



**Testimony before the  
Committee on Armed Services  
United States House of Representatives**

**“QDR 2005: Goals and Principles”**

**September 14, 2005**

**A Statement by**

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Thank you for inviting me to testify before you today on an issue that will have potentially profound implications for the future of the U.S. armed forces and the security of our nation: the 2005 Quadrennial Defense Review.

The 2005 QDR is a particularly important review – perhaps even more important than its predecessors -- for at least two reasons. First, the United States faces a fundamentally changed security environment with a new mix of threats and challenges: the rise of global terrorism born of extremism; the proliferation of nuclear, chemical and biological materials and weapons, not only to state but also non-state actors; failed and failing states that can destabilize whole regions or become safe havens for terrorists; regional adversaries who remain hostile to U.S. interests; and so on. This QDR will be the first to grapple with the post-September 11, post-Hurricane Katrina environment and some of the critical capability shortfalls we have in the homeland security arena.

Second, in budgetary terms, the Department of Defense is facing a “perfect storm” of its own:

- Personnel costs (pay, health care, retirement, housing) have doubled over last five years
- Growing difficulties in recruitment and retention mean the U.S. military will have to pay more to attract and keep quality people in the force
- Extremely high operations and maintenance costs due to current operations in Iraq, Afghanistan and elsewhere are costing billions of dollars each month
- Recapitalization costs are rising due to aging equipment and increased wear and tear, and
- There is an increased need to invest more in transformation to meet the full range of 21<sup>st</sup> century threats.

All this adds up to more defense program than budget -- and the need to make some tough choices about where to invest, where to divest, and how to allocate risk.

In this context, the 2005 QDR should, in my view, focus on three principal goals. The first goal should be to reshape the U.S. armed forces to be better prepared to meet the threats and opportunities that define the 21<sup>st</sup> century security environment. Here, the basic thesis behind DoD's now famous "quad chart" (which depicts traditional, irregular, catastrophic and disruptive threats) and this QDR more broadly is right on the mark: DoD has unsurpassed capabilities to meet traditional challenges, like defeating an adversary's military in a conventional war, but it lacks the capabilities it needs to deal with the full range of non-traditional threats that will likely define the next 20 or more years.

Reshaping the U.S. military to be able to adapt across the full range of future challenges will require DoD to grapple with some tough near- and long-term choices. In the near term, it must address the highly corrosive effects that today's high operations tempo is having on U.S. ground forces, particularly the Army (active, Guard and reserve) but also the Marine Corps. Do we need to grow the size of these forces or just rebalance the mix of existing capabilities? Do we need more Special Operations Forces, or do we need to redefine the division of labor between SOF and conventional forces and make the Army and Marine Corps more "SOF-like"? Do we need to fundamentally rethink the roles, missions and force structure of the National Guard and Reserves?

How these questions are answered depends in large part on one's assumptions about the future level and nature of demand for U.S. forces. Those who believe that Iraq is an anomalous spike in demand generally do not believe we need more ground forces. Those who believe that while Iraq may indeed be a spike, the post-September 11 level of demand is likely to be

substantially higher than it was in the 1990s, argue that we need to both rebalance and increase the size of the Army, Marine Corps and SOF to meet what are likely to be enduring requirements. I, for one, am firmly in the latter camp.

In the long term, making U.S. forces more adaptable across the full spectrum of operations requires rethinking our investment portfolio – from research and development to procurement. It also means identifying ways to hedge against potential “wild cards” – future scenarios that are unlikely but would nevertheless be catastrophic if they were to occur. Hedging involves making investments today that would position the United States to be able to respond in a timely and effective manner should the unexpected or the impossible actually occur.

The QDR’s second main goal should be to transform how the Department of Defense operates and does business to be as effective, efficient and agile as possible. There have been countless studies, including CSIS’ *Beyond Goldwater-Nichols* work, that have made specific proposals in this regard, but few of these reforms have been adopted. Issues such as acquisition reform, logistics reform, better use of outsourcing and public-private partnerships need to be on the QDR table – not only because they have the potential to free up resources that can be reinvested in transformation but also because they are critical to making DoD agile and responsive enough to cope with the dynamics of the new security environment.

The QDR’s third major goal should be to develop and launch a series of initiatives designed to enhance the capabilities of its interagency and international partners. Virtually every operation the United States conducts requires integrating all of the instruments of our national power – military, diplomatic, economic, and informational. When we experience operational failure or higher than expected costs, as in Iraq, this tends to be due to lack of interagency planning, lack of interagency unity of effort on the ground, and lack of rapidly deployable

operational capacity outside DoD. While these issues go far beyond the purview of the Department of Defense, the U.S. military has a tremendous interest in ensuring that it has trained, ready and resourced interagency partners in the field – without them, the military is doomed to experience mission creep and elusive exit strategies in operation after operation.

CSIS recently released the Phase II Report of its *Beyond Goldwater-Nichols* study which makes a number of specific recommendations to develop interagency concepts of operations and clear agency roles and responsibilities for key mission areas, strengthen interagency integration mechanisms at all levels (strategic, operational, and tactical), conduct truly integrated interagency planning and training, and build deployable operational capacity in U.S. government civilian agencies. It also recommends combining the National Security Council and Homeland Security Council given the indivisible nature of the threat that we face.

Similarly, in the new security environment, international allies and partners are instrumental to our ability to achieve our national security objectives. No matter how powerful the United States is as the world's sole superpower, in an era of globalization we cannot fight terrorism or stop the proliferation and use of weapons of mass destruction or even protect our homeland alone. We need other countries to be capable and willing partners. Building their capacity is in our interests, be it European allies to operate alongside us in operations or capable indigenous forces to deal with local and regional situations so we don't have to intervene militarily.

Given these goals, the 2005 QDR must meet four minimum but critical requirements to be successful. The first requirement is to develop new strategy-based criteria for sizing and shaping the U.S. armed forces – that is, for determining what mix of military capabilities are needed and how much is enough. There is a good deal of consensus in the defense analysis

community that the so-called “1-4-2-1” metric developed in 2001 QDR has been overtaken by events. The question is: what should take its place? DoD needs a new conceptual framework for assessing and explaining the size and shape of the U.S. military, one that encompasses and balances the requirements of homeland security, irregular warfare and more traditional warfighting. This new conceptual framework should be a key output of the QDR.

The second requirement is to develop a rigorous analytic approach to assessing alternative force structures and capability options. Ideally, such an approach would be a blend of capabilities-based and threat-based planning, using dozens of scenarios in different combinations to understand what kinds of capabilities may be required in the future and to develop a portfolio of U.S. capabilities that is robust across the range.

The third requirement is to frame – and get senior leaders to make – the tough decisions that need to be made. Any major force structure or programmatic change proposed in the QDR should be accompanied by an assessment of the associated types and levels of risk. Without such a risk assessment, it is impossible to make informed judgments about how much of a given capability is enough and whether a proposed change is in the nation’s interests. Even more importantly, given the looming budget crisis, the OPTEMPO strains on the force, and the substantial security challenges we face as a nation, the Department of Defense must do a better job of establishing priorities and allocating risk. Previous QDRs have not done well on this score. There has been plenty of risk management talk, but not much risk management action. This time the administration and the Congress must do better.

The final requirement is to make this QDR the launch pad for a much needed national debate -- about what the country needs to protect and advance its interests in the 21<sup>st</sup> century and what capabilities the Department of Defense needs in this new era and -- and to forge a new

bipartisan consensus on a way forward. This debate must address not only our defense priorities but also the question of how we can afford to increase investment in critical national and homeland security priorities that lie outside the defense budget. In this context, we should also be asking whether we need to revisit the President's tax policy in order to meet our national security needs.

To be sure, a truly successful QDR requires the "buy in" of the senior civilian and military leaders in the Department of Defense. But it must also be well received by members of Congress like you who will ultimately vote on the resulting budget submission. You are key stakeholders in this process, as are the American people. I applaud this Committee for engaging on this issue and beginning this much needed national dialogue.

Thank you.