

The QDR in Perspective: Meeting America's National Security Needs in the 21st Century

INTRODUCTION

Congress has required by law that every four years the Department of Defense conduct what would outside of government simply be called a "strategic review" of its existing plans and programs. The Department calls this process the "Quadrennial Defense Review" or the "QDR" for short.

The modern QDR originated in 1990 at the end of the Cold War when the Chairman of the Joint Chiefs of Staff undertook in the "Base Force" study to reconsider the strategy underpinning the military establishment. Then in 1993, building on his own work as the chairman of the House Armed Services Committee, Secretary of Defense Les Aspin decided to conduct what he called a Bottom-up Review - an examination, with emphasis on the long term of the risks which America was likely to face, the capabilities necessary to meet them, and the various options for developing those capabilities. As originally conceived, the process was supposed to be free ranging, with the initiative and analysis proceeding from within the DOD and flowing upwards. The point was to free the Department from the constraints of existing assumptions and refresh the intellectual capital of the top political leadership in Congress as well as the Executive branch.

The initial Bottom-up Review was considered a success. Of course there was much debate about the conclusions, but Congress thought the process was worthwhile and mandated that it be repeated every four years. Unfortunately, once the idea became statutory, it became part of the bureaucratic routine. The natural tendency of bureaucracy is to plan short term, operate from the top down, think within existing parameters, and affirm the correctness of existing plans and programs of record.

That is exactly what happened to the QDR process. Instead of unconstrained, long term analysis by planners who were encouraged to challenge preexisting thinking, the QDRs became explanations and justifications, often with marginal changes, of established decisions and plans.

This latest QDR continues the trend of the last 15 years. It is a wartime QDR, prepared by a Department that is focused – understandably and appropriately – on responding to the threats America now faces and winning the wars in which America is now engaged. Undoubtedly the QDR is of value in helping Congress review and advance the current vital missions of the Department. But for the reasons already stated, it is not the kind of long term planning document which the statute envisions.

Congress constituted our Independent Panel to review the QDR, assess the long term threats facing America, and produce recommendations regarding the capabilities which will be necessary to meet those threats. We have deliberated for over five months, in the process reviewing a mass of documents (both classified and unclassified), interviewing dozens of witnesses from the Department, and consulting a number of outside experts.

This resulting unanimous Report is divided into five parts.

Our Report first conducts a brief survey of foreign policy, with special emphasis on the missions that America's military has been called on to perform since the fall of the Berlin Wall. From the strategic habits of American presidents over the last century, and especially since 1945 – habits which have showed a remarkable degree of bipartisan consistency – we deduce four enduring national interests which

will continue to transcend political differences and animate American policy in the future. We also discuss the five gravest potential threats to those interests which are likely to arise over the next generation.

In the next two chapters, we turn to the capabilities which our government must develop and sustain in order to protect those enduring interests. We first discuss the civilian elements of national power – what Secretary Gates has called the “tools of soft power.” Our government is just coming to understand the importance of these vital, but neglected, tools. We make a number of recommendations for the structural and cultural changes in both the Executive and Legislative branches which will be necessary if these elements of national power are to play their role in protecting America’s enduring interests.

We then turn to the condition of America’s military. We note that there is a significant and growing gap between the “force structure” of the military – its size and its inventory of equipment – and the missions it will be called on to perform in the future. As required by Congress, we propose an alternative force structure with emphasis on increasing the size of the Navy. We also review the urgent necessity of recapitalizing and modernizing the weapons and equipment inventory of all the services; we assess the adequacy of the budget with that need in view; and we make recommendations for increasing the Department’s ability to contribute to homeland defense and deal with asymmetric threats such as cyber attack.

In this third chapter, we also review the military’s personnel policies. We conclude that while the volunteer military has been an unqualified success, there are trends that threaten its sustainability. We recommend a number of changes in retention, promotion, compensation, and professional military education policies, which we believe will serve the interests of America’s servicemembers and strengthen the volunteer force.

The fourth chapter of our Report takes on the issue of acquisition reform. We commend Secretary Gates for his emphasis on reducing both the cost of new programs and the time it takes to develop them. But we are concerned that the typical direction of past reforms – increasing the process involved in making procurement decisions – may detract from the clear authority and accountability that alone can reduce cost and increase efficiency. We offer several recommendations to Congress in this area.

Finally, the fifth chapter of our Report deals with the QDR process itself. We review the history of QDRs and analyze the strengths and weaknesses of the idea in concept and practice. We very much approve the impulse behind the QDR – the desire to step back from the flow of daily events and think creatively about the future – and we suggest methods superior to the current process for Congress and the Executive to work together in planning our nation’s defense.

The issues raised in the body of this Report are sufficiently serious that we believe an explicit warning is appropriate. The aging of the inventories and equipment used by the services, the decline in the size of the Navy, escalating personnel entitlements, overhead and procurement costs, and the growing stress on the force means that a train wreck is coming in the areas of personnel, acquisition, and force structure. In addition, our nation needs to build greater civil operational capacity to deploy civilians alongside our military and to partner with international bodies, the private sector, and non-governmental organizations in dealing with failed and failing states.

The potential consequences for the United States of a “business as usual” attitude towards the concerns in this Report are not acceptable. We are confident that the trendlines can be reversed, but it will require an ongoing, bipartisan concentration of political will in support of decisive action. A good start would be to replace the existing national security planning process with something more up to date, more comprehensive, and more effective.

In conclusion, we wish to acknowledge the cooperation of the Department in the preparation of this Report -- and to express our unanimous and undying gratitude to the men and women of America's military, and their families, whose sacrifice and dedication continue to inspire and humble us.

COMPILATION OF FINDINGS AND RECOMMENDATIONS

The Panel's findings and recommendations are as follows:

Chapter 1: The Prospects for 21st Century Conflict

1. America has for most of the last century pursued four enduring security interests:
 - a. The defense of the American homeland
 - b. Assured access to the sea, air, space, and cyberspace
 - c. The preservation of a favorable balance of power across Eurasia that prevents authoritarian domination of that region
 - d. Providing for the global "common good" through such actions as humanitarian aid, development assistance, and disaster relief.

2. Five key global trends face the nation as it seeks to sustain its role as the leader of an international system that protects the interests outlined above:
 - a. Radical Islamist extremism and the threat of terrorism
 - b. The rise of new global great powers in Asia
 - c. Continued struggle for power in the Persian Gulf and the greater Middle East
 - d. An accelerating global competition for resources
 - e. Persistent problems from failed and failing states.

3. These five key global trends have framed a range of choices for the United States:
 - a. These trends are likely to place an increased demand on American "hard power" to preserve regional balances; while diplomacy and development have important roles to play, the world's first-order concerns will continue to be security concerns.
 - b. The various tools of "smart power" – diplomacy, engagement, trade, targeted communications about American ideals and intentions, development of grassroots political and economic institutions – will be increasingly necessary to protect America's national interests.
 - c. Today's world offers unique opportunities for international cooperation, but the United States needs to guide continued adaptation of existing international institutions and alliances and to support development of new institutions appropriate to the demands of the 21st century. This will not happen without global confidence in American leadership, its political, economic, and military strength, and steadfast national purpose.
 - d. Finally, America cannot abandon a leadership role in support of its national interests. To do so will simply lead to an increasingly unstable and unfriendly global climate and eventually to conflicts America cannot ignore, which we must then prosecute with limited choices under unfavorable circumstances -- and with stakes that are higher than anyone would like.

Chapter Two: The Comprehensive Approach

1. **Legislative Branch: National Security reform effort**
 - a. **Finding:** The Panel acknowledges Congress's crucial role in providing for national defense with both authorities and appropriations. However, the Panel notes with extreme concern that our current federal government structures – both executive and legislative, and in particular those related to security – were fashioned in the 1940s and, at best, they work imperfectly today. The U.S. defense framework adopted after World War II was structured to address the Soviet Union in a bipolar world. The threats of today are much different. A new approach is needed.

- b. Recommendation:** The Panel recommends a legislative reform package containing the following elements:
- i.** Review and restructure Title 10, Title 22, Title 32, and Title 50 authorities to enhance integration of effort while clarifying the individual responsibilities and authorities of the Department of State, State/AID, the Intelligence Community, and all components of the Department of Defense.
 - ii.** Review and rewrite other authorities to create and expand deployable capabilities of civilian departments, agencies, and institutions (particularly State, State/AID, Treasury, Energy, Justice, DHS, Agriculture, Health and Human Services, and Transportation).
 - iii.** Establish authority for a consortium of existing U.S. government schools to develop and provide a common professional national security education curriculum. This new authority should also establish an interagency assignment exchange program for national security officials.
 - iv.** Create a system of incentives for Executive branch personnel to work in designated “whole of government” assignments (including but not limited to participating in the exchange program described above).
 - v.** Reconvene the Joint Committee on the Organization of Congress, which was established in 1945 and has convened two other times since then, the most recent being in 1993. The Joint Committee on the Organization of Congress has the established precedent and authority to examine and make recommendations to improve the organization and oversight of Congress. Additional detail on the Joint Committee on the Organization of Congress and draft terms of reference for its tasks are provided at Appendix 1.
 - vi.** Recommend that the Joint Committee on the Organization of Congress examine the current organization of Congress, including the committee structure, the structure of national security authorities, appropriations, and oversight, with the intent of recommending changes to make Congress a more effective body in performing its role to “provide for the common defense.” As part of this effort Congress should:
 - 1.** Establish a single national security appropriations subcommittee for Defense, State, State/AID, and the Intelligence Community
 - 2.** In parallel, establish an authorization process that coordinates Congressional authorization actions on national security across these departments and agencies.

2. Executive Branch: Integrate national security efforts across the “whole of government”

- a. Finding:** Just as Congress has a responsibility to improve our national security performance, so does the Executive branch. The Panel finds that the Executive branch lacks an effective “whole of government” capacity that integrates the planning and execution capabilities of the many federal departments and agencies that have national security responsibilities.
- b. Recommendation:** Executive branch reform should begin with an Executive Order or directive signed by the President that clarifies interagency roles and responsibilities for “whole of government” missions. This directive should:
 - i.** Establish a consolidated budget line for national security that encompasses, at a minimum, Defense, State, State/AID, and the Intelligence Community.

- ii. Task both the Office of Management and Budget (OMB) and the National Security Council (NSC) to develop a mechanism to track implementation of the various budgets that support the Comprehensive Approach.
- iii. Identify lead and supporting departments and agencies and their associated responsibilities for notional national security missions. This Executive Order or Presidential directive should also establish a process to define interagency roles and responsibilities for missions not specifically addressed therein.
- iv. Establish standing interagency teams with capabilities to plan for and exercise, in an integrated way, departmental and agency responsibilities in predefined mission scenarios before a crisis occurs.

3. Enhanced civilian “whole of government” capacity

- a. **Finding:** Today civilian department and agencies lack the capacity to provide the array of capabilities required for effective support to the Department of Defense in stability and reconstruction operations in unstable host nations. In many cases, even pre-conflict and certainly post-conflict, our civilians will be deployed in situations of “security insecurity” and thus will have to be able to operate in an integrated way with security forces [whether with indigenous forces (especially in a pre-conflict, failing state case), with international peacekeepers, or with U.S. forces (especially in post-conflict situations)].
- b. **Recommendation:** Congress and the President should establish a National Commission on Building the Civil Force of the Future. The purpose of the commission would be to develop recommendations and a blueprint for increasing the capability and capacity of our civilian departments and agencies to move promptly overseas and cooperate effectively with military forces in insecure security environments. Attached at Appendix 2 is a proposed TOR for the work of this commission.
 - i. The U.S. government should be encouraging and helping to develop similar capabilities among its international partners and in international institutions to supplement or substitute where required for American civilian capability and capacity.
 - ii. Until these capabilities and capacities are developed, at least in U.S. civilian institutions (and perhaps even after), stabilization will continue to be a military mission and must be adequately resourced (as part of the U.S. military strategy for ending operations such as in Iraq and Afghanistan).
 - iii. To develop and support these capabilities, relevant civilian agencies need to develop credible internal requirements as well as development/ budgeting and execution processes to create confidence that they can perform these missions.
 - iv. The Department of Defense needs to contribute to training and exercising these civilian forces with U.S. military forces so that they will be able to operate effectively together.
 - v. The Defense Department and relevant civilian agencies need to conduct a biennial (every other year) exercise involving both the international community and the national agencies integrating the Comprehensive Approach in addressing particular scenarios or contingencies.

4. International Security and Assistance reform

- a. Finding:** The final element of reform involves changes to International Security Assistance and cooperation programs. The realities of today's security challenges have revealed the institutional weaknesses of the existing security assistance programs and framework. If unchanged, the United States will fail in its efforts to shape and sustain an international environment supportive of its interests.
- b. Recommendation:** Specifically, appropriate departments or agencies should:
- i.** Include selected allies/partners, select international organizations, and, when possible, Non-Governmental and Private Voluntary Organizations (NGO/PVO) as part of U.S. government efforts to define roles and missions for the Comprehensive Approach. If successful, this effort could be expanded to include the development of improved unity of command and/or unity of effort arrangements and operating procedures among U.S. government and allied governments, international organizations, and participating NGO/PVOs.
 - ii.** Document and institutionalize training of U.S., allied governments, and NGO/PVO roles, missions, and operating procedures in support of the Comprehensive Approach.
 - iii.** Coordinate and implement the development and acquisition of selected capabilities (e.g., communications, support, coordination, etc.) that support the Comprehensive Approach with key allies and partners. Expand this effort to willing international organizations and NGO/PVOs.
 - iv.** Seek authority to establish pooled funding mechanisms for selected national security missions that would benefit from the Comprehensive Approach, including security capacity building, stabilization, and conflict prevention.
 - v.** Develop a cost profile for different missions requiring a Comprehensive Approach that identifies the major cost elements and alternative funding arrangements (national, multinational, shared) for providing the needed resources. Seek authority for and conclude agreements to share selected mission costs with key allies and partners.
 - vi.** Designate an Assistant Secretary level official to oversee and standardize management of contractors in contingencies, increase the number and improve training of contracting officers, integrate contractors and contractor-provided tasks into contingency plans, and integrate contractor roles into pre-deployment training and exercises. Improve education and training requirements for contractors, particularly those supporting complex contingencies abroad. U.S. government departments and agencies should also improve their oversight and accountability of contractors who perform security-related tasks under their direction to ensure they are legally as accountable for their conduct as are deployed service or diplomatic members.
 - vii.** Continue efforts at Building Partnership Capacity, recognizing that these efforts have several complementary aspects.
 - 1.** Low-end institution building in post-conflict/failing states
 - 2.** Developing high-end capacity of our traditional allies [which entails not only security assistance reform but also, as part of acquisition reform, to build in sharing our defense products with our allies from the outset

(requiring export control reform and national disclosure policy reform)].
Put another way, we need a “build to share” policy from the outset.

3. Viewing rising powers as potential partners that offer us opportunities for collaboration as well as potential challenges.
- viii. Ensure the integration of lessons learned from the current wars within the programs of instruction of Department of Defense education and training institutions.

Chapter Three: Force Structure and Personnel

1. Force Structure

- a. Secretary Gates is correct to focus all the necessary resources of American national security on the success of U.S. forces in Iraq and Afghanistan.
- b. The QDR should reflect that, but it must also plan effectively for threats that are likely to rise over the next 20 years. The legal mandate to the Panel is to submit to Congress “an assessment of the [QDR], including the recommendations of the review, the stated and implied assumptions incorporated in the review, and the vulnerabilities of the strategy and force structure underlying the review.”
- c. Consistent with its mandate, the Panel found the following:
 - i. A force-planning construct is a powerful lever that the Secretary of Defense can use to shape the Defense Department. It also represents a useful tool for explaining the defense program to Congress. The absence of a clear force-planning construct in the 2010 QDR represents a missed opportunity.
 - ii. The force structure in the Asia-Pacific area needs to be increased. In order to preserve U.S. interests, the United States will need to retain the ability to transit freely the areas of the Western Pacific for security and economic reasons. The United States must be fully present in the Asia-Pacific region to protect American lives and territory, ensure the free flow of commerce, maintain stability, and defend our allies in the region. A robust U.S. force structure, one that is largely rooted in maritime strategy and includes other necessary capabilities, will be essential.
 - iii. Absent improved capabilities from “whole of government” Executive branch departments and agencies, U.S. ground forces will continue with post-conflict stability operations, consuming critical force structure resources. Civilian agencies that are properly resourced and staffed can contribute significantly in stability operations, and they may be able to enhance military readiness by removing tasks more appropriately performed by civilian professionals.
 - iv. The QDR force structure will not provide sufficient capacity to respond to a domestic catastrophe that might occur during a period of ongoing contingency operations abroad. The role of reserve components needs to be reviewed, with an eye to ensuring that a portion of the National Guard be dedicated to and funded for homeland defense.
 - v. The expanding cyber mission also needs to be examined. The Department of Defense should be prepared to assist civil authorities in defending cyberspace – beyond the Department’s current role.

- vi.** The force structure needs to be increased in a number of areas to counter anti-access challenges, strengthen homeland defense (including defense against cyber threats), and conduct post-conflict stabilization missions. It must also be modernized. The Department can achieve cost savings on acquisition and overhead, but substantial additional resources will be required to modernize the force. Although there is a cost to recapitalizing the military, there is also a potential price to be paid for not re-capitalizing, one that in the long run would be much greater.
- d.** To compete effectively, the U.S. military must continue to develop new conceptual approaches to dealing with the operational challenges we face. A prime example of such an approach is the Capstone Concept for Joint Operations (CCJO). The Secretary of Defense has directed the Navy and Air Force to develop an Air-Sea Battle concept. This is one example of a joint approach to deal with the growing anti-access challenge. We believe the Chief of Naval Operations and the Chief of Staff of the Air Force deserve support in this effort and recommend that the other services be brought into the concept as soon as appropriate.
- e.** Meeting the force structure challenges of the next 20 years, and creating the financial wherewithal for these capabilities, will not happen if the Department of Defense and Congress maintain the status quo on managing fiscal resources. To reap savings that may be reinvested within defense, and justify additional resources for force structure and equipment modernization, the Department and Congress should reestablish tools that restore fiscal responsibility to the budget process lost when balanced budget rules were abandoned and restore fiscal responsibility to the budget process.

2. Personnel

- a.** Although the pay and benefits afforded to U.S. military personnel can never adequately compensate for their sacrifice and the burdens placed upon their families, the recent and dramatic growth in the cost of the All-Volunteer Force cannot be sustained for the long term. A failure to address the increasing costs of the All-Volunteer Force will likely result in a reduction in the force structure, a reduction in benefits, or a compromised All-Volunteer Force.
- b.** To accomplish the QDR's goal of preserving and enhancing the All-Volunteer Force and to develop future military leaders, major changes will be necessary in the military personnel system:

 - i.** Greater differentiation in assignments and compensation between one or two terms of service and a career
 - ii.** A change in military compensation, emphasizing cash in hand instead of deferred or in-kind benefits to enhance recruiting for those serving less than an entire career
 - iii.** The use of bonuses and credential pay to attract, retain, and reward critical specialties and outstanding performance
 - iv.** Instituting a continuum-of-service model that allows service members to move fluidly between the active and reserve components and between the military, private sector, civil service, and other employment

- v. Current limitations on the length of service provide insufficient time for the education, training, and experiences necessary for 21st century warfare. To gain the best return on investment and experience, and because of improvements in health and longevity, it is necessary to modify career paths to permit the educational and assignment experiences required to meet the challenges the military faces in the 21st century.
- vi. To ensure a healthy All-Volunteer Force for the next two decades, the military's personnel management system should be revised to include modifying the up-or-out career progression, lengthening career opportunities to forty years, instituting 360-degree officer evaluations, and broadening educational experiences both in formal schooling and career experiences for officers heading toward flag rank.
- vii. Modify TriCare for Life to identify solutions that make it more affordable over the long term, including phasing in higher contributions while ensuring these remain below market rates, and adjusting contributions on the basis of ability to pay.
- viii. The Department of Defense and Congress should establish a new National Commission on Military Personnel of the quality and stature of the 1970 Gates Commission, which formulated policies to end military conscription and replace it with an all-volunteer force. The purpose of this commission would be to develop political momentum and a roadmap for implementation of the changes proposed here, including recommendations to modernize the military personnel system, including compensation reform; adjust military career progression to allow for longer and more flexible military careers; rebalance the missions of active, guard and reserve, and mobilization forces; reduce overhead and staff duplication; and reform active, reserve, and retired military health care and retirement benefits to put their financing on a sustainable basis consistent with other national priorities. A proposed TOR is at Appendix 3.

3. Professional Military Education (PME)

- i. In order to attract more youth to military careers and recruit from the nation's top colleges, the services should offer full scholarships on a competitive basis, usable anywhere a student chooses to attend, in exchange for enlisted service in the reserves (and summer officer training) during schooling, and five years of service after graduation to include officer training school.
- ii. To attract and retain officers, and to broaden their experience, successful company grade or junior field grade officers should be offered fully funded civilian graduate degree programs in residence to study military affairs and foreign cultures and languages, without specific connection to a follow-on assignment. Additionally, all officers selected for advanced promotion to O-4 should be required and funded to earn a graduate degree in residence at a top-tier civilian graduate school in a war-related discipline in the humanities and social sciences. Qualified career officers at these ranks should have available sabbatical assignments in the private sector, voluntary sector, or elsewhere in government, with the opportunity to drop back in year group so as not to fall behind their peers in the opportunity for promotion.
- iii. Attendance at intermediate and senior service school should be by application, and require entrance examinations administered by the schools in cooperation with the service personnel offices. Too many officers are poorly prepared and/or motivated for post-graduate PME, many treating it largely as a requirement for promotion. The quality of the instruction, and the depth and rigor of staff and war colleges would be

strengthened if students possessed the motivation and skills needed to make maximum use of the educational opportunity provided.

- iv. Officers selected for senior service school should be obligated for at least five years of additional service after graduation.
- v. Service on the teaching faculty somewhere in PME should be a requirement for promotion to flag rank. Such service should be considered equivalent to joint duty for the purposes of meeting the 4 year requirement for service in a joint billet. To facilitate this requirement, active duty officers should fill all ROTC instructor billets and a larger percentage of faculty billets at the service academies.
- vi. Foreign language proficiency should be a requirement for commissioning from ROTC and the service academies.
- vii. To strengthen the education of the officer corps in the profession of arms, the service academies and ROTC should expand and strengthen instruction in ethics, American history, military history, security studies, and related subjects, including the responsibilities of military officers under the Constitution of the United States. Changes to the curricula of these institutions in these subjects must be reported annually to Congress. To insure that pre-commissioning education provides the necessary introduction to the art of war, there can be no disciplinary or subject matter quotas or limits on cadet/midshipmen majors at the service academies or in ROTC.
- viii. To align the military with best practices in the private sector and to strengthen the officer corps at every level, as well as identify officers for higher command early in their careers, Congress should mandate 360-degree officer evaluation systems for all of the armed services.
- ix. To provide PME the requisite proponentcy and influence in the Defense Department, there should be a Chief Learning Officer at the Assistant Secretary level in the office of the Undersecretary of Defense for Personnel and Readiness. In addition, a senior flag officer, perhaps most appropriately the Commander, U.S. Joint Forces Command, should be designated as “Chancellor” for all service PME institutions.

Chapter Four: Acquisition and Contracting

1. Lead acquisition roles:

- a. **Finding:** Accountability and authority for establishing need, and formulating, approving, and executing programs have become confused within the Department of Defense.
- b. **Recommendation:** The Secretary of Defense should clearly establish lead acquisition roles as follows:
 - i. For identifying gaps in capability - Combatant Commands supported by the force providers (services and defense agencies) and the Joint Staff
 - ii. For defining executable solutions to capability needs – the force providers
 - iii. For choosing and resourcing solutions – the Office of the Secretary of Defense supported by the force providers and the Joint Staff representing the Combatant Commands
 - iv. For delivering defined capabilities on schedule and within cost ceilings – the selected force provider. For multi-service/agency programs, there should be a lead service/agency clearly accountable.

2. Accountability and authority:

- a. **Finding:** Accountability and authority has been widely diffused in increasingly complex decision structures and processes.
- b. **Recommendation:** For each program, the Secretary of Defense or delegated authority should assign accountability and authority for defining and executing each program to an unbroken chain of line management within the force provider community. The Under Secretary of Defense (AT&L) and the Secretary/Deputy Secretary of Defense are in the line management chain. The Service Secretary/Defense Agency head can then hold the military line chain, the Program Executive Officer (PEO), the program manager, and the commensurate defense contractor line management accountable for defining executable programs and, when the program is approved, delivering the defined increment of capability on schedule and within the cost ceiling. The roles of all other acquisition participants can be neither authoritative nor accountable and should be limited to roles such as advisory, assessment, and oversight of processes.

3. Program definition and delivery:

- a. **Finding:** Major programs to provide future capability are often formulated with a set of requirements and optimistic schedule and cost estimates that lead to delivery times of a decade or more. Programs with these long delivery times typically depend on the promise of technologies still immature at the outset of the program. The long delivery times also imply ability to forecast the demands of the future operating environment that are well beyond a reasonable expectation of accurate foresight. Examples of this are in the current acquisition program.
- b. **Recommendation:** With rare exceptions, increments of military capability should be defined and designed for delivery within 5 to 7 years with no more than moderate risk.

4. Addressing urgent needs:

- a. **Finding:** There is no defined regular process within the acquisition structure and process to address urgent needs in support of current combat operations.
- b. **Recommendation:** Urgent needs should be met using the same principles and processes as for programs to provide future capabilities. Adjustments to the formal process, including special processes and organizations, are appropriate for wartime response to urgent needs to ensure that an increment of capability can be delivered in weeks or months rather than years. The warfighting commander should have a seat at the table in defining and choosing the solution. The force provider remains accountable for ensuring that the proposed program is executable in cost, schedule, and performance.

5. Unforeseen challenges:

- a. **Finding:** Even with the most competent front-end planning and assessment, complex programs are likely to experience unforeseen technological, engineering, or production challenges.
- b. **Recommendation:** When such challenges place the schedule or cost at risk, performance must also be within the trade space. The force provider, to include the service component serving the Combatant Commander, is the proper source of credible operational experience and judgment to generate recommendations to USD (AT&L) for performance tradeoffs.

6. Dual source competition:

- a. **Finding:** During the dramatic post-Cold War defense cuts, most dual sources were dropped in favor of sole-source contracting. But as defense funding has returned and exceeded levels that supported dual sourcing, the contracting strategy has remained sole-source.
- b. **Recommendation:** OSD should return to a strategy requiring dual source competition for production programs in circumstances where this will produce real competition.

Chapter Five: The QDR and Beyond

1. Establishment of a New National Security Strategic Planning Process:

- a. **Finding:** The QDR process as presently constituted is not well suited to the holistic planning process needed.
 - i. Sufficient strategic guidance does not exist at the national level to allow the Department of Defense to provide to the military departments required missions, force structure, and risk assessment guidance. This is especially true for long-term planning.
 - ii. Such guidance documents as are produced are often unavailable in time and do not provide sufficient, detailed guidance and prioritization for the Department of Defense to use them effectively.
 - iii. The QDR's contemporary focus on current conflicts, parochial ownership of programs, daily requirements of current issues, and an increasingly staff and service-dominated process as opposed to a senior leadership run process are roadblocks to an unbiased, long term strategic review.
 - iv. The QDR process as presently constituted should be discontinued in favor of the normal Department of Defense planning, programming, budgeting, and execution process and the new National Security Strategic Planning Process recommended below.
- b. **Recommendation:** The United States needs a truly comprehensive National Security Strategic Planning Process that begins at the top and provides the requisite guidance, not only to the Department of Defense but to the other departments and agencies of the U.S. government that must work together to address the range of global threats confronting our nation.
 - i. The Executive and Legislative branches should jointly establish a standing Independent Strategic Review Panel of experienced and senior experts to review the strategic environment over the next 20 years and provide prioritized, goal and risk assessment recommendations for use by the U.S. government.
 - ii. Convene the panel in the fall of a presidential election year to enable the panel to begin work the following January, the month in which the new President takes office, so that the international strategic environment would be reviewed every four years beginning in the January immediately following any presidential election (or more frequently on the panel's own initiative in response to a major national security development that the panel believes calls into question the results of the most recent review).
 - iii. Charge the panel to:

- Review and assess the existing national security environment, including challenges and opportunities
 - Review and assess the existing National Security Strategy and policies
 - Review and assess national security roles, missions, and organization of the departments and agencies
 - Assess the broad array of risks to the country and how they affect the national security challenges and opportunities
 - Provide recommendations and input to the National Security Strategic Planning Process and the national security department and agency planning and review processes.
- iv.** Six months after initiating its review, the panel would provide to the Congress and the President its assessment of the strategic environment (including in particular developments since its last review) and recommend to the President whether, in its view, those developments warrant significant changes in the National Security Strategy.
- v.** In its report, the panel would offer its assessment of the national security challenges and opportunities facing the nation and also offer any innovative ideas or recommendations for meeting those challenges/opportunities. A proposed TOR for this panel is included at Appendix 4.
- c.** As the coordinating and oversight body of the Executive branch, the National Security Council in its new formulation as the National Security Staff should take steps to increase its capabilities to fulfill its role and responsibilities in achieving a more comprehensive, “whole of government” approach. The NSC should prepare for the President’s signature an Executive Order or Presidential directive that at a minimum mandates the following:
- i.** Using the assessment of the strategic environment prepared by the standing Independent Strategic Review Panel, develop a “grand strategy” for the United States that would be formalized as the National Security Strategy.
 - ii.** It is vital that strategy at this level be the President’s own strategy, constituting his direction to the government. The strategy is signed by the President, albeit developed for him by his National Security Advisor and Cabinet in what is a top down rather than a staff-driven process.
 - iii.** This strategy document would in turn drive reviews by the Executive branch departments involved primarily in national security (such as the State Department, State/AID, the Defense Department, Homeland Security, the Intelligence Community, etc.), as directed by the President and with the goal of deconflicting and integrating the results of these various reviews.
 - iv.** This strategy development process would identify and assess strategic requirements and U.S. government capabilities to plan, prepare, organize, and implement a clear and concise strategy for deploying limited resources – money, personnel, materiel – in pursuit of specific highest priority objectives.

- v. The resulting strategy would identify the “mission critical” elements which if ignored would endanger the United States.
- vi. The National Security Advisor will accomplish these tasks using his/her NSC staff, and if appropriate could appoint a small panel of outside advisors, and obtain such other assistance as required.
- vii. A draft of the Executive Order or directive establishing the new National Security Strategic Planning Process is attached at Appendix 5.