

Center for Strategic and International Studies (CSIS)

Preparing for the 2014 Quadrennial Defense Review

Opening Remarks and Moderator:

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CLARK MURDOCK: I think we're about ready to begin. Let me introduce myself. My name is Clark Murdock. I'm a senior adviser here at CSIS.

We're holding this conference. It's sponsored for us by the strategy office at OSD Policy. They, however, are responsible for none of its contents. Those are my responsibility entirely. I just wanted to say a few words, a little bit about my background in terms of this in support of QDRs in the past.

Before we turn to it – it is being recorded, but it's for – purely for the capturing of the information. This is an off-the-record – off-the-record, Chatham House, in the sense that we will use quotes from it, but they won't be attributed to any individual.

What we've done is bring together a number of experts for each of the panels. We're asking each of them to talk for 10 to 15 minutes, preferably closer to the 10-minute level than the 15-minute.

And then, one of the things that we've done is we offered modest honorariums – very modest, I can assure you – so the people would actually write something in advance rather than think about what they're going to say on the way in on the metro. And that then I, in the role of senior facilitator, which is how we sold it to our sponsors, reviewed all of those written statements, and will open the questioning with a few questions to the panelists, both individually about their particular presentation, or across the panels in order to identify areas of agreement and disagreement between them.

But, again, as I said, I promise not to hog the stage for too long. Afterwards, we will be throwing it open for questions at that time. But we did want to get people not on the record but to explicitly address a few common questions during that time.

Speaking of QDRs, I guess the thing that brings me here is that I've probably been involved in QDRs as long if not longer than anyone here. I certainly was involved in QDRs before there were QDRs. The first one actually was in August, 1990, when Bush 41, George H.W. Bush, announced the base force, Colin Powell's baby, but nevertheless base force, and the same day, of course, that Saddam Hussein invaded Kuwait during that time.

Aspen responded. I was Aspen's – Les Aspen, then chairman of the House Armed Services Committee, his chief policy person, and we responded with option C from the Aspen analysis as a response to the base force.

I think that process helped put a floor on our defense budget that was in freefall at that time. The base force was essentially a 25 percent reduction, but without really addressing any roles and missions issues, without addressing role specialization issues, division of labor, and so on.

In the end of 1991, Dick Cheney took another 50 billion (dollars) off the top of the budget with no strategic rationale for it at all. And so when Aspen came out with option C – and Option B was actually from Panetta, at that time he was the head of the House Budget Committee – that put a floor in the Democratic Caucus under the freefall of the defense budget at the time.

Aspen came in, 1993, was the Bottom-Up Review, which essentially was another 7 percent off of the base force's cut of 25 percent. Also didn't address any roles and missions issue. Got a lot of heat for Win-Hold-Win, for those who were around at that time, in terms of how we think about the 2MRC strategy, major regional contingencies at that time. Everything else was a lesser included cases of 2MRCs.

In 1997, another QDR in the Clinton administration, MCRs became major theater wars. SSCs – and this was I think Michele Flournoy's influence at the time, smaller scale contingencies were no longer lesser included cases of MTWs, but, oh, by the way, you won't get any additional force structure for them, because it wasn't there during that time.

The 2001 QDR, new force planning construct, 1421, four standing for four critical regions of the world where we can be prepared to rapidly engage, of course, swept aside by 9/11 and Afghanistan. We immediately – there was a fifth critical region of the world that we didn't know it was critical at the time that the QDR was being written at the time, but, nevertheless, raised a new concept – known unknowns, unknown unknowns. I think that's a legacy that Secretary Rumsfeld could be proud of, just that phraseology in how little confidence we can have in our ability to predict where we're going to fight or how soon we'll fight or who precisely we're going to fight at that time.

The 2006 QDR, in both the 2001 and 2006 QDR in my consultant role – I was consulting to the people at RAND at that time, so I was involved, not as indirectly but as a think tanker, but as a consultant to them.

QDR, Michelin Man, force planning construct during that time, so 1421 replaced by another concept; steady-state and surge, which I think are two of the enduring concepts that really came out of that particular QDR. I had a bit of a role in that, although the original idea for steady state and surge was from Christine Wormuth, who did a paper on homeland defense for a conference that I was doing on force planning constructs during that time.

The 2010 QDR, an unusual QDR because it was a new administration with the same secretary of defense; the same secretary of defense would produce the defense strategy, who'd given a number of major speeches on what he thought the future of the force would look like. It warned everybody against next-war-itis. And unlike the 2006 QDR said, the first thing we have to do is focus on the conflicts we're in now. In 2006, it was like Afghanistan and Iraq didn't exist in the QDR.

Then, in January 2012, a new strategic guidance and defense budget priorities. It turned out that the economic vice was forcing a reevaluation of the strategy a lot sooner than people thought, sort of a co-evolution of the new strategic guidance in the FY '13 budget request. This

is one I was not involved in. I watched it pretty closely. I had good friends involved in it, but I was not involved in it directly in any way.

And now we come to the next QDR, which in a modest way we're trying to help tee up and provide some guidance for it. Of course, we do it for pay. We do analysis for pay here at CSIS, where, unlike the previous QDR it's the same administration but now we have a new secretary of defense coming in, which may or may not make a big difference. There will be a debate about that.

I think sequester cuts loom on 1st March. The continued resolution runs out on 17th March. It looks like the debt ceiling fight has been put off, but that's just a sequencing, a fall off the cliff deadlines. So it is a very uncertain fiscal environment. And it's not an uncertain – it's not a certain security environment by any means.

Only this morning, I pick up the paper, and read the North Koreans tell us they're going to do another test. And, by gosh, if you didn't know before, we're going to tell you. It's aimed at you, the United States, the threat to North Korea. We can see already another fight about who lost North Korea. Well, North Korea was lost from the get-go during that time.

Labor intensive and great bureaucratic term, it's the terms everybody brings to QDRs. One of my colleagues once said QDRs were God's punishment to defense analysts and defense policymakers. I don't really agree with that. I actually think they've been increasingly useful over time. And I think it's in direct proportion. They get more useful as my direct involvement gets less and less during that time. (Laughter.) I think strategy is debated. The strategic choices are identified.

Another innovation that I think first started in 2006 but has continued was – they actually make decisions during the QDR processes, and they involve them, and put them into the QDR report. They may seem trivial, but as somebody who's fought many, many battles in the real continuing war at the Pentagon, which is over budgets, having it in the QDR enables you to do a better job of getting it resourced, because if it ain't in the palm, it ain't. If it isn't in the budget, it doesn't happen.

And QDRs, decisions that are made in QDRs, are put into a QDR report have a status and helps for advocacy a huge amount in terms of the budget wars, because, after all, you're opening yourself up to partisan charges of not putting your money where your mouth is. So QDRs matter.

Today's conference is to try to help participants, a number of whom are here today to prepare for the next one by thinking about lessons learned – that's going to be the perspective of the first panel – by thinking about the context, both the fiscal context and the security context, which are panels two and three. And then, finally, in the last panel, we've asked a number of people who have already come out and said, don't worry about the QDR, just take what I just told you to do, and we'll hear from them about what the next QDR did. I hope everybody will find this a rewarding day.

I would like to ask the first panel to come up now. One thing I will add as I'm going to – don't need that. I already mentioned. Thanks. First panel, come up please.

I've just been told we are on the record. Is that right? Is it being televised?

MR. : I think it's being webcast.

MR. MURDOCK: It's being webcast.

MR. : Being live, it's pretty much on the record.

MR. MURDOCK: I apologize. I stand corrected. We're on the record since it's being webcast. Be judicious in what you say. It may come back to haunt you.

Anyway, first I'd like to ask my old boss in several incarnations, and nevertheless a young-looking man, Rudy deLeon, to talk about lessons learned from his experience.

RUDY DELEON: Well, thank you, Clark Murdock. And thank you, all of the participants on the panel. Here we are. It is QDR time, I guess, to begin thinking about it, but never before have there been as many wildcards out there going into a potential QDR and a new secretary of defense's tenure than there are right now.

We start out with the threat of a sequestration, but sequestration is a modest issue when you consider that there's no appropriation in place for the Department of Defense after March. So you might have a sequester against one month of existing appropriation. So that's an interesting situation to try and analyze, let alone try to manage through.

Second, we avoided the fiscal cliff, but we still have budget turbulence. The debt ceiling has been extended for a few months, but, again, no appropriations for DOD. And one of the unique things about the current set of budget issues is that, you know, we did have a sequestration back in the mid-'90s, but regular order prevailed and there was quickly passed the Department of Defense Appropriations Bill Conference Report, which meant that as the fiscal turbulence went forward, DOD had its own funding and was really exempt from that process.

We have a secretary of defense confirmation process that looks like it will be contentious over issues, that begins a week from yesterday, next Thursday, the 31st. We have rampant press rumors of the deputy secretary of defense headed off to be the next secretary of energy. So the number one secretary of defense, who does the big, broad policy guidance and engages with leaders around the world, and the number two, the deputy, who runs the building day to day, both of those positions may be changing at the same time.

And so you really have to go back a ways to find as many variables in the wild card as we even begin this process of thinking about the QDR in its first term.

Now, I'd add that we're here talking about the QDR, but as Clark Murdock mentioned in his opening comments, there are times where the secretary of defense and the Joint Chiefs

actually conduct their own strategic review. I think there are probably at least four of them of great note.

One, 1981, Caspar Weinberger and the implementation of the Reagan budgets. Again, that was a blank sheet of paper exercise. It was a time when you looked back at it historically that systems – it was a time of production. And it was a time not just simply of modernization, but of buying force structure and inventory. There had been an R&D period during the Carter years led by Bill Perry, who was the DDR&E at the time, and Secretary of Defense Harold Brown, who had been the DDR&E during the Kennedy years.

So from that R&D period of the Carter years and then the production of the Reagan years, you see a number of programs go to full-rate production, and have been the backbone of the inventory ever since: the M1, the Bradley, the F-16, the F-18, the Aegis carrier, and then this small technology that was originally designed for the Navy, for Navy navigation, that the other services thoroughly resisted at the time, wanted to have no part of, that became GPS, all of that coming out of that period. So, clearly, that 1981 exercise was a dramatic strategic review.

The base force, after the fall of the Soviet Union, in 1990, and then perfected by the Bottom-Up Review in '93 – the interesting thing about the Bottom-Up Review in '93, a residual of the base force, was that the bulk of the work was done by the secretary of the defense, the chairman of the Joint Chiefs, and the chiefs themselves.

I mean, it was not larger than eight people in the room and I think one of the most satisfying things about the exercise in '93 was that the Joint Chiefs, the chiefs of the services, really became the action officers for the strategic review and the implementation.

The '96 QDR was really done during the transition from Bill Perry. Most of the work was done while Bill Perry was there. And so you really have to look to the decisions in 1998. Another strategic review where Secretary Cohen, the chairman, Hugh Shelton, with the president held an off-site at the National Defense University with the Joint Chiefs, with the combatant commanders, and that was where budgets started going up as the budget became balanced and resources were available. And then, as Clark Murdock mentioned, really, you have to look to Secretary Rumsfeld, not to his QDRs but his wartime budget decisions.

Secretary Gates – I served on the congressional panel looking at the QDR for Secretary Gates. So that was 2010. I think Secretary Gates reminded all of Washington that, you know, the Pentagon specializes in doing future budgets while we were fighting two wars at the same time. And to get the city focused on the fact that we had great armies in the field fighting big battles with big needs and that contrary to the normal Pentagon politics of thinking about the next round of budget requests, that Secretary Gates reminded us that making sure that we were supporting the troops in the field were a critical, critical requirement of deliberations.

So that brings us to 2013 and all of the variables I mentioned, and then the process that will form the QDR that will begin this spring with a new secretary of defense, and, potentially, a new deputy secretary of defense, unless policymakers prevail on Dr. Carter to stay and provide continuity to the Department of Defense.

But looking at QDR, it's going to be important that we move away from just simply the list of budget priorities and items that are there. I think there are four big things that transcend the normal process that will get to great strategy.

One, what is the policy guidance after Iraq and Afghanistan? Certainly, a big component is the rebalancing to Asia-Pacific, but the Middle East will be very, very much a focus item. And as we see in just the last two weeks, North Africa will be very critical, just as a time when the Europeans, our European friends continue to write great white papers on integrated national security issues, but keep reducing their budgets by significant numbers. So against that, I have four areas.

One, to make sure that the policy guidance is right. And that will look at hotspots. It will look at where we might expect to deploy military forces.

Second, I think we have to continue the notion of stress testing the all-volunteer force for long-term viability. America does not want a draft. That is clear. At the same time, we see more and more resources going to sustain the all-volunteer force. In the 2009-2010 QDR sustaining the all-volunteer force was one of those four key strategic pillars of the review. And so looking at the all-volunteer force, which has served the country well, there is not a senior military leader, nor a senior enlisted leader who would say they would prefer an alternative to the all-volunteer force. We need to look at how we are going to sustain it as an enterprise for the long term.

Second, we're sort of in an R&D hole right now, which is to say we've got a number of programs that are vigorously in the R&D cycle but we have a problem busting out of R&D and going to full-rate production so that we're actually modernizing the inventory in a significant way.

Some of that may be affordability – the current generation systems are significantly more expensive than their '80s systems, the systems from the 1980s that they are replacing. You can look at the cost of an F-16 or an F-18 from the 1980s and compare that to the cost of an F-35 or an F-18 from this particular decade. But getting programs out of R&D and into procurement seems to be a real problem right now.

And so some of that is looking at acquisition issues, but we may also need to look at how we're generating the requirements. And we go back to that old issue of how do we decide what is good enough and what adds to the capability of the force? But, you know, that the additional pieces going on are not necessarily going to be critical to the war fighter.

You know, I enjoy watching this debate on the Global Hawk. Global Hawk left DARPA carrying a 2,000-pound payload. And when it got to the services, it suddenly had to carry a 3,000-pound payload. Now, the Global Hawk coming out of DARPA was designed exactly to be compatible with the sensors that went on the U-2.

So here we are today, my gosh, 12 years later after as deputy secretary of the defense I said, if there's a sure thing in this system, it's the Global Hawk coming out of DARPA at 2,000-pound payload. Here we go. We've got the U-2 as the asset for the foreseeable future, Global Hawk in multiple configurations, never really achieving the promise, but not quite ready to be abandoned, sort of (typifying ?) the persistent all-access environment that we now have for collecting intelligence.

So we've got to look at our requirements process as we try to pull programs out of R&D into production so that we can actually modernize the force structure instead of having procurements that are producing one or two superb items but really not modernizing the fleet.

And then, finally, O&M is an issue – I think other than Dr. Berteau here at CSIS, his look at why O&M rates continue to sky rocket and increase faster than any other aspect of the DOD budget. Some of that is, since the 1990s, Congress, and in turn, the executive branches have mandated that readiness be the definitive measure of the defense budget, meaning that readiness is the priority. But when you look at the rate of growth within the O&M accounts, they're rising faster than the personnel accounts. There's contracting out. There's information technologies. There is the rise of headquarters and the staffing of headquarters.

So I think coming to grips with why O&M is increasing at the rate that it is, because if we allow O&M and personnel to continue to increase at the rates, what we'll be doing is reducing the force structure to simply pay for current level of cost on the personnel on the O&M side.

So, Dr. Murdock, there's never anything like a clean start here. I think the one thing that I would stress is how important it will be for the QDR process to reflect the shared thinking of the new secretary of defense and the team there as well as the chairman, and the Joint Staff, and the members of the Joint Chiefs that it will be important that all of the studies actually get input from the senior leaders rather than just simply go forward with all deliberate speed so that we can start drawing up the lists of critical questions and critical items to consider for the budget. Thank you, Clark.

MR. MURDOCK: Thank you very much, Rudy. Thank you very much.

Jim.

JIM THOMAS: Thanks, Clark. And good morning to everyone. I saw the movie "Zero Dark Thirty" last weekend. And I thought it was a – it was a great story. And I was trying to figure out how could I possibly make this even remotely interesting. And I can't believe that there would be this large an audience for – to discuss a government bureaucratic process. But thank you all for coming this morning, and especially a lot of friendly faces around the room so good to see – good to see a lot of old friends.

I want to make five points this morning. I want to touch on strategy in QDRs and then talk about second force planning. And then talk about some lessons learned from '06 and watching other QDRs about how do you set the conditions for change within the department. Then, fourth, offer some thoughts about how you might stack the deck if you really want change

and you're – you're skeptical about getting it through the bureaucracy. And last, close with some thoughts about the 2012 Defense Strategic Guidance and the upcoming QDR.

To kick off – I can't think of a worst way of making good strategy than a quadrennial defense review. Getting a couple of thousand people involved from across the bureaucracy, having lots of working groups, the coordination process, writing an unclassified document with lots of glossy pictures that you're going to put out there and you're going to pass off to your allies, as well as your enemies, as well as folks in your military and then industry, you've got too many audiences in play.

And when I think about really good strategy, when I think about in World War II, somewhat counterintuitively citing, you know, we're going to win in Europe first and then we're going to hold in the Pacific, although we just got attacked at Pearl Harbor, that's a pretty good strategy. It's non-obvious. It's orthogonal.

When I think about most of the strategies that we've had across QDRs, they tend to be statements of the blindly obvious. You want to try to stop wars from happening. You've got to be able to fight the wars you're in and you probably want to do something about the future. But it's not unlike the strategy you probably wake up with everyday for, you know, getting through your own life. It's not really a strategy. It's your laying out some general aims and truisms. And, really, it's not unlike every other country in the world in what they're trying to accomplish.

I think it's almost impossible to craft a defense strategy that is some composite strategy that addresses the rise of great powers – al-Qaida, climate change, anything else you want to throw in there, because you end up with the lowest common denominator stuff.

So I think if we could ever move away from the idea that there's a one-size-fits-all strategy for the problems that face the nation and that the Department of Defense is going to have to deal with, I think it would be a step in the right direction.

One of the things we tried to do in 2006 in the QDR was we tried to avoid doing a defense strategy. We used the code of saying, we're going to operationalize the defense strategy, and then we tried to lay out four concrete problems. And we spent time trying to say, how we were going to address each one of those.

And we tried to avoid throwing out unrealistic bumper sticker goals: we want to prevail, we want to do this, we want to do that. When we talk about dealing with terrorist networks, we said very concretely we're going to take an indirect approach which was not what we had been doing up until that point.

And we said our goal is that at the end of the day, the enemy's capacity to inflict violence globally and catastrophically will be denied. And, at the same time, their ability to even act locally is going to be outweighed by the capacity and the resolve of friendly partners in those regions. We tried to be very specific. We can't eradicate all terrorism. You cannot – I can't give you 100 percent certainty there's never going to be another terrorist attack, but there are very concrete steps we could take. And these have – and these actually have been perpetuated.

I also think that there's been an awful lot of continuity going all the way back to the BUR. And I reread the Bottom-Up Review, and the '97 review, and 2001, and 2010, and the DGSs before coming over here. And what really strikes me is that we're all kind of sort of trying to say a lot of the same things. We've been concerned about WMD for 20 years, but we still don't have our act together on how we're going to deal with it.

We've been talking about anti-access and area of denial. We didn't have the term in '97. We talked in terms of asymmetric threats. But by 2001, we sure as heck were talking about it in a big way, but then, we were overtaken with 9/11 and it got put on the backburner. But the problem's still there and we still haven't figured out how to address it.

So there's been a lot of continuity. And I think as much as we talk about partisan debates and national security policy since Vietnam, when it comes to the general strategic direction, I think there's really a consensus in terms of where we need to be going. The real challenge is coming up with the right ideas that get us headed toward those objectives.

Just shifting to force planning, I think that the last time we really saw a strategic review drive serious change in our force structure was the Bottom-Up Review. We've been living on the Bottom-Up Review force structure now for 20 years.

And that force structure, it made a lot of sense, both base force and the regional defense strategy in the Bottom-Up Review as a troika, they laid out a decent picture for where we wanted to go after the Cold War. We were shifting away from the Soviet Union. We were going to focus on distant regional theaters. WMD was a big deal. And we saw that the world is going to be kind of a messy place. And we kept on trying to refine that message overtime. Ninety-seven tried to do it; 2001, 2006, et cetera.

But I think that there really are limits on what you can do in a QDR in terms of sizing the force. And I would frankly say it's almost a fool's errand to try. What's going to drive the size of the force is going to be budget and it's going to be wartime necessity. That's – that's really what's happened since then.

The other is I think we keep on trying to bash our heads against the wall of two MTWs and we think that's the problem, of only we could change that. Well, the reality is if we want to stay in the global superpower business, concurrency matters. How you define that? If it's just a question, if you've got to go do Desert Storms all over the place, that's one way. Maybe it's just being able to punish multiple people in the world for crossing red lines that you've set out. But we're probably not going to be able to move away from concurrency. We're just going to have to redefine what that is. And it may not be invasion – counter-invasion dynamics as we've envisioned in old scenarios, but we may have to think more in terms of more minimalist goals of air-sea denial in various regions around the world.

The other thing that's always a trap in QDRs is the 20-year outlook. And I think this is – you know, this is a great point, especially – I mean, I can't think of a better example than 2006.

So you're in the middle of two bloody wars. Everybody – you know, it's blindly obvious you've got to do something different to address those wars. And you've got a document saying, look out 20 years. And you look out and say, it's just as obvious that 20 years from now, you're not going to be in Iraq and you're probably not going to be in Afghanistan.

So what do you really want me to do? You know, you want me to grow the size of the Army? I can grow the size of the Army, but I guarantee you within 20 years, you're going to be cutting the size of the Army again. So, yes, it makes sense, because you're straining service members, and you're straining their families while you're in Iraq and Afghanistan, but if you're really serious about looking out to 2026, it's hard to imagine that you're going to want a large – a large force, because people are the most expensive part of your – of DOD.

The one big exemption we made to this I'd say really since the bottom-up review was the expansion of SOF. We started growing operators in 2006 and growing force structure. And this is probably the most significant force structure delta seen in the post-Cold War era. And then, 2010 picked up with that, and picked up the part that the 2006 QDR left off, which is you can't simply just grow the enablers. You're going to have to grow – you can't just grow the operators. You've got to grow the enablers as well so we can get a healthy force.

What we did try to do though, and I think where I'm more optimistic, if you're going to do a QDR anyway, you can do more in terms of shaping the force, setting the right vectors in terms of, you know, moving from a direct to a more indirect approach, saying that large-scale stability operations may not be with us for perpetuity, but irregular warfare probably is. Hybrid warfare is – Frank Hoffman talks about it. That's going to be here to stay.

So we're going to have to adjust. This isn't like the – it isn't like Vietnam, where we can just run back to the Fulda Gap. These things are here to stay. And I think we're actually going to see that the confluence of high-end anti-access and area denial challenges with hybrid or irregular warfare challenges over time.

A couple of things, and Rudy I think hit on this quite well, which is, I think one of the secrets to success in terms of getting serious change in the department between base force and the BUR was that it was a high-level drug deal. You know, it's really between the secretary, the chairman – and the Joint Chiefs were the action officers on that. He's absolutely right. The problem with review since then is that that has not been the case, that we haven't had the senior level engagement that that really is necessary if you want to drive big change.

We did an off-site at the three-star level before the 2005, 2006 QDR, two days down at Fort Belvoir, no staffs, just a small group. Talked during the day about what the big challenges are. That's where we came up with the four operational challenges in the QDR. And we had to knock down, drag out, fight on what those would be.

What was really amazing is I came away from the thing, and said, the guys in the room, they're not the problem. They were part of the solution. All of the service reps in that QDR, they knew their services had big problems. They knew the Joint Force had big problems. And they really wanted to change.

The problem is none of us – and Emo Gardner pointed this out to me. He said, you know, Jim Thomas, you're from OSD in this administration, which basically has said missile defense is the number one priority. Are you going to put missile defense on the table or not? And I'm sitting there saying, hey, you know, I might – I have a job on Monday depending on how I answer this question.

And that's the reality everyone around the table is dealing with it. None of us have the top cover to go and really make some bold trades in terms of roles, and missions, and capabilities, and forces. The only way you're going to get that is to have that sort of top level agreement in principle and then left the staffs work the details. If you give the staffs and say, bring me operational availability analyses and expect the staff to serve up the answer to you, you're going to get the status quo.

We really pushed for a Key West like process in the 2006 QDR and we failed. We couldn't convince the senior leadership, but said that would have been the best thing they could have possibly done. Take a long weekend and go on a finishing trip and try to work out some of the top level trades and then spend some time then using the staffs to really try to flesh out the details on them. And I think it's a failure that that didn't happen then and it really hasn't happened since then.

If you can't get that, I think that you need some sort of safety valve, because a bureaucracy, as Bob Komer said, it's going to do its own thing. And what it's really good at is protecting the status quo. Most people in DOD are going to be thinking defensively. The really bright stars in any QDR process are the people who think like thieves and they see it as an opportunity to steal. But that's actually pretty rare behavior. Most people are going to try to lock down and hold on to what they've got. And that's how their FYDPs are going to be evaluated. So you've got to have some sort of safety valve for that sort of a collective behavior. It's not the fault of any single individual.

And for us in the 2006 QDR, it was the red team, the bureaucracy lockdown. You had tons and tons of people involved in all kinds of working groups. And it was producing absolutely nothing in a year-long marathon death march sort of way.

The red team was – that's where we got the big changes. That's where we got the expansion of SOF. That's where we got new programs to be able to operate from range. That's where we got, particularly on the black side, some really important changes, especially in the electronic warfare and the information environments.

As I think about the next QDR, I think there's actually a parallel with 2006. They're both second-term QDRs. I think the Defense Strategic Guidance really actually set out the right strategic vectors.

And this is an important point is that it's the off-year, the non-QDR strategic processes and decisions that have really been driving change in the department. It was Bob Gates' decisions that bookend the 2010 QDR in April of 2009 and the January of 2011. That's where

you got the most significant programmatic changes really in the post-Cold War era. And, at the same time, I think the DSG is probably the best strategy that's really been offered in the post-Cold War era.

So I would say the DSG got the right vectors. It would really be a pity for the QDR to just reopen all of that up and revisit it. I think, taking a page from the 2006 QDR, a better approach might be think about how you operationalize that strategy, and then use the QDR as an alignment process, make this an alignment QDR. It's not about some fundamental shift, but it is about the fact that the DSG – there's a disconnect between the DSG and the program today. I think the strategic vector is right, but the program isn't there and so how we bring that into alignment is going to be the key.

I'll stop there. Thanks.

MR. MURDOCK: Jim, that was great. Thank you.

Shawn.

SHAWN BRIMLEY: Hello, everyone. Nice to see a lot of friendly faces in the room. I think what I'll try to do is – I think I align very much with what Jim and Secretary deLeon said, but because I didn't really play a senior decision-making role – I was the drafter of the 2010 QDR, so I was the guy with the pen, but I didn't really make any decisions. But I think what I'll do is I'll try to give you a tactical sense, some tactical level observations, that I think align pretty well with what Jim just said.

I think – and I'll start with the 2010 QDR and I'll give some observations about how I saw the Defense Strategic Guidance process play out when I was at the White House on the NSC staff.

I think the 2010 QDR benefited from having, as Jim just alluded to in a way, a core leadership team that had previously done QDR processes at very senior levels. I think the 2010 team was probably the first – first-term QDR team that had done high-level QDRs before. So I think that kind of leadership mattered in two basic ways.

One is I think Michele Flournoy early on managed to convince Secretary Gates, who hadn't yet presided over a QDR process, of its utility as a tool to implement his own vision and drive change. And I don't think this was a – this was no small task.

As you might recall, this is the secretary who had already had a very successful tenure, who had spent several years at the Pentagon, and who had already established a track record, and had already had made some rather large programmatic decisions. And so I think Michele and the team managed to convince Secretary Gates to look at the QDR not as this foreign – and, remember, we were all political appointees coming in. He was remaining as the political party shifted. It's always an interesting – I mean, it could have gone any number of different ways, but I think Michele and the team managed to convince Secretary Gates that they knew what they were doing and they wanted the QDR to be an important tool in his toolbox.

And related to that, I think one important thing, at least from my perspective, was the importance of getting the terms of reference pretty, pretty, pretty right early on. I remember it as being a very good, very concise outline of the key issues. The analytical engine room had laid out how that governance process would work, the scenarios, and the force planning methodology. I actually think if you took out the terms of reference for that QDR and then where the QDR ended up, I think they would match – they would match fairly well together.

So ensuring that the new secretary, Secretary Hagel, if he's confirmed, ensuring that he gets that terms of reference and signs off at a very senior level very early on I think it's very important.

And as Jim said, the 2010 QDR was notable for its clear focus on current conflicts. As we all know, Secretary Gates didn't have much patience for long-term navel-gazing when well over 100,000 troops were getting shot at every day in harm's way. So much of that QDR was spent assessing the sufficiency of today's force in the context of the need to prevail in today's wars.

And as Jim said, I think that's how you got a lot of the focus on key enablers, things like rotary wing, long-term or sort of long-range air lifts, and ISR. We had a lot of focus on those enabling technologies, enabling capabilities in ways that you could argue previous QDRs didn't really – didn't really focus on so much.

The other thing that the 2010 QDR I think is notable for is its focus on preserving and enhancing the all-volunteer force and really putting that as a core defense objective. It wasn't really sort of a rhetorical or conceptual after-thought. So I think it was notable and I hope that that continues.

Now, having said that, I think one of the weaknesses of the 2010 QDR was that the language and – as the drafter, this resonates with me – the language we got frankly from the personnel readiness shop, you know, was – it came in very, very late, and it had to be rewritten and rewritten, and rewritten again, and it was pretty frustrating.

I think we – I think our team didn't do probably the best job at getting – at identifying early on particular components that hadn't really been involved in QDRs before. I don't want to cast blame necessarily but remember, you know, for OSD policy, for the Joint Staff, for the services, AT&L, COCOM, CAPE, these are sort of the typical QDR players. But as we think about defense strategy going forward, we're going to have to involve a larger constellation of other players in QDR that don't necessarily have a long history of working with these things.

And so we can't – if the 2014 QDR wants to focus on sustaining the all-volunteer force, we need to make sure that the folks in the building working this buy into the QDR process at a very strategic level and that the new secretary, you know, moves his weight around to make that happen.

I won't say much about the force sizing concept in the 2010 QDR in part because I really wasn't deeply involved in this part of the analysis. It really builds on some I think pretty sophisticated modeling that Dave Aukmanic (ph), and Dan Chu, and others did in developing.

Now, what they did is they basically created what they called integrated security constructs, or ISCs. And they basically made different combinations of plausible scenarios and they tested the force's capacity to deal with overlapping missions.

So in this way, I think the 2010 QDR probably went somewhat further than previous efforts in terms of thinking about how do you use scenarios in terms of the overall scope and the time horizon. We built, I think, on what Jim and his team did in terms of steady-state surge. A lot of ISCs really built a strong analytical foundation on what that steady state demand would look like and then you layered contingencies on top of that.

But here I think is another land mine that we ran into in 2010, which was because the force planning methodology, the combinations of scenarios were so incredibly complex, it was really hard to describe that in an unclassified QDR. And so we really struggled I think to – you know, I remember, with Eric Rage (ph), and Jim Mutra (ph), and others in the room, you know, thinking about what that is – (inaudible) – coming up with a bumper sticker that would describe this incredibly complicated set of force planning scenarios and methodologies. And I think we didn't – we didn't really get there.

And that leads me to think a conclusion which is we should really think about using classified – the classified world I think more robustly in terms of how we think about the QDR, right? I mean, we do all this work. All this work is classified. You know, you spend a year long process in terms of scenarios and methodologies, all classified. And then you have someone like me who tries to take that and putting all of those conclusions in an unclassified document that's going to drive change in the department. And I don't think that really works.

Now, we ended up sending up to Congress some classified materials as almost an appendix. But I think we ought to think more strategically about whether there's a – you know, you could do the – you could do the overall defense strategy part unclassified, but we could send to Congress I think a classified component of the QDR and link them together in interesting ways. I don't think there's anything in the congressional legislation that requires the QDR to be totally unclassified, because I think if folks looked at the classified work underlying the 2010 QDR, I think they would see what we were trying to do and maybe the translation didn't work so well in an unclassified report.

And the other – another point I want to make on the classified piece is that – what tends to happen is you do all this work in a classified realm, you try to write the unclassified report, and then you transition quite quickly into – into leveraging the QDR in terms of a budget process, but also in terms of a force planning guidance as classified. I'm thinking here of the GEF and the GDF, whatever we call it now, the DPG.

And so, because it's unclassified, it's left open to interpretation. And what ends up happening in the building is that you have six months to a year of folks who had gone through

the QDR process, but have taken the unclassified, more vague QDR and then they're back to arguing first principles of interpretation, what did the QDR actually mean. And then you get the different components taking this vague language and then arguing first principles again. And then that just – that just extends the difficulty of trying to implement some of the decisions for the QDR.

And as Jim said, I think the QDRs are very problematic, because you're trying to do, at least in my view, five things. You're trying to create an enterprise wide, long-term strategy document that can drive change in the department. You're trying to use the QDR in some ways to connect as a near-term lever for the current FYDP and the budget cycle. You're trying to enable the secretary to use the QDR because it has his own precision guided munitions, his own sort of precise scalpel that he can use. You're trying to create a public, critical public relations document and also a strategic communications document to influence our core allies and partners and adversaries around the world. And you're trying to respond with specifics of congressional, very detailed congressional legislation.

So I think it's unreasonable to expect a QDR to satisfy all five of these things. And so the imperative I think is to choose and to choose wisely. And I have other observations that I can speak to in Q&A on the process, but I just wanted to spend a moment or two talking about the Defense Strategic Guidance that I saw – I wasn't really involved in that, but I was at the White House and I saw this whole process play out.

And I was impressed by the DSG for two reasons. One – I'm sorry. I think the DSG was prompted by two – by two things. One, there was a recognition that the end of the war in Iraq and the transition in Afghanistan was really – I mean, the term inflexion point is overused, but it really was a critical strategic point at which senior level strategy guidance was necessary. And the QDR didn't really tackle that. And two, as we all know, a significant tightening of the budget, the 500 billion in the Budget Control Act and sequestration level cuts in the future. So I think those two things provided some focus and discipline to the Defense Strategic Guidance process in ways that perhaps didn't really exist for some of the QDRs.

And also notable from my perspective was the incredible degree to which the president himself got personally involved in this process. I mean, by my account, he had at least three Oval Office sessions with the service chiefs and also the big players in OSD. And he really got into the weeds. I think he had a full – in addition to the Oval Office meetings, I think he had a full National Security Council session and underneath that there were several principals committee meetings, and deputies committee meetings.

So I don't think – I don't think any president has been that involved in a defense strategy exercise in the modern era. At least, I'm not aware of it. Maybe – maybe Eisenhower back in the early years of the Cold War. So I think that additional level of presidential scrutiny really disciplined the process and maybe cut down on some of the shenanigans. I'm looking at Madeleine, Eric Ridge (ph). I'm not sure if that's true or not. I'm sure there are lots of shenanigans as you guys were working on that.

But in some ways, I think that for the 2014 QDR, I would recommend that all of you who are – a lot of you working on this, try to follow the example of the DSG, try to do what Jim said, use it – use the QDR 2014 potentially as an operational mechanism for the DSG, but also be – try to be very concise and very precise in terms of the issues. And then couple that public document with something classified that goes into detail. And you can get a lot of work done I think in the classified realm if you couple it in the QDR process here, not left to – you know, one month after the unclassified report is published to come back to arguing first principles and interpretation. I think I'll just end there. Thank you.

MR. MURDOCK: Thank you, Shawn. That was very interesting.

Elaine?

ELAINE BUNN: Thanks, Clark. I'm going to address two topics. One is lessons learned from the 2010 QDR. I will shorten that since you've heard some of that already, especially about process. And the second is this QDR as an inclusion of nuclear missile defense, cyber, and space issues.

So after the 2010 QDR, OSD policy asked NDU to provide them with some lessons learned. They're never learned until they're applied, but some insights from the 2010 QDR process that they could pass onto the next team.

So Vince Manzo, who's now at CSIS here and I conducted a bunch of interviews with participants of the – of the 2010 QDR from OSD, that is policy, AT&L, CAPE, from the services, from Joint Staff. Non-attribution interviews, but I'm going to try to summarize some of the main points from those conversations.

The whole project reminded me of Edith Wharton's opening line in "Ethan Frome": I had the story, bit by bit from various people, and as generally happens in such cases, each time, it was a different story.

So if you hear something and think that wasn't my experience in the 2010 QDR, rest assured that it was somebody's. Obviously, the context surrounding each QDR is unique. But I think there are a handful – a handful of issues – and I will name five – of issues that require tradeoffs and where there are tensions. You've heard about them some already from our panelists. So this is almost a revisit in summary of those issues.

First is high level ownership – those people we interviewed said there has to be observable, high-level buy-in and support. You know that some have opined that QDRs are a massive waste of time. And so if you're going to get people involved in a time-consuming goat rope, then they need to feel like it matters, like it's important to high-level decision makers. And that's the reason to cooperate in a difficult endeavor, and so, most thought that this past 2010 QDR did have that.

It was – has been noted it was a unique QDR with a new administration but a hold-over secretary, who already had set a lot of priorities, but also who already had a process, the small

group, large group, large group plus process of going through difficult issues, policy issues. And so the new appointees came in and integrated themselves into that existing process rather than creating a new one.

This time, you've got the – just the opposite constellation. It's a second term, but you've got a new sec def. You've got lots of holdovers within who worked on the last QDR, just within OSD policy. You know, Jim Miller, Kath Hicks, Christine Wormuth, David Aukmanic, Dan Chu. So you've got a lot of people who have done this before, but a new SECDEF; in the services in the Joint Staff, some who've done it before but a lot of new people.

So this time, the issue will be how to ensure that Senator Hagel, if indeed he's confirmed, buys in and owns the process. And at the same time, taking advantage of the experienced voices that have been through this before. One of our interviewees said, you need someone that has run through this jungle before and understands the process.

Terms of reference – Shawn alluded to that. That was one way of getting SECDEF ownership, but there were tradeoffs. So if the secretary is going to sign the terms of reference, it means a long drawn-out process took longer to get to the start, triggered arguments over almost every word in it, but it did enable the team, the QDR team to jump off a higher launch pad. And they thought at least the ones we talked to thought it was worth it.

Another type of ownership – Secretary Gates made clear that he and USDP Flournoy were the only ones with the authority to say what would and would not be covered in the QDR process. It's obviously problematic when every DOD official, civilian and military, promises to address every issue in the QDR, because it raises expectations that just cannot possibly be met.

A second tension – outside messaging versus inside guidance. Since Shawn just talked about that, I will cut all my insightful words here, but really, it's a tradeoff between capturing complexity for those inside, inside defense, and for communicating policy to those outside in a comprehensible way. One interviewee said a message to the world can't be a document that provides good guidance for internal planning.

In that regard, when the QDR team developed its force planning construct – Clark went through the range of force planning constructs to MTCRs, Win-Hold-Win, 1421, all those constructs that were bumper sticker size. Well, this time, they didn't come up with one because of the complexity of the environment. And they thought that was the right thing to do. But as a result, both internal and external reactions and comprehension of a new construct were mixed.

Third item – differing goals and objectives. Not surprisingly, different organizations involved in the QDR process, and certainly the 2010 one and I think in all once, had different perspectives and incentives to protect organizational equities.

One example was OSD policy's effort to introduce new analytic methodology for defense planning, developing a more flexible analytics process that was more transparent to senior leaders that could handle the "what if" questions that they might ask. That would inevitably, when you – when you didn't rely solely on the large models, that would inevitably reduce

service influence over, you know, the assumptions that data, the force requirements, that underpin defense planning scenarios. They recognized – OSD policy recognized this, that there were reasons – there were incentives to resist change in the building.

And so their strategy was to foster transparency, and to debate these things in meetings, and in – so one said break bread with their counterparts and the services and Joint Staff because, you know, when you sit down to lunch with somebody – at least got to hear them out over the course of the lunch.

But, you know, OSD policy folks that we talked with thought that they had been very transparent and that even when there were disagreements, at least those who opposed them understood the rationale for the analytic changes.

It may not surprise you that the folks we talked with in the services and the Joint Staff, many of them had – had different views and they thought that policy folks were not transparent about the new scenario assumptions and that they privileged their own assumptions over those of others.

I guess this – the other – the other area where this holds the different organizational equities is obviously in budgets, as others have already said. Several of those we interviewed from the service admitted that their – their institutional goal is to come out of the QDR process without losing resources and that – you know, yes, that is inconsistent with a strategy review's goal of assessing what the nation needs and whether we have it. But the QDR process, they said, pits the services against each other in a competition of resources, and as long as it does, each service will probably enter the review trying to wear a force field because, as one put it, that's the nature of cats and dogs.

I think both those examples, the analytic process and the budget issues, show us that transparency and trying to build, you know, professional relationships and so forth can mitigate but cannot eliminate the frictions when you're trying to institute changes and impact other organizations' equities and influence.

The fourth issue that seems to pervade all QDRs – cabal versus committee, how – the tradeoff between inclusive or exclusive QDR process. The 2010 one, the folks we talked with said, tried to balance that somewhere in between, very small group, which I would argue was the 2001 QDR, and very large one, which some others and some NPRs have been.

They wanted to cultivate by having it more inclusive, they wanted to cultivate communities of interest, make implementation easier later on, because you get buy-in from now just top levels but lower levels. But it also, some told us, enabled – you know, when you share before a document's ready, before it's really fleshed out and it's ready for prime time, that just allows others to challenge the analysis and undercut what you're trying to do. So that transparency, inclusiveness issue is a tradeoff. It's also very subjective.

For example, we heard from somebody in OSD policy that they always circulated the slides before they went up to the secretary. But an interviewee from the services said they often

only had to data review the slides and comment on them before they went up to the secretary, and even when they started circulating them earlier, often their comments were ignored. So you see, two very different perspectives on how transparent is transparent enough.

The fifth issue I'll talk about though is whether there are insufficient analytic tools, and we don't have enough quantitative analysis and other types of analysis, or whether we put too much emphasis on that and you get over-analysis, which then isn't used by – isn't really used by the senior decision makers. Some very different perspectives on that one. I'll just leave it at that.

Many of the people we interviewed though did say that that for issues that don't lend themselves to quantitative analysis, the tabletop games in this last QDR did prove useful for insights for decision – senior decisions leaders. On issues like A2AD, on issues like cyber, where we really don't have quantitative analytic tools, tabletops, may – or what they used to gain insights.

So those are the five issues that I think pervade all the – a lot of the QDRs and that really need to be thought through early on this time about how you're going to handle those, those tensions and tradeoffs.

The second issue I just want to mention briefly is strategic capabilities in this QDR. Arguably, for the first time ever, nuclear missile defense, cyber and space issues will be included in the QDR rather than having their own separate studies à la the nuclear posture review or the ballistic missile review of 2010.

This time, because it is a second-term QDR, I gather that it won't go back to basics or change the underlying objectives of the first term, NPR or BMDR, or the space or cyber policy that's come out since then, but rather refresh implementation results is the way I'd put it.

I could imagine, for instance, the QDR looking at what's the role of globally deployable nuclear weapons in broader extended deterrence and assurance of allies, especially in Asia or for missile defense, both for homeland and in regions, how much is enough. For all the strategic capabilities, it's going to be a challenge to figure out what the analytic framework is. I think it's the first time we'll ever have – a QDR team will ever have had to do that.

It seems to me – since I've been working strategy (ph) – because I call it strategy – issues for 35 years, it seems to me that the most plausible of the implausible scenarios, where, for instance, nuclear weapons might actually be used is where someone else uses them, growing out of a conventional conflict or crisis, and they get used either by miscalculation or desperation. It raises – and it's obviously in this hybrid world, this could also involve cyber. It could involve space, attacks on space assets.

It does raise the – the analytic issue of how to think about these capabilities in conventional scenarios against potential adversaries that have nuclear cyberspace. And those threats are in the background. Often, the strategy issues are put in a box and not examined as part of the larger national security concerns.

But it really is not as simple as – if that stuff happens, we'll just pick up the phone and call STRATCOM, over to you. It really – I don't think will work that way. Those issues have to be a concern not only of those who have them as their main portfolio, but also of anybody who buys conventional forces, who plans for conventional operations in theaters where this might arise, who writes policy dealing with adversaries and allies in those situations, being organized to coordinate across all those things and be sure what we do in one area doesn't undercut in another area.

For example, would pre-delegated cyber operations undercut something the president might be trying to do in a crisis like this? It really is about crisis management and providing capabilities, meaning not just weapons and plans and people for presidential options, in what I call messy strategic situations.

So that's going to be I think a challenge for this QDR to wrestle with. I was reading – in preparing for this, I was reading a 1999 RAND report on the '97 QDR. And one of the quotes that struck me in there was – they said then, we need a toolbox for new analytical tools, for evaluation of anticipated new classes of issues, like the ones I just talked about. And they also said, too often in the '97 QDR, too often decisions were carried to closure without regard or thought to the cross-disciplinary implications. I think that four QDRs later, it's really time for us to grapple with how to integrate strategic capabilities into the QDR for dealing with messy strategic situations.

And I'll stop with that.

MR. MURDOCK: Well, first of all, I want to thank the panels for what I thought were extremely interesting presentations, with a lot of insights. We don't have much time so I'll say in combination, all of them together took up more time than I had hoped. So I'm going to ask people for just a couple of yes or no answers and hope that they can do that.

The big emphasis upon senior leadership involvement. The question I have to ask is the secretary or the deputy secretary? One of the things, Jim, out of your QDR was that it wasn't just the red team out of which creative stuff came. Gordon England – was a gang of 15, gang of 17, gang of 12, of 23 attended. I can't remember what it was but it was the forerunner of the DAWG, the Deputy's Advisory Working Group.

MR. : Was the DAWG.

MR. MURDOCK: Was the DAWG, became the DAWG. And was that sufficient in terms of senior level or does that have to be done at the secretary level? Rudy I think made it clear it has to be done at the secretary level. Elaine, which level is good or no? How high?

MS. BUNN: The secretary has got to be there, but you need a very high-level, more day-to-day working group.

MR. MURDOCK: Run by the deputy.

Jim.

MR. THOMAS: You know, I don't think it's the group in the process. I think it's the individuals. I mean, every city – every QDR should idiosyncratically reflect the priorities of the secretary, what keeps the secretary awake at night. It doesn't really matter what Jim Thomas thinks or some other bureaucrat. What matters is this is the SECDEF and he's got to take ownership. And then he needs a high-level action officer who's going to make it happen, whether that the deputy SECDEF and the vice chairman or whomever.

But I think you could – you could obviate the need for a QDR if you had the Joint Chiefs and the SECDEF going off for a weekend together and just hammer out the top level issues. And you don't get more than four of them.

MR. MURDOCK: Rudy, anything on that?

MR. DELEON: Just that the direct engagement with the chiefs I think is singularly the most important because the chiefs are the organized, trained and equipped in the equation. And then it's very important for them to be the key advisors to the sec def.

Lots of folks will want to intervene. The Joint Staff will want to write most of the documents, but the chiefs I think are the critical focus point that have to really be the secretary of defense's action officers. You have to be inclusive, but the ones that have been most effective – you know, Secretary Cheney had a very few people in the room, more people in the room with Secretary Aspen, but, uniquely, Secretary Gates when he said, look, this QDR has to focus on the war fighters in the field, you know, I think that shows how remarkably important the secretary of defense can have in really forcing this review to face up to what the folks in the field are dealing with every day.

MR. MURDOCK: Shawn, on the president.

MR. BRIMLEY: On the president?

MR. MURDOCK: Yeah. You emphasized the importance of the presidential involvement, particularly in 2010. And you think that's the model for future QDRs? And I'd like the comments of others on that. Does the president have to be –

MR. BRIMLEY: I hope not. I would be – I would be surprised if the 2014 QDR would have the kind of attention from the White House that the Defense Strategic Guidance did. In some ways, I think that would be problematic for reasons both Jim and I agree on that if the 2014 QDR becomes sort of another existential look, at least in the early stages, then I think that would be a bad sign.

I think the going in proposition ought to be we had the president sign off a very – well, went to the Pentagon, one of the first presidents to go to the Pentagon to lay out a defense strategy. At least the departure point for the 2014 QDR ought to be how do we – can we

implement this strategy in an era of significantly more austerity than perhaps we planned for? And that should be the basis for analysis going on right now.

And if it's not going on right now, I think it's a big problem because you want to be able to tee up for a new secretary, sir, we're looked at the Defense Strategic Guidance. We think – here are the different scenarios as to how we could execute that strategic guidance or not based on certain fiscal scenarios. And then that can be the departure point for the new secretary to get involved, because I think he would see then the QDR as a powerful lever for him to deal with some significant fiscal uncertainty.

But, frankly, if that work is not going on at the Pentagon right now, I think that's a warning sign because you don't want to – because that postures the entire building then to have to react to a new secretary who may not – who might take four or five months to really grapple with these issues in a way and really buy into the process.

MR. MURDOCK: So in your mind, President Obama should issue his next secretary in 2012 and say, this is my strategy going forward?

MR. BRIMLEY: Yeah. I think so. He should say, this is my strategy. I want – I want to know from your quickly whether you can execute this as we think about more fiscal uncertainty. If the answer is no, I want you to come back to me quickly with that analysis.

MR. THOMAS: You know, I would just say the one thing – I like the Defense Strategic Guidance in 2012. The one thing I would say is you can't have 12 priority missions. So this is – this is a different form of mission creep in some ways. You've gone from four operational challenges to six missions in the 2010 QDR, which I thought looked pretty good, to 12. And you can't tell me that disaster relief and humanitarian operations are going to be as important as nuclear deterrents or countering adversaries in A2AD environments and a bunch of other stuff.

There's got to be some prioritization there. And I think what I would say is don't throw – if you decide like you're going to go off the cliff, you're going to take another \$500 billion in cuts or whatever, I wouldn't throw out the whole Defense Strategic Guidance, but I would really ruthlessly prioritize the missions that are there.

MR. DELEON: Just, Clark, to add, and to basically build on Jim's comments. There has to be some linkage between the strategy decisions in the QDR and the budget resourcing. I think one of the issues in 2010 was that it was – I know Secretary Perry raised this in the independent review was that it was not directly tied to sort of the budget resources that were out there.

So I think the role of the president has to be to acknowledge what are the likely budget resources to be available as the planning process. The QDR is supposed to be unconstrained. Everyone understands that, but resources are what make decisions actionable.

And so I think that's where the linkage between the national strategy and then the budget resourcing – and we all know that, you know, never has the top line been as confused as it is

right now. There's 490 billion across 10 years. I don't know if that addition 100 billion that was added to try and get a big budget deal in December is still on the table or not.

But one of the things that Secretaries Cheney and Aspen had in the 1993 time period was a full understanding of what the budget guidance was so they were executing that across the next decade. They didn't really have to go on a year to year – now we're on the six month to six month cycle in terms of understanding what the resources are. So the role of the president is clearly to make sure that the strategy and the budget resources are linked together.

Strategic numbers – excuse me. I'm battling my voice here. The strategic numbers of strategic modernization are huge. And, you know, for all of the immediate issues of force structure cuts on the ground forces, my gosh. These numbers on the out years for submarine modernization are – you know, people talk with a straight face about a half trillion dollar – you know, the first half trillion dollar program. So I think you've got to factor them in there.

MR. THOMAS: I just – less than a budget point – I just think it makes sense. I mean, you've got to have some sort of integrated review. I don't – I don't see how you treat your strategic forces separate from the rest of your force. I mean, they're going to have to be fully integrated for a lot of the reasons Elaine talked about in terms of the messy contingencies we're going to face. And we need to understand what those dynamics are going to be.

MR. MURDOCK: (Off mic) – has gotten something right that all the rest of the QDRs didn't. So you can take satisfaction in that.

A couple of questions. I apologize for so little time. Frank. Yeah. There's a – there's a microphone coming your way. And please identify yourself as you're asking a question.

Q: Frank Hoffman, National Defense University. I want to pick up on Clark's point on involvement. Jim, I think you had an initiative in 2006. I don't know the degree it was extended in 2010. I'd like to hear what you two think about 2014 about the involvement of our coalition partners and the interagency community. If we agree on the kind of conflicts we're going to be in in the 21st century and they become participants, and shapers, or contributors to our integrated approach, what should we be doing, what kind of lessons, and benefits, and downfalls did you see in the past?

MR. THOMAS: Well, we placed a fair bit more emphasis than in the past. In 2006, we actually had coalition partners staffing the QDR process. And we said, you're not here as a liaison. You're working for me. And you're fully integrated on the team. You get the same stuff everybody else does. You're on SIPR (ph) and off we go to go pre-brief the chairman of the vice chairman.

I think the real key is that as we look towards, you know, real fiscal hard times, we need more integrated force planning. And I don't mean that in a NATO integrated military shape like way.

What I mean is – you know, I actually would like to hear from our allies. I want to hear from the Japanese what – how do they prioritize the contributions the U.S. is making? What matters most to them, what matters least, especially when you're thinking about extended nuclear deterrence? These guys need a seat at the table. I mean, that's why we have these capabilities in most cases. I'm not worried about defending the California coast line.

So – but I also want a seat at the table in their force planning process because none of us can afford to squander resources the way they're being squandered around the world anymore. You know, we're going to have to expect more from our – from our frontline allies, whether it's in the Gulf, or it's in maritime Asia and even in – and even in Europe and what's going to be the new divisions of labor.

MR. BRIMLEY: Yeah. Just we picked – we retained exchange officers for the 2010 QDR. We had a resident U.K., Australia. And then, again, we actually exported some of our folks into their – the U.K. SDSR process and also the Australia white paper process. I'd be interesting to think about expanding that network. Of course, you get into issues of classification, et cetera. But, in principle, it's a great idea.

MR. MURDOCK: Harlan.

Q: Thank you. I'm Harlan Ullman. Thank you for an excellent summary. My question has to do with whether or not the QDR should be regarded as cover and deception or whether it can really address the central issues?

In broad brushes, we have a political system that's broken. It's liable to become far more partisan. We have an economic situation which means over the next decade, we probably have 30 or 40 or 50 percent more defense than we can afford. The international environment I would liken to July 1914 in slow motion. And to make a final point, I think that the future of the volunteer force is very much in question given the rising personnel cost. Arnold Punaro makes this point.

What is the best place to address this? Is it better to use this as a really frontal way of using the QDR or is this done better perhaps, as Jim Thomas suggested, or Shawn suggested, the president sitting down with the key advisors and saying, look, here's how we work this out. What are your views on that?

MR. THOMAS: I think QDR is a great way to keep lots of people busy. But, yeah. I mean, I think it's probably going to be a more cover and deception. And I think you've got to strike a balance. And we try to do this.

I mean, it's not cabal versus buy-in. You need both. And, you know – just – you know, and you go back to – everybody in this room wants to Paul Nitze and write in NSC-68 or write the X Article if you're George Kennan.

You know, there – it was a cabal. They came up with – they came up with a plan. They came up with a – they actually put a budget figure against it. They took it to the president and

said, oh, slow down, boys. We've got to actually figure out how we're going to go sell this thing. But you've got to get buy-in. And I think it's – it's actually the exquisite combination of those two elements, which is really going to be key.

But I don't think you're going to get the big idea out of the bureaucratic process. It's probably going to come from a small cabal if it's going to be successful.

MR. BRIMLEY: Yeah. Just to add a couple. I think it's an all of the above approach. I mean, if I were in charge for a day, I'd want the secretary to have a sort of a small group – a very robust small group process. In addition to that, a very robust QDR, you know, large group, large group plus – whatever we call it these days – process. But then have it – from the get go have a very senior red team process.

I think for the 2010 QDR, that red team process really only started out maybe halfway or more than halfway through and then, of course, the independent panel started – I was talking to a friend from the Hill yesterday. Apparently, they're sort of starting up the independent panel right now. They sort of go concurrent for the whole QDR. So that could be an interesting way to get a very senior level outside panel engaged early. But I think you need all of – you need sort of all flanks, all approaches covered on that.

MS. BUNN: When I heard you say cover and deception, I was going, we don't – the U.S. doesn't do that very well. But, OK. We do have to be very cognizant though that whatever is the public part of this, whatever is put out in an unclassified document, is read not just by people in this room but all over the world, potential adversaries, allies. It may be read more and studied more elsewhere than it is here. So we do have to keep that in mind, whether it's with a red team or some way.

MR. DELEON: Just to note, Harlan, that the QDR was created because Congress didn't like the base force in the Bottom-Up Review. So they said it should be institutionalized.

I think having said that, some of the biggest changes – you know, the Goldwater-Nichols started as a working group at CSIS that brought several streams of people together. And so I think that as much attention as the QDR gets, some of those big issues – the sustainability of the all-volunteer force for the long term, how we establish military requirements that can actually get into full rate production and build the force structure – and then, you know, our policy guidance, how we're going to deploy our forces and what we expect of our allies. We're not fully capturing all of those in the QDR. It gives us the comfort of having said we did something, but there are still a big agenda of issues that have to get worked.

Q: I'm probably an outlier – (inaudible) – and I'm probably an outlier in this group because I don't have a lot of confidence in our ability to forecast the fights we're going to be in and or exactly how we size the force structure in 2025 or 2030.

So I'm going to ask an argumentative question, which is: what validity do you place on simulations and quantitative analysis in order to size the force for wars that I think our track record says we actually don't end up in?

MR. THOMAS: I mean, you put your finger on it. We're always going to get it wrong, and we're over optimizing the force, and we're coming up with a higher degree of certainty on the things that are very familiar to us. And we completely – collectively just completely – miss the unfamiliar and the things – and that's what comes back to bite us again and again.

I mean, if there was one war we prepared for for more than a decade, it was going to go fight Iraq. And we even got that wrong. So, you know, you look, and say, you know, let alone thinking about Pakistan, let alone thinking about problems in our own hemisphere that could pop up, or, you know, all of the kinds of scenarios that Elaine Bunn is laying out. We haven't thought about nuclear war in 20 years, even limited use of weapons. It doesn't make it into our war gaming and our scenarios to the extent that it should.

So, you know, I think you've got to look at a broader panoply of scenarios and ask more of the "what if" questions. And if I had to choose between the quantitative analysis and that sort of qualitative, almost BOGSAT like approach, I'd choose the BOGSAT approach any day.

MR. BRIMLEY: Yeah. I think that's right. Although I think of – I think Eisenhower used to say, you know, the plan is nothing but planning is everything. So I agree that with – I have more than a healthy degree of skepticism on some of this, but I think you ought to – we ought to continue to invest in these tools, both qualitative and quantitative. And I just associate myself with Jim.

I remember being in – there's this room, ME800 of the basement of the Pentagon where there's – you've got a bunch of people sitting around in a room and they have this voting mechanism where you sort of – you get presented with a cola and everyone sort of votes yeah or nay and then that goes into this (calculator ?) –

MR. THOMAS: It's a quantitative BOGSAT.

MR. BRIMLEY: And something comes out at the other end, and that's supposed to be like, you know, robust analysis. And so – you know.

MR. THOMAS: Fifty-six point three percent.

MR. BRIMLEY: But there's – there's a lot of that that goes on. But, you know – and it's going to continue to go on. So I think the answer is to not forget about it because it's happening all the time. And if the secretary and the senior leadership for the QDR aren't involved in that, then they're not going to be prepared to respond I think to some of the analysis that comes out of some facets of the Pentagon. And I'd include, frankly, you know, OSD policy – you know, we're all guilty of the sort of the believing our own analysis sometimes.

MS. BUNN: Yeah. I think you have to use the analytic tool that's pertinent to the issue. You don't take a subjective judgment, assign a number to it and pretend that that's quantitative analysis. That doesn't work very well.

On the – we won't be able to foresee the fights we're going to get into. That's where, if there were some kind of analysis that would help us look at flexibility – if you're going to put a lot of money into platforms and capabilities, how much flexibility do they give you not just for the wars that you think you're going to be in, but for other – I mean, do the thought experiment for other kinds of things that we don't normally think about.

MR. MURDOCK: All right. I began this panel with a lie – that it was off the record. And I'll end it with a lie that there will be one more question. There won't be. (Laughter.) Let's everybody thank the panel for a really interesting beginning. (Applause.)

(END)