

Center for American Progress



PRESENTS:

**“A REALISTIC STRATEGY FOR AMERICA’S DEFENSE:
A PROGRESSIVE QUADRENNIAL DEFENSE REVIEW”**

INTRODUCTIONS:

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AMERICAN PROGRESS**

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FEATURING:

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MR. JOHN PODESTA: Good afternoon, everyone. I'm John Podesta, the president of the Center for American Progress. And on behalf of the Center, I want to thank you for coming to our presentation of our progressive Quadrennial Defense Review, which we believe to be a realistic strategy for America's defense. I know that we've caused a little bit of consternation among some of you by moving this event around a little bit, as a result of some conflicts that we had with other events at the Center, and I want to particularly thank Michele for being flexible in her schedule. During the course of bouncing the event around during the course of the day, we lost Tom Donnelly, but we thank him for his participation and his advice.

I also want to thank the members of our staff responsible for putting this document together: senior fellow Larry Korb, whose expertise has been instrumental to our work since the first day he walked through the Center's doors; Bob Boorstin, who leads our national security team. I also want to thank Caroline Wadhams and Andy Grotto, who are here in the front row, who would – this effort would not have been possible without their dedicated efforts, as well as the efforts of Jeff Sandberg and Ryan Kent. We recently lost Ryan to the Senate staff, but we thank them for all of their work.

Before I introduce our panel today and turn it over to Bob, I'd like to talk briefly about the history of the Quadrennial Defense Review and the Center's response. In 1996, Congress passed a law mandating the Department of Defense every four years examine U.S. Defense policy and report its findings to Congress. The QDR, as it is known, is suppose to be a forward-looking strategy based on the current and foreseeable national security environment. It must outline a national defense strategy and define the military force structure, modernization plans, and resources necessary to implement the strategy.

The last QDR was put forward shortly after the attacks of September 11th, although it was put together largely before those events, and the forthcoming QDR by the Bush administration will be the first such review to take place in the post 9/11 security environment. In the four and a half years since the last QDR, we've seen U.S. ground forces stretched beyond capacity, development of weapon systems that don't match today's threats, and an outdated nuclear force doctrine.

Secretary Rumsfeld has said that military transformation is a lot more than bombs and bullets and dollars and cents. It's about new approaches. It's about cultures. It's about mindset and new ways of thinking of things. But the secretary's mindset seems to be, "Let's ignore reality." The *L.A. Times* reports this morning that the secretary's QDR simply, quote, "leaves Iraq out of the equation." That mindset continues to move the Pentagon in the wrong direction. We sorely need a new approach, a new set of values and priorities to guide the successful protection of the American people and today, with the release of our own QDR, we hope to contribute to providing that guidance.

The Center's QDR makes personnel our top national security priority, realizing that if we are going to protect the American people, we must better protect the men and women charged with their security. This strategy gives the military the manpower and technology it needs to combat threats posed by both terrorists and traditional enemies and aims to produce a more powerful, flexible, and agile military force that can best protect the American people and advance U.S. national interests. This strategy also focuses on rebalancing forces and weaponry in order to allow the United States to simultaneously defend the homeland and contain conflict.

To tell you more about the Center's QDR, it's now my pleasure to introduce to you our panel. Larry Korb, as I mentioned, is a senior fellow here at the Center, who works on U.S. defense policy and military strategy. He served as an assistant secretary of defense during the Reagan administration and, thus, truly knows the Department of Defense and the way it operates inside and out. Throughout his accomplished career, Larry has worked at virtually every major think tank from the Council on Foreign Relations to Brookings to AEI, but we're glad that he now calls the Center his home.

We're very honored to have Michele Flournoy here to react to this document. She is a senior advisor in the International Security Program at the Center for Strategic and International Studies here in Washington. She served as deputy assistant secretary of defense for strategy in the second term of the Clinton administration. She was also a founder of the QDR working group at the National Defense University, which was chartered by the chairman and Joint Chiefs of Staff to help with policy preparations in advance of the 2001 QDR.

And finally, Bob Boorstin, the senior vice president for national security and international policy here at the Center. Bob's an original thinker. He's put together a great team and has managed our overall national security program with great distinction. He'll serve as the moderator of our panel today. It is now my pleasure to turn over our program to Bob, who will introduce our QDR.

Bob?

MR. ROBERT O. BOORSTIN: Thank you, John, very much. Welcome to everyone. Let me add my voice of welcome and particularly say thank you for coming at this hour, considering it is not the hour we originally invited you for.

I do want to take a moment before we go any further to identify the people who have helped put this report together, in addition to Larry, who is sitting up here, and I'm going to embarrass them horribly and ask them to stand up. Caroline and Andy and Jeff and Ryan. I can't see where Ryan is, but – he doesn't seem to be here yet. These are the folks who you can blame for all of the good parts. And you can blame Larry or me for all of the bad parts, I guess. They've done outstanding work on this document. It is quite an ambitious undertaking, despite the fact – as I'll refer to later – that it is not an attempt to do every little piece of the Pentagon or its programs, so I thank them for their work.

Before I get to Larry and Michele, I want to talk a bit about why we undertook this project, the scope of the project, and also how it fits into the overall approach of the national security team here at the Center.

So first, why did we do this? Let me give you three reasons. The first reason we did it was because we believe that the current administration is failing when it comes to military policy. I don't know how to state it any more clearly than that. They have failed to articulate a strategic vision for U.S. defense policy, to align their priorities with their resources, and to make the hard choices that you have to make in these circumstances in a responsible fashion.

The Bush administration is scheduled to submit its QDR – and it's already running around on Capitol Hill and elsewhere – on February 6th, and so we wanted to provide an alternative to that. It hasn't been an easy task, as I said, but our task is clearly nowhere near as difficult as the administration's. It was amusing, the other day we had somebody in here who has spent a lot of time with Pentagon analysts and folks who are actually writing the QDR and he made a wonderful comparison of their situation. He said that they were facing a dilemma in writing their QDR, which was similar to a bunch of guys who have had their hands soldered to an anvil in a burning building, and they don't know whether to chew or saw them off. In other words, he says that because of Iraq, because of the budget, because of all the difficulties they're having now that they have a hell of a job ahead of them. We welcome, obviously, to see what they have to say and we invite debate and comparison with their QDR. There are areas, I should say, where we agree with them. I know already from *Defense News*, for example, that they have an emphasis on UAVs – unmanned aerial vehicles; something that we also support.

The second reason we undertook this is because from our inception the Center has been in the business of demonstrating that progressives know a lot about national security and the military and that we're not afraid to talk about these issues. There is a notion, supported by polls unfortunately, that conservatives are better at military issues, that they know more about them and they have better ideas about how to run the U.S. military. We've set out, in our two-and-a-half years thus far, to prove that false, and our QDR represents another step in that effort.

Third, and perhaps most important of the reasons we undertook this, is because we believe that the armed forces of the United States are the best in the world and deserve the support, the training, the equipment that they need to do their jobs. We don't think that they are getting them now. The Bush administration has failed, and as I remember the vice president's words during the 2000 Republican convention, I'm struck by how hollow they ring today. Let us not forget that he said to the military, "Help is on the way." And I'm not sure that you would find many members of the military who would agree that a lot of help has come their way, and that is, of course, one of the major focuses of our QDR, which is on personnel.

Now, Larry is going to summarize what we think – what we've put forward as our strategy, but before he does that I'm going to comment on the scope of the project. This

QDR is not intended to be an exhaustive review of the entire bureaucratic structure of the Department of Defense, or of every weapon system or initiative that the Pentagon is pursuing. For example, we do not talk in this about procurement at any length. And, again, procurement is an issue that it seems that they have focused on in part in their QDR. So we didn't do this for a variety of reasons because we thought it was most important to focus on the biggest challenges the Department of Defense faces, and also because other QDRs seem to us to have become kind of documents that were budget-justification documents and rationalization exercises for weapon systems. So even while we make specific recommendations in many, many areas, as you will see when you examine the document, we've aimed for an approach that we hope doesn't miss the forest for the trees.

Finally, I wanted to just say a word about context and how the QDR fits into our national security work here at the Center. By its very nature obviously, a QDR focuses almost exclusively on the Department of Defense and its programs, but the recommendations that we make in this report, in this QDR, compliment and reinforce the recommendations that we made in our national security strategy, which we released last year, called integrated power. And at this point I have a note to hold up a copy of this and demonstrate it to you. Here it is. You all have copies of that in your folders.

And in that strategy, we call on the United States to discard traditional concepts of hard and soft power and view them not as alternatives, but as partners. We also argue in that document that we must abolish the divisions in the government between defense, homeland security, diplomacy, development assistance, and other items, and this is something that we try to also follow in the QDR. So as a result, you'll find that one of the major recommendations we make, particularly in the areas of homeland defense and intelligence is for greater coordination, cooperation, and integration of the Pentagon's activities with those of other departments. We also advocate in this document, as we did in our strategy, adoption of a unified national security budget, which we believe is necessary in order for the leadership and the Pentagon and the White House to make responsible and real trade offs among programs and divisions. We can talk about that at some length. And we will be issuing, I think, the third of those documents, which the Center of Defense Information started a couple of years ago issuing those reports.

Now, I'm going to turn it over to Larry, who's going to talk briefly about the QDR and then Michele will take over from there.

MR. LAWRENCE J KORB: Yeah, thank you, Bob, and thank you all for coming. I want to recognize Ryan. We recognized you before you came, but Ryan Kent did come and he's had a great deal to do with this. I also want to thank Michele, whose dual role –she made comments on it, some of which I incorporated, so her criticisms won't be too harsh, and Loren Thompson from the Lexington Institute also took a look at it. We sent this around to many military officers, who for obvious reasons we shall not name, to make sure that we had it correct. And we've even had some high-level people from the Pentagon come over and give us their view on what should be in there.

As John and Bob said, this is an important document. Not only is it the first since September 11th, but it's really the first since the Bush administration put out their national security strategy in the fall of 2002. And I think that it's really important when they put theirs out to see if they still go along with their strategy. As Bob mentioned, we have ours that follows from our strategy of integrated power.

We start off with the assumption that things are not good for our military. John has mentioned the Army is overstretched. Not only in terms of weapons – we have a lot of weapons that are not matched to the threats – but there's way too many of them. Even people like Duncan Hunter, the chairman of the House Armed Services Committee, and Senator John Cornyn from Texas are complaining about this excessive cost growth in weapon systems. We need to reset the force. The force, particularly the ground equipment, is being worn down in Iraq and Afghanistan and we don't want to go through what we did after Vietnam: when the war ended, people forgot about it and it took us a decade to get the force reset. We have a nuclear posture that doesn't match the threats, undermines nonproliferation, and is way too expensive given the other demands on our national security forces. Homeland defense – the administration talks about putting it first, but they're – the reality doesn't match the rhetoric that they have.

Bob mentioned you don't have an integrated national security budget and one of the things that we'll be doing with Foreign Policy in Focus and the Center for Defense Information to follow on the work they've done before, so that we can make the right tradeoffs. For example, should we be spending more on national missile defense against the least likely threat rather than on the entire Coast Guard, which deals with a much more likely threat?

And then finally, we're broke. I mean, we take into account fiscal realities. We all know that no matter how much you spend on defense, you can't buy perfect security, but the fact of the matter is we are in a budget-constrained environment, so in our proposal we talk about the reductions that we would make to pay for what we're going to advocate.

All right. Let me reiterate again the idea that people have to be first. When I first came to this town I worked for Mel Laird and his favorite saying is, "People, not hardware, are our most important priority." And we really reiterate that throughout a – throughout this document.

We come up with a new strategy. For those of you that follow this, the Pentagon is 1-4-2-1. Defend the homeland, deter four major regional contingencies, fight two major regional wars, and bring about regime change. What we're talking about is 1-1-2-3, which we think – I'll explain what they are, but it's easier when you go from the lowest to the highest. One, obviously is homeland defense. The second one is to be able to fight and win a major regional war. Two means that you ought to be able to go in and stabilize and reconstruct at least two places simultaneously. That's a big difference from us and the administration's strategy in 2001, and from what we hear is going to be in this QDR. We think that you need to have these peacekeeping and stabilization forces

because while we do great at winning conventional battles, we don't have the forces necessary to translate these battlefield victories into a stable peace. And then finally our third is, we're willing to give up deterring one major regional contingency to adding this peacekeeping and stabilization force.

Now, we go back and we take a look at the threats. Those of you that have looked at integrated power know we talk about short and long-term threats. The short-term threats, which we characterize, are these radical jihadists or violent extremists. The second one is a regime very unstable, extreme regimes like North Korea and Iran, and then weak and failing states. So those are the primary threats that you have to structure the military force. You also have long-term threats: China – very concerned about what might happen in the situation over Taiwan; Russia and the arc of crisis in Central Asia; combustible regimes around the world. Scarce resources – not only oil, but water can also lead to conflicts. And then finally the proliferation of weapons. And, again, we don't like to use the term weapons of mass destruction. I think equating them all does not do a service. What we really – it's nuclear and biological are your main threats.

All right, so those are threats, what's our strategy? Well, our strategy – we have several principles. First of all, obviously, protect the homeland. As I mentioned, you just can't talk about it, you have to do something about it, and we recommend doubling the homeland security budget which is now in the Department of Defense about \$10 billion up to \$20 billion dollars. Number two, we reiterate the Powell Doctrine; that if you're going to fight, do it right make sure you have all of the forces that are necessary.

From my days in the Pentagon and on active duty in the Navy, we always obviously hoped for the best, but we planned for the worst, and I think if you're to use military force you better do that because, among other things, you need to get the support of the American people, and if you lay it out before them – what the potential costs could be – they're much more likely to stay with you rather than if you promise them a quick and easy victory.

We give priority to the people. We're talking about increasing the active Army by 86,000 people, something – and, again, this is not new with us. I think it's interesting that everybody's waiting for the QDR from the administration and I'm thinking, "Well, why haven't you been doing something ahead of time, why wait till you – you know, to do this?" We've been advocating ever since I've been here to increase the size of the active Army.

We want to double Special Forces. We go along with Admiral – the late Admiral Cebrowski, who was Rumsfeld's Transformation Czar, who said you need two peacekeeping and stabilization divisions and you need to add more people in specialties like civil affairs. And we do not advocate cutting the National Guard. Basically, we want the National Guard to give priority go to its homeland defense mission, not only in terms of the numbers – and if you have a larger active Army, you won't have to depend on them so much – but also give them the equipment that they need to do the job. Now,

we recommend slight reductions in the Air Force and the Navy. We talk about 10 carriers as opposed to 11, and 19 air wings for the Air Force.

Ours is cost effective. We do not just buy the capabilities – capabilities which is in the 2001 QDR. You have to balance that with the threat so that you can make an assessment of what's the most cost-effective weapons to buy to deal with the situation.

In terms of nuclear weapons we recommend going down to 1,000: 600 operational, 400 in reserve, because we can't find more targets than that. And General Hoving, when he was up here to speak at the Carnegie conference, talked – and he used to head the Strategic Command – said that would be more than enough.

We want to balance readiness and transformation. When Rumsfeld came into the Pentagon he sort of treated it like a hostile takeover. Like in the decade of the '90s, nobody had been buying any smart weapons like UAVs or buying more smart bombs, so you still – you do need to transform, you do need to modernize, but you have to balance it with current readiness. When you use force to deal with imminent threats, preemption is – you should and must use it to deal with imminent threats, but preventive war is something else again.

We want to enhance the Department of Defense's role in homeland defense by devoting more resources. And then finally, as Bob mentioned, we want to integrate the Department of Defense's efforts with all the other government agencies who are involved in dealing with the threats that we face.

All right, let me briefly conclude by talking about some of the recommendations. I'm not going to talk about all of them; they're in there. One of the controversial recommendations is, we advocate, in addition to increasing the size of the Army, that reservists in the Selected Reserve, whether or not they're mobilized, should be able to buy into the Pentagon's Tricare system. Now, people are going to say that's expensive. That it is, but the fact of the matter is, because of the way in which we have healthcare in this country, 20 percent of the people in the Selected Reserve don't have healthcare and when we called them up about 10 percent couldn't go to duty. Is it expensive? Yes, but a volunteer military's expensive. If this country wants to have a volunteer military, it's going to have to pay for it.

We also talk about resetting the force. Wearing down the trucks and tanks and all of these things that we're using in Iraq and Afghanistan, and basically we should – there's a plan for that. We put money into the baseline Pentagon Defense Budget to deal with it.

One of the controversial recommendations is, we say build more B2s. If you're going to be able to – need to project power from the United States around the world without depending upon what Bob calls, the ugly allies – countries like Uzbekistan – you need to have more long-range capability. At some point we will build a new bomber, but

we're not there yet, and so we advocate building about 15 more – three every year, for the next five years.

We want to pay for the things. We're talking about canceling Cold War era weapons and poorly performing weapons. We advocate stopping production of the FA22 right now. You would then have about 100 of them – enough for about four squadrons. Ships like the DD(X), which are built for open-ocean warfare. The Virginia class submarine; we don't think you should go ahead with those at the current time. National missile defense – what's the rush to deploy something that, (a), deals with the least likely threat and we haven't actually gone ahead and seen whether it works?

Our basic – if you get to the back – we talk about roughly \$200 billion in savings, some \$150 billion in add-ons, and so over the next five years our budget would be roughly between \$40 and \$50 billion below the projected level.

Thanks.

MR. BOORSTIN: Michele?

MICHELE A. FLOURNOY: Great. Well, it's my pleasure to be with you all here today. I've been asked in less than 10 minutes to comment on both QDRs, so this is going to be challenging. I'm going to try to do this in a concise manner.

Let me start by saying that there are very great expectations for the Department of Defense review – for any defense review at this point in time – for good reason. First of all, this is the first opportunity that we've had to fully reassess our defense efforts since 9/11 and the sort of paradigm shifting events of the last few years, including Afghanistan and Iraq. So it's a first full accounting of the new challenges and opportunities that we're facing in the 21st century.

In addition, there are, as Larry said, tremendous strains on the all-volunteer force, particularly the Army and the Marine Corps that is already manifesting itself in a recruiting crisis and may well beget a retention crisis in the future. Tremendous pressures from current operations to accelerate transformation, making the force more adaptive to the kinds of missions they're having to conduct on the ground.

At the same time, we're facing huge fiscal pressures and new imperatives. You know, we've gone from a situation where in the aftermath of 9/11 in fiscal year 2002, the Pentagon budget grew from \$395 billion to a high of \$480 billion in FY-2004, and that's not counting the costs of the wars. Now the budget's coming down to a projected \$420 billion in FY-'06 dollars for this fiscal year, so it's – you've seen this bell curve and – but what that means in practice is the Pentagon – the era of the blank check is over. The Pentagon is feeling the constraint, they're having to tighten their belt, and that tightening their belt means making some hard choices because we have more defense program than we have defense budget, so tradeoffs have to be made.

Within DOD – in the program – you have the makings of what I call the perfect storm. You have soaring personnel costs that have more than doubled over the last five years due to healthcare costs, pension, retirement, et cetera. You have huge operations and maintenance costs. As Larry mentioned, the wear and tear on equipment from Iraq and Afghanistan is enormously contributing to higher recapitalization bills, as equipment needs to be replaced sooner than expected, and in greater numbers than expected.

You have the continued need for transformation as we have – we see a very different security environment and we have to adapt to that. And there are a number of other pressures, so again, all of this is adding up to: this QDR really matters and it has to make a difference. It has to step up to some hard choices.

I'd say the last factor that actually elevated expectations for this QDR is that you have a second term secretary of defense who's had time to define his priorities, has had time to understand how to navigate the politics of the department, who has time – he has had time to put in place his own leadership team both military and civilian, and who has made this huge rhetorical commitment anyway to transformation. So the expectation is, okay, this is the time it's all going to come together and he's going to deliver what he's been talking about, so this has been advertised as the fulcrum of the transition from the pre-9/11 to the post-9/11 world. One defense watcher talked about this being the most important defense review since not the end of the Cold War, but even the beginning of the Cold War, so expectations are very high.

Now, given the importance of this time, I think it's critical to have the kind of contribution that CAP has made with this document. Whether or not, you know, we all agree with every word in this document – I'm sure that not everyone would agree with every word, but the fact that you have an alternative on the table to force people to have a constructive debate is absolutely critical at this time given the stakes that are involved, and I think that this will enrich that debate about are we defining our priorities right? Do we have the requirements right? And have we connected the dots between strategy requirements and programs and budgets? This will enrich that debate greatly.

Now, when I look at QDR's there are four – this particular one – I think there are four key criteria that I set out for measuring success and, you know, do they get it right? The first is, it has got to provide a sound strategic framework for making hard choices and setting priorities – where to place emphasis, where to accept or manage a degree of risk – because, again, your strategy is going to call for a lot more than what your resources can support, so you have to make choices.

Secondly, does it reshape U.S. forces to contend with the full range of challenges that we're likely to face in the 21st century? And there are a couple parts to this. In the near term, does it provide a compelling new construct for sizing and shaping U.S. forces, for determining how much I need and what kind of capabilities do I need? And longer term, does it provide a vision for where are we trying to go to in the future? And does it translate that vision into specific puts and takes in the defense budget – specific shifts in investment that translate strategy into programming capability?

Third criteria is, in this day and age, given the importance of integration, as Bob mentioned, does this QDR do everything in its power to enhance the integration and the – of interagency and international partnerships and partners who are instrumental to our ability to achieve our defense and national security objectives? Yes, this is a DOD exercise, but DOD cannot be successful without capable interagency partners and capable international partners, and DOD has lots of leverage to help build capacity for and with others.

The last key criterion is, is there a political strategy that is going to take this review and actually get it implemented? Have internal and external stakeholders been brought on board in a way that's going to make execution possible? So let me go through each of these briefly, and try to comment on both reviews.

The first one, do these reviews provide sound strategic frameworks? What actually surprised me in reading through both drafts, both the DOD draft and this one, is that they actually start from a very similar premise in terms of how we understand the security environment and the threats. And the basic assumption being we are over invested as a military, as a Department of Defense, in capabilities to deal with high-end conventional war fighting – very traditional military threats – and we are underinvested in capabilities to deal with irregular warfare: counterterrorism, counterinsurgency, stability operations, that sort of thing; catastrophic threats, like WMD terrorism and so forth; disruptive threats such as potential capabilities of a near-peer competitor to make technological advances that constrain our ability to be effective on the battlefield.

So there is actually a very similar characterization of the threats, but what you find is very fundamental differences in the judgments about what that means for strategy, and I'll highlight just two to illustrate. One is that while both documents place a lot of rhetorical emphasis on homeland defense as a priority for the military, in the CAP document there is much more putting money where your mouth is. The emphasis in the DOD QDR is still very much rhetorical. When you try to find where does that priority in homeland defense actually get translated into changes for the military, changes for defense spending, changes in capacity, it's very difficult to find much, with a couple of exceptions. I think in the CAP document there is much more connecting of the dots to make some very concrete recommendations on how to strengthen DOD's support for homeland defense and homeland security more broadly.

Moving to the second criteria, new force-sizing constructs. Again, you're going to have – you have two documents presenting two new approaches, and what I'll just say is that I think the key criteria for a new force-sizing construct are, first, it has to elevate homeland defense and civil support to a priority position not just in rhetoric, but in reality. I think post-Katrina, we have to recognize the important, critical support role that DOD plays, and we have to put money against that to make our responses more effective.

It's got to elevate irregular warfare to be on a par with conventional warfare; i.e., counterterrorism, counterinsurgency, stability operations, peacekeeping. That's not all

lesser included cases of major – of war fighting anymore. They are missions with unique requirements. They are just as important as the conventional wars that we prepare for, and they've got to be reflected – that emphasis has got to be reflected in how we train, how we organize, how we equip and prepare our forces.

One this I would underscore, there is a little bit of a difference with the CAP document is I really believe that we have to maintain what has been a point of continuity through many administrations, and that is that the U.S. military has to maintain the ability to deter and defeat aggression in more than one region at a time. We are a global power with global interests. We have to be able to deal with aggression in more than one theatre at a time, and that's a critical point of continuity.

Any new force-sizing construct has to reinstitute what was an important element of our defense strategy in the Clinton administration, and then sort of went into hiding in the first Bush term, and that is this idea of shaping – the idea that the military has a critical role to play in peacetime in shaping the security environment. In peacetime activities with other militaries in assuring allies, deterring foes, and so forth. And that has to happen on a global basis, not just in three or four regions of the world.

Turing to the longer term vision for the mix of capabilities, again, here you have two competing visions put forward, but varying degrees of success in terms of how they connect the dots from the vision to actual program and investment. And here I would say, to its credit, the CAT version of the QDR is very clear in connecting the dots. Again, you may not agree with every point made, but you can trace strategy to requirement to program, and it's very, very clear.

I would say that in the DOD QDR that is going to come out, in some areas those dots are connected and in some they are not. In the category of irregular warfare, for example, dots are very well connected – very strong statement about strategy, of how this needs to be a new area of priority and what that means: specific investments to increase the size of Special Forces of several kinds, investment in human intelligence, linguists, cultural awareness, et cetera. Contrast that in the area of homeland defense – very, very little connection between the dots; huge rhetorical emphasis, very little programmatic change in DOD's version of the QDR.

In the third category of emphasizing integration, again, both documents actually do this. I think the real test here is how this rhetoric gets translated into greater capacity for interagency and international partners. Do you see changes of investment in our national security budgeting writ large? Do we see real investments in building up partner and allied capability that follow on to this rhetoric?

I'm running out of time, so let me just conclude by saying the bottom line is that this is a critical point in time to debate the future of our military, and what we need to support it. I think that the fact that an alternative has been put on the table at a time when the Department of Defense is issuing its review is extremely helpful to make sure that the debate is not just people taking potshots at the DOD QDR, but actually comparing a

positive alternative to that to say, here's another approach, and let's debate as a nation what's best. And how do we connect the dots between strategy and capabilities and programs?

I think I want to highlight four or five issues that I think are absolutely crucial to debate because the DOD QDR and the CAP QDR are heading in very different directions. First is, what is the right construct for sizing and shaping our forces? What is the range of missions that we want our forces to be able to undertake simultaneously? And how do we rebalance the mix of capabilities to get to that? Set within that, or second – implications for force size and mix, particularly do we need a larger Army? And if so, how much bigger? On of the disconnects in the DOD QDR is they put forward a new and ambitious force-sizing construct that by my light suggests the need for more ground forces, and yet they're going to suggest marginal reductions in the Army – doesn't make sense to me, but I think we have a debate coming out of Iraq – the experience in Afghanistan and Iraq. Do we need more ground forces, and if so, how much more and how are we going to pay for that?

Third, if homeland defense really, really, really is a priority for DOD – we've been saying it, but it hasn't been in practice, but if it really, really is going to be one now, what does that mean? How does investment need to change? How does the roles, missions, use, preparation of the National Guard need to change, or not? That has to be debated. Nuclear forces – very little on this subject in the official QDR, you guys have put it front center on the table and said, "We have more than we need, we need to – this is an area we can make some savings without sacrificing our national security." That's a debate that needs to happen.

And finally, specific programmatic tradeoffs: what is the right number of F22s? Should we take the bold step of actually canceling some programs like DD(X) and the Virginia class subs? To my knowledge, there are no major weapons system cancellations in the DOD QDR. There are cappings of programs, or stopping – efforts to stop production, but not the kind of cancellations that you guys would suggest here. So let's have that discussion about what are the appropriate programmatic tradeoffs to be made to actually support the strategy shifts that we're talking about.

So let me just conclude again, whether one agrees with every word that is in here or not – I agree with a lot of it – this is extremely valuable to have the kind of national debate that, frankly, we've been missing to our peril at a time of great urgency for our national security.

Thank you.

MR. BOORSTIN: Thanks very much, Michele. I appreciate it, and I appreciate your doing this comparison. I wish that I had seen the copy of the QDR before this, but I look forward to seeing it myself when it comes around. Let me just ask you, before we turn to the audience, about national missile defense and your – what you hear that the QDR is going to do and what you think it should do – what it should recommend.

MS. FLOURNOY: This is not a part of the QDR that I have been able to scrutinize carefully, but I think my expectation is continuing on the path that they are on, in terms of the emphasis on getting to more deployed capabilities. I personally favor – this is an area where I would accept – I would restructure the program to focus more on promising research and development, await more mature technologies, and move off deployment a bit more into the future, and use some of that investment money that I think is going to be ultimately wasted on deploying systems that are not the best systems we could have ultimately, and then put that into other, more urgent areas for dealing with the WMD threat in particular.

I don't think that the greatest threat is going to come from a WMD on a ballistic missile. I think it's much more likely to come from a terrorist use of WMD, and I think there we're not doing nearly enough to safeguard, consolidate, eliminate materials that are vulnerable to terrorist theft and diversion.

MR. BOORSTIN: Larry, I was wondering whether you had specific response to what Michele had to say?

MR. KORB: No, I think I'll quit while I'm ahead. She seems to have some nice things to say about it, so I think let's go to the audience.

MR. BOORSTIN: Okay, we'll go to the audience then, and the only thing I ask is that you please identify yourself and ask a question rather than make a statement.

Sir? Wait for the mike. Someone is coming to you with the mike.

Q: I'm Harlan Ullman, senior advisor at CSIS and a columnist for the *Washington Times*. First, Larry and Michele, thank you for very, very cogent presentations. They were excellent. I've got a series of questions I'd like to preface, and I'm not making a statement – it seems to me, Michele, you're absolutely right when you say that preventative and public diplomacy are two of our greatest failings, and I think that has got to be central in what you are looking towards in the future. And second, a rhetorical question, if we are really engaged in a war, why is it the Department of Defense is the only department that seems to be acting as if that's the case, and it seems to me this is another problem that goes beyond the QDR, but it's very real.

My four questions are, Larry first, you talk about homeland security and defense. Could you specify exactly what you think the military ought to be doing differently that justifies doubling the expenditures?

Second, regarding the stabilization and security operations, why do you think the military is particularly good at that? And if you could frame it possibility in the context of in a year or so, an Islamic revolution, which some of us think is very likely in Nigeria, what do you think we really can do with that?

Thirdly, how do we take on the enemies within? You talk, and I agree with you, about reducing F22s and submarines, but how do you deal with Lockheed Martin? How do you deal with General Dynamics? How do you deal with Northrop Grumman and Boeing?

MR. BOORSTIN: If I could just interrupt for a second: if anybody has the answer to that question, please pass it along immediately.

Q: You'll have to get me in a later stage because there are answers to that, but in the context of General Motors, how do you deal with those particular distortions?

And finally, while I agree with you in taking the size of the nuclear force down substantially, how do you deal with people, particularly on the Hill, who are going to be worrying about China, Russia? And what happens when Iran or North Korea has or gets the bomb? How do you make that argument?

MR. KORB: Thanks. Hi. Let me start with the last one first. I mean, one of the things we've done, and Andy was our lead on this, in terms – if you look at the possible targets, counting North Korea and Iran, we can't come up with more than 600 operational weapons couldn't deal with. We've got 400 in reserve in case there should be some sort of breakout, so I think that number will be more than enough for deterrence.

In terms of the military in peacekeeping and stabilization, you know, it's interesting; when I worked in 1997, there was a Defense Science Board study on the whole role of the military and I worked with Jack Vessey on it. Vessey had been chairman of the Joint Chiefs of Staff, Army officer, National Guard during World War II, battlefield commission, worked his way up. And we got into this subject, and he said, "Look, the military can adapt if you tell it what to do and give it the resources." Do people, I think, say, "Gee, I joined the army to do peacekeeping and stabilization." Well, I think more of them are.

You know, it's interesting, I read a thing when Dave Petraeus was commenting on the article by Brigadier General Foster that was in the *Military Review*, and he said, you know, "We had a lot of people who came in after the Cold War and they understand this and they want to do it." So I think – back when I used to fly the P2s and P3s, then they changed after the submarine threat went away. You know, you did different things, so I think it can be done. But it's not only giving the resources, and Michele talks about the training, but you have to have the career enhancement; in other words, if you move into this, is it a career field that you can get ahead?

I agree with you that other agencies ought to be more involved, and one of the recommendations that we make is that the military ought to be conducting war games and planning and stuff with the other agencies so people know who's supposed to do what. We talk about setting up National Guard headquarters to work with FEMA around the country, and then more importantly to give them the resources to deal with the chemical, biological, radiological, and nuclear threats that you might have to deal with, as well as

equipment. I mean, one of the problems you see – the National Guard equipment is not that good. A lot of it is in Iraq, and so how are they going to deal with something at home?

And I think really the thing – it has to be recognized as a core mission of the Department of Defense. Once you do that, I think then the other things will flow, but if it is something – kind of the thing that people talk about, well, you know, we do the war fighting, and those Europeans – somebody else will do the peacekeeping. We do the cooking, you do the dishes. I think we've got to get over that and recognize, as somebody you know well, Admiral Cebrowski, was talking about this before his untimely death: we know how to win the war, but we don't know how to secure the peace. And so I think you have to do all of those things.

MS. FLOURNOY: Can I just address the comment that why is only DOD engaged in the war? I think there are two failures here. One is a failure of leadership that – and it's at the highest level. There has not been any Kennedyesque speech mobilizing the American people, not even mobilizing the American government to say "We are in a new era. We are in a prolonged struggle. If you have a talent that can be used in this struggle, we want to hear from you. We want people to find some way to serve." I'm not talking about a draft; I'm talking about a voluntary national service of different kinds. There has not been that call to service – that call on Americans writ large.

The other factor is that when you have an instrument on steroids – the military – and everything else on life support, you're going to turn to the instrument on steroids. I personally like a military on steroids, but I'd also like to see the State Department have an operational capacity on steroids, and AID have an effective operational capacity on steroids, or perhaps a new field operating agency that's really tailored to this set of missions.

We need, if we're going to be serious about being effective in future operations, we need to build deployable, operational, civilian capacity. The military can't do it all. It doesn't have comparative advantage for many of the tasks. It needs civilian partners to be effective, and we need to make that investment if we're, (a), going to have any hope of preventing these things, these crisis's from occurring, and, (b), if we're going to have any hope of dealing with them after the fact, and restoring stability.

MR. BOORSTIN: Your third question I don't think was particularly touched, so Larry, could we go back to that one? The enemies within?

MR. KORB: You mean – oh yeah, political –

MR. BOORSTIN: I just wanted to stick Larry with it.

MR. KORB: I think, first of all, if you slow down the FA22 or stop it now, Lockheed builds the F35, and so it's not a question of them going out of business. I really think if the president would get involved, and the secretary of defense – make a

strong stand. They control both houses of the Congress. If the president would do what Michele talked about here – okay, look, we’re all going to have to make some sacrifices. We need to do things. We’ve got to get our budget situation under control. We can’t increase the defense budget as we have. We’re going to have to make some hard choices, and I’m calling on you, and God help you if you don’t go along with it here – you know, you go back door. But, yes, it will require that.

We haven’t had, in many ways, a president like that since Eisenhower – you know, basically had to get involved. Now, he of course – it was easier for him given his background, but his first year in office, when he was trying to bring the defense budget down and there was real concern on the Hill and he said, “Look, I think I know a little bit about defense spending and I think we can get along fine with this particular amount of money.”

But you’re right, it is, but we’re in war. And remember how Harry Truman made his reputation during World War II: he went around exposing defense waste. People didn’t call him unpatriotic, and I think we need that type of thing these days.

MR. BOORSTIN: And I would just add that the reports – the early reports on the QDR talk about a major – at least what looks to be a major redo of procurement process. And whether or not that would have an effect, I don’t know, but something to at least watch for.

Q: Richard Weitz, Hudson Institute. I wasn’t sure whether Andy or any of the other analysts addressed the issue explicitly, whether we need a triad of strategic offensive nuclear forces. Since you’ve mentioned earlier that you thought that we might have invested too much money in nuclear forces as opposed to other avenues, whether there was some consideration given to that or whether it was assumed that the triad for the reasons we’re all familiar with was the most advantageous method for deployment?

MR. BOORSTIN: I’m going to actually turn that to Andy.

ANDREW GROTTO: In brief, I think it’s still evolving – the strategic context – and I think it makes sense to err on the side of caution right now and keep the triad. In the future we might revisit whether one of the legs was useful or not, but for the time being I think it makes sense given the uncertainties of the future and so on.

MR. BOORSTIN: And Andy makes another point there which is terrific: that if you’re enhancing your conventional capabilities, you don’t have to rely as much on nuclear weapons even to do the things that Harlan was talking about.

Q: David Eisenberg, senior analyst at the British American Security Information Council and correspondent for *Asia Times*. To Larry Korb, one of the most interesting things in watching the evolution of the QDR since its inception is the fact that you no longer have a National Defense Panel, which Congress originally wrote essentially as an

effort to keep the whole effort honest. That may be my cynicism, but I think a lot of other people would join in.

I'm wondering if you have any concerns about the overall ability of this effort to be honest or impartial or free of the interests that the original NDP sought to at least keep in check. And to Michele Flournoy, with regard issues of force-sizing, people go both ways, but it seems to me an underlying issue is never being discussed, and that is that the Pentagon long ago made a conscious decision, and it predates the current one – the current administration – to outsource and privatize many of its military functions, whether it's combat support, combat service support, intelligence, PSYOPS, Lincoln Group, Blackwater, et cetera. The fact is they deliberately chose to do that and by all counts they still intend to do that in the future, especially in fields like reconstruction and stability operations.

So it seems to me you can't really address the issue of whether you should or should not add more troops unless you make a conscious – unless you address this underlying outsourcing/privatization issue, and I'm just wondering what your thoughts are on the good and bad of that.

MR. KORB: Yeah, let me go to the question of the National Defense Panel. I think there was obviously a political motivation there. Remember, the Republicans controlled Congress and they were not happy with what the Democrats and the administration were doing and so they wanted to have kind of a check on it, and they brought a lot of people in who eventually went into the Bush administration.

I think given the fact, as Michele talked about, how important this is and how long it has been, because if you go back – and we have – on table one, we go back all the way to talk about – mention the base force, the bottom-up, the QDR – you know, the two QDRs, and you had an awful lot of reviews in the '90s that it would be good to do that. And I think it would be important to make sure that we don't kind of do a Team-B type, where you stack the panel to come up with a different conclusion. But I do think so, particularly since this administration won't be doing another one, and we need to think about, as Michele talked about, having this debate. We could – I mean, one of the reasons we pick – we quote the NDP is more long-range bombers. That's one of the sources we saw on that.

MS. FLOURNOY: I would just endorse the idea of resurrecting the NDP, but actually in advance of a QDR, rather than after a QDR. I think it's most valuable to get that outside input in framing the issues for your QDR rather than sort of grading the homework of the QDR after the fact.

On the question of privatization and outsourcing, I think you're right. When you're looking at the size and mix of capabilities, you have to look at the active duty military, the reserve components, and the civilian capabilities that you can draw on as well, and they all affect one another in terms of how you're going to approach each of those. I think that it's critical that we take into account some of the lessons coming out of

particularly the Iraq experience, where – and look closely how we are using civilians on the battlefield.

It is one thing for the sake of efficiency to have Brown and Root provide a field kitchen and dining hall services for troops to reduce costs associated with that. It is quite another thing to put weapons in the hands of civilians on the battlefield as contractors when their legal status is very uncertain, where the command and control relationships are very unclear, and accountability is virtually lost in many cases. So I think that issue is very ripe for review, and it will have implications on the size of the force.

I personally believe we've gone a little too far in contracting out some of our hard security functions. We need to pull that back in to at least the reserves, if not into the active force. But I think my main assumption about the need to grow the Army, and the Marine Corps in particular, is that any future that I can imagine as plausible, even post-Iraq, is going to have a steady state of activity that is far higher than it was pre-9/11, and that to sustain that in a manner where you give some people time at home between deployments – at least two years for active duty personnel, at least four or five years for reservists – to sustain that over a period, you're going to have to have a larger force.

I personally disagree with Larry, and we've had this debate a thousand times in private and in public, that 86,000 is too big. That it's unachievable and unaffordable. I personally think 30,000 is closer to the right number, but we can have that debate. But it's a logical disconnect in my mind to look at the future, look at the force-sizing construct, and assume, oh, we need a smaller army. That just doesn't make sense to me logically.

MR. BOORSTIN: Do you have a question?

Q: Hi, thank you. My name is Millie Weres (ph), and I'm a huge fan of both of you. I don't always agree, but I love the logical way that you make your point on everything. In looking briefly at your draft, I'm a little surprised that you don't recommend a revamp of Title 10, and the reason I say that is General Zinni wrote a paper and gave a speech on if we're a superior military, why aren't we winning wars? And maybe the answer is, we're not really there to win the war because it starts with a State Department action and ends with a State Department action, and we have a distinct middle section that we're there to take care of as an armed force.

So if you believe that, then you read the 9/11 report that said we really as a nation need to come together and this integration of military and civilian, and there's lots of themes on how you do that, but the first responders on 9/11 were not the military. And the laws as they're currently written don't support the military ever being the first responders in their own homeland, so it seems to me that your report would have focused more on revamping Title 10 because it was a law written during a Cold War and we've now changed to a form of fourth generation warfare, and I think it would answer more of the symptoms that you try to address with some of the smaller perspectives you have. If you read the book, *Play to your Strengths*, it talks about your human capital strategy and

the policies that you use to govern that human capital, which happens to be the largest expense that you have in any corporation.

So some of the recommendations, while they seems to make sense, if you actually invoked them probably wouldn't jibe with some of the force structure modifications you want like stopping stop-loss, only imposing it once, saying reserved appointments happen one every six years. When you do the math, the policies probably don't support it, so why not a revamp of Title 10?

MR. KORB: I thought when you mentioned Title 10 you were going to go up with those people who were called up under Title 32 and are suing because they didn't get the Title 10 benefits there.

I think that the point you are trying to make here was that we've enhance the first responders, because one of the things – and I've gotten a lot of flack for this. This is not the first time I've said it. I think that if you are a first responder, that is a critical billet. Therefore, you should not be in a selected reserve unit that can be mobilized. Okay? And believe me, I wrote that in *Foreign Affairs* over two years ago, and I've gotten more mail on that. So you've got to do that.

We also make the point, yes the state and local should do it when they can. Our concern is a catastrophic problem at home, and then what do you do? And we talk about enhancing the Army, particularly the Army National Guard's ability to deal with that; have them work with FEMA, and then have the active forces actually conduct exercises ahead of time so we would know what to do if, heaven forbid, it got way out of hand. But in terms of – I'm not quite sure what you meant by repealing Title 10. You mean the governor's authority to call them up or the president's authority to call them?

Q: (Off mike.) Over time you're seeing different reasons that we've recalled and then we've slowly modified it. And then you start putting the human personnel policies on how we do it and what they're entitled to, when they do it. And essentially what you're seeing with a lot of the forces is the impact of how we call them, and the entitlements when they're called, and the ability to actually use them when you want them because you've called them here and there, so you make implications on stop-loss policy, which is an internal shaping tool on how to keep your personnel when otherwise the gates are open. Right? So it seems to me that if you have a new era in war fighting, you probably need a new doctrine in terms of what your force looks like, and it seems to me you take on Title 10 and its role in what the missions are and how it is that we actually invoke those missions.

MR. KORB: Again, let me say where we're coming from here. We think that if you have a larger active force you will not need to mobilize the guard particular – and reserve as much. Michele mentioned and we agree with it, and we've written this, and General Helmly to the head of the Reserve talks about if you call up a person more than every one year out of five or six years, it's going to be hard for that man or woman to stay in the reserves because you're basically making them full-time. And then make sure

that the people have the training and the equipment to do homeland security/homeland defense, to perform that mission; make sure that your first responders are not called away.

Now, the reason for talking about stop-loss, if you take a look at the figures on stop-loss, very few of those people reenlist. That really becomes a detriment to reenlisting, and personally we don't think it's fair to keep doing it. And if you had a larger force you wouldn't have to do it as much. And our feeling is – and we also get, since you mentioned this, into the whole question of the military service obligation. A lot of young men and women don't realize when they sign up for four years of active duty that they have an eight year obligation.

What we say is four years of active duty should be enough, and then reduce it back to six years for the military service obligation, because Michele points out, and we make the point in here, we are talking about expanding the Army at a very difficult time, and the longer you wait, the harder it's going to be.

MS. FLOURNOY: Let me just add one word: I think we've gone from a period where we were able to use our reserve forces as a strategic reserve, which are very rarely called upon for a war that's longer or more difficult than expected, or called on on a voluntary basis for smaller missions. I think we are now in – with no going back – a period where we are going to look to them to be more of an operational reserve, both to support missions abroad, and like long-duration missions like post-conflict or stabilization missions, and for support to civil authorities in the event of domestic crisis.

That has huge implications for the nature of what I call the social compact between the U.S. government and the reservists. And we have to go back to square one and rethink, what are the obligations of being in the reserves and what are the benefits and the rewards and the promises that the government makes back to you for being in this more operational reserve? And I'll just – a little advertisement here: CSIS is in the midst of a major study on exactly this question and we hope to publish something by June that gets at exactly some of these questions.

MR. BOORSTIN: In the far back. Sorry, Antoine.

Q: Thank you very much. My name is Masa Ota with Kyodo News, a Japanese wire service. I have a couple of questions from nuclear posture. Your QDR says that 600 and plus 400 reserve. Do you have any breakdown on the – you know, we have now current posture 500 ICBM, and also maybe 2,000 around on the 14 trident missile submarine and also B-52 and the B2 and the more than 1,000. So do you have any precise breakdown of tgis delivery system?

And also, second question is what's your position on non-first use. Your QDR didn't mention the nature of the wish to maintain the nuclear preemption, and also maybe we should dismiss this idea. You didn't mention – you didn't touch on this; your QDR didn't touch on this nature or this issue, so could you clarify?

And final question, your paper supporting RRW new idea proposed by DOE, under which this program is now going on. If RRW turns out to be feasible in the future, is it still – is it maybe possible to reduce more number of nuclear weapons below 10,000?

Thank you.

MR. KORB: The number you have right now you have is about 5,000. We're saying go down, it's like to 5,700 – something like that – and go down to 1,000. I mean, that's what we're talking about. And we mention when you're using nuclear weapons – first of all, we find very few cases where you would really need them if you've got very good conventional forces. And we make the comment in there that you really need to weigh both the military and the moral cost of doing this; you need to be concerned about proliferation of nuclear weapons. And if you go and you don't lead by example – for example, build new so-called bunker buster weapons – that's not sending the right signal to the world. And we applaud – in fact, we've had him here to speak – Congressmen Hobson for standing up to the administration to stop this.

And so, I mean, basically I think that's our position on the whole question of nuclear weapons. Okay?

Q: (Off-mike.)

MS. FLOURNOY: No first use.

MR. KORB: Yeah. We don't address no first use. My personal opinion is that we ought to sign up for that doctrine of no first use. The Chinese have it. The Russians have it. And I think we ought to do it as well. Now, we didn't get into that here because we're just talking about the weapons that you develop.

MR. BOORSTIN: Other questions? Am I missing anyone, Antoine, that you can see back there? Okay then.

Let me just end the session by saying that we are going to continue the debate on the QDR, both ours and the one that the Department of Defense will put out on February 6th. I want of first, of course, thank Larry and his team: Caroline and Andy and Jeff and Ryan for their great work on this document. And of course I want to thank Michele for being so flexible as to show up at this time and for your excellent commentary. I refer to you in private as Madame Secretary, and now so of you will know why. (Laughter.) Again, thank you all for coming.

(Applause.)

(END)