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TRANSFORMING DEFENSE: NATIONAL SECURITY IN THE 21ST CENTURY

Report of the National Defense Panel

Executive Summary

(On 1 December 1997, the National Defense Panel released its report focusing on the long-term issues facing United States defense national security. The panel was established in accordance with Section 924 of the Military Force Structure Act of 1996. The entire report is available on The Internet at www.dtic.mil/ndp. The Secretary of Defense response to the report, dated 15 December 1997 is also on The Internet at www.dtic.mil/defenseink/.)

The United States enters the new millennium as the preeminent political, economic, and military power in the world. Today we are in a relatively secure interlude following an era of intense international confrontation. But we must anticipate that future adversaries will learn from the past and confront us in very different ways. Thus we must be willing to change as well or risk having forces ill-suited to protect our security twenty years in the future. Only one thing is certain: the greatest danger lies in an unwillingness or an inability to change our security posture in time to meet the challenges of the next century.

The United States needs to launch a transformation strategy now that will enable it to meet a range of security challenges in 2010 to 2020. Yet we must do this without taking undue risk in the interim. This transformation promises to be complex. We cannot know the full extent and nature of future challenges. Yet, we must make critical decisions and choices entailing significant investments of resources and energies.

The Future Operational Environment

We can safely assume that future adversaries will have learned from the Gulf War. It is likely that they will find new ways to challenge our interests, our forces and our citizens. They will seek to disable the underlying structures that enable our military operations. Forward bases and forward-deployed forces will likely be challenged and coalition partners coerced. Critical nodes that enable communications, transportation, deployment, and other means of power projection will be vulnerable.

Our domestic communities and key infrastructures may also be vulnerable. Transnational threats may increase. As recently stated by Secretary Cohen, the proliferation of nuclear, chemical, and biological weapons and their delivery means will pose a serious threat to our homeland and our forces overseas. Information systems, the vital arteries of the modern political, economic, and social infrastructures, will undoubtedly be targets as well. The increasing commercialization of space makes it feasible for state and nonstate actors alike to acquire reconnaissance and surveillance services.

In short, we can expect those opposed to our interests to confront us at home and abroad—possibly in both places at once—with asymmetrical responses to our traditional strengths.

Near-term Implications

Defense choices invariably entail risk; the only question is where we take the risk. A significant share of today's Defense Department's resources is focused on the unlikely contingency that two major wars will occur at almost the same time. The Panel views this two-military-theater-of-war construct as, in reality, a force-sizing function. We are concerned that, for some, this has become a means of justifying current forces. This approach focuses significant resources on a low-probability scenario, which consumes funds that could be used to reduce risk to our long-term security. The Panel believes priority must go to the future. We recognize that, in the near term, the United States cannot ignore the threats posed by Iran and Iraq in the Persian Gulf and North Korea in Northeast Asia. However, our current forces, with the support of allies, should be capable of dealing with both contingencies.

The Range of Challenges

The types of missions our military and related security structures will be required to perform in 2010–2020 remain largely unchanged but the emphasis is likely to change. Maintaining regional stability is probably foremost among them, for the best way to forestall military challenges to the United States is to foster a stable international system. This demands full interaction with regional partners and alliances through diplomatic efforts as well as the full integration of U.S. diplomatic, economic, and military activities.

We must be able to project military power and conduct combat operations into areas where we may not have forward-deployed forces or forward bases. In particular, we must have the ability to put capable, agile, and highly effective shore-based land and air forces in place with a vastly decreased logistics footprint. Smaller force structures will be the norm, an evolution that must parallel the development of new operational concepts. Regular deployments to far-flung areas of the globe, from open deserts to confining urban terrain, therefore, are something we should expect. These deployments must not be viewed as a detraction from our traditional missions, but as a central element of the responsibilities of the future.

Just as deployments abroad are key to a stable international environment, an adequate defensive structure at home is crucial to the safety of our citizens and well-being of our communities. One of the salient features of U.S. security in 2010–2020 will be a much larger role for homeland defense than exists today.

Effective deterrence of potential nuclear adversaries can be maintained at the reduced levels envisioned by START III and beyond. Over time, the focus of our efforts to deter nuclear attacks against the United States, its allies, and interests may change substantially from that of today. Deterrence of attack as the central focus of nuclear policy already is being supplanted by the need to manage—identify, account for, and safeguard against—the proliferation and possible use of nuclear and other weapons of mass destruction. Traditional U.S. nuclear policies may not be sufficient to deter nuclear, chemical, or biological attacks by a rogue state against U.S. allies and coalition partners.

In regard to maintaining U.S. information superiority, we will need to integrate existing and new information systems while exploiting commercial technology. We must also have effective defensive and offensive information capabilities. We will need to recognize that the U.S. lead in space will not go unchallenged. We must coordinate the civil, commercial, and national security aspects of space, as use of space is a major element of national power.

Force Capabilities

Our military is superbly equipped, led, and trained and is blessed with magnificent men and women. We must never forget that our people in uniform have been the core of our strength in the past. They, more than any hardware system, form the real defense capability of today and tomorrow. Under no circumstances should we reduce the quality or training of our people. The technology revolution and advanced weapons we seek to embrace will be for naught if we take our military and civilian work force for granted.

It is clear, however, that in the 2010–2020 time frame our military forces will need capabilities very different from those they currently possess. We are on the cusp of a military revolution stimulated by rapid advances in information and information-related technologies. This implies a growing potential to detect, identify, and track far greater numbers of targets over a larger area for a longer time than ever before, and to provide this information much more quickly and effectively than heretofore possible. Those who can exploit these opportunities—and thereby dissipate the “fog of war”—stand to gain significant advantages.

Current force structures and information architectures extrapolated to the future may not suffice to meet successfully the conditions of future battle. Automation and systems architectures capable of disseminating information to widely dispersed and dissimilar units and integrating their actions will be key. We will need greater mobility, precision, speed, stealth, and strike ranges while we sharply reduce our logistics footprint. All operations will be increasingly joint, combined, and interagency. Furthermore, the reserve components will need to be fully integrated with active forces.

Legacy systems procured today will be at risk in 2010–2020. We must carefully scrutinize their utility for future conflicts as well as for peacetime military operations. Joint Vision 2010 and the visions of the services contain many of the capabilities we need in the future. However, the procurement budgets of the services are focused primarily on current systems and do not adequately support the central thrust of their visions. In light of these factors, the Panel questions the procurement plans for Army equipment, Navy ships, and tactical aircraft of all services.

Reserve and Guard units must be prepared and resourced for use in a variety of ongoing worldwide operations. They will play an increasing role in a variety of these by relieving active units and reducing the operational and personnel tempos of frequent and lengthy deployments.

While the other services have successfully integrated their active and reserve forces, the Army has suffered from a destructive disunity among its components, specifically between the active Army and the National Guard. This rift serves neither the Army nor the country well. The Panel strongly believes the rift must be healed and makes a series of recommendations toward that end.

A fully integrated total force requires a common culture to engender unity of thought and action. Shared operational and training experiences, common educational opportunities, and frequent exchange of leaders among active and reserve components, the different services, coalition partners, and national and international agencies will serve to deepen mutual respect and reinforce a common ethic.

Transformation Strategy

Transforming the armed forces into a very different kind of military from that which exists today, while supporting U.S. near-term efforts, presents a significant challenge. Beyond Defense, we must also transform the manner in which we conduct foreign affairs, foster regional stability, and enable projection of military power.

It is important to begin the transformation process now, since decisions made in the short term will influence the shape of the military over the long term. The Defense Department should accord the highest priority to executing a transformation strategy. Taking the wrong transformation course (or failing to transform) opens the nation to both strategic and technological surprise.

Transformation will take dedication and commitment—and a willingness to put talented people, money, resources, and structure behind a process designed to foster change. Greater emphasis should be placed on experimenting with a variety of military systems, operational concepts, and force structures. The goal is to identify the means to meet the emerging challenges, exploit the opportunities, and terminate those approaches that do not succeed. It will take wisdom to walk the delicate line that avoids premature decisions and unintended “lock-in” with equipment purchases, operational concepts, and related systems whose effectiveness may quickly erode in a rapidly changing environment.

At the core of this effort should be a much greater emphasis on jointness, building upon the legacy of Goldwater–Nichols. However, competition among the services can assist in determining how best to exploit new capabilities or solve emerging challenges. It takes a considerable amount of time, a decade or two, to play out an effective transformation. Indeed, even those military systems that are placed on a “fast track” for development and fielding often take ten years or more to reach forces in the field. Time also is required to determine how best to employ new military systems, and to make the appropriate adjustments in the force structure.

We must look beyond the challenges for defense and assess the relevance of the National Security Act of 1947 for the next millennium. This framework served us well during the Cold War, but we must objectively reexamine our national security structure if we intend to remain a world leader. Interagency processes, both international and domestic, must be reviewed and refined to provide the National Command Authority and the American people with an effective, integrated, and proactive organization.

We must also look closely at our alliances to ensure they are adjusting to the changing environment. As we work hard to establish mutual trust and commitment with our allies, we must be willing to sacrifice for common goals. Alliances have been and will continue to be a two-way street.

Our intelligence structure faces immensely more complicated tasks than during the Cold War. Asymmetric threats pose particular difficulties. Information technologies are a two-edged sword of both tremendous opportunities and vulnerabilities. The various facets of the intelligence community must merge their efforts and information, handle highly complicated technical challenges, ensure all parts of the intelligence gathering apparatus are robust, and work to ensure their products are easily accessible and meet the needs of the warfighter.

The Panel has identified areas in the Unified Command Plan where seams might hinder the effectiveness of our forces. We recommend that an Americas Command be created to address the challenges of homeland defense as well as those of the Western Hemisphere. A Joint Forces Command would be the force provider to the geographic CINCs, address standardization among the various Unified commands, oversee joint training and experimentation, and coordinate and integrate among the networked service battle labs. A Logistics Command would merge necessary support functions that are now divided among various agencies. Space Command would expand to absorb the domain of information.

Infrastructure

Fundamental reform of the Defense Department’s support infrastructure is key to an effective transformation strategy for the years 2010–2020. Today, the Department of Defense is burdened by a far-flung support infrastructure that is ponderous, bureaucratic, and unaffordable. Unless its costs are cut sharply, the Department will be unable to invest adequately for the future. The Panel supports the initiatives put forward by the recent Defense Reform Initiative. However, the Panel believes even more can and should be done.

Meaningful reform of the support infrastructure is not possible unless the Department establishes a more effective and business-like approach to resource management. To that end, the Panel recommends that the Department continue its efforts to reform the acquisition process as well as to rethink the Planning, Programming, and Budgeting System (PPBS) to make it less burdensome and more receptive to innovation and change.

Accurate cost information is also a prerequisite for cost-effective resource management decisions. Without good cost data, Defense managers have difficulty identifying inefficient practices and unwittingly make suboptimal resource allocation decisions. In addition, the Department must work with Congress to relax "color of money" restrictions.

The Defense Reform Initiative recommends competing 150,000 positions across Defense. We endorse this plan, but recommend expanding it to the 600,000 military and civilian personnel who perform commercially oriented support tasks.

Industrial Base

In coming decades, the United States can only preserve its current technological advantage through time-based competition. The Department of Defense needs to provide industry with incentives to innovate so that we may maintain a qualitative technology and systems edge so that the United States will continue to be preeminent in military technology. Rather than being reactive, we should make our military acquisition process proactive. The Department must work with Congress to devise new rules and procedures that encourage technology development, rather than large production quantities, in order to recover cost and profit. This may create unit cost "sticker shock" unless we shorten the development cycle to lower development costs. But reduced production quantities will reduce total program cost, the real measure of the cost to the nation.

A close examination must be made of industrial mobilization programs. Much of the existing requirements and structures are predicated upon maintaining or overseeing an industrial and manpower mobilization base for a Cold-War era contingency. This approach and associated overhead is clearly inappropriate to the relatively short wars we expect in the future. Further, this mobilization approach is clearly inappropriate, given the short technological life-cycles we experience today and certainly will experience in 2010-2020.

Installations

The Panel strongly endorses the infrastructure recommendations within the Defense Reform Initiative, which stated that there is sufficient surplus capacity for two additional BRAC rounds. Indeed, we believe there may be even more excess capacity that could be identified, should a review be done from a joint-base perspective.

Therefore, the Panel strongly recommends that two BRAC rounds be conducted earlier than the current 2001, 2005 Department proposal. The object is to transform the base structure from an impediment to a cost-effective enabler of readiness and modernization

The services should also reconsider the traditional concept of the military base. Rather than using on-base housing, commissaries, and other support services, military personnel would receive additional compensation. This shift would allow the services to reduce their on-base infrastructure, while increasing the benefit received.

The Cost

The issue of how to fund this transformation in this fiscally constrained environment is no small challenge. The Panel estimates an annual budget wedge of \$5 to 10 billion will be needed to support a true transformation. This money would fund initiatives in intelligence, space, urban warfare, joint experimentation, and information operations. In the absence of additional defense funding, the transformation could best be funded by infrastructure and acquisition reform. If these reforms are not forthcoming, it will be necessary to reduce Operations Tempo (OPTEMPO), cancel acquisition programs, or reduce force structure and end strength. There will be no easy answers, and difficult choices must be made.

Conclusion

In the increasingly complex world that we foresee, the Department of Defense and its armed services cannot preserve U.S. interests alone. Defense is but one element of a broader national security structure. If we are to be successful in meeting the challenges of the future, the entire U.S. national security apparatus must adapt and become more integrated, coherent, and proactive.

Implementing the transformation described in this Report promises to be complex and will require careful balance to preserve our current security interests. It is our belief, however, that if we refuse to change in a timely manner we could be fundamentally unprepared for the future, and put at risk the safety of future generations of Americans. We have the time and the opportunity to adjust. But we cannot equivocate. We must begin now.

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