

Introductory Remarks -- Dr. Jim Thomason, Co-chair, MORS QDR Workshop January 12-15, 2009

Welcome to all of you...

1. Introduction: After the first QDR (1997), more than a hundred of the participants sat down and spoke confidentially with me and my IDA study team about its strengths and weaknesses, and about how to improve the next one. Among them -- two of the “rock stars” of the effort for the DepSecDef and Secretary: first, the one who devised the defense strategy of shape, respond, and prepare, Ms. Michele Flournoy. Second, the one widely acclaimed to have framed the three major full up program options to implement the strategy and also to have led the endgame integration effort for the review and the report to Congress, Mr. Bill Lynn. Ms. Flournoy strongly encouraged engaging the SecDef early and often, to galvanize priority for the effort DoD-wide and to build a review upon the SecDef’s top issues. Mr Lynn urged developing a small, strong, integrated OSD leadership team early on, not waiting for the endgame to frame a coherent process to identify and evaluate options. Like Ms. Flournoy, He also pushed for getting the SecDef to choose a small handful of top issues early to focus hard on. As incoming USD (P) and DepSecDef, Ms. Flournoy and Mr Lynn will of course have the opportunity to implement recommendations such as these, and others they think are valuable. On the other hand, the QDR law actually calls for a lot more than a focused look at a handful of issues and concerns of the SecDef’s; it mandates that the SecDef do a comprehensive review and a strong assessment of which is the best force to implement a good defense strategy -- at a low to moderate level of risk.

2. Agenda Looking at the QDR law, at the record of QDR’s –and at reviews of them since that first one, it’s not clear to me that DoD can actually answer the Congressional call for comprehensive, systematic risk-based assessments of the best force structure to implement the strategy. It might be mission impossible. In this regard, we’ll look at several reviews of the last QDR and suggestions of key participants in that QDR as indicative of the steep challenges involved. In conclusion, though, I’ll step out on a limb and offer a composite proposal for structuring and conducting a comprehensive, risk-based QDR, and then enumerate what I see as the chief benefits for the SecDef of doing it this way.

3. QDR Law Calls For: The law calls for a comprehensive review and identification of the force structure best suited to implement the strategy at a low to moderate level of risk. The GAO reviewed the last QDR, and, while it offered some praise, as I’ll indicate, it gave DoD low marks on several major counts, incl. comprehensiveness and risk

After the QDR’06 review, I (and colleagues) spoke confidentially with many of the senior leaders and participants in the same effort the GAO reviewed...to elicit their candid recommendations. These people were convinced that a QDR can easily become too diffuse and drift, that such a review really can’t and shouldn’t try to

study everything, should instead focus on a small handful of the most important issues/problems. But first for a flavor of the GAO's review, please consider the next chart.

4. GAO Review of last QDR: GAO identified several strengths of the 2006 QDR, as shown—esp. the collaboration. But it also called out 3 significant weaknesses --

1) It saw no comprehensive assessment, so it said DoD was not well positioned to balance capabilities and risks

2) It asked --Where is DoD's Force sizing Rationale/method?

3) And it said neither the SecDef nor the CJCS had credible tools to measure the risks of relying upon the force DoD proposed.

This GAO review does not, frankly, inspire confidence that DoD has developed the wherewithal for a comprehensive assessment or a strong risk assessment method for this upcoming QDR. And while many of the participants in the 06 QDR felt that the review had strengths, they also saw a rather large number of ways to strengthen the upcoming QDR. Just who were these participants, and what were their major suggestions?

5. IDA's Interviewees: IDA interviewed 30 senior participants and outside observers after the QDR'06 to elicit recommendations on how to strengthen the next one. Their names are available on request. The IPTs referenced here are Integrated Product Teams that focused on one or another major topic area. (such as Best Capability Mixes (IPT 1), Roles and Missions (IPT 3) and DoD legal authorities (IPT 6), We tried hard to ensure a representative group of interview respondents across several dimensions, including military/civilian, Service, organizational role, and veteran/newcomer.

6. Six Lessons: Here are the six major recommendations from these interviewees.

#1 --Ensure that the very top leaders are engaged throughout

#2-- Build a clear strategy driven analytic framework

#3-- Develop true strategic choices for decision

#4--Energize and resource a robust analysis capability

#5--Really seek and reward good out of the box ideas

#6--Craft and sustain a strong integrating structure and process

Now—very quickly-- a few of the more detailed suggestions in each category.

7. #1 To Ensure involvement—three specifics: #1: Establish a good schedule;

#2: SecDef should establish a small set (5-10) of priority issues; #3: Install a leadership body early to vigorously enforce the priorities

8. #2 To Develop a clear, strategy-driven capability and force planning framework:

#1: Generate early planning frameworks; #2: again, Identify a limited set of strategic priorities (5-10); #3: Develop and enforce a good "terms of reference".

9. #3--To Generate "strategic choices" for decision—#1: The SecDef personally

should drive the demand for them; #2: conduct a SecDef led formal risk assessment

early on, where a “risk assessment” is some form of assessment of the risk of the baseline (programmed) force across (at least) the DoD mission space so as to provide comparisons of where risk is high and low; #3: Identify a strong, independent organization (internal or external to DoD) to assist building options/choices

10. #4--To have a robust QDR analytic capability: #1: Commission strong preparatory joint analysis; #2: Increase emphasis on strategic-level analysis (That is, the top tier of analysis -- above systems and mission-level analysis); #3: Improve methods for cross-capability analysis; #4: Aggressively advance the Department’s agenda for joint analysis

11. #5 To Create incentives for innovative thinking: #1: Develop incentive structures (that reward innovation); #2: Avoid procedural devices that limit creativity; #3: Stress consideration of alternative futures

12. #6 Build an integrative structure by: #1: Strengthening ties of QDR to PPBE; #2: Promoting use of horizontal integration mechanisms (“roundtables”); #3: Strengthening the methodology for integrating QDR results; #4: and Ensuring all QDR leads report through a lead integrator to SecDef.

The full set of recommendations from these interviews is available to interested parties. For Now, let me offer you a composite proposal for strengthening this upcoming QDR. It builds on the strongest of the recommendations I’ve seen over the years...

13. A Composite Proposal: This proposal has six steps. First: systematically canvas the top US national security leaders -- designated by the President, the NSA, and the SecDef --to identify the most glaring strategic risks that need attention for the country, especially the risks that there is a realistic chance of doing something about. A definition of strategic risk that includes the key elements that are called out in the SecDef’s 2008 NDS could be used here. In light of this strategic risk review, which might be done in the next eight to ten weeks, the existing NDS could then be refined (or recrafted) as necessary for the new Administration to highlight a small set of SecDef priorities for greatest additional emphasis/assessment of options. In the third step, the QDR team would identify alternative plausible ways to implement the strategy, w/in each of several budget toplines

14. Proposal (Part 2): In a fourth step, these full up program force alts would be evaluated—in as comparable terms as possible -- for how well they each would mitigate strategic risk to the US. The fifth step involves senior leaders reviewing—together— the pros and cons of each of the handful of full up alternatives and selecting from them the best way to implement the strategy at low to moderate risk. If there are major debates on which is best, the SecDef and his closest advisors would make a final pick for DoD. The 6th and final step involves drafting the results of the review, and submitting the report to Congress, along with a set of

recommended FYDP and other national security budget proposals for the Hill to review.

15. In Sum: This six step proposal builds on the core recommendations of many of the interviewees from the first QDR, including Ms Flournoy and Mr. Lynn, and on the preponderance of recommendations of interviewees from the 2006 QDR. It begins with a comprehensive senior level strategic risk review—ideally at the NSC level. It identifies systematically a small set of especially critical areas for greatest QDR attention—and frankly, I suspect that SecDef Gates’ concern about strengthening irregular warfare capability would emerge from such a review rather readily, as would countering WMD and hedging sufficiently against emergence of a peer competitor. It would develop and evaluate full up options for mitigating strategic risk, for balancing investments against the strategy. Could this actually be implemented? If so, how? Potentially by using a strategic level process of the sort that was developed and tested for OSD/JS with two dozen of the top DoD leaders during the last QDR—a process called the Integrated Cross Capability Assessment and Risk Management Framework, or ICCARM—or using some other similar process that would be led by the SecDef’s top staff. WG5 of this workshop will be reviewing available strategic level balancing/alignment mechanisms that might be used for this purpose. I invite you to join us in WG5 and learn more about the methods and approaches that are likely to be readily available to the SecDef for this QDR. Such a six step process can also, I believe, complement, build upon, and help guide Analytic Agenda analyses and products. In this way, DoD may be able to turn what has been nearly mission impossible into a viable, ongoing quadrennial review process for the foreseeable future.