament, Canberra, Australia, November 17, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>. Secretary Hilary Clinton, "America's Pacific Century," Foreign Policy, November 2011, available at [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century?page=full](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century?page=full).

<sup>18</sup> DSG, p.6; and Briefing by Deputy Secretary of Defense Carter and Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, January 9, 2012, Washington D.C.

- What if anything did the DSG’s assertion that only 4 of the 10 priority missions—counter-terrorism, deterring and defeating aggression, countering WMD, and homeland defense—would be used to size the force, indicate about the relative priority of the 10 missions?

## **Force Planning Construct**

Traditionally, DOD has made use of a force planning construct (FPC)—a shorthand statement of the number and type of missions the force is expected to be able to accomplish simultaneously, used to shape and size the force. While FPC debates tend to focus on major contingencies, an FPC also takes into account ongoing (or “steady-state”) activities such as homeland defense and deterrence. The DSG did not provide a simple FPC shorthand. According to DOD officials, the DSG was based on these force planning premises:

- The United States would continue to be able to meet future national security challenges, including simultaneous ones. The question was not “whether” challenges could be met, but rather “how.”
- Given the likelihood of future challenges, as well as budgetary constraints, DOD was rethinking the ways in which those challenges would be met—advanced technology would be a far more likely means than a large land invasion.
- The future force would be shaped and sized to conduct simultaneously one “full Monty”<sup>19</sup> effort to defeat an adversary—a combined arms campaign across all domains, including a large-scale ground operation—and a second effort, to deny an aggressor’s objective or impose unacceptable costs, as well as smaller additional missions, with “acceptable” risk.<sup>20</sup>

The DSG’s force planning construct is best characterized as an “evolution” from previous FPCs, rather than a sharp departure from the standing “two major contingency operation” construct. The 2001 QDR introduced the parsimonious “1-4-2-1” construct, in which the force should be able to defend the homeland; operate in and from four forward regions of the world; swiftly defeat adversaries in two overlapping military campaigns while preserving the option to win decisively one of those campaigns; and conduct humanitarian operations.<sup>21</sup> Subsequent QDRs, in 2006 and 2010, described a more complex global environment, a broader spectrum of potential adversaries, and a wider array of available capabilities. Accordingly, they described more complicated FPCs that had multiple possible combinations of simultaneous contingencies in addition to steady-state efforts. Both preserved DOD’s ability to do more than one big thing at a time, but argued that both duration and risk would depend on the particular combination of contingencies.<sup>22</sup>

On the surface, the DSG appeared to call for doing less with less. Perhaps more accurately, it could be said to call for meeting a somewhat different mix of future challenges with a distinctly different mix and application of capabilities. In doing so, the DSG made significant assumptions about the future global context. It included willingness to assume some greater risk, without

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<sup>19</sup> Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, Hill Briefing, Washington D.C., January 9, 2012.

<sup>20</sup> *Ibid.*, and DSG p. 4.

<sup>21</sup> Department of Defense, Quadrennial Defense Review Report, September 30, 2001.

<sup>22</sup> Department of Defense, Quadrennial Defense Review Report, February 2006; and Department of Defense, Quadrennial Defense Review Report, February 2010.

specifying the scope and scale of that risk, to accomplish simultaneous missions. And it called for leveraging key factors including greater use of advanced technologies; institutional learning over the past 10 years; smarter use of the total force including the reserve component; and some reliance on partner capabilities.<sup>23</sup> Some observers argued that the DSG would also require particularly strong future leadership to manage a significantly more agile force.

Key questions concerning the DSG's force planning construct might include the following:

- Has the lack of a simple shorthand statement for the force planning construct in the DSG impeded clear communication and understanding?
- How does DOD understand the difference between, on one hand, defeating an aggressor, and, on the other hand, “denying an aggressor the prospect of achieving his objectives and imposing unacceptable costs on the aggressor”? What is the difference if any in terms of requirements? Is U.S. strategic thinking rigorous enough, and is U.S. cultural understanding well-developed enough, to craft and execute the imposition of “unacceptable costs” on a given adversary?
- The DSG called for scaling back stability operations but noted the need for related missions: irregular warfare, counterinsurgency, security force assistance, and humanitarian assistance. How might the total force retain those capabilities while to some extent de-emphasizing them? Did this mark a return to viewing such capabilities as “lesser included”—that is, skills that one naturally acquires as one learns to conduct major contingency operations?
- What theory of deterrence writ large undergirded the DSG? How might the capacity required to deter near-peer nuclear powers and dissuade aspirant states from pursuing nuclear weapons best be determined? How might the changes the DSG indicated for forward presence affect the logic of deterrence?
- To what extent is it sensible to think about advanced technology as a replacement for manpower? What opportunities, and what risks, would such a shift introduce?
- To what extent can the Reserve Component, utilized as an operational reserve, properly be considered fungible with the Active Component, and what opportunities, risks and constraints would that approach introduce?

## **Risk**

In rolling out the DSG, DOD officials acknowledged that the strategy accepted some risk. Then-Secretary Panetta noted, “Because we will be somewhat smaller, these risks will be measured in time and capacity,” and VCJCS Admiral Winnefeld cautioned against “departmental hubris” in predicting the future.<sup>24</sup> One of the major ways DOD sought to mitigate risk was by building in what the Administration called “reversibility”—that is, preserving the ability to reconstitute some of the capacity and capabilities given up—in order to address emerging future requirements. The

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<sup>23</sup> Hill Briefing by Deputy Secretary of Defense Carter and Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, Washington D.C., January 9, 2012.

<sup>24</sup> Guidance Briefing, and VCJCS Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.

concept, officials noted, applied to personnel, the defense industrial base, and science and technology investments.<sup>25</sup>

While the DSG claimed to highlight associated strategic risks, it featured little if any cold, hard consideration of the nature and extent of risk assumed, and—unlike QDR reports—it did not include a companion “Chairman’s risk assessment”.<sup>26</sup>

Key questions concerning risk might include the following:

- To what extent if any, and if so in what ways, did the DSG introduce greater risk—in terms of time, cost, casualties, likelihood of success—to DOD’s ability to meet more than one significant challenge at a time?
- VCJCS Admiral Winnefeld cautioned against “departmental hubris”<sup>27</sup> in predicting the future. How much reliance did the DSG place on its assumptions concerning future global trends? How much and what kinds of risk would quite different global trajectories impose on DOD’s ability to fulfill its mission to protect and defend the nation?
- To preserve the reversibility of reductions in ground forces, DOD indicated that it planned to use a combination of mobilization and force regeneration, based on retaining sufficient senior non-commissioned officer and midgrade officers in rank structure as a backbone. What risks if any would that approach impose in terms of managing personnel, providing forces for ongoing missions, and responding to possible large future contingencies in a timely fashion?
- To preserve the reversibility of the defense industrial base, how well, and at what cost, might production lines for defense items be kept warm as DOD purchasing diminishes in scope and scale?

## **Engagement with International Partners**

The DSG made extensive use of the word “partnership,” calling repeatedly for continued efforts to work with, and build the capacity of, U.S. allies and partners. This emphasis on partnership echoed the strong focus on building partner capacity in both the 2006 and the 2010 QDR reports. The DSG and official commentary surrounding it emphasized that partnership saves U.S. money and effort—it is “important for sharing the costs and responsibilities of global leadership.” In his cover letter, President Obama used military operations in Libya to illustrate “burden-sharing.”<sup>28</sup> The DSG also underscored the need, in a fiscally constrained climate, for “innovative, low-cost, and small-footprint” approaches.

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<sup>25</sup> See DSG, and Guidance Roundtable.

<sup>26</sup> Title 10, U.S. Code, §118, requires the Chairman of the Joint Chiefs of Staff to evaluate risk associated with the QDR and to submit a report based on that evaluation through the Secretary of Defense to Congressional defense committees.

<sup>27</sup> Vice Chairman of the Joint Chiefs of Staff ADM Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.

<sup>28</sup> DSG, cover letter and p. 3.



What the DSG did not clarify was the rationale for engaging in partnership, in terms of both the mechanisms by which partnership produces measurable effects, and the desired ends in terms of the balance between saving U.S. resources and having a broader impact on the global arena.

Key questions concerning engagement and partnership might include the following:

- Is the goal of partnering to save money? To meet a greater array of challenges? To influence regional and global rules and norms? How much can partnering achieve in any of those arenas?
- How exactly does building the capacity and capabilities of U.S. partners lead, through their actions, toward outcomes that help protect U.S. national security interests? What is the best way to assess those outcomes?
- To what extent if any might more economical approaches toward partnering, including scaled-back global force posture, introduce risk in terms of the effects that partners achieve and the U.S. interests that their actions protect?
- What assumptions did the DSG make about the future capacity, capabilities, and political will of U.S. partners around the world?

## **Interagency Roles and Responsibilities**

To support the DSG, Administration officials called for strong diplomacy, development, and intelligence contributions as part of the overall national security effort. Introducing the DSG, President Obama noted that senior officials from the Departments of State, Homeland Security, and Veterans Affairs, as well as the intelligence community, had participated in the process.<sup>29</sup> That emphasis on interagency collaboration toward national security ends echoed other recent defense guidance, as well as the May 2010 National Security Strategy, which devoted three pages to outlining a “whole of government approach.”<sup>30</sup>

One challenge may be that all U.S. government departments and agencies, not just DOD, are facing budget pressure, and are thus looking for opportunities to scale back rather than ramp up their efforts. Another challenge may stem from the view of many that interagency roles and responsibilities remain imbalanced—that civilian agencies are under-resourced for the roles they would appropriately play, while DOD has been resourced to fill in the gap.

Key questions concerning interagency roles and responsibilities might include the following:

- What assumptions did the DSG make about the roles other U.S. agencies would play? What would it cost those agencies to play those roles? How realistic were those assumptions under current fiscal constraints?
- To what extent is DOD ready to commit resources to building up the capacity of other U.S. agencies, and to catalyzing more effective integration of effort?

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<sup>29</sup> Guidance Briefing.

<sup>30</sup> President Barack Obama, National Security Strategy, May 2010, pp. 14-16.

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