
Sound Vision, Unfinished Business: The Quadrennial Defense Review Report 2001

HANS BINNENDIJK AND RICHARD KUGLER

The tragic events of September 11, 2001, and their aftermath have cast the security of our nation to the forefront of public awareness. As a result, the U.S. government is acting both to strengthen homeland defenses and to pursue the global war against terrorists and their sponsors. Even as this war is prosecuted, however, the United States faces the long-term challenge of preparing its military forces for future missions that include, but go well beyond, striking against terrorists. In a world where surprising new dangers are arising, the implementation of U.S. foreign policy is clearly going to rely on multiple instruments including diplomacy and economics. Strong military forces will also be required, and the composition of these forces may need to differ markedly from those of the past.

How are the armed services being prepared, and will they be adequate to meet the strategic challenges that lie ahead? The initial answers to these key questions became available in early October 2001 when the Pentagon released its long-awaited *Quadrennial Defense Review Report 2001*. The report was a product of months of internal review that captured the attention of newspaper headlines across the country. The furor over terrorism at the time of its release drove it off the front pages, depriving it of the attention that it otherwise would have attracted. It is, however, an important document that merits close scrutiny. To the surprise of Pentagon critics, the *QDR Report 2001* does a reasonably good job of putting forth a strategic vision for the future. By striking a balance between continuity and change, it articulates a “third-way” approach that seems capable of

Hans Binnendijk is Roosevelt Professor of National Security Policy at National Defense University and is director of its Center for Technology and National Security Policy. Prior to his current appointment, he served as Special Assistant to President Bill Clinton for Defense Policy and Arms Control. Richard Kugler is Distinguished Research Professor at NDU's Institute for National Strategic Studies. These views are their own and do not necessarily reflect those of NDU or the United States government.

guiding defense preparations for the coming years. The authors of the report have crafted a new defense strategy that abandons the rigid requirement to prepare for two major-theater wars in the Persian Gulf and North Korea, embracing instead a plan to maintain flexible capabilities for a wide spectrum of potential conflicts and geographic hotspots. But for all its visionary appeal, the *QDR Report 2001* leaves many specific issues unresolved, including budgetary priorities for modernizing and transforming U.S. forces. Completing this unfinished business forms the urgent defense agenda ahead. While this endeavor is feasible, it promises to be neither easy nor cheap.

THE RUMSFELD DEFENSE REVIEW

The idea that the administration would launch a sweeping defense strategy review at the onset of a new term is nothing new. Indeed, this practice goes back at least to the Kennedy administration, when then-Secretary of Defense Robert McNamara triggered a far-reaching, hotly controversial review that guided U.S. defense strategy away from massive nuclear retaliation toward flexible response and stronger conventional forces. When the Nixon administration took power in 1969, its strategy review produced the NSSM-3 study, which charted the transition away from the Vietnam War toward the growing Cold War military competition with the Soviet Union. Early in its tenure, the Carter administration produced the PRM-10 study, which grappled with the problem of strengthening the armed services at a time of tight budget constraints. While the Carter review was criticized for allegedly leaving the military inadequately prepared, its lasting legacy was to focus U.S. defense strategy on better ways to defend Central Europe and the Persian Gulf. The Reagan administration's defense strategy review of 1981 launched the big military buildup and other departures that were to play a role in winning the Cold War later in that decade. The Bush administration's 1989 strategy review addressed the task of downsizing the U.S. military for the post-Cold War era, and it eventually produced a regional strategy and a "Base Force" that was about 25 percent smaller than the Cold War posture. The Clinton administration's strategy review of 1993, the *Bottom-Up Review (BUR)*, resulted in a somewhat smaller military posture focused on the ability to wage two concurrent regional wars. Virtually all of these defense reviews, conducted over a period of 40 years, provoked intense debates inside and outside the Pentagon. In varying ways, they contributed to building the U.S. military of today—the world's best force.

History likely will record that the 1990s were a transition period in which the Clinton administration began to shape the U.S. military for new missions. Its force posture proved adequate to deter war in the Persian Gulf and North Korea, to carry out peacekeeping missions in the Balkans while enforcing UN sanctions

against Iraq, and to win the air war in Kosovo. The defense budgets of the mid-1990s—about \$250 billion annually—proved too small to meet mounting requirements, but as the late 1990s unfolded, the Clinton administration responded to the problem. When Congress mandated the Pentagon to conduct a QDR study every four years, the Clinton administration issued its *QDR 1997*. This study called for a balanced approach in which the armed forces were required to help shape the political environment, respond to military requirements today, and prepare to transform themselves for different modes of fighting in the future.

After the publication of the *QDR 1997*, defense spending in real terms increased at an average rate of 1.5 percent annually. When Secretary of Defense William Cohen added about \$110 billion to the Pentagon's multi-year program, the effect was to elevate the annual budget close to \$300 billion. This lessened readiness problems and increased funds for procurement from \$45 billion annually to more than \$60 billion. Even so, the Department of Defense experienced growing strains: demands on its forces for security operations were rising as international conditions became more chaotic. In addition, the Pentagon found itself hard-pressed to fund its growing modernization requirements in the face of ever-rising operations and maintenance costs.

Some commentators began calling for a more vigorous defense effort—some wanted bigger defense budgets, but more commonly they called for a better-focused defense strategy, fewer draining peacekeeping missions, and a faster pace of defense reforms in order to pursue

the transition from the industrial age to the information era. A key judgment was that although U.S. forces are currently well armed, they will face considerable dangers in the distant future when nuclear weapons proliferate, when China becomes stronger, and when regional adversaries acquire modern conventional weapons and develop asymmetric strategies. During his election campaign in 2000, George W. Bush called for a faster pace of military reform, focused on jumping ahead into a future era of ballistic missile defenses, high-tech weaponry, and transformed forces.

U.S. Secretary of Defense Donald Rumsfeld took office in 2001 with a charter to carry out an ambitious agenda. The year before, he had presided over a congressionally sponsored study calling for major new defense investments in space. Rumsfeld arrived at the Pentagon with a reputation for favoring both space

The authors of the report have crafted a new defense strategy that abandons the rigid requirement to prepare for two major-theater wars in the Persian Gulf and North Korea. But for all its visionary appeal, the QDR Report 2001 leaves many specific issues unresolved.

systems and prompt deployment of national missile defenses, but his thinking was not limited to these two areas. He brought with him a team of civilian appointees who shared the visions of the Republican reform caucus in favor of prodding the armed services to pursue innovations. Secretary Rumsfeld's first step was to postpone a formal *QDR* review that would have included the armed services departments and the Joint Staff. Instead, he launched a series of about twenty special defense studies, mostly carried out by civilian advisors and outside consultants that

Virtually all of (the previous) defense reviews, conducted over a period of 40 years, provoked intense debates inside and outside the Pentagon. In varying ways, they contributed to building the U.S. military of today—the world's best force.

were sensitive to his goals. These studies consumed the spring and early summer of 2001.

Andrew Marshall, the director of the Pentagon's Office of Net Assessment, coordinated much of the effort and produced some preliminary concepts that were widely reported in the press. Mr. Marshall reportedly called for a new geo-strategic focus on Asia, an emphasis on using strategic bombers and cruise missiles for long-range targeting, and the replacement of old legacy weapons with new, high-tech systems. Another study, led by David Gompert, called for changes in the U.S. overseas presence and alliance rela-

tionships, a focus on information networking and joint operations, and the scuttling of some weapon systems that were not seen as sufficiently transformational. A third effort, led by retired Air Force General James McCarthy, called for a strong focus on joint response strike forces that could deploy early to a crisis zone. These "spearhead" forces were to be equipped with high-tech information systems, ultra-smart munitions, and new platforms, including unmanned combat aircraft.

These strategic reviews together suggested that big changes were forthcoming in ways that might sacrifice existing forces and programs in favor of a new revolutionary approach. Public discussion of these studies set the stage for launching the *QDR* process in an atmosphere that left some in the military services anxious. This anxiety partly stemmed from bureaucratic concern at being excluded from the initial strategic reviews, but it also reflected deeply held substantive reservations: the armed services were disappointed to discover that due to national budget constraints, the new Republican team was not planning to fund significantly bigger defense budgets. They were also concerned that the directions suggested by the reviews might be pursued at the expense of forces, weapons, and programs that they believed were vital.

It is important to clarify here that the armed services were not hostile to reforms per se, but that they preferred a gradual evolutionary march into the future rather than abrupt revolutionary changes on behalf of departures they

deemed questionable. They regarded the U.S. military as already the world's best and one that was unlikely to be seriously challenged by adversaries anytime soon. Accordingly, they felt that the strategic task was one of gradually acquiring additional capabilities rather than skipping a generation to acquire exotic new technologies in order to prevent U.S. forces from losing their superiority sometime in the murky, distant future. Doubting that their global missions would be reduced, the U.S. military services wanted to improve their current force structure through modernization rather than create a new one.

Key participants sought to avoid a confrontation, but even so, the clash between the conclusions of the strategic reviews and those proposed by the services grew intense as the summer of 2001 progressed. However, the very process of drafting the *QDR Report* led both sides to realize that they must find common ground. The terrorist attacks of September 11 further drove home the practical imperatives for a consensus while validating the need for both improved homeland defenses and highly ready forces that could carry out near-term operations abroad. What finally bridged the two sides was emergence of a "third way" solution.

This "third way" solution was the product of those directly responsible for drafting the *QDR*. It argued that the *QDR Report* should be limited to crafting a visionary new defense strategy, while leaving thorny program and budget issues to be settled in the fiscal year 2003 budget and beyond. Its stance toward defense reform was neither evolutionary nor revolutionary, but instead aimed at balancing continuity and change. It argued in favor of keeping force readiness high in the near term, pursuing affordable modernization and force restructuring in order to enhance the U.S. military's flexibility in the mid term, and funding an accelerated research and development (R&D) effort aimed at developing a well-focused set of new technologies in the long term. It deferred many issues of force levels and manpower to the judgment of the services, which were deemed best able to make decisions in these areas on the basis of requirements and affordability. Furthermore, while open-minded to new platforms, the report urged that actions in this arena should reflect the normal progression of the R&D process, rather than a predetermined agenda imposed from atop. This "third way" solution by no means resolved all of the Pentagon's debates and dilemmas, but it served to create sufficient Pentagon-wide consensus to write the *QDR Report 2001* in a manner suggesting careful planning and new-era thinking.

The divisions inherent in this process are not new. All defense strategy reviews since the early 1960s were marked by similar struggles. Most were successful because these struggles compelled a searching review of options and the crafting of policies that balanced multiple priorities rather than shaping U.S. forces to serve a single design: they were examples of how pluralist democracy, when influenced by sophisticated analyses and searching debate, can produce sound decisions. The Rumsfeld strategy review fits this pattern.

TOWARD A NEW DEFENSE STRATEGY

A 71-page unclassified document, the *QDR Report 2001* is long on strategic vision even though it is short on program and budgetary details. It offers a pensive and worried view of world affairs as globalization gains momentum. Since it was completed after the September 11 attacks, it begins by highlighting the threat of global terrorism, but it embeds terrorism in a larger discussion of troubled international security affairs. The report focuses on a southern arc of instability—the huge expanse stretching from the Middle East to the Asian littoral—as a new zone of turbulence and tension that menaces global peace and progress. This new geographic focus transitions U.S. security policy away from the Cold War preoccupation with Europe and North Asia, toward a set of regions that, apart from defense of Persian Gulf oil, have long been at the backwaters of U.S. defense plans.

Along this endangered southern arc, the *QDR Report 2001* foresees no peer rival of the United States in the near term, but it portrays a multiplicity of smaller yet potent threats to U.S. interests and values. These threats include global terrorist networks and other non-state actors, ethnic violence in weak and failing states, medium-sized rogues such as Iraq, and fluid geopolitical dynamics that could involve larger powers, including China. The *QDR Report 2001* dwells on the dangerous military dynamics of the early twenty-first century. It cites adversaries that will employ asymmetric strategies against U.S. forces and likely will acquire modern-era conventional weapons to support these strategies. It also cites the proliferation of weapons of mass destruction (i.e., CBRNE weapons, or chemical, biological, radiological, nuclear, and enhanced high explosive weapons) as a major danger. It further states that well-armed adversaries along the southern arc are acquiring the global reach needed to strike the United States and its allies—through terrorism today, and perhaps nuclear weapons and long-range missiles tomorrow.

The *QDR Report 2001* judges that U.S. efforts to deal with these threats and adverse dynamics are complicated by major uncertainty about exactly how and where they might manifest themselves in the coming years. The United States, it says, can aspire to understand basic strategic trends, but it cannot hope to predict specific events, including terrorist attacks or wars that might erupt on short notice in many different ways and in a variety of locations. Indeed, it reasons, the United States often may be caught by surprise or at least lacking major preparations for specific crises. The major implication is that the United States must have the flexibility to react effectively in an uncertain, fluid world that lacks the fixed, predictable characteristics of the Cold War. In order to deal with an uncertain future, the *QDR Report 2001* articulates a new defense strategy that elevates the importance of homeland defense, and uses power projection to safeguard the United States and its interests abroad. In dealing with

homeland defense, the new strategy calls for missile defenses as well as major efforts to determine how military forces can be integrated with other assets to provide protection against future terrorist attacks. For example, it suggests allocating more air interceptors to homeland defense and using the Army National Guard for key missions. The new strategy also calls for an improved capacity to project military power through ready combat forces, strong mobility assets, advanced technologies, and overseas presence. It puts forth four key strategic goals to govern the peacetime and wartime use of military power abroad: 1) assuring allies and friends; 2) dissuading future military competition; 3) deterring threats and coercion against U.S. interests; and 4) if deterrence fails, decisively defeating adversaries. The new element in this set of goals is dissuasion. By maintaining a strong force capable of acting across the spectrum of capabilities, the QDR suggests we can convince other nations not to compete with us militarily or to act against our interests. This may be the most difficult of the four goals to achieve.

The new strategy calls for the continued stationing of large U.S. forces overseas, but not in static ways. Instead, it calls for a changing overseas presence that tailors future postures to the evolving situation in each theater. It would switch some assets from Europe to Asia and the Persian Gulf, using existing bases as regional hubs for power projection and creating facilities and infrastructure in new geographic areas where U.S. forces likely will be operating in future years. The new strategy also calls for improvements in the forces of allies and partners so that they can contribute to new-era missions and will be interoperable with high-tech U.S. forces. It cites NATO and Europe as candidates for such improvements, but does not limit its call to them alone.

A key judgment was that although U.S. forces are currently well armed, they will face considerable dangers in the distant future when nuclear weapons proliferate, when China becomes stronger, and when regional adversaries acquire modern conventional weapons and develop asymmetric strategies.

A central feature of the new defense strategy is that it moves away from threat-based plans in favor of a focus on capabilities: for most of the past decade, U.S. strategy was anchored in plans to defend against concurrent, major theater wars (MTWs) in the Persian Gulf and Northeast Asia. While this approach optimized U.S. forces for these two wars, it constrained the Pentagon's ability to free forces for crises in other regions. In order to remedy this problem, the new strategy places greater emphasis on forces and capabilities that can operate across a wider spectrum of conflicts. U.S. forces are to possess the capacity not only to wage MTW conflicts, but also to place greater emphasis on handling conflicts at

the higher end of the spectrum, including against enemies possessing WMD systems, and at the lower end of the spectrum, such as brush-fire wars, peacekeeping, and other smaller-scale contingencies (SSCs). Moreover, the new strategy calls for U.S. forces to possess high flexibility and adaptability so that they can react effectively to ever-changing conditions and to surprising events in unfamiliar places.

The strategy puts forth a new formula for waging two wars that seeks to liberate significant forces for other events. It states that the U.S. military should allocate sufficient forces to pursue overwhelming victory in one conflict, including counterattacks aimed at destroying enemy forces and occupying their country. However, in preparation for a second conflict, U.S. forces need only be capable of mounting a stalwart defense, rather than conquering the enemy's country. The difference between counterattack and defense has important implications because the latter typically consumes fewer forces than the former. The earlier 2-MTW standard dictated that forces for both contingencies must possess full counter-attack capabilities, thereby consuming virtually all-combat forces. By contrast, the new strategy's limited call for a defense capability in the second conflict frees significant forces for other missions. This change is illustrated on the following chart:

ILLUSTRATIVE ALLOCATION OF GROUND FORCES (DIVISIONS)

	<i>2-MTW Strategy</i>	<i>New Defense Strategy</i>
1st MTW Conflict	7	7
2nd MTW Conflict	6	3
SSCs and Other Missions	0	3

In essence, the new strategy gives rise to three force clusters: 1) a full-sized MTW posture for counterattack in one conflict; 2) a medium-sized, but high-tech strike posture for defense in a second conflict; 3) a separate capability for SSCs and other missions, many of which likely will call for traditional assets such as light infantry and peacekeeping units. Provided the existing posture is not reduced significantly, U.S. forces thus will be prepared not only for major wars in two regions, but also to handle the smaller crises and interventions that have been occurring with growing regularity in recent years. The *QDR Report 2001* offers no definitive proclamations on force levels, but it implies that the future posture likely will remain in the vicinity of today's posture, with a similar mix of service assets that preserves their multiple capabilities. If so, the new strategy seems on target for fulfilling the goal of making U.S. forces more flexible and readily available than before.

The new strategy pursues enhanced flexibility not only by crafting a new strategic framework for sizing and employing forces, but also by demanding a

broad portfolio of military assets that are modular and scalable, and can be tailored to respond to the situation at hand. As a result, it calls for a robust combination of space assets, information networks, overseas presence, power projection, and lethal strike capabilities from all four services. It also calls for defense planning to manage risks carefully to ensure that efforts to enhance capabilities in some areas do not lead to unwarranted neglect of others: its core intent is to make certain that U.S. forces will have the inherent capacity to respond to surprising, fast-breaking situations, as well as new threats, and will continue to possess the overwhelming advantages over enemy forces needed to win decisively.

In order to create the enhanced capabilities needed for this new strategy in the years ahead, the *QDR Report 2001* calls for a deliberate, well-planned approach to transformation. It envisions a transformation that starts slowly but steadily gains momentum in ways that provide adequate military capabilities at all times. In order to help achieve this goal, it calls upon the services and the Joint Forces Command to experiment with new technologies, doctrines, organizational structures, and field exercises that might enhance the combat power and flexibility of U.S. forces. It also places major emphasis on the need for joint operations and doctrine. In this arena, it announces that the Department of Defense (DoD) will pursue the idea of creating standing joint task forces in its key regional commands in order to help forge together the contributions of the service components in future contingencies. In addition, the *QDR Report 2001* continually emphasizes the contributions of information networking, space assets, and a full spectrum of intelligence, surveillance, and reconnaissance systems in maximizing U.S. combat power.

The *QDR Report 2001* highlights the importance of pursuing new operational concepts as a vehicle for guiding transformation. One concept is the creation of fast-deploying strike forces that can gain early entry into a crisis zone. Another concept is that of creating better forcible entry capabilities in order to circumvent enemy anti-access/area denial threats. A third concept is to use long-range bombers, cruise missiles, and tactical combat aircraft to conduct standoff attacks and to strike against enemy sanctuaries, WMD systems, and other targets. A fourth concept is to blend air strikes and ground maneuvers to mount fast-paced campaigns against

The terrorist attacks of September 11 further drove home the practical imperatives for a consensus while validating the need for both improved homeland defenses and highly ready forces that could carry out near-term operations abroad. What finally bridged the two sides was emergence of a "third way" solution.

enemy forces. These and other operational concepts make clear that future U.S. forces will be expected to win wars not by virtue of sheer numbers, but instead by their qualitative advantages in such areas as information warfare, sophisticated weapons, sensors, and smart munitions.

The *QDR Report 2001* suggests that some years from now, transformation will likely produce spearhead forces that will be the cutting edge of war-fighting campaigns. Although small in numbers, these early-deploying spearhead forces can be expected to make high-leverage contributions, thereby making things easier for the larger "legacy" forces that accompany them. As for these legacy forces, some will be re-engineered and reorganized, but many apparently will

By maintaining a strong force capable of acting across the spectrum of capabilities, the QDR suggests we can convince other nations not to compete with us militarily or to act against our interests. This may be the most difficult of the four goals to achieve.

retain their current structures and platforms for some time. Yet they will not remain static. They will be recapitalized and modernized with new weapons in order to ensure that they not only avoid obsolescence, but also retain major qualitative advantages over adversary forces. Thus, the combination of high-tech spearhead forces and modernized legacy forces is intended to preserve U.S. military superiority in the future, even as ongoing transformation alters the posture of military forces, steadily introducing new-era technologies and systems.

Finally, the report takes a fresh look at the nature of deterrence. It argues that the U.S. needs layers of deterrence, but that we

cannot rely on retaliation to the degree we did in the Cold War to prevent strikes against us. This is a basic reason for developing missile defenses and other forms of protection. But the *QDR* further suggests that we may need to consider preemption under certain circumstances. That notion may prove contentious in the future if a clear public case for preemption cannot be made.

ATTENDING TO UNFINISHED BUSINESS

Now that a new defense strategy has been adopted, the Bush administration and the Pentagon face the challenge of carrying it out. The new strategy articulates a sound strategic vision, but for all its conceptual strengths, it does not offer a well-developed roadmap for implementation at home and abroad. Nor does it resolve the debates over programs and budgets that arose during the *QDR* process. A great deal must be accomplished in several areas if this strategy is to

reach fruition. Unless this unfinished business is addressed promptly in ways that gain momentum, the new strategy could wither on the vine, falling short of its goal to create an improved defense posture. Much will depend upon the leadership of the Bush administration, the participation of the armed services, and the reactions of Congress.

Key challenges for the current and future administrations will likely be the following:

1. Pursuing the War Against Terrorism and Enhancing Homeland Defense Prosecuting the war against terrorism will be a major preoccupation for some time. It will require the allocation of the additional funds needed to operate U.S. forces abroad for this purpose. It also will mandate the Pentagon to acquire new technologies, including new warning systems, sensors, and specialized weapons. For the first time in nearly four decades, homeland defense has become a major concern. This focus on the protection of the American people has once again gained high priority not only as an imperative in itself, but also because it permits the United States to project military power abroad without fear of retaliation at home. That said, the looming question is: How is this goal best accomplished?

Major new measures will be utilized in order to defend against terrorists. Many of these measures will be carried out by domestic branches of the federal government or by state and local governments. But the Department of Defense will be affected as well—a new “America Command” could be created to concentrate efforts. Although measures to make airports secure and to safeguard against biological warfare may consume a portion of the active and reserve military forces, they are unlikely to impinge heavily on the defense budget. A matter of far greater budgetary impact is national missile defense (NMD). Whether, when, and how an NMD system is deployed will depend upon not only strategic requirements, but also testing of technologies and arms control agreements with Russia. But if a thin NMD system is deployed—e.g., with 100 to 250 launchers—the costs will be as high as \$100 billion over a ten-year period. The fielding of theater missile defenses to protect U.S. troops overseas and allies is equally important, and its costs could roughly equal the cost of NMD. Thus, the challenge will be to design a robust program that meets requirements, is affordable, and fits into the overall context of U.S. national security policy and defense strategy.

2. Creating Flexible Defense Plans As the *QDR Report 2001* states, the U.S. military will require considerable flexibility and adaptability in order to deal with the wide spectrum of missions and threats ahead. The current posture of 13 active Army and Marine divisions, 20 Air Force fighter wings, and 12 Navy carriers is not big enough to cover every plausible contingency with uniquely assigned forces. As a result, the Pentagon needs the flexible capacity to assign some units to multiple contingencies, and to combine and recombine assets in order to create a proper mix of forces for each contingency. Flexibility of this sort requires a modular posture capable

of many different options. The decision to replace the 2-MTW standard with a focus on capabilities is a step in the right direction, but it alone will not provide the necessary flexibility unless additional changes to the DoD force planning process are made.

While few senior military officers or civilian leaders would quarrel with the need for flexibility in today's world, the DoD's planning mechanisms often encourage the opposite. Several reasons account for this state of affairs. The process of fostering rigidity begins when forces are apportioned among the regional commands based on their strategic requirements. Once a division, air wing, or carrier is assigned to a regional command, it is normally not available to other commands except under dire circumstances. This practice constrains the DoD's ability easily to shift forces among the various regional commands in response to rapidly changing conditions. An additional constraint is that the parent regional command may itself lack the flexibility to employ its assigned forces for any purpose other than the primary mission or contingency to which they are assigned. For example, an Army

The new strategy seems on target for fulfilling the goal of making U.S. forces more flexible and readily available than before.

division assigned to the defense of South Korea normally is not available for missions elsewhere in the Asia/Pacific region, much less for the Persian Gulf or Europe. To compound matters, the Pentagon and the services often develop deployment plans, training regimens, and logistic support programs that leave all of a regional command's forces optimized for a single canonical contingency, but

not necessarily for others. The inevitable result is a force posture that is primed to perform a few strategic missions superbly, but can encounter trouble reacting to surprising events that require different combinations of forces and capabilities than those already scripted.

How can force planning be altered to achieve greater flexibility without losing its important capacity to develop integrated programs that serve clear strategic goals? The process can begin if the Pentagon employs a global framework for apportioning forces among the regional commands in sensible ways, and establishes well-oiled policies for switching units from one command to another when the situation merits. Each regional command, in turn, could be instructed to develop plans for using not only a normal complement of forces, but also more forces if needed, and fewer forces if some units are temporarily sent elsewhere. Equally important, each regional command could be allowed to develop force employment plans for a wide variety of missions and contingencies within its zone. The services then could be told to develop programs that adequately support the full range of these response options.

The quest for greater flexibility and adaptability can be energized by encouraging the regional commands to develop not only standing joint task

forces, but also medium-sized joint strike packages with modular and scalable assets that can be employed for a wide spectrum of missions in their theaters. Whereas regional commands today often plan for only small or big responses in a limited number of places, future crises will likely call for medium-sized responses in multiple locations. Such an innovation could go a long way toward enhancing the ability of all regional commands to meet the diverse challenges ahead. Overall, the result of the changes outlined here would be to equip the DoD and its regional commands with a large family of defense plans backed by the forces, capabilities, and programs needed to carry them out. This new approach to planning is complicated and may be difficult to carry out, but it has the advantage of offering the improved flexibility and adaptability that will be needed in the fluid times ahead.

3. Fostering a New Global Security Architecture Although the new defense strategy relies heavily upon power projection from the United States, it also requires creation of new, global security architecture in key places. In particular, it necessitates redesigning the U.S. overseas presence and strengthening the forces of allies and partners for new missions. The QDR 2001 Report makes both requirements clear, but without settling details of how these goals can be achieved, it leaves a great deal of unfinished business. In this arena, the challenge is not only to create policy and program initiatives that make strategic sense, but also to ensure that they are politically feasible: the art of the possible will have to be employed here.

In Europe, the main challenge is not to protect NATO's borders, but instead to design a new U.S. overseas presence and improve allied forces for expeditionary missions outside the continent, perhaps at long distances. Although the *QDR Report 2001* implies that some of the 109,000 U.S. troops stationed in Europe will migrate to the Persian Gulf or Asia, it does not reveal how many will be left behind, or how the new posture there should be structured. The cuts should not be too deep, for both political and military reasons. A retailored posture oriented to new doctrines and missions would be preferable to retaining the current posture, with its four heavy Army brigades that are hard-pressed to deploy swiftly outside Central Europe. The new U.S. force posture in Europe should be used to promote interoperability and joint training with European allies to alleviate future gaps within NATO. To the extent possible, it should be reoriented southward and eastward in order to be closer to the locations of likely crises and operations; for example, the stationing of larger U.S. military assets in Turkey and nearby locations may make sense.

As for European and NATO forces, the challenge is to breathe greater life into their preparations for power projection to the continent's periphery and beyond. Great Britain and France already are pursuing this agenda, but Germany, Italy, and other countries need to do so as well. Individual European countries

should be urged to increase their defense spending and to accelerate the modernization of their forces. The European Union should be encouraged to focus not only on peacekeeping missions, but on expeditionary forces as well. NATO should be urged to strengthen the capacity of its Reaction Forces to deploy well-armed forces to distant areas. In actual crises, the transatlantic alliance likely will often turn to coalitions of the able who are committed to carry out operations. In order to pursue these goals, the Bush administration seems best-advised to replace NATO's *Defense Capability Initiative (DCI)* with a new long-range plan that selectively focuses on high-leverage capabilities needed for interoperability and future-era missions, including counter-terrorism.

The strategic agenda along the endangered southern arc, from the Middle East to the Asian littoral, is very different from that in Europe. Across this long region of turbulent security affairs, the United States will likely follow new strategic objectives. Whereas deterring adversaries from using WMD systems will be a key goal, it will likely be pursued less by threats of nuclear retaliation, and more by assets that provide defense protection and a capacity for preemption with conventional strike forces. Similarly, forward defense of allies will be a key goal that will not be pursued by stationing large U.S. forces along exposed borders, but instead by blending together enhanced allied early defense capabilities with swift U.S. reinforcements from distant locations. Together, these new forms of deterrence and forward defense can help create an updated strategy of flexible response, one that operates differently from its Cold War predecessor.

The capacity of the United States to send reinforcements to multiple, widespread locations swiftly will be affected by success at establishing new bases, facilities, and en-route infrastructure at key points. While this holds true in the greater Middle East and Persian Gulf, it is doubly the case along the vast East Asian littoral. Gaining improved access to the Southeast Asian region seems likely to become a growing priority in the coming years. Whether and how the United States will succeed in this enterprise remains to be seen. For the most part, forces of allies and partners along the southern arc will not be able to match the technological sophistication of U.S. forces or even to achieve the levels of interoperability expected of the Europeans and NATO. But by improving their forces in moderate ways, they can enhance their self-defense prospects, facilitate U.S. reinforcement efforts, permit complementary operations with U.S. forces, and pursue multilateral cooperation among themselves.

4. Setting Priorities and Pursuing Modernization In his memorandum accompanying the *QDR Report 2001*, the chairman of the Joint Chiefs of Staff said that while the new defense strategy has the potential to protect U.S. interests, it will succeed only if it is backed with adequate resources for modernization. To this end, the defense budget is now on the increase and the war on terrorism and other imperatives seem likely to propel it further upward, from \$300 billion in fiscal year

2001 in FY2001 to about \$350 billion and more in FY2003. In the near future, defense budgets of around \$400 billion may be forthcoming. Even increases of this magnitude, however, will not permit the DoD to fully fund every program envisioned for modernization and transformation. Firm priorities will have to be set, and this will require both careful planning and hard-nosed decisions.

A major challenge in the future will be controlling the rising costs of the defense business. The mounting expense of new weapons and the need to increase military pay are well known, but little public attention has been given to the growing cost of the domestic defense infrastructure, which is manifested in the DoD's escalating operations and management (O&M) budget. In mid-summer 2001, Secretary Rumsfeld put forth the DoD's revised budget request for FY2002. His budget of \$328.9 billion—well above the \$296.3 billion for FY2001—asked for no increases in procurement spending, but increased O&M spending by fully \$18 billion, to \$125.7 billion. This elevated O&M to fully 38 percent of the DoD's budget, an all-time high.

Measured in today's constant dollars, a decade ago DoD spent about \$60,000 per active soldier on O&M. Today, it is spending over \$90,000, an increase of over 50 percent. This upward trend has been made necessary by many factors, but if it continues, it could strangle future spending on modernization. About \$80 billion of the O&M budget is spent on combat force readiness and civilian personnel, but the remaining \$48 billion is allocated to over thirty programs that support DoD's infrastructure. Rising costs for health care, facility construction, depot maintenance, reserve stocks, central supply, and other activities have played a major role in the upward spiral. As Secretary Rumsfeld noted, DoD will need to make critical improvements in these areas, but closing surplus bases, trimming bureaucracy, and otherwise reducing unnecessary infrastructure will be key to funding the new defense strategy.

Modernization and recapitalization will also need to be guided by a sense of priorities. Rumsfeld's elevated R&D budget of about \$47 billion, up from \$41 billion in FY2001, will help fund a long-term pursuit of new technologies. The procurement budget will need to increase well above the \$62 billion budgeted for FY2002. A reasonable estimate is \$80 to 100 billion per year once procurement of the coming generation of new combat aircraft swings into high gear. Eventually, over 3,000 combat aircraft—F-22s, F/A-18 E/Fs, and Joint Strike Fighters—will be

For all its conceptual strengths, (the new strategy) does not offer a well-developed roadmap for implementation at home and abroad. Nor does it resolve the debates over programs and budgets that arose during the QDR process.

bought, along with about 1,000 expensive support aircraft. DoD also will be acquiring about 360 V-22 Osprey, 1,200 Comanche helicopters, and 530 remanufactured Apache helicopters. Modernization of ground forces will include the upgrading of M-1 tanks and Bradley infantry fighting vehicles, plus procurement of the Crusader artillery tube. If a 300-ship Navy is to be preserved, ship-building will need to increase, too. The services evidently hope that a bigger procurement budget can fund these programs without necessitating cancellation of any new systems. Even if this

A major challenge in the future will be controlling the rising costs of the defense business. The mounting expense of new weapons and the need to increase military pay are well known, but little public attention has been given to the growing cost of the domestic defense infrastructure.

proves to be the case, fiscal realities will compel careful scheduling of this complex procurement effort, and likely will necessitate stretched-out buys and high-low mixes.

5. Carrying Out Transformation

Over the long-term, transformation will involve the development of exotic new systems and platforms for the entire posture, but in the near-term and mid-term, it will create a small number of high-tech spearhead forces backed by modernized legacy forces. This effort will focus on carrying out such new operational concepts as early entry, forcible entry, standoff bombardment, maritime operations ashore, deep-strike targeting, and fast-paced maneuvers. Here too, careful planning and firm priorities will be

needed. The challenge will be to invest resources wisely so that each key concept is adequately supported, and so that an overall balance is maintained among them. All of these concepts offer attractive features. But their greatest contribution lies in their capacity to work together as a set of interlocking tools for elevating the combat power of U.S. forces. If only one or two concepts are vigorously pursued while the others are neglected, the overall effect will be diminished. Likewise, pursuit of these new operational concepts will need to be accompanied by the realization that building forces for lethal strikes does not offset the requirement for assets that can carry out sustained operations and traditional missions.

Defense transformation should take advantage of opportunities to reorganize and re-engineer U.S. force structures in ways that make them more proficient. The need for innovation in this arena especially applies to the Army. The Army recently adopted an Interim Force plan, aimed at reconfiguring six brigades with light mechanized equipment, followed by long-term pursuit of an Objective Force that will be equipped with lightweight, exotic weapons now on the drawing board. These efforts offer promise, but they will not solve a key problem that will endure in the long-term. In order to wage war decisively in intense combat,

the Army will need to deploy significant numbers of armored and mechanized forces. But the Army's three-division heavy corps is so large and ponderous that it cannot be deployed swiftly from the United States.

Contrary to popular belief, this problem is not caused by the Army's tanks, which account for less than ten percent of a corps' weight. The real source of the problem is the corps itself, which totals over 100,000 troops plus so many weapons, vehicles, and stocks that it weighs nearly one million tons. The Army can speed its deployment rates by pre-positioning more equipment sets overseas. But it also needs to design a smaller corps that deploys faster while still fielding the tanks, artillery, and other heavy weapons needed to pack a big punch. By taking advantage of information systems, streamlining its logistic support, and pruning other assets, the Army could focus on designing a new, agile corps of 50,000 to 60,000 troops that is anchored in smaller divisions or new brigade-sized combat groups. If the Army moves in this direction, it could participate with the Air Force and Navy in creating the joint-strike force operations that will lie at the heart of the new U.S. defense strategy.

THE ROAD AHEAD

The war on terrorism has done more than elevate national security in the minds of Americans everywhere. It also has cast a spotlight on defense policy and preparedness efforts. The *QDR Report 2001* has developed a reasonable vision for the future, including a new defense strategy that is pointed in the right direction. But possessing a vision and a strategy is not enough. Bringing them to life by concrete actions is what won World War II and the Cold War. The same likely will hold true for the early twenty-first century drama that is now unfolding.

Clearly, the Pentagon and the armed services face a demanding challenge. Mastering it is rendered difficult by the ever-present need to carry out crisis operations around the world, often in new locations and in unexpected ways. Nobody knows what the future holds, but the track record is that over the past decade, the United States has been compelled to wage regional wars fully three times, while performing peacekeeping and taking tough positions in standoffs with Iraq and others. If this pattern continues, the DoD will find itself regularly mounting such operations even as it acts to bring about major changes in its military forces mandated by a new era of technology, doctrine, and warfare. Pursuing these changes will be difficult not only because of their inherent complexity, but also because budgetary realities will require the setting of stiff priorities. None of this will be easy, and it will require effective management from the nation's leadership. The comfort is that the DoD has faced similarly demanding management challenges before, and mastered them, perhaps not perfectly, but well enough to get the job done. Whether the past can be made prologue is to be seen, but it frames the agenda ahead. ■

