IMPROVING THE PENTAGON'S DEVELOPMENT OF POLICY, STRATEGY, AND PLANS

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COMMITTEE ON ARMED SERVICES

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# CONTENTS

DECEMBER 8, 2015

<table>
<thead>
<tr>
<th>Improving the Pentagon’s Development of Policy, Strategy, and Plans</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flournoy, Hon. Michele A., former Under Secretary of Defense for Policy</td>
<td>4</td>
</tr>
<tr>
<td>Vickers, Hon. Michael G., former Under Secretary of Defense for Intelligence</td>
<td>17</td>
</tr>
<tr>
<td>Eggers, Commander Jeffrey W., USN (retired), former Special Assistant to the President for National Security Affairs and Former U.S. Navy SEAL Officer</td>
<td>23</td>
</tr>
<tr>
<td>Questions for the Record</td>
<td>46</td>
</tr>
</tbody>
</table>

(III)
IMPRESSORS THE PENTAGON'S DEVELOPMENT OF POLICY, STRATEGY, AND PLANS
Tuesday, December 8, 2015

U.S. Senate,
Committee on Armed Services,
Washington, DC.

The committee met, pursuant to notice, at 9:31 a.m. in Room SD-G50, Dirksen Senate Office Building, Senator John McCain, (chairman) presiding.

Committee members present: Senators McCain [presiding], Inhofe, Sessions, Ayotte, Fischer, Cotton, Rounds, Ernst, Tillis, Reed, Nelson, Manchin, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, and Heinrich.

OPENING STATEMENT OF SENATOR JOHN MCCAIN

Chairman McCAIN. The committee meets today to continue our series of hearings on defense reform. We have reviewed the effects of the Goldwater-Nichols reforms on our defense acquisition, management, and personnel systems. In our most recent hearings, we have considered what most view as the essence of Goldwater-Nichols, the roles and responsibilities of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, the service secretaries, and service chiefs, and the combatant commanders.

This morning we seek to understand how these civilian and military leaders formulate policy, strategy, and plans, as well as how to improve the quality of civilian control of the military and military advice to civilian leaders.

We are fortunate to have with us a distinguished panel of witnesses, who are not strangers to this committee, who will offer their views based on many years of service to our Nation: The Honorable Michele Flournoy, former Under Secretary of Defense—and should have been Secretary of Defense—for Policy, who is currently CEO [Chief Executive Officer] of the Center for American Security; the Honorable Michael Vickers, former Under Secretary of Defense for Intelligence, who has also previously served as a special forces officer and a CIA [Central Intelligence Agency] operations officer; and Commander Jeffrey W. Eggers, former Special Assistant to the President for National Security Affairs, who served both President George W. Bush and President Barack Obama and was previously a U.S. Navy SEAL officer.

As we have heard in previous hearings, Goldwater-Nichols emerged from concerns about the unity of command and the ability of our military to operate jointly. However, another primary concern was poor military advice, which former Secretary of Defense James Schlesinger said at the time had grown so bad that it was,
quote, generally irrelevant, normally unread, and almost always disregarded. Unquote.

That is why the Goldwater-Nichols Act elevated the Chairman of the Joint Chiefs of Staff as the Principal Military Advisor to the President and Secretary of Defense and created the position of Vice Chairman of the Joint Chiefs of Staff.

The intent of these reforms is that the Secretary of Defense and Chairman of the Joint Chiefs of staff would be better able to promote a department-wide perspective that could integrate activities and resources comprehensively across the military services.

Goldwater-Nichols also sought to improve the process of developing policy, strategy, and plans by requiring the President to submit a national security strategy and provide guidance to the Chairman of the Joint Chiefs of Staff and the combatant commanders for the preparation and review of contingency plans.

These were all important reforms, but 30 years later, how do we evaluate their effectiveness? If we base that on the quality of so-called strategy documents such as the National Security Strategy or Quadrennial Defense Review [QDR], I fear we may have a serious problem. The QDR process has grown so bad that Congress created an independent panel to review the Pentagon’s work. In 2010, that panel concluded, quote, instead of unconstrained, long-term analysis by planners who were encouraged to challenge preexisting thinking, the QDRs became explanations and justifications often with marginal changes of established decisions and plans. The poor quality of the DOD [Department of Defense] strategic planning documents may suggest a deeper, more troubling problem, that despite Goldwater-Nichols reforms or in some cases perhaps unintentionally because of them, the development of policy, strategy, and plans in the DOD has become paralyzed by an excessive pursuit of concurrence or consensus. Innovative ideas that challenge the status quo rarely seem to survive the staffing process as they make their long journey to senior civilian and military leaders. Instead, what results too often seems to be watered down, lowest common denominator thinking that is acceptable to all relevant stakeholders precisely because it is threatening to none of them.

I would cite again our recent experience in Iraq. Regardless of what we think about the circumstances by which we went to war in Iraq, the fact is that our Nation was losing that war for 3 and a half years, with disastrous consequences for our national security if we did fail. And yet, the development of a new strategy to finally stabilize the situation was not produced by the system, but rather by a group of outside experts and insurgents within the system going around the system. In many ways, this question of strategy is the crux of our current review. The main problem that Goldwater-Nichols sought to address 30 years ago was primarily an operational one, the inability of the military services to operate as one joint force. It is impossible to dispute that at a tactical and operational level, the U.S. military today is unrivaled in the world and far more capable than it was 3 decades ago, thanks in no small part to 14 consecutive years of sustained combat.

The problem today, however, seems to rest far more at the level of strategy. Our adversaries from ISIL [Islamic State of Iraq and the Levant] to Iran and North Korea to China and Russia are in-
side our decision cycle. They are capable of responding to events deciding and acting faster than we are. Instead, the Department of Defense and the U.S. Government more broadly appears increasingly incapable of adapting and innovating at speeds sufficient to maintain the initiative and keep us a step ahead of our adversaries.

The DOD also appears increasingly challenged by strategic integration, integrating thought and action across regions, across domains of military activity, and across short-term and long-term requirements. Perhaps this should not be surprising when, as previous have testified, the Secretary and the Deputy Secretary of Defense are the only two leaders in the Department with directive authority to mandate this kind of strategic integration. All of these problems are compounded by the fact that civilian control and oversight of the military has increasingly become confused with civilian micromanagement of the military.

This is not an attempt to condemn an organization just because some disagree at times with its conclusions. This is a broader problem. Our defense organization has consistently been too slow in adapting to the threats and challenges we face today and will face tomorrow. And there are real questions as to whether our current defense organization, which has long assumed that wars it would fight would be short and largely one-sided, is optimally set up to succeed in long-term strategic and military competitions with great power rivals and non-state actors like ISIL.

Part of this problem may lie, as previous witnesses have testified, in how the Department educates and develops its civilian and military leaders when it comes to strategy. I will be eager to hear our witnesses' thoughts on how to improve the Department's development and management of its people in this regard, and yet we must always remember that bad organizations all too often trump good people. Ultimately we must get this right because we have never confronted a more complex, uncertain, and numerous array of worldwide threats and our margin for error as a Nation is not what it once was and, indeed, is dramatically diminishing relative to our competitors. We have largely weathered the consequences of our previous failures, but without changes, we may not remain so fortunate for long.

Senator Reed?

STATEMENT OF SENATOR JACK REED

Senator REED. Well, thank you very much, Mr. Chairman. Let me join you in welcome the witnesses and thank them not only for their testimony today but for their extraordinary service to the Nation. And I know they will provide insights that will better help us deal with these very complex problems that we face.

As Secretary Bob Gates said before this committee in October, Americans, including all too often our leaders, regard international crises and military conflict as aberrations when, in fact and sad to say, they are the norm.

He went on to further state, while we may not be interested in aggressors, terrorists, revanchists, and expansionists half way around the world, they ultimately are always interested in us or our interests or our allies and friends.
And Secretary Gates’ admonition has reverberated throughout our hearings these past few months. The Department of Defense is facing many complicated and rapidly evolving challenges. We have seen how violent extremist organizations are able to promote the destructive agendas and carry out attacks against the United States, our allies, and our respective interests. In Iraq and Syria, the breakdown of a nation-state system has allowed the reemergence of centuries old divisions, creating a vastly complex situation. At the same time, Russia continues its provocative behavior in Europe while also deploying Russian troops and military equipment to Syria to directly support the failing Assad regime. Likewise, China’s assertive behavior in the South China Sea reflects both its desire to assert great power status and a challenge to international norms, including the freedom of navigation. Compound these issues, and the age of nuclear proliferation and global instability becomes even more dangerous.

It is in this context that previous witnesses before this committee have testified that the Department’s organization and processes are not flexible enough to respond in a timely manner. For example, Eliot Cohen outlined how the Department currently produces strategy documents on a fixed schedule and stated that a much better system would be something like the white papers produced by the Australian and French systems, not on a regular basis but in reaction to major international developments and composed by small special commissions that include outsiders, as well as bureaucrats.

In addition to how the Department develops defense policy and military strategy to respond to evolving threats, I would also welcome the witnesses’ views on whether or not changes are needed to the Department’s force planning process, if the current combatant command structure engenders effective military operations, and whether the size and number of defense agencies and field activities and other headquarters functions should be consolidated or eliminated.

Lastly, while not fully within this committee’s jurisdiction, I would be interested in the views of our witnesses on the current interagency structure for national security and whether changes in that area should also be considered.

These are complex, multifaceted issues that do not offer easy or quick solutions. Again, I look forward to hearing from each of our witnesses for their perspectives and thank them for their service.

And thank you, Mr. Chairman.
Chairman McCain. Secretary Flournoy?

STATEMENT OF HON. MICHELE A. FLOURNOY, FORMER UNDER SECRETARY OF DEFENSE FOR POLICY

Ms. Flournoy. Mr. Chairman, Senator Reed, distinguished members of the committee, thank you so much for inviting us here to testify before you. And I applaud this committee’s effort to take a hard look at the Goldwater-Nichols legislation 30 years after its passage and to consider a broad range of defense reforms. I believe that defense reform is absolutely critical to ensuring that we have a military that can underwrite the U.S. indispensable leadership role in a very complex and tumultuous environment.
The perspectives I offer today really come from serving two different administrations in the Pentagon, five different Secretaries of Defense from my perch at a defense-oriented think tank, but also from the time I have spent in the private sector looking at organizational best practices and so forth.

This is a very target-rich environment. It would be hard to cover all of the range of defense reform issues that I hope this committee will address in a single session, but I just want to highlight five problems that I have seen particularly in the area of strategy and planning and policy.

The first is what I call the tyranny of consensus and the duplication of effort across staffs. I think the emphasis on consensus, finding what we can all agree on, sort of watering down solutions to the lowest common denominator has really become quite pervasive in the Pentagon, sometimes in OSD [Office of the Secretary of Defense] but particularly in the Joint Staff process, as the different perspectives from the services, the COCOMs [Combatant Commands], and others are brought into discussion.

I think this overemphasis on jointness in policy actually undermines the Department’s ability to respond quickly and effectively and strategically to some of the challenges we face. That emphasis or overemphasis on consensus is further complicated by what I see as a lack of role clarity between OSD, Joint Staff, COCOM staffs, and sometimes the services. I saw this in my perch as Under Secretary of Defense for Policy where frequently even though the OSD clearly had the policy lead, there were more officers working a given policy issue in the Joint Staff and on the COCOM staffs than there were on the policy staff. And this is across many functional areas, whether it is intelligence policy, logistics, a whole range of areas where there is a lot of duplication and a lot of confusion about who has what role and what responsibility.

When you look at the Joint Staff and the Office of the Chairman, it has grown to nearly 4,000 people. That is 10 times what it was when the Defense Reorganization Act was passed in 1958. I actually think the Chairman and the Secretary would be better served by a smaller and more strategic joint staff that was focused predominantly on the Chairman’s core function, which is providing best military advice to the Secretary and to the President.

Similarly, the COCOM staffs collectively have now burgeoned to over 38,000 people. I think they too are ripe for a real scrub in terms of the breadth of their functions and the level of duplication with the Joint Staff and with OSD.

The second key problem is what I would consider a broken strategy development process. I am the veteran of many QDRs. I have the bruises and scars to prove it. But I think as well intentioned as the QDR was as a mandate from Congress, I think it has in fact in practice become a very routinized, bottom-up staff exercise. It includes hundreds of participants, thousands of man-hours, and really does not produce the desired result. What is really needed is a top-down, leader-driven exercise that focuses on clarifying strategy. What are our priorities? What are the hard choices? How do we allocate risk?

I would encourage this committee to look at overhauling the QDR legislation. I know there was some new language in the
NDAA, but the key pieces that I see are, first, moving to a more leader-driven process rather than a staff exercise, and two, having the primary product be a classified strategy document that actually has the teeth to guide resource allocation and prioritization within the Department. You may also want to still publish the occasional white paper unclassified explanation of our defense strategy for outside audiences, but the key piece that is most important for the Department and its management is the classified piece.

The third problem I would highlight is a flawed force planning process. This is the process that translates strategy into the forces we will need for the future. And here the tyranny of the consensus is very much apparent. As we look at how this process is done, every step of the way from scenario design to analysis, to insight, all of that is governed far more by reaching the consensus among parochial interests than it is guided by pursuing the national interest. The current process is antithetical to the kind of competing of ideas and innovation that the Department really needs to grapple with the key questions, which are how are new technologies and capabilities going to change the nature of warfare in the future. How will we develop those new concepts to prevail in a more contested and difficult environment? How are we going to make the necessary tradeoffs in programming and budgeting?

What we need and I think what is possible is the creation of a safe space by the Secretary and the Deputy Secretary to really have a process where all stakeholders can bring solutions, ideas, concepts to the table to compete on how best to solve a given problem, whether it is the COCOMs, the Joint Staff, the services, and also industry who have great insights about what is technologically feasible.

This may not necessarily require legislative change but it does require leader focus and change within the Department if we are going to get the kind of force development and innovation that the Department needs to keep pace with the threats that we are facing.

The fourth key problem I would highlight is bloated headquarters that undermine both performance and agility. In recent years, headquarters have continued to grow even as the active duty force has shrunk. The Office of the Secretary of Defense now has more than 5,000 people; Joint Staff, as I mentioned, nearly 4,000; COCOMs, 38,000. In total, if you add in the defense agencies, you have 240,000 people, excluding contractors, at a cost of $113 billion. It is almost 20 percent of the DOD budget.

And this is not just a matter of inefficiency. It is also a matter of effectiveness. When you go out into the private sector, there is case after case where you document that bloated headquarters’ slow decision-making push too many decisions up the chain rather than resolving them at the lowest possible level, incentivize risk-averse behaviors, undermine organizational performance, and compromise agility. I think the same is certainly true in government. And what is more is all these resources that are duplicative take resources away from investment in the warfighter, which is the DOD’s primary mission.

So I would really encourage this committee and the Congress more broadly to take several steps in this regard.
First, strongly encourage the Secretary of Defense to conduct a comprehensive and systematic effort to delayer headquarters staffs across the defense agency. When I say delayering, I am talking about a systematic design effort that goes through, eliminates unnecessary layers of bureaucracy, optimizes spans of control. There are proven methodologies for doing this that have been used across both the private sector and the public sector. I would start with OSD, the Joint Staff, move to the COCOMs, the service secretariats, and then the defense agencies.

Second, I think the Congress needs to give this Secretary of Defense the kinds of authorities that past Secretaries of Defense have been given to manage a reshaping of the organization in the workforce, things like reduction force authority, things like meaningful retirement and separation incentive pays, including things like base realignment and closure. And I know we can get to that in the Q and A if you would like.

The third thing is I think that Congress should actually direct the Secretary to commission a study by an outside firm that has both deep private sector experience and familiarity with the unique requirements of the defense enterprise to look at these areas of overlapping functions, how do we better integrate and streamline staffs within the Department. This could look at the service secretariats versus service chiefs’ staffs. It could look at OSD and Joint Staff functional area overlaps. It could even look at areas like transportation and logistics where all of the leading private sector firms have integrated those functions, yet in the Department of Defense, we have two separate organizations managing those.

And lastly I would say I think we all need to take a hard look at the combatant command staffs. I personally believe it is time to actually reduce the number of COCOMs—there are areas of consolidation that would make sense—streamline the subcommand and service component structure and also look at the size and composition based on a honing of the functions that we want the staffs to perform.

I think the last piece I would just foot-stomp is the importance of providing the Secretary with the authorities he needs to actually make these changes. I have mentioned some of them. One of the ones I want to highlight because it is in this committee’s direct control is a requirement that is placed on all DOD nominees being considered that is different from what is being placed on other agency nominees, and that is in most agencies, to avoid conflict of interest problems, you are allowed to put your assets and your holdings in a blind trust and then, if necessary, recuse yourself from certain decisions. The SASC [Senate Armed Services Committee] historically has said, no, that is not enough. You actually have to divest of your assets in any company that does business with the Pentagon. The result of that is that you basically disincentivize anyone from the private sector who has the kind of management acumen and experience running large organizations to come in and serve in the Department of Defense. And we lament that lack of expertise and that lack of acumen in terms of the people we are able to recruit to serve, and yet, some of the rules in place have prevented that kind of service. So I would just encour-
age you, before the next presidential transition, to take a hard look at that rule.

I am out of time, but let me just conclude by saying a lot of these problems can be addressed by means other than revising the fundamental legislation of Goldwater-Nichols. I personally believe a lot of the core elements of Goldwater-Nichols—they got it right. The powers given to the Secretary of Defense, the role of the Chairman not only as the military advisor to the Secretary but also to the President, ensuring that the President has the ability to hear military dissent if it exists before he makes a national security decision.

The one thing that I will say I would not like to see that some others who have testified before you have recommended is reinserting the Chairman in the operational chain of command. In my view, giving the Chairman decision-making authority over the C OCOMs and services would come at a high cost, essentially commensurately reducing the authorities of the Secretary of Defense. Decisions about where to deploy forces, when and how to use force in conducting military operations are fundamentally decisions about where, when, and how the United States should use its power and expend its blood and treasure. In a vibrant democracy like ours, those decisions should remain in civilian hands, not the hands of military authorities.

So let me conclude there, and I am happy to entertain your questions. Thank you.

[The prepared statement of Ms. Flournoy follows:]
December 8, 2015

Testimony before the Senate Armed Services Committee

Michèle A. Flournoy
CEO and Co-Founder
Center for a New American Security

THE URGENT NEED FOR DEFENSE REFORM

Chairman McCain, Ranking Member Reed, distinguished members of the Senate Armed Services Committee, thank you for inviting me to appear before you today. I applaud the committee’s efforts to reexamine the landmark Goldwater-Nichols legislation nearly 30 years after its passage in 1986 and to consider a broad range of possible defense reforms to ensure that the United States maintains a military that is fully capable of underwriting our indispensable leadership role in a complex and tumultuous world. I am honored to have the opportunity to share my views with you today.

The perspectives I offer you today are informed by my experience serving as Undersecretary of Defense for Policy for Secretaries Gates and Panetta in the Obama administration, as Principal Deputy Assistant Secretary for Strategy and Threat Reduction in the Clinton Administration, and as a keen observer of the Defense Department from my perch at the Center for a New American Security (CNAS). My views are also informed by my experience as a Senior Advisor with the Boston Consulting Group over the past several years, which has afforded me the opportunity to better understand best practices used in the private sector to improve organizational effectiveness and efficiency. Based on this experience, I will confess a certain bias when it comes to defense reform: While I believe that reform is imperative and urgent, I am somewhat leery of abstract solutions in search of a problem. So I would encourage this committee to start with a fact-based diagnosis of the most critical problems and areas of poor performance in the Department of Defense today and then tailor your reform strategies to address them.

As you have heard from the many witnesses who have already testified before you, defense reform is a “tough nut” to crack. It would be impossible for any one of us to cover the full range of issues that I hope this committee will ultimately address in the course of its important work. So I will confine myself to identifying a handful of the most serious and consequential problems I hope you will grapple with, and offer some possible recommendations for you to consider.

The Tyranny of Consensus and the Duplication of Effort Across Staffs

Recently, there has been a chorus of complaints about the growth of the National Security Council staff and the tendency of a larger NSC to micromanage aspects of policy development and execution that historically have been left to the departments and agencies, particularly the Defense Department. Such
complaints have been heard periodically since the Kennedy administration, and they do have some merit today. Equally important though less discussed, however, are the problems that plague the policy process within the Department of Defense.

Perhaps the most pernicious of these is what I like to call “the tyranny of consensus” that has come to dominate the Pentagon, particularly in how the Joint Staff and sometimes the Office of the Secretary of Defense (OSD) integrates diverse views from the Combatant Commands and the Services in bringing issues forward to the Chairman, the Secretary of Defense, and the NSC process. Reaching consensus – “focusing on what we can all agree on” – has become an end in itself in too many areas, from strategy development to contingency planning for operations to defining acquisition requirements. Getting the concurrence of a broad range of stakeholders on a given course of action too often takes precedence over framing and assessing a set of compelling options or alternatives to present to senior leaders for decision. This consensus-driven process also takes more time, undermining the Department’s agility and ability to respond to fast-moving events, let alone get ahead of them. While Goldwater-Nichols’ emphasis on fostering jointness in military operations has been absolutely critical to the success of the U.S. military over the last three decades, the emphasis on jointness in policy development is misplaced. In a bureaucratic culture in which consensus is king, the result is too often “lowest common denominator” solutions. The Chairman and the Secretary – and ultimately the President – would be far better served if the Joint Staff were to play more of an honest broker role, ensuring that a range of views and options, including dissenting views from the Services and COCOMs, are brought forward. (A good example of this is the deployment orders process in which any non-concurrence or disson by an affected Service or COCOM is highlighted to the Secretary of Defense before he makes a decision.)

Policy development within DoD is further complicated and confounded by lack of clarity on roles and responsibilities within the process and significant overlap between OSD, the Joint Staff and COCOM staffs, as well as the Services. The primary responsibility for the development of defense and national security policy in the Pentagon rests with the Undersecretary for Policy and her staff. Yet the Joint Staff has a large Policy shop of its own (the J-3) as does each of the COCOMs and Services. When I was USD(P), I often found that there were more desk officers working a given policy issue in the Joint Staff and the relevant COCOM than I had working the issue in the Policy shop. This duplication of efforts is unnecessary and has contributed to the growth of headquarters staffs. And the proliferation of policy staffs is but one example of unnecessary duplication in a functional area.

In recent years, the Joint Staff and the Office of the Chairman have grown to nearly 4,000 people – 10 times their size at the time of the DoD Reorganization Act in 1958. I believe the Chairman and the Department would be better served by a much smaller and more strategic Joint Staff that did not try to duplicate every function in OSD but rather focused on what should be its core function: enabling the Chairman to provide the best military advice possible to the Secretary of Defense and the President. The COCOM staffs, which now number nearly 38,000 military, civilian and contractor personnel have also binged in size and function. Far beyond the lean operational warfighting headquarters originally envisioned in Goldwater-Nichols, they have become sprawling platforms for military diplomacy with nearly every country in the world and active participants in the Washington policy process. The appropriate functions and size of the COCOM staffs merit a fundamental reexamination with a view to reducing unnecessary duplication with OSD and the Joint Staff. (See discussion of streamlining and delaying bloated headquarters staffs across DoD below.)
A Broken Strategy Development Process

The second problem I would highlight is that DoD's strategy development process is broken. At the heart of this process is the Quadrennial Defense Review (QDR), mandated by Congress. Although the need for a robust, rigorous and regular strategic planning process within the Department remains valid, the QDR routinely falls short of this aspiration. Over the years, the QDR has become a routinized, bottom-up staff exercise that includes hundreds of participants and consumes many thousands of man-hours, rather than a top-down leadership exercise that sets clear priorities, makes hard choices and allocates risk. In addition, the requirement to produce an unclassified QDR report tends to make the final product more of a glossy coffee table brochure written primarily for outside audiences, including the press, allies and partners, defense industry, and the Hill. What the Department needs, however, is a classified, hard-hitting strategy document that can be used to guide concrete actions, resource allocation within the Department, and engagement with key oversight partners in Congress.

As a veteran of multiple QDRs, I would like to see Congress repeal the existing QDR legislation and instead require the Secretary of Defense to lead a top-down strategy development process that engages key leaders across the department in the development of a classified defense strategy during the first year of each Presidential term. (A good model for this exercise was the process used to develop the 2012 Strategic Guidance). This classified strategy could be accompanied by the public release every several years of a shorter Defense White Paper to explain U.S. defense strategy to outside audiences.

A Flawed Force Planning Process

Another critical but flawed process in the Department is force planning—the process used to translate the defense strategy into the forces and capabilities the U.S. military will need in the future. In principle, this process should inform both the size and nature of future force structure and the mix of capabilities in which the Department should invest.

The current process is led by OSD in partnership with the Joint Staff and with input from the Services and, to a lesser extent, the COCOMS. Typically, a set of future scenarios is developed against which alternative force structures and capability mixes can be tested. The results are then assessed to yield insights that should influence DoD's investment in future capabilities. Unfortunately, the value of the current force planning process is dramatically undercut by an overriding emphasis on consensus—this is, gaining the concurrence of every participant every step of the way, from the design of the scenarios, to the assumptions governing the analysis, to the nature of the insights drawn from the exercise—such that parochial interests are often accommodated ahead of national security interests. Frequently, what results is yet another “lowest common denominator” consensus that does little to illuminate the tough tradeoffs and investment decisions the Department must make for the future.

In my experience, this approach is antithetical to what the Department needs to understand how best to design the force of the future: specifically, how new technologies and capabilities will change future warfare; how to develop new concepts of operation to prevail in more complex and contested operating environments; and how best to characterize and evaluate the key capability investment tradeoffs. What's needed is a process that creates a “safe space” in which alternative capability mixes,
concepts and solutions to a given scenario or problem can compete openly and fairly. This process should welcome ideas and proposals from the full range of stakeholders, including the Services, Joint Staff, OSD, COCOMs, and industry. Proposals should be subjected to rigorous gaming and analysis to identify those that deserve to be developed in more detail through experimentation and pilot programs. Such competition is critical to true innovation and to illuminating the key programmatic choices the Department must make today to ensure the U.S. military will have the capabilities it needs to succeed on the far more challenging battlefields of tomorrow.

Fixing this problem does not require legislative change. It is within the purview of the Secretary of Defense to empower the Deputy Secretary to run such a process in which alternative concepts and solutions to priority problems can compete in order to inform future force planning. But Congress does have an important role to play in at least three respects: first, ensuring that any acquisition reform protects the Secretary of Defense’s role as the ultimate decision maker in determining the major requirements for needed military capabilities; second, ensuring that the federal acquisition regulation (FAR) is not used as a means to prevent industry from being at the table to suggest solutions and inform the debate about what is technologically possible; and third, being willing to tolerate a degree of failure that will inevitably occur during the experimentation process. Without this support from Congress, the key entities within the Department are unlikely to take the risks necessary to enable a healthy competition of ideas and true innovation.

**Bloated Headquarters Undercut Performance and Agility**

In recent years, headquarters staffs – OSD, the Joint Staff, COCOMs, and the Services – have experienced substantial growth, even as the size of the active duty military has shrunk. Today, the Office of the Secretary of Defense has grown to more than 5,000 people, the Joint Staff to nearly 4,000, and the COCOM staffs to almost 38,000. As Arnold Punaro described in an earlier hearing, OSD, JCS, the Combatant Commands, and the Defense Agencies now account for some 240,000 people (excluding contractors) and $113 billion – nearly 20 percent of the DoD budget. Some attribute this growth to the increasing complexity of the security environment and the proliferation of tasks assigned to the Department of Defense. While that may account for some growth, I suspect that other, more worrisome factors are at play: namely, the natural tendency of bureaucracies to expand over time, a lack of role clarity and accountability that fosters duplication of effort across staffs (as described above), and lack of leadership focus and authorities to fundamentally rebaseline and reshape headquarters staffs and DoD infrastructure.

This problem is not just a matter of inefficiency; it is also an issue of effectiveness. In the private sector, bloated headquarters staffs have been documented to slow decision-making, push too many decisions to higher levels, incentivize risk-averse behaviors, undermine organizational performance, and compromise agility. The same is certainly true in government. What’s more, in the DoD context overstaffed staffs consume precious resources that could otherwise be invested in strengthening our warfighting capabilities. Consequently, this problem should be addressed as a matter of priority.

Specifically, I would urge Congress to take the following steps:

First, strongly encourage the Secretary Defense to undertake a comprehensive and systematic effort to de-layer headquarters staffs and agencies across the defense enterprise. This would involve a top-down
effort to reassess and redesign each layer of an organization according to an agreed set of design principles. Delayering focuses on reducing unnecessary bureaucracy and optimizing “spans of control” in order to improve the quality of decision-making, organizational performance and agility. It also tends to result in substantial savings. This effort should start with OSD and the Joint Staff, and extend to the COCOM staffs, the Service secretariats and headquarters staffs, and the defense agencies.

Second, in order to facilitate the delayering process, Congress should give the Secretary authorities he needs to reshape the civilian workforce for the 21st century and the ability to eliminate or consolidate organizations as needed. There is ample precedent for this: After the end of the Cold War, Secretary of Defense William Perry was given a broad range of authorities, including Reduction in Force authority, Base Realignment and Closure authority, and meaningful retirement and incentive pays, to reshape the DoD workforce and infrastructure amidst a substantial drawdown.

Third, Congress should direct the Secretary to commission a study by an outside firm with both deep experience in management best practices in the private sector and some familiarity with the unique requirements of the defense enterprise to assess the opportunities for integrating or streamlining overlapping functional staffs within the Department. It should also give the Secretary the flexibility to implement any worthwhile recommendations. Several questions are worth asking in this regard: Do the Service Secretariats and Service Chiefs’ staffs need to be separate, or would more integrated civil-military Service headquarters perform better? Does it make sense for both OSD and the Joint Staff to have parallel organizations devoted to overseeing policy, personnel, intelligence, logistics, force analysis, budgeting, and other functions? Does it make sense to have separate transportation and logistics organizations (i.e., Transportation Command and the Defense Logistics Agency) when virtually every leading firm in the private sector has integrated these functions? No doubt there are other areas worthy of assessment as well. In each case, the key question should be whether there are proven approaches that could reduce unnecessary duplication and yield better outcomes for the Department at lower cost.

Fourth, Congress should ask the Secretary of Defense to examine alternative concepts for structuring the Combatant Commands. Specifically, the Secretary should be asked to consider: 1. Reducing the number of COCOMs through consolidation and/or elimination — at a minimum, consider recombining EUCOM and AFRICOM on one hand, and SOUTHCOM and NORTHCOM on the other; 2. Streamlining sub-commands and service components; and 3. Rethinking the size and composition of COCOM staffs to reduce unnecessary duplication with the Joint Staff, OSD and defense agencies.

Failure to Provide the Secretary of Defense with Authorities to Manage Effectively

Last but not least, Congress has not given the Secretary of Defense the authorities necessary to manage the defense enterprise effectively and efficiently. In previous periods of drawdown, such as after World War II, the Vietnam War, and the end of the Cold War, Congress provided the Secretary of Defense with the authorities and flexibility necessary to reshape the civilian workforce, reorganize parts of the Department, and right-size DoD’s infrastructure. Despite severe budget cuts and a mandate to reduce the size of the so-called “fourth estate,” however, Congress has denied recent Secretaries many of the authorities that past Secretaries were granted, such as Reduction in Force authority, meaningful levels of early retirement and voluntary separation incentive pays, and Base Realignment and Closure.
authority. Furthermore, not providing such authorities has incentivized some negative institutional coping behaviors, such as letting go of critical personnel one would otherwise wish to retain; hiring contractors to make up for gaps in key functions (due to lack of flexibility to shift and hire career staff as needed); long hiring freezes that prevent new blood from coming into the Department; even as it approaches a massive retirement of Baby Boomers; and maintaining staff in excess infrastructure to “keep the lights on” when they might be better employed elsewhere.

In addition, this committee has imposed restrictions on incoming DoD political appointees that make it virtually impossible to recruit people with the kind of business and management expertise the Department desperately needs to improve its performance and efficiency. Whereas political appointees in many other agencies are allowed to avoid potential conflicts of interest by placing their financial assets in a blind trust and/or recusing themselves from certain types of decisions, the SASC requires DoD nominees (and their immediate family members) to sell off any assets or equity they hold in any company that does business with the Department of Defense. While well-intentioned, this rule in practice has stymied the Department’s ability to recruit the talent it needs to lead a much-needed transformation of its business processes. For many in the private sector, the requirement to fully divest is akin to committing financial suicide in order to serve as a political appointee. If my understanding is correct, it is within this committee’s power to revise this rule and adopt the blind trust and recusal standard that has served other agencies well. I would implore you to do so before the 2016 Presidential transition so that the next administration will be able to recruit more leaders from the private sector to help lead and transform the defense enterprise.

Furthermore, despite repeated testimony on the part of the Service Chiefs that an estimated 20% of the current defense infrastructure is excess to military need, despite numerous GAO reports assessing that previous Base Realignment and Closure (BRAC) rounds have saved billions of dollars, and despite repeated requests from the last several Secretaries of Defense, Congress has not given DoD the authority to conduct another round of BRAC. The time for studying this issue has long past; what’s needed now is Congressional action. While I understand the difficult politics surrounding base closures and the potential impact on local jobs, I lament the fact that billions of dollars are being diverted from strengthening military readiness and investing in critical warfighting capabilities in order to sustain facilities and bases the military no longer needs or wants. Every dollar we spend on unwanted infrastructure is a dollar less to support the men and women who serve in harm’s way.

In sum, I would strongly urge this committee to lead the charge to provide the Department with the flexibility and authorities described above.

Implications for Revising Goldwater-Nichols

The obvious question is whether any of these problems requires a change to the core elements of the 1986 Goldwater-Nichols legislation.

While I support this committee’s recent efforts to empower the Service Chiefs and hold them accountable for improving performance in the execution of certain acquisition programs, it is imperative that the Secretary of Defense remain the ultimate decision maker in determining what I call the “Big R” requirements — that is, what capabilities DoD ultimately buys for the joint force. Several examples serve to remind us of times when the Secretary’s intervention was critical to ensure that warfighter
needs rather than service parochialism drove key procurement decisions (e.g., the decision to increase investment in smart munitions after the Gulf War, or the rapid procurement of MRAPs and UAVs for the wars in Iraq and Afghanistan).

Nevertheless, I believe that Goldwater-Nichols got most of the fundamentals right. Most importantly, the legislation made the Secretary of Defense the ultimate decision on all matters within the purview of the Department. In my view, a fully empowered Secretary is absolutely critical to ensuring strong civilian control of the military in our vibrant constitutional democracy. In addition, I believe that Congress was right in making the Chairman of the Joint Chiefs of Staff the senior military advisor not only to the Secretary of Defense but also to the President as Commander in Chief. The ability of the Chairman to offer independent military advice to the President, unfettered by any political appointee, is critical to ensuring the President has the benefit of the full range of perspectives, including dissent, when making national security decisions. This is particularly important when young Americans are being sent into harm’s way. As our own history suggests, suppressing military dissent can have dire consequences for the nation, whereas ensuring dissent can be heard by the Commander in Chief trends to improve the quality of the decisions made.

That said, I think it would be a mistake to insert the Chairman into the operational chain of command, as some have suggested. Giving the Chairman decision-making authority over CCOOMs and Services would come at a high cost—essentially reducing the Secretary of Defense’s role and decision-making authority commensurately. Decisions about where to deploy forces and whether and how to conduct military operations are fundamentally decisions about where, when and how the United States should use its power and put the nation’s blood and treasure on the line. In a democracy, it is imperative that such decisions be made by civilians rather than military authorities.

Final Thoughts

It is hard to remember a time when the need for defense reform was more acute. The growing challenges the U.S. armed forces face in ensuring American interests, values and allies in the coming years are truly daunting: the spread of the Islamic State and other violent extremist groups, the growing chaos in the Middle East, the resurgence of a more aggressive Russia, the rise of an emboldened, more capable and more assertive China that is challenging the rules-based international order in Asia, persistent threats from states like Iran and North Korea, the continued proliferation of deadly technologies to both state and non-state actors, and the emergence of new threats in the cyber and space domains. With strong leadership on defense issues in both the Senate and the House, a sitting Secretary of Defense who is willing to pursue fundamental reforms, and a transition to a new presidential administration on the horizon, now is the time to develop and begin to implement a plan of action to ensure we get the most out of every taxpayer dollar invested in defense. I am glad to see that the members of this committee, Republican and Democrat, share this sense of urgency.

But as you assess various options and begin to develop a plan, I would urge you to heed three notes of caution. First, it is imperative that we think through the second and third order effects of any change proposed. In the balance hangs the capabilities and performance of the finest military the world has ever known and our ability to secure our nation growing forward. Great care should be taken to hear the full range of views and consider the unintended consequences.
Second, based on my experience in both government and the private sector, I would warn against assuming that every problem can or should be solved by organizational change. Too often we jump to redrawing the lines on an organizational chart when a more powerful solution might lie in clarifying roles and responsibilities, better aligning authorities, or strengthening incentives and accountability to change behavior.

Lastly, however successful future reform efforts may be, they may or may not yield enough cost savings to bring U.S. defense spending to the levels required to protect this nation given the nature of the security environment we face. It is my hope that, in addition to considering critical defense reforms in the coming year, Congress will also consider how to establish more predictable and robust levels of defense spending over the coming 5-30 years. This period of investment could not be more important: it will determine whether the United States can maintain its technological edge and its military superiority over increasingly capable state and non-state actors who are determined to constrain our ability to project power and maintain freedom of action in regions vital to our national security. The Department of Defense simply cannot afford to return to the type of budget uncertainty that has wreaked havoc in recent years—living within the constraints of Continuing Resolutions, under the threat of sequestration, and with the risk of government shutdowns. The costs of this uncertainty are enormous and they have challenged the Department’s ability to set and sustain a strategic course. In short, reaching a comprehensive budget deal that includes all of the obvious elements—tax reform, entitlement reform, and smart investment in the drivers of U.S. economic vitality and growth—is not only an economic imperative, it has become a national security imperative.

Finally, I hope that through the dialogue that this committee is fostering, the Congress and the Executive branch will be able to partner more closely to make the hard choices and undertake the reforms that will be necessary to ensure that we keep faith with the men and women who serve in the best trained, best equipped fighting force in the world. They deserve nothing less.
Chairman McCain. Thank you.
Secretary Vickers?

STATEMENT OF HON. MICHAEL G. VICKERS, FORMER UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE

Mr. Vickers. Chairman McCain, Ranking Member Reed, distinguished members of the committee, it is a privilege and a pleasure to be with the Senate Armed Services Committee this morning to discuss how the Pentagon might improve its development of policy, strategy, and plans.

It is an additional pleasure to be joined by my former colleagues, Michele Flournoy and Jeff Eggers. Let me say Michele and I are almost always of like minds, and I strongly endorse everything she said.

It has been 7 months since I retired from my position as USD(I) [Under Secretary of Defense for Intelligence]. I miss the great privilege of defending my country, and as astonishing as this may sound to some, I miss all of you too.

[Laughter.]

30 years ago, a lack of joint interoperability and interdependence and insufficient attention given to our special operations forces provided the impetus for major defense reform. Today, the need for defense reform is no less urgent.

In my view, defense reform today needs to address two critical problems, one managerial, how to reverse the steady decline in combat power that stems from rising personnel and weapons costs and excessive overhead, and the other strategic, how to get better strategy and therefore more effective military operations at the higher levels of war.

As Dr. Kissinger and others have noted, we are engaged in three long-term conflicts or competitions in the Middle East with global jihadi groups and Iran, in Europe with Russia, and in Asia with China. Mr. Chairman, as you noted in your opening statement, these three strategic challenges are highly asymmetric and two are wholly or predominantly unconventional. Each of our adversaries and competitors are able to impose significant costs on us, and each challenge will likely last for decades.

We were as much as a decade and a half late in responding to China’s anti-access/area-denial challenge to our power projection capabilities, but now I believe we are generally heading in the right direction. We seem flummoxed by and self-deterred in our response to Russian indirect and direct aggression, and although it is certainly not from a lack of trying, we are far from having a strategy that can bring stability to the Middle East.

We have had considerable success at the tactical and operational levels, particularly in the counterterrorism arena and in turning around at least temporarily the situations in Iraq and Afghanistan, but much less at the strategic level. It is not enough to win battles or even campaigns. We must win our wars and our strategic competitions, and victory must lead to the establishment of the regional and international orders that we seek. Our need for good strategy is more important than ever and our organizational capability to produce it is uneven at best and very much personality-dependent.
Let me say a few words about good and bad strategy. In my written statement, I described what I think good strategy is and I provided several examples from our history of the past 30 years that I think constitute it and so I will not belabor it now.

Bad strategies result from a poor understanding of the strategic and operational environment, unrealistic games, or confusing goals with strategy, inappropriate ways, insufficient means, and inadequate follow-through. But more than anything, they stem from an inability to identify the decisive element that confers enduring advantage and then to focus actions and resources on it.

The reasons why we frequently produce bad strategy are insufficient strategic education, lack of relevant operational expertise and strategy-related experience among many of our practitioners, as Michele noted, insufficient competition and rigor in the marketplace of strategic ideas, and failure to bring Congress along as a partner in the development and implementation strategy. The most successful strategies that I have been associated with in my career have been when we have had Congress as a real core partner.

Bad strategy affects not just current operations but future ones as well. As Secretary Gates has observed, the Department all too frequently prepares for the wrong war and prioritizes capabilities for imaginary wars over real ones.

Now, let me offer a couple of ideas that dovetail with what Michele said that could improve the Department's making of strategy.

Let me first emphasize my core point: good strategy requires good strategists. It is just hard to get away from that. Strategy is hard. It looks deceptively simple. It is anything but, particularly as you move up from tactics to strategy and grand strategy.

The first is to revamp the selection and promotion of our general and flag officers to give greater weight to strategic education and development in the course of their career. We are packing too much in the careers of every officer, and today it is hard for me to see how we will produce in the future four-star commanders who have Ph.D.s like General Petraeus and Jim Stavridis or have significant foreign expertise, as General Abizaid and some others. The system just simply does not allow that anymore.

With our one-size-fits-all line officer or personnel management system, we have sacrificed the strategic education of our officer for tactical and joint gains, which are very, very necessary but not sufficient. It is far less likely going forward, as I said, that we will produce officers who have attained a Ph.D., are proficient in foreign languages and knowledge about areas of strategic interest to the United States.

We are paradoxically plagued by both too much and too little joint experience in our officer corps. For some promising officers, we should consider relaxing the joint duty assignment until they reach the general officer or flag officer rank, and within our services, we should seek to produce a mix of highly tactically proficient and then somewhat less tactically proficient but still tactically proficient but strategically educated officers that are on the command track and compete to our highest levels of military office.

The second idea, which again dovetails with something Michele said, is to rigorously select and educate a joint corps of operational
strategists and transition the current joint staff, which does all things for all people, into a real joint general staff focused on the preparation and conduct of war.

Let me draw one difference. On the civilian realm and civilian control, as Michele said, strategy is usually set by a few people at the top or should be. In the military, it very much depends on having a talented action officer that provides impetus up to the top, and I do not really see that system changing. It just can be reformed.

A joint general staff would differ from the current general staff in several important ways: in the rigor of selection and strategic education; in their longevity of position; in their independence from their services once they go in this area, although they would maintain their operational currency; and in their exclusive focus on war and strategy.

Let me close with a few thoughts on improving strategy across the broader national security establishment. The National Security Council system works very well when it focuses on big questions of strategy and crisis management. I do not personally believe that a Goldwater-Nichols for the interagency would be wise. In fact, I think it would perpetuate some of the strategy pathologies we have in the Department across the interagency.

Good strategy and effective operations are greatly enabled by good intelligence and the operational integration of the Central Intelligence Agency and the Department of Defense in recent years has significantly improved our operational effectiveness in several areas. And I am sure I am going to sound parochial in saying this, but at the margin, given the challenges we face, their asymmetric and long-term character, we will likely see a larger return at the margin, dollar for dollar, in our strategic effectiveness by providing additional resources to national intelligence than we will by providing equivalent amount for defense. And of course, I am for both.

Thank you very much for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Vickers follows:]

PREPARED STATEMENT BY MICHAEL G. VICKERS

Chairman McCain, Ranking Member Reed, it is a privilege and pleasure to be with the Senate Armed Services Committee this morning to discuss how the Pentagon might improve its development of policy, strategy and plans. It is an additional pleasure to be joined by my former colleagues, Michele Flournoy and Jeff Eggers.

It has been seven months since I’ve left my position as USD(I). I miss the great privilege of defending my country, and as astonishing as this may sound, I miss you all as well.

I have followed with great interest the Committee’s hearings on U.S. National Security Strategy and Defense Organization. I commend you for taking on the critical task of Defense Reform.

Thirty years ago, a lack of joint interoperability and interdependence within the armed services and insufficient attention given to our Special Operations Forces provided the impetus for major defense reform. Today, the need for defense reform is no less urgent.

A major problem that must addressed today is that rising personnel and weapons costs, and excessive bases and headquarters staffs are generating decreasing strategic and operational returns on our defense investment, resulting in less and less combat power available for the defense of our national security interests. Second, and even more urgent, we are not winning our nation’s wars. We are winning battles and campaigns, but not our wars.
As I will discuss momentarily, we are engaged in three long-term conflicts or competitions for which we have yet to devise effective strategies. I have focused my statement this morning on our difficulties with developing good strategy, since policy and plans, and, indeed, effective military operations flow from good strategy.

As Dr. Kissinger and other witnesses have testified, we face major challenges to our national security interests in the Middle East, in Europe and in Asia.

- In the Middle East, the old order is collapsing. There is an assault on the international system by the Islamic State of Iraq and the Levant, al-Qaeda, and associated global jihadi groups; expanding sectarian conflict; and a widening proxy war between Saudi Arabia, Turkey and its allies, and Iran and its allies.
- In Europe, a revanchist Russia has successfully waged hybrid warfare against Georgia and Ukraine, and seeks to reorient the continent away from the United States.
- In Asia, a rising China is asserting its growing power across the region, and anticipates that within a few decades that it will surpass the United States as the leading power in the international system.

These three strategic challenges are highly asymmetric, and two are largely unconventional. Each of our adversaries and competitors are able to impose significant costs on us. Each challenge will likely last for decades. We are not postured as a Department, intellectually or organizationally, for these highly asymmetric and largely unconventional long-term challenges. We are also in the midst of an ongoing revolution in technology that will have profound consequences for strategic balances. We must account for this ongoing revolution in our defense strategy and investment.

We will need to develop an array of strategies to deal with these challenges. Much as some might prefer, we cannot simply opt out. As my former boss and mentor, Bob Gates, told this Committee seven weeks ago, “while we may not be interested in aggressors, terrorists, revanchists and expansionists half a world away, they ultimately are always interested in us—or in our interests, allies and friends.” And, unfortunately, our strategic effectiveness across administrations from both parties has not been at the level that will be needed going forward.

We were as much as a decade and a half late in responding to China’s anti-access/area-denial challenge to our power projection capabilities, though, now, I believe, we are generally heading in the right direction. We seem flummoxed by and self-defeated in our response to Russian indirect and direct aggression. And, although it’s certainly not from a lack of trying, we are far from having a strategy that can bring stability to the Middle East.

We have had considerable success at the tactical and operational levels, particularly in the counterterrorism arena and in turning around the situations in Iraq and Afghanistan, but much less at the strategic level. It is not enough to win battles or even campaigns. We must win our wars, and victory in war must lead to the establishment of the regional and international orders that we seek. We must develop and field capabilities and demonstrate the will to use them, moreover, to restore the deterrence component of our strategy.

GOOD STRATEGY/BAD STRATEGY

As Richard Rumelt observes in his excellent book, Good Strategy/Bad Strategy, good strategy is unfortunately the exception and not the rule. Good strategy almost always looks simple and obvious, but it is not.

Good strategy is made by good strategists. A talented leader identifies the critical issues in the situation, pivot points that can multiply the effectiveness of his effort, and then concentrates action and resources on them. Good strategy doesn’t just apply one’s strengths against an opponent’s weaknesses or against the most promising opportunity; it creates strength, both short and long-term, often from unexpected or non-obvious sources. Good strategy aims to force an opponent to play our game, sometimes by changing the rules of the game, or to beat him at his own game when he overreaches and makes himself vulnerable. And, important aspects of strategy, particularly in the national security realm, must be developed in secret to be effective.

I was privileged during my career to be part of two efforts that represent what I believe good strategy is.

During President Reagan’s second term, the administration leveraged American economic and technological superiority to force a competition the Soviets knew they could not win without major reform, and we beat the Soviets at the own unconventional warfare and covert action game by driving the Red Army out of Afghanistan and supporting Solidarity in Poland. Importantly, the Regan administration and its
George H.W. Bush successor sustained both efforts until they were victorious, despite a warming in U.S.-Soviet relations.

Late during President George W. Bush’s second term and through President Obama’s first term, the administrations adopted and sustained an effective strategy against core al-Qaeda in the Pakistan border region that has brought core al-Qaeda, though not its franchises, closer to operational defeat than the group has ever been. There are of course numerous other examples, large and small, of good strategy along with the Second World War: the strategies of containment, rollback, and economic and technological superiority that we pursued in varying ways through the Cold War; the opening to China, which we leveraged to great effect in our covert war with the Soviets in Afghanistan; the shift to a deep/follow-on forces attack strategy against Soviet forces in Europe during the late 1970s; the strategy to drive Iraqi forces out of Kuwait; the air strategy that led to the Dayton Peace Accords; and the air-irregular ground campaign that toppled the Taliban after the 9/11 attacks.

There are others, and an even greater number of examples of bad strategies that, in the interest of time, I won’t go into. Bad strategies result from a poor understanding of the strategic and operational environment, unrealistic aims, inappropriate ways, insufficient means, and inadequate follow through. But more than anything, they stem from an inability to identify a decisive element that confers enduring advantage, and then to focus actions and resources on it. As Clausewitz noted, strategy gets more difficult the farther one moves from tactics to operations to strategy and to grand strategy. With respect to the Department of Defense, examples of good and bad strategy are evident in both the conduct of war and in the preparation for war, in operational plans and in force development. The latter results in a Department that all too frequently prepares for the wrong war and prioritizes capabilities for imaginary wars over real ones.

IMPROVING STRATEGY WITHIN THE DEPARTMENT OF DEFENSE

I have spent my career developing and implementing strategy and conducting and overseeing operations. I’ve spent far less time thinking about how to make the making of strategy better. With that in mind, I’ll offer a few thoughts on reforms you might consider that could improve the making of strategy (and policy and plans along with it) within the Department of Defense and the U.S. National Security Establishment more broadly.

Let me return briefly to my core themes: good strategy is made by good strategists; you can mandate strategy, as we have done with a series of national security strategies and quadrennial defense reviews, but you can’t mandate good strategy; good strategy is the exception rather than the rule; the problem is getting worse and more consequential as challenges to our national security significantly increase; the problem affects not only strategic and operational planning but also force development; and Goldwater-Nichols has done very little to address our growing strategy deficit; it has, in fact, contributed to it.

I have described the sources of bad strategy. The structural and systemic causes that often result in bad strategy in the Department are insufficient strategic education, lack of relevant operational expertise and strategy-related experience among practitioners, insufficient competition and rigor in the marketplace of strategic ideas, and failure to bring the Congress along as a partner in the development and implementation of strategy.

There are a number of ideas, several of which I had a hand in developing in an earlier stage of my career, that have been proposed by previous witnesses that could address some of the structural and systemic causes that frequently result in bad strategy. As such, they are at least worth exploring as you continue your review of potential defense reforms.

These include: remaking our system for selecting and promoting general officers to increase the odds that strategic leaders will rise to the top; making a much larger investment in the strategic education of select members of the officer corps; transforming the Joint Staff into a Joint General Staff with an exclusive focus on the conduct of war and the preparation for war; transferring responsibility for certain warfare areas (counterterrorism, special operations and cyber) to functional combatant commands—CIA, for example, has a functional organization in charge of its global CT operations; elevating Cyber Command to a Unified Command; establishing additional standing warfighting joint task forces and reorienting regional CoComs on military diplomacy; strengthening the role of the Services in operational planning and encouraging a greater degree of inter-service and intra-service competition in the development of operational concepts; establishing much closer linkages among strategic and operational planning, intelligence assessments and force planning; establishing additional Services (Special Operations, cyber and space); and
Most of these ideas have as their animating principle the development of deeper strategic expertise within the Department—through rigorous strategic education and career development, through specialization, and through healthy competition. Several of these proposed reforms may have merit, and there may be important synergies that can be realized by adopting several of them as part of a coherent strategy. Some may be alternative courses of action, e.g., establishing additional Services versus transferring operational responsibility to Service-like organizations (SOCOM and CYBERCOM) to gain greater operational expertise in certain areas of military strategy. (In this vein, Space Command could also be reestablished.) But each of these ideas has drawbacks that must be carefully assessed.

While I’m admittedly generally skeptical of organizational change as a driver for strategy improvement, something must be done. Accordingly, I think the biggest direct strategic bang for the buck could come from revamping selection and promotion of general and flag officers, and from rigorously selecting and educating a corps of joint operational strategists and transforming the Joint Staff into a real Joint General Staff. Good strategy requires good strategists.

During the past three and a half decades, our armed forces have become far more proficient at the tactical level of war. They have also become more jointly interoperable and interdependent. These are good things. That increased tactical proficiency and joint effectiveness has come at a strategic cost, however. With our “one size fits all” line officer personnel management system, we have sacrificed the strategic education of our senior officer corps for these tactical and joint gains. It is far less likely going forward that we will produce four-star combat arms officers who have a Ph.D. or who are proficient in foreign languages and knowledgeable about foreign areas of strategic interest to the United States. That means no more Dave Petraeus’s, no more Jim Stavridis’s and no more John Abizaid’s. If continued, this practice over time will reduce our strategic effectiveness. We are paradoxically plagued by both too much and too little joint experience and tactical expertise in our officer corps.

Good military strategists can be military or civilian, and on the military side, they can be produced in several ways. Indeed, to increase our overall strategic effectiveness, we should pursue several diverse paths. For some promising officers, we should consider relaxing the joint duty requirement until they reach general officer/flag officer rank. This would allow them to pursue strategic education, gain important foreign experience or become masters in their domain of warfare. Within our Services, we should seek to produce a mix of highly tactically proficient and somewhat less tactically proficient but strategically educated officers on the command track. To keep pace with the ongoing technological revolution, we will also need command track general and flag officers with doctorates in the STEM disciplines.

A Joint General Staff would differ from the current Joint Staff in several important ways. First, its members, after demonstrating operational proficiency, would have to pass a rigorous selection process that would seek to identify those with potential to serve as strategists, and then would have to complete several years of graduate level strategic education. Second, as opposed to a single two-to-three year tour in a joint assignment, Joint General Staff officers would spend the remaining two-thirds to three-quarters of their careers in the Joint General Staff, rotating back to their Services of origin periodically to maintain operational currency. Third, to ensure their strategic independence, the Chairman of the Joint Chiefs, dual-hatted as the Chief of the Joint General Staff, and not their parent Services, would control the promotions of JGS officers. Fourth, a Joint General Staff would be focused exclusively on the conduct and preparation for war at the strategic and operational levels as opposed to the wide and duplicative range of broad policy and staff functions the current Joint Staff engages in.

IMPROVING STRATEGY ACROSS THE U.S. NATIONAL SECURITY ESTABLISHMENT

Although it is beyond the remit of this hearing, I would like to close with a few thoughts about improving strategy across the broader U.S. National Security Establishment.

The National Security Council system works well when it focuses on big questions of strategy and crisis management. Problems in strategy at the national level usually stem from not presenting clear strategic alternatives with their likely consequences to the President, and/or from not having deep and relevant operational expertise directly available to the President when needed. Accordingly, I do not think “Goldilocks for the Interagency” would be wise. In the case of Petraeus, he would likely make our strategy problem worse, as it would replicate the sources of bad strategy within DoD across the interagency. To repeat for a final time what has
by now become my mantra, good strategy comes from having good strategists in the right positions.

I'd like to close by noting that good strategy and effective operations are greatly enabled by good intelligence, and that the operational integration of CIA and DoD capabilities has significantly improved our strategic effectiveness in several areas in recent years. I'm sure I will sound parochial in saying this, but at the margin, we will see a larger return in strategic effectiveness by providing additional resources to national intelligence than we will by providing equivalent amounts to defense.

Thank you again for the opportunity to appear before you today. I look forward to your questions.

Michael Vickers, a former Special Forces Officer and CIA Operations Officer, was Under Secretary of Defense for Intelligence, 2011–2015, and Assistant Secretary of Defense for Special Operations, Low-Intensity Conflict and Interdependent Capabilities, 2007–2011.

Chairman McCain. Thank you.

Commander Eggers?

STATEMENT OF COMMANDER JEFFREY W. EGGERS, USN (RETIRED), FORMER SPECIAL ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS AND FORMER U.S. NAVY SEAL OFFICER

Mr. Eggers. Thank you, Chairman McCain, Ranking Member Reed, and members of the committee. It is an honor and a privilege to testify on this important topic. And I am honored to be joined by my former colleagues, Michele Flournoy and Michael Vickers.

My testimony today is, of course, informed by my own experiences as a naval officer, policy advisor to several senior defense officials, a National Security staff member across two administrations, and as well my recent public policy research on the intersection of organizational performance and behavioral science.

Goldwater-Nichols was, of course, informed and catalyzed by the failures of that generation. And my sense is that our modern shortcomings are equally deserving of reform. So I appreciate the significance of this topic and this opportunity.

My experience across both ends of the policy spectrum is that the defense policy and strategy apparatus that employs our world-class military is by comparison relatively weak. So my testimony today is focused on what I consider to be the greatest challenge to the future of our defense policy, and it is not any particular threat, nor is it how we are organized. Rather, I see our most significant challenge to defense policy as simply how we think and the most significant future threat we face as a failure to adapt in the future.

Amidst budgetary pressures and a very rapidly dynamically changing future environment, it is imperative that we invest in the concept of intellectual adaptability. This is particularly important because we have demonstrated an inability to actually predict the course of future threats. Secretary Gates perhaps said it best. Quote: When it comes to predicting the nature and location of our next military engagements, since Vietnam our record has been perfect. We have never once gotten it right.

So making the case for intellectual adaptability is quite easy. I think the hard part is designing change that actually results in intellectual adaptability. The good news is the Pentagon has gone a great way to internalize this concept and institutionalize it within their current strategic planning lexicon.
So I would first make a few points about how adaptability relates to people and technology.

First is that adaptability relates to an organization’s culture and therefore and ultimately its people. As General Dempsey once said, if we do not get the people right, the rest of it will not matter. We are going to put the country at risk.

It is in this light that I believe Secretary Carter’s Force of the Future initiative should be aggressively implemented, but the proposals are likely to meet some dilution as they go through the cultural resistance to change.

Second, the strategic potential in this initiative of Force of the Future is not simply in controlling costs. Rather, it is enhancing the adaptability of the force. We must shift our way of thinking from retention of talent to the development of talent.

Third, adaptability must not be misconstrued as how we acquire or buy technology. Even for DARPA [Defense Advanced Research Projects Agency], which I see as one of the world’s greatest intellectual innovation firms, their great history of innovation rests instead on their personnel system with their special hiring authority in a very rigorous intellectual process.

Fourth, intellectual adaptability will require rebalancing the military’s emphasis on operational employment with academic development. Generally speaking, the more time spent in operational units, the more promising one’s military career, which is a disincentive to pursue experiences that broaden and build new ways of thinking such as civilian schools.

And fifth and finally, the command-centric military promotion system results in a lack of skill differentiation that dulls intellectual adaptability. Command track officers who come to staff jobs to check the box so to speak for their joint requirement have little incentive to challenge the mainstream analysis of that institution lest they jeopardize their operational career.

In exploring an adaptable force that is more open to new ways of thinking, my statement highlights cultural factors that generate a wider array of new ideas, improve upon a risk-averse culture, and can do things to inoculate against cognitive bias. We must do better at seeing the world as it is vice how we wish it were or thought it was going to be.

Along these lines, my statement offers two broad sets of recommendations to promote intellectual adaptability in policy and strategy, which I will summarize. The first set speaks to military personnel management and the prioritization of people and their cognitive development.

One, move beyond the joint concept by building senior military leaders in the future that have an abundance of national security experience outside of Defense.

Two, prioritize academic growth by making such broadening tours more common by the time people reach the 06 milestone with a significant expansion of civilian school opportunities.

Three, promote differentiation among our office community by balancing opportunity between a dominant command track career track and the non-command tracks.
Four, promote a meritocracy in military promotion by making more flexible both the early promote system and the up or out tradition.

The second set of reforms is applicable to the civilian side of the defense policy community with three recommendations.

First, institutionalize an independent red team of experts and outsiders that are empowered to rigorously test the policy assumptions and to present alternative perspectives into the process.

Two, separate the policy development and implementation functions so that the policy development personnel can be protected from the burden and distraction of day-to-day operational crises.

And third and finally, enhance the development of the civilian policy professional community with specialized training to enhance critical and divergent thinking in the policy development and assessment process.

I greatly appreciate the opportunity to testify and offer these thoughts today. The uncertain nature of our future puts the need for humility into our planning and puts a clear premium on the concept of adaptive thinking and being more open to how we employ the resources we will have in the future. As always, such reform will be disruptive and costly and entail some acceptance of risk. However, in my view such risk will be more manageable and more acceptable than the increasing costs of a future failure to adapt.

I hope my testimony serves useful to the purposes of this committee, and I look forward to assisting the committee and I definitely look forward to your questions. Thank you, Mr. Chairman.

[The prepared statement of Mr. Eggers follows:]

PREPARED STATEMENT BY CDR JEFF EGGERS

INTRODUCTION

Chairman McCain, Ranking Member Reed, and committee members, I appreciate the opportunity to testify in this series of hearings on how the American defense establishment might be improved. And I’m honored to join my former colleagues Michele Flournoy and Michael Vickers.

After the painful and instructive failures of Vietnam, Grenada, and Operation EAGLE CLAW, Senators Nichols and Goldwater had the courage to overhaul our defense establishment with the landmark legislation that bears their names. It is difficult to see with clarity today how our more recent struggles with the business of defense and our operations in South Asia, the Middle East and Northern Africa will compare as potential catalysts for change. While our contemporary policy shortcomings may not have garnered as many protests on the Mall or have been marked by highly publicized operational failure, my sense is that our modern shortcomings may be equally deserving of thoughtful reform.

America both deserves and needs a defense establishment that considers policy and strategy in a way that lives up to the complex array of threats it faces and the extraordinary military it employs. The operation of a modern day nuclear submarine or Army brigade combat team are small miracles in themselves. Yet my experience—across both ends of the defense policy spectrum, first as a field operator and later as a policy advisor—is that the strategic policy planning apparatus that employs our operational assets is, by comparison, relatively weak. The greatest military in the world deserves a world-class policy and strategy apparatus.

Designing such a system, both for our defense and the government more broadly, is the basis of my current research at New America, where I am working to improve public policy through a better understanding of the intersection of organizational performance and behavioral science.
THE STRATEGIC CHALLENGE TO FUTURE DEFENSE POLICY

Many prior witnesses in this series have outlined how the rapidly shifting 21st century environment is making our 20th century models and tools obsolete. I couldn’t agree more, and so I won’t belabor those points.

Moreover, I recognize fully that our defense policy challenges are rooted in the overarching national security process led by the national security staff. Defense reform needs to be nested within broader national security reform, but my statement today is constrained to issues within the purview of this committee.

In this statement, I am focused on what I see as the most important challenge to the future of our defense policy. It is not how the Islamic State radicalizes our enemies, or how future adversaries tunnel through our cyber walls, whether Iran spins more centrifuges or whether Russia or China take their assertiveness to the next level. Nor is it fixing our broken acquisition system or rewiring command relationships within the Pentagon. These are all immensely important, but I believe that our greatest challenge is not what threat we may face, or even how we’re organized.

Instead, I see our greatest challenge as how we think, and our greatest potential threat as a future failure to adapt and be more open to new ways of thinking. Amidst a rapidly shifting and uncertain landscape, we can ill afford to be locked into old patterns of thinking. A failure to adapt could cause us to fail militarily and, more broadly, as a society.

This does not reflect insufficient faith in American ingenuity and determination. Rather, that spirit of optimism is tempered by the humility of my experience in public service and an awareness of history. For nearly a century, the strategic privilege enjoyed by the United States was rooted in geographic advantage and an abundance of power, particularly in our resources and our technology. In such an era, the U.S. could more easily afford to be slower to adapt. During his military career, the future National Security Advisor Robert McFarlane wrote that “having superior strategic military might has provided an enormous hedge for flabby thinking. We could afford less than optimal strategic planning because push was never going to come to shove. We have had the luxury of being able to be foolish.”

We no longer have such luxury. With budgetary pressures, a shifting global landscape and a relative decline in global influence, we must improve our cognitive adaptability or suffer the consequence of failing to do so. As General Dempsey once testified, “Our competitive advantage is our people and their adaptability . . . . Overmatch in size and technology matters, but the rate in which we can innovate and adapt relative to these non-state actors matters more. This is a generational challenge.”

THE CASE FOR ADAPTABILITY

A 2010–2011 Defense Science Board defined adaptability as the “ability and willingness to anticipate the need for change, to prepare for that change, and to implement changes in a timely and effective manner in response to the surrounding environment.” The concept of adaptability in defense planning is en vogue now, largely because it is seen as mitigating the risk posed by an uncertain and increasingly complex operating environment. In my experience, successful defense policy hinges on adaptability not just because we face an increasingly complex environment, but because we are consistently and profoundly unable, despite our best efforts, to accurately predict the future and the threats it will bring.

General Mattis, the former commander of Central Command, once told this committee that “as we look toward the future, I have been a horrible prophet. I have never fought anywhere I expected to in all my years.” And Secretary Gates has perhaps said it best: “when it comes to predicting the nature and location of our next military engagements, since Vietnam, our record has been perfect. We have never once gotten it right . . . .” “We will always be tempted with predictions, but we should also learn to embrace uncertainty.

Greater intellectual adaptability will not only better posture the U.S. against an uncertain future, it will also improve the rigor and fidelity with which we make decisions in defense policy amid a dynamic landscape. We will do better at seeing the world as it is, vice how we wish it were or thought it would be. And we’ll be less prone to the logical fallacies that are often woven into human thinking.

In my view, adaptability should be concerned with being more rigorous in our thinking, more open to new ideas and better prepared for change, whatever it may be. Because there is sometimes confusion between adaptability and the also-important versatility, I see intellectual adaptability as deriving from three critical aspects of how we think: intellectual innovation, or our ability to think creatively; intellec-
tual integrity, or having the courage to challenge assumptions; and intellectual humility, or our empathy to listen and learn.

Intellectual innovation, integrity and humility derive from an organization’s culture, and ultimately, its people. People drive culture, culture drives how we think, and how we think drives our policies and strategies. So any reformation to the future of policy-making should start with how we invest in people. As the former Chairman of the Joint Chiefs of Staff Marty Dempsey said, “If we don’t get the people right, the rest of it won’t matter. We’re going to put the country at risk.” The good news is that many of the services and the Pentagon staff are already prioritizing the concept of adaptability in their planning.

MAKING ADAPTABILITY REAL

Indeed, and to a large degree, such a shift is already under consideration. The “brain-drain” of the U.S. military has been well documented and the Pentagon has clearly taken note. Secretary Carter’s Force of the Future initiative should be aggressively implemented as a serious effort at reform. Secretary Carter’s vision has a tremendous champion in Undersecretary Brad Carson, but he will face a broader cultural resistance to change, which is likely to diminish the pace and breadth of reform.

Force of the Future is only the latest study that validates the urgency of instilling greater adaptability into the defense enterprise and the thinking of its personnel. The Defense Science Board published a report in 2011 on “Enhancing Adaptability of U.S. Military Forces.” The Army’s Office of Economic and Manpower Analysis at West Point has done considerable research on this problem to include a 2014 Task Force report on “Fostering Institutional Adaptability.” And Army Chief General Odierno’s “Force 2025” vision is an Army that is “adaptive, innovative, exploits the initiative and can solve problems in many different ways.” As other witnesses have told this committee, we seem to know we have a problem with the personnel system and acknowledge the need for adaptability, but struggle with agreeing on what that means in terms of reform.

In my view, the potential in personnel reform is more strategic than retention, healthcare, retirement and compensation, as important as those issues are. Rather, the focus of personnel reform should be the broader spectrum of development to include recruiting, assessments, promotions, and education. The real potential in Force of the Future is not simply in controlling costs—it is in how it enhances the future cognitive performance and intellectual adaptability of the force. Indeed, Force of the Future might shift its lexicon from a focus on retaining talent to one of developing talent. Carrots and other retention tools are not necessarily the same as force development tools, and the more the two are confused, the more risk we incur.

Moreover, adaptability in this context should not be misconstrued as how we buy or acquire technology, but is instead directed at how we think about defense policy and strategy itself. Of course, technology is important, but we tend to over-emphasize and misperceive technology as the crux of innovation. For instance, the establishment of a new Defense Innovation unit in California will bring entrepreneurial spirit and technical expertise to Washington. But what we need most from those outside of Washington is a spirit of intellectual integrity and humility, not just technical know-how. Many of our nation’s best and brightest are found in Silicon Valley, and we need to tap into that resource. However, we should aspire to a future military force that is itself regarded as the best and brightest, and where Silicon Valley comes to find and borrow talent.

PEOPLE ARE THE CRUX OF ADAPTABILITY

One subtle irony with the Pentagon’s outreach to Silicon Valley is that the defense establishment owns DARPA, one of the world’s greatest innovation firms. DARPA has special hiring authority and robust funding because it has the sacred mission of maintaining a cutting-edge advantage in defense innovation. In a similar way, we should view the mission of defense policy and strategy as equally high-stakes and sacred. Defense policy deserves and requires the same attention to intellectual innovation that we currently invest in driving defense technology.

DARPA’s gift to the military is its innovative technology, and the real magic behind that technology is DARPA’s personnel system, which is built on a rigorous tradition of cognitive performance and an intellectually grueling process that insiders liken to defending a PhD thesis. This culture, coupled with special hiring authority that laterally acquires outside experts on a term-limited basis, drives an engine of innovation fueled by exceptional people who want to change the world.

General Pete Schoomaker institutionalized this belief more than 20 years ago with the enduring principle that “humans are more important than hardware.”
Schoomaker's passion for reforming the Army stemmed from his personal experience in the tragedy at Desert One in the failed Iranian hostage rescue. In his farewell message to the Army, he cautioned that "we must never forget that war is fought in the human dimension. Therefore, technology will always play an important but distinctly secondary role . . ."

Pixar president Ed Catmull has a similar philosophy about people that has enabled Pixar to remain an innovative and creative leader in the world of animation. In the creative industries, the priority is on novel ideas, much as the military puts its premium on technology. But according to Catmull, prioritizing ideas over people puts the cart before the horse: even great ideas can be spoiled within a culture where people are not the priority.

The lesson of DARPA, Schoomaker and Pixar is that we must think of adaptability as a way of thinking rather than as something that is acquired or purchased. The pursuit of intellectual adaptation in policy will require balancing our investments in technology with our investments in people.

BALANCING OPERATIONS WITH DEVELOPMENT

I've participated in two studies that assessed the future of U.S. Special Operations Forces. I've come to believe, despite all their successes and accomplishments, that the intensive utilization of special operations forces in permissive environments over the last decade has been akin to taking a very sharp knife and rubbing it across concrete. Sustained operational employment of our best forces is an inevitable temptation in a time of war, and it builds an incredible well of combat experience, but it does not provide the time to study and grow, and to experiment and fail, which are necessarily to hone cutting-edge cognitive performance and adapt ahead of the enemy.

It is my sense that our military's operationally-focused, command-centric culture is working against the development of intellectual adaptability. The model of promotion and personnel management is built around the operational command experience. The more our forces run to the sound of guns and serve in operational units, the more promising their career. By contrast, experiences that expose people to new ways of thinking, such as civilian schools, are still seen as rewards or "good deals."

Moreover, these "broadening" opportunities, where they do occur, are seen as "rests" from the grueling operational pace. Thus the military officer student is incentivized to "take a knee" at school rather than actively invest in their learning and growth. How they do or what they write as students is generally irrelevant to their career promotion. Military colleges have a 100% pass rate, which does not reflect a rigorous process of independent learning. Overall, the operational culture still views broadening as a cost to be minimized vice a long-term investment to be expanded.

The one-size-fits-all system and its lack of differentiation also results in a stratification of officers whereby some become "fast-track" and "groomed" for flag rank and the rest are among the "pack." The competition for the "fast-track" is a powerful disincentive to investing in personal growth and development. Thus military members consider outside "broadening" opportunities with hesitation as they weigh the downside risk to their career. Moreover, the model tends to promote based on historic tactical and operational proficiency, not forward looking strategic thinking potential. The Army War College recently published the results of a Harvard thesis that concluded that Army officers with higher cognitive ability are statistically less likely to be promoted below zone or to achieve battalion command. The fact that we've had thoughtful and intelligent senior leaders in uniform should not be taken as evidence that the status quo generates an entire force with such traits. The question is not whether we can find a few critical thinkers every few years for the top positions, but whether we have an institution that collectively thinks critically from top to bottom.

The operational culture also dulls intellectual adaptability by incentivizing convergent thinking. Fast-track officers who come to strategy and policy jobs to "check the box" for their staff job requirement have little incentive to deviate from the mainstream analysis, lest they jeopardize their operational career. The cultural command-track expectation is not that these officers "move the policy needle"—it is instead that they merely "punch the clock" and move on to the next command-track job. They are ill served by rocking the boat they sit in.

It is in this spirit that prior witnesses have raised the issue of a general staff as being preferable to the current joint staff model. Notwithstanding the drawbacks of a general staff, there is a very real problem with the joint staff increasingly serving as a pass-through rubber-stamp for combatant command or field recommendations. This deference likely stems from the above effect, whereby command-track officers
are unlikely to challenge other operational officers in command. There is little penalty for silence.

The anti-intellectual cultural prioritization of operations over education should be inverted. This has been done before. During the inter-war period, the War Department explicitly prioritized Army staff and war college faculty manning above operational units. This prioritization of education was based on the assumption that future warfare would be different than the first World War—our planning assumptions today should be at least as humble.

We can’t rely solely on a generation of combat experience and new technology. The development of our people, and their ideas, is how we’ll adapt and outsmart future enemies.

INVEST IN DRIVERS OF ADAPTABILITY

Research points to several factors that could improve intellectual adaptability in defense policy and strategy decision-making: 1) autonomy and ownership; 2) experimentation and failure, and; 3) critical review and dissent.

1. Autonomy and Ownership. The private sector is increasingly investing in the related concepts of autonomy and ownership as means of optimizing not only the intrinsic motivation of employees, but also as an important engine of intellectual innovation. Autonomy gives people the freedom to plan their work and to own that plan, and researchers have demonstrated that such factors generally result in a more creative process. Google, 3M, and other companies with a track record in institutionalized autonomy and ownership have shown the inefficiency and cost of giving their people time to develop their own ideas. DARPA’s model also leverages this effect, whereby program managers and their teams generate and own the ideas at the center of their projects.

In defense policy and strategy, autonomy would suggest moving away from the one-size-fits-all model to allow for differentiation among officer tracks to account for different strengths and interests. Autonomy might also involve rebalancing career paths to allow for “broadening opportunities” with increased flexibility for independent research and academic assignments. Force of the Future is proposing programs to expand in-service civilian school opportunities, but internal compromise will likely result in a partial and modest prototype. A partial prototype could have the unintended consequence of continuing the stratification effect whereby officers perceive some handicap to their career path by experimenting with the traditional norm. As experienced with the Pentagon’s “Afghan Hands” program, career path reforms may not have the desired effect unless they are implemented broadly.

2. Experimentation and Failure. The track record of innovation highlights a willingness to experiment with creative ideas and to accept the accompanying risk of failure so that iterative improvement can occur. However, we typically treat defense policy and strategy as a high-stakes venture, thus we become risk averse and have a very low tolerance for experimentation with bold ideas. And yet, the practical experience of defense policy is that we’re constantly undergoing experimentation and failing along the way, except that we don’t recognize it as such—we’re more likely to rationalize failure as the strategy being underresourced or not yet working.

Intellectual integrity and humility avoid this trap, and would make it more likely in the future to salvage success from an initially flawed plan.

Take, for instance, our recent experience with security cooperation as a strategic pillar of our defense strategy. I’ve concluded that the logic of our modern reliance on security cooperation as a means of “building partner capacity” is flawed. The logic is straightforward: the rise of non-state threats among failing or failed states presents an imperative to counter these threats with military means, and we can generate those military means by building capacity within other governments through traditional security cooperation. The flaw in the logic is also straightforward: experience has shown that other foreign governments, particularly those relevant to this issue, rarely share our interests or values, and how well they absorb, utilize and sustain the military capacity we provide often falls well short of our expectations.

The flaw in the logic is reasonably apparent and well-documented, but it is easily overlooked because of a compelling perceived need to act in the face of these growing threats, and security cooperation provides an existing channel by which to act, particularly when political pressure makes it preferable and cheaper than
the alternative of deploying U.S. forces. And despite the fact that the track record of the experiment has been so poor in countries like Iraq, Afghanistan, Yemen, Syria, and others, we have yet to step back and revisit the logic of this strategic pillar of national defense. The lesson might be to be more modest in setting realistic objectives. Again, it is intellectual integrity that allows for adaptation to the strategy when the strategy isn't working. And intellectual humility can help compensate for a ‘decisive win’ culture that frequently tries to hedge against all possible risk.

As an aside, and in this regard, I applaud the new mandate, via the recently passed NDAA, to develop a “strategic framework” for security cooperation.

3. Dissent and Critical Review. Related to the importance of failure is the necessity of dissent. We recently marked the 100th anniversary of the articulation of the theory of general relativity by Einstein, the most iconic of intellectual innovators. Among Einstein’s more famous quotes is the simple idea that “we cannot solve our problems with the same thinking we used when we created them.” While Einstein is often popularized and celebrated as a lone genius, he leveraged collaboration, peer review, critique and iteration to conclude his radically adaptive theory of general relativity.

Defense policy decision-making is a relatively closed, consensus-based process, and is exposed to a limited infusion of external ideas. Moreover, research suggests that groupthink is more common in hierarchies with a high degree of cohesion, risk, and sense of mission. Thus defense policy is vulnerable to cognitive bias and shouldn’t be grading its own homework, yet that is often how our current system functions. Within the Pentagon, the offices that develop and implement policy are often the same ones that assess its effectiveness, and those assessments can suffer from a lack of objectivity. Thus assessments of defense policy typically fall to the intelligence services, which becomes understandably frustrating to the Pentagon and counterproductive to the national security process.

The exigency of combat long ago brought about the practice of “red teaming” military planning to think like the enemy and probe one’s vulnerabilities, and the U.S. military has done much to advance the concept. After the failures in planning for the 2003 invasion of Iraq, Schoomaker and Keith Alexander established a “Red Team University” at TRADOC at Ft Leavenworth to improve the Army’s decision-making process by teaching officers to be introspective and reflective of their own biases, to be more empathetic in listening to others, and to mitigate the effects of group-think. The current leader of that program, Steve Rotkoff, became dedicated to this challenge after personally experiencing the failures to account for the known risks of the 2003 Iraq invasion, which retired Marine General Zinni has called a “dereliction in lack of planning.”

The recent book “Red Team” by CFR Fellow Micah Zenko scrutinizes the challenge of an institution evaluating its own plans and the utility of dedicating expertise that is empowered and expected to rigorously pressure-test those plans. Dr. Zenko outlines how the “tyranny” of expertise within groups can cloud objectivity and creativity and how the best insights within an organization often come from its least senior people. This sheds light on a critical challenge of our defense policy system whereby decisions get made top-down while understanding flows from the bottom up. The tools of “red teams” can help mitigate the risks of decision-making being separated—in this case by many layers—from the best source of insight.

RECOMMENDATIONS

Along these lines, I offer two sets of recommendations on how this committee might promote the strengthening of intellectual adaptability in defense policy and strategy. The first set of recommendations would rebalance priorities at the individual level, i.e. within the context of talent development and career planning, mostly in the military context. The second set of recommendations would make changes at the organizational level, mostly in the context of defense civilians.

1. Prioritize People and their Cognitive Development. The conventional military officer career path is based on the outdated idea that command at every level requires command experience at the prior level. Enhancing adaptability and cognitive performance will require broadening and diversifying this career path and allowing for differentiation of officer skill sets. Force of the Future proposals call for mandatory academic and interagency tours for promotion, but dilution and partial implementation of such proposals are likely.
Specifically, the services appear to be pushing back against more aggressive reforms due to concerns with finding room in the “conventional” career path for such mandates. To be fair, there is valid concern over the opportunity cost of having less operational experience when our forces are next called to fight. However, recent experience suggests that accepting the risk of this trade-off would be acceptable based on the lesson that intellectual adaptability in combat is increasingly valuable relative to conventional operational efficacy. This was the lesson of JSOC in Iraq in the hunt for al-Qaeda in Iraq, as outlined by Stan McChrystal in his recent book “Team of Teams.” To defeat the enemy, they needed to re-tool how they had learned to operate.

These recommendations would put cognitive development on a par with tactical proficiency, based on the premise that rebalancing combat warfare proficiency with broadening education and training in divergent thinking will improve our future intellectual adaptability.

- **Move Beyond “Jointness.”** Goldwater Nichols succeeded in building a joint force that thinks as a military rather than as a service, but the universal requirement for “joint” service has likely outlived its usefulness. Today’s military serves in a different landscape where the solutions to defense problems intertwine military capabilities with diplomatic, intelligence and competencies from other agencies. And yet, military leaders have little incentive to serve within other national security agencies because it would jeopardize their career path. This also bifurcates defense and foreign policy, with one community trained to think in military and intelligence terms, and another in diplomatic and political terms. This parsing may be traditional, but it is not conducive to effective policy solutions to the 21st century problems that increasingly blur these old divisions.

Tomorrow’s national security apparatus needs “wholeness” among its agencies in the same way that Goldwater Nichols sought “jointness” among the services. The committee’s writ is limited in this regard, but Defense could lead the way by building a next generation of senior military leaders with an abundance of “national security” experience with other agencies or interagency task forces.

- **Prioritize Academic Growth.** Academic or research “broadening” tours where military leaders are exposed to new ways of thinking should be as important to promotion as combat experience. In their 2008 Joint Operation Environment publication, the Joint Forces Command cautioned that “in the year 2000, the PLA had more students in America’s graduate schools than the U.S. military.” Status quo career incentives should be rebalanced to make academic “broadening” tour experiences more common by the O–6 milestone, with a significant expansion of civilian school opportunities.

- **Promote Differentiation.** Outlying officers who do not achieve the “fast-track” operational career because they have greater inclination to non-command academic or policy tours should not be handicapped in their career. Force of the Future is proposing the expansion of “technical tracks” for such officers, but this risks perpetuating the stratified, two-tier system of the “command track” and everyone else, which is not healthy. Until there is better equity and balance between the command tracks and other tracks, the non-command tracks will not attract and promote the best people. The concept of a “technical” track should be made commensurate with the “command” track and include near-equal opportunities for the policy-minded strategists.

- **Promote a Meritocracy.** Carrot-based incentives to retain the “best and brightest” are unlikely to succeed. What drives many such officers out is not the pay or benefits, but frustration with a time-in-grade system of promotion. If the rate of advancement could vary based on demonstrated aptitude for responsibility and leadership, with a less rigid system of tickets that needed to be punched, the “best and brightest” would be more amenable to being retained. Such a shift could be phased in, as a first step, by expanding and making more flexible the “early promote” quota system and removing the year-group management controls in the mid-grade years.

2. Enhance Intellectual Adaptability within Defense Policy

- **Conduct internal, independent policy and strategy assessments.** Policy developers and implementers should not be grading their own homework. While the intelligence agencies will continue to play a role in evaluating the implementation of policy, it is unproductive for the Pentagon to rely on an-
other agency to assess its defense policies. Rather, the Defense Department should have an institutionalized, independent “red team” of experts and outsiders dedicated to and empowered with the task of rigorously testing policy and strategy assumptions and opening eyes to alternate perspectives. This office should be led by an independent, direct report to the Secretary, comparable to the existing offices for budgetary and programmatic oversight (CAPE) and over-the-horizon analysis (ONA). Objective policy assessment is at least as important as long-term forecasting and budgetary evaluation.

- **Dedicate and separate policy developers and implementers.** The urgency of policy implementation generally dominates policy resources, leaving little bandwidth for dedicated policy development. The two functions should be related, as implementation should inform development, but they should not be one in the same. Separation could be akin to the Ops-Plans model of military staffs, which is lacking in the current OSD model. OSD should consider such a policy model, whereby policy development personnel are dedicated and protected from the distractions of policy implementation issues and day-to-day operational crises.

- **Enhance the development of civilian policy professionals.** OSD should augment the professional development of policy civilians with specialized training to enhance critical thinking in policy development and assessment. The Army’s University of Foreign Military and Cultural Studies at Ft. Leavenworth gives an in-depth course of instruction to those who serve on “red teams” and provides a shorter curriculum to all Army officers, which includes important lessons on group think mitigation and fostering cultural empathy. Something similar could also be useful to civilian policy personnel.

**CONCLUSION**

Mr. Chairman, Senator Reed, Members of the Committee, I appreciate the opportunity to offer this testimony.

I believe that humility is required in predicting how many or what types of battalions, fighters or languages the force of the future will need. Those who proclaim that the future of conflict definitively lies in one region over another, or in one form of conflict over another, are likely to be proven wrong. The uncertain nature of future threats puts a clear premium on intellectual adaptability and being more open to new ways of thinking about how we employ the resources we have.

This is difficult, because it requires an embrace of uncertainty and tinkering with some of the most revered, time-honored personnel models in our history. As always, such reform would be disruptive and costly in the short-term and require some acceptance of risk. Nonetheless, my view is that such risk would be smaller and more manageable than the increasing costs of a future failure to adapt.

I hope this statement serves useful in your consideration of reform, and I’d look forward to assisting the committee in any way possible in the future.

Chairman McCain. Thank you very much.

Secretary Flournoy, I have been concerned about the centralization of decision-making on a tactical level. I have been told, for example, the reason why we waited for a year to launch strikes against the fuel trucks, which were a great source of ISIS’s [Islamic State of Iraq and Syria] revenue, that the decision rested in the White House and had never been given. It seems to me that those decisions should be made at a tactical level, and I wonder about your concern about that.

But, second of all, when I tell people and my constituents about the numbers that you just cited in your testimony, tens of thousands of staff members at all levels, they ask me a simple question: How did this happen?

And finally, what is your solution? Do we have to act legislatively to put caps on the size of these staffs? Do we have to restructure the entire organizations? I think everybody agrees they are much, much, much too large. And so what is your suggestion as to how we get this situation back under control and get our service men and women back into the operational force?
Ms. FLOURNOY. So first on your point about tactical decisions being sort of pulled up the chain of command into either the senior reaches of the Pentagon or the White House, I think too often that happens because of two reasons: one, a lack of role clarity of who has what job; and two, a risk aversion. The more people are worried about risk, the more they tend to pull decisions up the chain of command.

The irony of that is that I think if you were to keep the NSC [National Security Council] process focused on strategy development, policy setting, setting the right and left limits for execution, and then you were to empower the secretaries of the various agencies to actually execute on that policy and then hold them accountable if they screw up, but allow them to really be empowered executors of the policy, I think actually in fact that would reduce risk to the President and to the policy.

So I do think it is a matter of role clarity, but it is also a matter of management style that empowers leaders down the chain and holds them accountable.

You know, in terms of how this tremendous growth in headquarters staffs have happened, I think there is certainly instances where in a very complex world, the Department gets assigned new tasks and every time there is a new task and somebody new responsible for that task at a senior level, they grow a staff.

Chairman McCAIN. And there is a new command.

Ms. FLOURNOY. And there is a new command. Right. So there is some of that.

But I also think it happens—it is more about the natural tendency of bureaucracies to grow. The fact that without role clarity you have a lot of people competing to do the same work, we now have a situation where COCOMs are routinely pulled into the policy process. And if you are a four-star COCOM commander and you are going to have to appear in the situation room, of course, you are going to build your own policy staff so you are prepared to do that. But is that really what we want the functions of the COCOMs to be?

So I think role clarity, really scrubbing the functions and then I think applying some of the best practices that many Fortune 500 companies have gone through, which is systematic organizational design where you start with some design principles and then you go layer by layer and you optimize spans of control and you eliminate unnecessary layers. And not only do you get cost savings, but more importantly, you get the kind of organizational agility and adaptability that my colleagues here have been talking about.

Chairman McCAIN. Secretary Vickers?

Mr. VICKERS. I would just underscore what Michele said about the dangers of centralization. I also think there is a case—and it does stem from risk aversion, and I think when you confuse a regional war for a counterterrorism campaign and apply processes you apply outside of areas of armed hostilities, then you get the results. If you compare our campaign against the Taliban in 2001 versus our campaign against ISIL in Iraq and Syria, you see a really marked difference, and you see a marked difference in results as well in terms of toppling the hostile regime. ISIL, of course, is far more like a state—or it is a combination of a state and a global
jihadist organization. Even within the counterterrorism realm, when we have applied the principles that Michele described in terms of delegated authority, we have been far more effective.

Chairman McCAIN. Commander Eggers, briefly.

Mr. Eggers. Thank you, Chairman McCain.

The only point I would add is the role of information flow and technology which has changed radically and made it far easier for the effect that Secretary Flournoy mentioned where we pull in the field. We feel an obligation to understand the operational level of detail and the policy decision-making process. And I think that has two drawbacks. One is it does bloat the size of the subordinate staffs, but two, it introduces a certain cultural deference to the field and a certain amount of bias towards the preferences of the field, which I alluded to in my statement for the record, which I think has to be acknowledged.

History suggests that there is benefit by senior leadership understanding these tactical details and the effects of the policy and the strategy. Yet, I think that that has grown due to the proliferation of technology change and the way we see information and have awareness of the battlefield.

Thank you, Mr. Chairman.

Chairman McCAIN. Senator Reed?

Senator Reed. Well, thank you very much, Mr. Chairman.

And thank you witnesses for very, very thoughtful testimony.

Starting with Secretary Flournoy, you indicated that in the realm of planning documents, the process would be improved if it was a classified document essentially and then periodical releases of generic information, et cetera. If you want to elaborate, please do so, Madam Secretary, and then I will ask Secretary Vickers and the Commander for their comments too.

Ms. Flournoy. In my view, when we have unclassified documents, we tend to get a lovely coffee table book that is a list of everything that is important. But what the Department really needs is strategy and strategy is about making choices. So clear priorities where not everything is a priority. Probably the hardest part of strategy is deciding where you are going to accept and manage risks. There are problems talking about that in too detailed a manner in a public context because your adversaries are listening, opportunists are listening, allies are listening. So it is very important I think for a real strategy document to be classified and shared with the appropriate overseers in Congress to really guide prioritization and resource allocation.

I also think that that process should be leader-driven but be very inclusive at the leadership level. The best example of that I saw was in the development of the 2012 defense strategy where we did it because of profound changes in the resourcing and security environment, but it included everybody from the President to the Secretary of Defense to the Chairman to all of the COCOMs, all of the service chiefs and secretaries, and so forth. I would have liked to have actually seen it include a couple of key Members of Congress as partners. But it was an iterative process of really getting the leadership team as a leadership team to buy into a real strategy that did prioritize some things and accept risk and manage it in other areas. So I think that is a good model to build on.
Senator REED. I will just insert a point and then ask the Secretary, and then you might come back at the end, Madam Secretary.

This is all nice, but ultimately we have got a budget, which is pretty open and people argue that that is the strategic guidance right there. You might think about this, Secretary Vickers. How do we sort of have this very classified sort of strategy and then have a budget that does not reveal it?

Ms. FLOURNOY. I think there are parts of the budget that are rightly classified, and I think we can have a broad discussion of strategy and we should in a democratic context. I just think that what I hear from this committee and from others in the Department, frankly, is a frustration that we stop short of the hard choices sometimes. And I think some of those need to have a classified environment to have an honest discussion about what we are actually doing.

Senator REED. Secretary Vickers, please, and then Commander.

Mr. VICKERS. Sure. I think that important aspects of our strategy have to be developed in secret to be effective, and that really is the case. You know, it is a question of emphasis. The reason for this is that good strategy really has to be unexpected in some ways if you are going to exploit your strengths against your opponent's weaknesses and create new strengths. Either to change the rules of the game or to beat him at his own game has to be consistent with your overt strategy, but there are important elements that have to be secret.

I would add to your question, Senator Reed, classified strategy can use unclassified capabilities in unexpected ways, and that is what confounds your enemy, as well as our classified capabilities that we necessarily keep classified.

Senator REED. Commander, can you comment, please?

Mr. EGGERS. I would take a slightly different and mixed view on this which is that the problem with the strategic documents and the framing we have now is not necessarily that they are unclassified, it is that they avoid the hard decisions and that they become a laundry list of every conceivable approach to solve a problem because of the process. And that is not because of the unclassified nature so much as the process that develops those documents. And some strategic documents will need to be classified by virtue of the content, but that in general an open document that is open to the scrutiny and the debate of outside experts who will not have access to a classified document could be a valuable effect to increase the diversity of thinking that goes into that strategy that we would lose by classifying the document.

Senator REED. Well, thank you.

Thank you, Mr. Chairman. Thank you.

Chairman MCCAIN. Senator Rounds?

Senator ROUNDS. Thank you, Mr. Chairman.

Just down the line, does a classified document or series of classified documents exist today that actually are the operational directive that would be a replacement to a QDR? Is there a series of them out there right now that we simply do not talk about?

Ms. FLOURNOY. Yes. There is a planning guidance that is issued both for force planning but also for contingency planning. And so
there are key elements of a strategy in those documents that do exist today.

And I would agree with Commander Eggers. I am not suggesting that all our defense strategy should be classified and that solves the problem. I just think that the real issue is being able to make those hard choices, being able to debate where we are going to accept and manage risk, how we are going to prioritize among the many things we need to do.

Senator Rounds. Agreed, gentlemen?

Mr. Vickers. Yes. I mean, there is certainly no shortage of classified documents and guidance. The question is whether they are strategically meaningful in a sense of concentrating actions and resources. That is where I think we fall short. That is the difference between good strategy and bad strategy. It is not things that we should do in the classified realm we sometimes do in the unclassified realm, but it is also whether what we are doing in the classified realm is really significant enough. It still has to meet the same test for good strategy. You are just more exposed, and that is why you keep it classified because you are trying to really—you are acknowledging how you assess the world, which may be different than the way you say things in public in some important aspects, and then actually how you are going to leverage your advantages is obviously sensitive.

Senator Rounds. Mr. Eggers?

Mr. Eggers. And I would agree. I think people in the military decision-making and policy decision-making processes, when they set out to try and drive the process, will assemble all of these reference documents, unclassified or classified, QDR, national defense strategy, strategic planning guidance, and so on. And even then, it is very difficult to look at the mosaic of that guidance and the strategic framework and discern what that means for the implementation on that particular policy issue. In other words, it has become so big and so diverse in some ways that it often can lack coherence to the policy decision-making process that it is trying to inform, and even worse, it can become somewhat disconnected from resource allocation, which is a different problem in and of itself.

Senator Rounds. Bottom line, if the QDR were to be eliminated, there would be a savings, I believe, in terms of staff time just creating it, and at the same time, there are other documents which could be expanded upon in a classified setting that would take the place of what we are doing right now in an unclassified setting.

Ms. Flournoy. Yes. I would encourage you to just fundamentally reset the process and ask the Secretary to produce a top-down, leader-driven strategy document that has a classified form and an unclassified form and get rid of the bottom-up, “everybody comes to the table” kind of process because in practice the QDR has become the ultimate tyranny of consensus. The object is what can we get everybody to agree on and sign off on as opposed to how do we frame and present to the Secretary and the Chairman the real choices before the Department and how to make those choices. It focuses it on consensus as much as framing and assessing the alternatives and offering those for decision, which is a different process than what the QDR has come to be.
Mr. VICKERS. And it is much bigger than the QDR in terms of strategy. You know, as Jeff said and the chairman said about strategic integration, we do strategy every day in lots of ways. So our COCOMs every day are doing something called phase 0 operations directed by classified guidance that is shaping the environment. Well, you know, we are not doing all that well that is shaping the international environment the last 15 years, and that is why a coherent strategy that is strategically integrated—this is something that spans administrations, but that is what is really missing from our overall practice of strategy.

Senator ROUNDS. Thank you, Mr. Chairman.

Chairman MCCAIN. Senator King?

Senator KING. Thank you, Mr. Chairman.

I find this a fascinating and important discussion. Napoleon said war is history. Freud said anatomy is destiny. It has been my observation that structure is policy, that if you have a large, cumbersome, slow structure, you will have cumbersome, slow, consensus-driven, and ultimately unsatisfactory policy or strategy, as we are talking about today.

It is very interesting. Mr. Vickers, you kept talking about adaptability as the key term, and you used the phrase about consensus is the enemy. You cannot adapt if you have a consensus-based process, it seems to me. What we are really talking about is agility and agility in decision-making particularly in an era of such rapidly developing and changing challenges, the challenges we are facing today from ISIS are different from the challenges we faced from terrorism 2 years ago. The whole homegrown extremist idea is a new challenge. And yet, we have 38,000 people trying to evolve policy.

Ms. Flournoy, I think one of your important insights is that policy should be top-down, that the people who are assigned to think big picture are to be the ones where the strategy should begin.

Mr. Vickers, do you agree with that proposition?

Mr. VICKERS. I do. That does not mean only senior leaders have to do it. They can be aided by a small staff or key individuals, but I think small groups, top-down, senior accountability is critical in strategy.

Senator KING. If we are talking about strategic thinking in the military, give me some thinking, Mr. Eggers, on whether the promotion process stifles creativity, risk-taking, and the kind of adaptability that we are looking for. To put it more bluntly, could Rickover become an admiral today?

Mr. EGGETTS. In my statement for the record, I go into some detail about a lot of the research that suggests that the promotion system with its emphasis on the command track model, which puts the premium on operational experience, is in fact degrading our ability to be more creative and innovative in how we think. That, coupled with the refinements of Goldwater-Nichols and the Joint Staff requirement for promotion, for instance, means that you today have a Joint Staff that is built with some of the best officers we have largely from the operational community on a very promising career track who come to that job and have very little incentive to think differently and offer opinions that are outside the mainstream analysis, which hinders the process. In effect, the Joint
Staff can become something of a pass-through for field or COCOM recommendations in the process.

Senator King. I could not find the quote, but there is a wonderful quote from Churchill about the sum of any committee decision is always no, that the committee, by definition, sort of filters out a different thinking and adaptability and agility, which again is what we need.

Let me change the subject for a minute. Is all this window dressing? Is real policy not made in the White House these days? We have thousands and thousands of people in the Pentagon thinking about strategy, but the decisions are made in the White House and perhaps that is where they have to be made.

When I was Governor—or let me just make another example. It was not some mechanic—the headline was not “mechanic failure caused helicopters to crash in the desert.” It was “Carter mission to rescue hostages failed.” Do you see what I mean? If the President is going to be held responsible for these decisions, it seems to me in large measure they have to be made there. I do not have an answer here, but I am interested in your thoughts, Ms. Flournoy.

Ms. Flournoy. I think strategy and policy decisions should be made at the Commander in Chief level—many of them, particularly when you are putting Americans in harm’s way. But I think once a general policy direction is set, empowering your line organizations to actually implement it within certain right and left limits and then holding people accountable for the results—you know, it is the only way you are going to be able to deal responsively and effectively with the full range of challenges that we are facing.

I think from a White House perspective and from a senior leader perspective, one of the challenges is when you ask for options, when you ask for ideas, what do you get? And this gets back to the tyranny of the consensus. What we really need right now on the capabilities front is real competition of how are we going to solve some of the key problems in a much more contested Asia-Pacific environment or with a Russia who may actually realize real anti-access/area-denial capabilities in the European theater even sooner, or with this persistent problem with ISIS and violent extremism. We need real options development, and that means a competition of ideas.

Senator King. I am out of time, but I think it was Mr. Eggers who talked about a red team. I love the idea of a red team in the Pentagon or perhaps in the National Security Council whose job it is to contest the conventional wisdom, to contest the consensus, to be obnoxious. I could volunteer for that. I am well qualified.

[Laughter.]

Senator King. But seriously, I think literally a structure that builds competition and contrarianism into the system might be salutary.

Thank you very much for your testimony.

Thank you, Mr. Chairman.

Chairman McCain. I think it was the former head of IBM that had a sign on his desk that said “The Lord so loved the world he did not send a committee.”

[Laughter.]

Chairman McCain. Senator Sessions?
Senator Sessions. Thank you, Mr. Chairman.

Senator King, thank you for beginning to think at a higher level. That is what is on my mind right now. We are talking about a very important thing, how to develop strategy within the Department of Defense. But if it does not coordinate with the executive branch’s ultimate decisions about how to conduct operations, then we have got a problem. We have got a breakdown.

So I am thinking about the role of the National Security Council. I understand that to be the place where the President makes his final strategic decisions, and therefore, how does the Defense Department, which has the technical expertise presumably to execute whatever strategy they are given to execute—how do they influence that? Are they properly being respected and their expertise accepted? Or how does that relationship—and is there anything that we can do—I will ask the three of you—to enhance the ability of real practical knowledge on the ground?

I may be wrong. I have a couple of problems. I think that we were way too slow in responding to ISIS’s move in Iraq. It was like, well, once they take over and they stop, then we will worry about taking back territory, which is normally harder than stopping it to begin with. And then we have the problems, as has been mentioned, in Syria.

Secretary Flournoy, what do you think?

Ms. Flournoy. A couple of observations. One is that I think when one of my former mentors, John Hamre, used to say, if you want to make a staff more strategic, cut it in half. I think as you grow staffs—and this includes the National Security staff—they tend to get more into operational details and tactical kind of oversight. I think historically when you have had smaller National Security Council staffs—I am thinking of, for example, the Scowcroft era with a very clear understanding of what their role is, which is strategy, policy, honest broker, and options development for the President and not getting into a lot of micromanaging of agencies’ actual execution, except when there is a problem and providing necessary oversight there—so I think that is very important.

In terms of the Goldwater-Nichols structure, I actually think the structure is right in that you have the Secretary of Defense at the table in the National Security Council and you also have the Chairman as an independent voice, not only an advisor to the Secretary but also an advisor to the President. And what that ensures is that even when the President is—whether it is his own view, he is representing a COCOM view, what have you—when there is military dissent, that that direct line to the President by the Chairman ensures that he has an opportunity to make that dissent heard before the President makes a decision about using the military instrument. And I think that is absolutely critical. I have seen it work. It sometimes upsets people, but it is a very, very critical part of the system.

Senator Sessions. Then you have the problem where if the President says it is my strategy, my policy not to have boots on the ground again in the Middle East, how does the Defense Department handle that? Do you structure a QDR that reflects that view?

Ms. Flournoy. Well, once the President makes a decision with regard to a particular operation, then folks have a choice of they
implement that, salute smartly and implement, or if they feel that ethically or morally they cannot do that, then they have their own personal choices.

Senator Sessions. Well, I think that is a good answer. I think the Nixon-Kissinger, the China deal, was decisive, small people with the depth of knowledge themselves, knew who to ask, made the move, and it worked. It is hard to do that the larger you get I think.

Secretary Vickers?

Mr. Vickers. Yes. I would agree with what Michele said. When you have too much centralization in the White House rather than on strategy, a big, broad strategy that is set, and when it is not working, it needs to change, you get a number of results.

One, as you move up into our higher level committees of the National Security Council system, you tend to strip away real operational expertise for the problem at hand, and that can isolate a President. And that is why, as you said, making big decisions, of course, is the President's—that is what they are elected to do, but they cannot tactically manage operations. And so you tend to be slower as you assess the situation, or you tend to be very protracted in decision-making for some decisions that take 3 years rather than 3 months in some cases.

You know, as I said, if I look at different models—Michele talked about the growth in the staff. It is also a question of process and what you focus on. By very, very different experiences, for instance, in the 1980s when we were at war with the Soviets in Afghanistan, we reviewed that about every 6 months where we do not really do that today. We review them every week or every month.

Senator Sessions. Thank you, Mr. Chairman.

Commander Eggers, do you want to respond? My time is about up.

Mr. Eggers. I would only offer an encouraging note, that the size of the National Security staff is an acknowledged issue and there is an ongoing effort I think to try and streamline and reduce that because of the effect that Secretary Flourney spoke to, that smaller in this case could be better.

Senator Sessions. A yes or no answer. Do you think that it is important for us to work harder to develop a long-term strategic policy for the United States on the major threats that is bipartisan in nature?

Ms. Flourney. Yes. And I actually think that that will be job one for a new administration going forward, and elections both in Congress and presidential elections will hopefully allow us to come together more on such a strategy and hopefully on a comprehensive budget deal that would actually underwrite the necessary investments for that.

Chairman McCain. Senator Ernst.

Senator Ernst. Thank you, Mr. Chair.

Thank you to our witnesses today for being here.

I enjoyed the discussion about our force structure, about being more agile, more flexible, mobile. There are so many things that we really do need to consider.

But as it comes to force structure, I am really concerned about our military intelligence force structure and our support to our
warfighters both now and to meet the needs in the future. And I really feel that we need more robust assets to meet the intelligence requirements in both Europe and Africa. And I believe that we should be able to enhance support to our warfighters by reforming the Cold War era institutions and really focus on streamlining some of these headquarters and command relationships. And I want to focus a little bit on INSCOM [U.S. Army Intelligence and Security Command].

As you know, the U.S. Army Intelligence and Security Command is located at Fort Belvoir, Virginia, and it is currently the Army’s senior intelligence integrator. It equips, trains, mans all of our intelligence units around the globe.

And when I asked about INSCOM and its impact on intelligence and warfighter last week, General Michael Flynn said before this committee we have Army component commanders underneath every geographic combatant commander and yet the Army intelligence forces are aligned back to INSCOM. Talk about more headquarters that you do not need.

So I think there is a fundamental need to take a real laser focus at what you are addressing and decide whether or not INSCOM can be dissolved. There is a fundamental need to decide if INSCOM can be dissolved. You take resources and you push them out to those theater intelligence brigades which are necessary. End quote. That was from General Flynn.

And, Secretary Vickers, do you agree with General Flynn’s comments on INSCOM, and how can the Army better align its intelligence forces?

Mr. VICKERS. I actually do not. In fact, I strongly disagree with them.

So the theater intelligence brigades that—and I have great respect for General Flynn. The theater intelligence brigades that General Flynn talked about support our combatant commanders. One of the functions that INSCOM serves is that—and I am against excessive headquarters. So let me say that upfront. But one of the functions that it serves is to provide the highest level command for the Chief of Staff of the Army for intelligence across the Army. But it also serves as managerial development for our senior intel leaders. If I compare our intel leaders, who are going to rise to positions of commanding great organizations, they need the same leadership development that our combat arms leaders do.

So if you are a staff officer, if you are a J–2, if the last thing you commanded is a battalion or something like that and then suddenly you find yourself as director of a major national intelligence agency with 20,000 people, just like our combat arms officers, you hope you have had a division command or something else before you rise to a corps command. And that is one of the functions that I think INSCOM serves. It is 20,000-some people or something like that. It provides that opportunity for a two-star to not only set intel priorities for the Army but also to gain the important managerial experience that is required before you take on a national agency.

Senator ERNST. I am not sure whether I agree or disagree with that. I would hope that developmental opportunity is important. Whether you have a command at that level or not is maybe another issue. But I would like to look more into that.
Secretary Flournoy, do you have any thoughts on that?

Ms. FLOURNOY. I must confess this is not an issue that I have looked at in detail, so I do not have a view on it at this point.

Senator ERNST. Okay.

Commander Eggers?

Mr. EGGERS. Similarly. With all the respect for both Michaels, Flynn and Vickers, I would not add anything.

Senator ERNST. Very good. I appreciate the input.

Secretary Flournoy, while we have you here, last week Secretary Carter announced that all military occupational specialties will be open to women. And I would love your thoughts on that. I support providing women the opportunity to serve in any capacity as long as standards are not lowered for women to join those types of occupational specialties and it does not hurt our combat effectiveness.

However, I am disturbed at how it appears the Secretary has muzzled the services to a point where they cannot provide results and data from their combat integration studies before or even after that decision was made this past week. And what are your thoughts on the process of how this decision was made and can you provide any further input? And my time is running short as well.

Ms. FLOURNOY. I was not involved or aware of many of the internal details of the process. Like you, I support an approach that sets a clear set of standards based on types of military specialties and then holds all people, men and women, to those standards. If women are able to pass the standards, they should be able to serve.

The one thing I will say is that there has been a lot of discussion about impact on unit cohesion. I think much of that is disproven by actual operational experience that has occurred in Iraq and Afghanistan. But I would also say we have not taken account some of the positives. I mean, all of the business leadership—I am sorry—literature and experience emphasizes that the more diverse you make a team, the better decision-making you get, the better performance you get, and so forth.

So I am generally supportive of this decision. I am not aware of the particulars of the internal process. I would certainly hope that this committee in particular would be provided with all of the data that you request to understand how the decision was made and is being implemented.

Senator ERNST. Thank you, and I do hope that we are provided with that information.

Thank you, Mr. Chair.

Chairman MCCAIN. Secretary Flournoy, I would not like to end this hearing without making you uncomfortable.

Ms. FLOURNOY. Sir, I would expect nothing less of you.

[Laughter.]

Chairman McCaIN. Are we winning the war against—the conflict with ISIS?

Ms. FLOURNOY. I do not think we are where we need to be, sir. I think that this threat has shown itself to be much more serious than I think we first realized. As Mr. Vickers said, it is going to be a generational issue. It is something that is a long-term challenge that we need to deal with, and I do not think we are fully resourcing a multidimensional strategy.
I do think a lot of the strategy the President has articulated is correct, and I personally support an approach that is primarily focused on enabling local partners to be more effective against this threat. I do not think invading Syria is the answer. But I do think we, as the United States, need to play more of a leadership role diplomatically, more of a leadership role in terms of enabling others militarily and with intelligence and be in a more forward-leaning posture because this threat is getting worse not better.

Chairman McCain. Secretary Vickers? And by the way, I read a very excellent piece you wrote recently. I think it was in Politico. I am not sure which one, but I thought it was very thoughtful.

Mr. Vickers. Thank you, Mr. Chairman.

I do not believe we are winning or we are certainly not winning fast enough. As Michele mentioned, this will be a long struggle, but if you look at our fight with al-Qaeda, if you look at it in terms of a campaign, we need a more rapid and decisive campaign that will at least deny sanctuary, much as we did with the Taliban in 2001. The war was not over, but it certainly knocked them back on their heals, knocked al-Qaeda back on its heals for some period of time. And that is what I think we need to do to ISIL in the short run and then many, many things to follow.

Chairman McCain. Commander Eggers?

Mr. Eggers. Thank you, Mr. Chairman.

I would only add that while I agree with you that the situation is quite concerning not just because of the degree of the threat but also because how complex the problem is, that sometimes I am concerned that the debate becomes overly focused on the one thing we do control, which is U.S. troops and, quote, boots on the ground, which seems to me to somewhat disrespect the essence of our previous discussion, which is kind of thinking in broader and more diverse strategic terms. And in this particular context, I think the debate needs to consider not only the application of United States military means, to include soldiers and troops on the ground, but as well the broader political landscape both within Iraq, but as well within Syria and within the region, and that too often that gets lost in that debate and in that discussion.

Thank you, Mr. Chairman.

Chairman McCain. I thank you. I am sure you understand the concern of the American people in light of the San Bernardino attack and Paris and others. The opinion polls have lifted this issue understandably to one of the highest priorities. And we need to have a national conversation about it. I obviously have my views and Senator Reed has his, which we are largely in agreement, but more importantly, we have to, I think, develop a strategy that is credible to the American people, and I do not think that is the case today.

Jack?

Senator Reed. My only comment would be I think as the commander pointed out, it has to be a multifaceted strategy with political as well as military dimensions, information warfare dimensions. And I think interestingly enough, I think Secretary Vickers made a good point about we had not the last 15 set the conditions properly, and I think we have to go back and look back and say what were we doing. In fact, in some cases, we were victims of our
success. The ability to take out terrorists with drone strikes and Predators was very effective short-run, but it created this dynamic in the world that many people found a justification to focus their animosity against us as a reaction. So I think, again, what we have to do—and the chairman is right. We have to come up with a coherent, multifaceted strategy, and I think we can agree upon it and move forward.

Chairman MCCAIN. I think Senator King wants to weigh in on this.

Senator REED. He has a quote from Mark Twain.

[Laughter.]

Senator KING. No, I do not. Sorry about that.

Chairman MCCAIN. Yes. The one about suppose you are a Congressman, suppose you are an idiot, but then I repeat myself?

[Laughter.]

Senator KING. Do not get me started.

We are talking mostly about military strategy, and that is absolutely appropriate because we are fighting a military opposition. But we are also fighting an idea. And I think if there is any gap in the—well, there are several gaps, but one of the serious gaps is the clash of ideas gap. We wiped out USIA [United States Information Agency] 15 years ago. It now appears that was a mistake. For the country that invented social media to be losing the battle of social media is shocking to me, and I think that we need a much more strong and vigorous ideas thrust ultimately because it is very difficult to kill ideas and we are not going to do it with drones. We have got to do it with information. And I think that has got to be part of the strategy in connection with all the military options, the air strikes, the troops, all of those things. But I fear that that is one of the places. These people in California were radicalized online, and I think that should be a real serious warning to us that that is where this battle is also taking place.

Thank you, Mr. Chairman.

Chairman MCCAIN. Also, by the way, a great Russian success is their propaganda in eastern Europe as well.

Would any of the witnesses like to respond to those words of wisdom by the Senator from Maine?

Ms. FLOURNOY. I do not have a ready Mark Twain quote, but I do agree with the notion that this has to be a sustained multi-dimensional effort. I think some of the areas where we are lacking is in countering the narrative online. ISIS is posting 90,000 posts a day online, and one of the most effective things I saw in counter was the tweeting of a remark that was made after the stabbings in the UK metro, which was someone saying to the attacker, you ain’t a Muslim, bro. I mean, this behavior of stabbing civilians in the London Tube is not representative of the religion of all of Islam. And that got tweeted virally. And that was probably one of the most effective counter-narrative things that has happened recently.

But we do not have a sustained and systematic effort online to counter ISIS presence and attempt at recruiting. But more fundamentally I think what we really lack at the community level, here, overseas, is community-level counter-radicalization programs. And it cannot be something the U.S. Government comes in and
does. We can help facilitate, but really funding, assisting, help enabling those community-level engagement to try arrest radicalization inside communities here, in Europe, elsewhere. That is a critical part of the strategy that I think needs more attention as well.

Chairman McCain. Secretary Vickers, did you want to add anything?

Mr. Vickers. No. I agree. You cannot win in the long run without really countering and discrediting the idea. I would add in the short run, one of the ways to discredit the idea is to really set them back. I mean, part of their success right now is they are perceived as having the success.

Chairman McCain. Absolutely. I think that is a very key item here.

Mr. Vickers. And we saw that, for instance, with the Taliban and al-Qaeda right after 9/11. You know, their stock went way up after 9/11, and then 3 months later, when they were kicked out, it was, you know, who are those bums for a while. Now, it did not last. It does not win the long-term war, but it does matter.

Chairman McCain. Commander Eggers, did you want to —

Mr. Eggers. I would just balance out the conversation by offering the flip side of that idea, which is that one way to destroy an organization’s ideology is to dismantle the organization, of course. But what we need to be careful about is the unintended consequences of how we do that because in this case that is precisely what could play into their narrative, particularly with the introduction of U.S. or Western ground forces and the escalation of that type of war within their region. And I think that is the issue that really comes into play where it gets very complex between the military application of means and the ideological fight.

Chairman McCain. Well, we can continue this discussion, but I think it is incredible to say if you accept the view that some U.S. military presence is needed, which clearly events indicate to me, which we have been talking about for a long time, and predicting the events that have taken place, that then you are conceding that ISIS can continue to succeed. There is no strategy now. There is no strategy to take Raqqa, their base, where they are, among other things, developing chemical weapons. So this idea that somehow the United States of America, by inserting some ground troops in order to succeed, is going to be counterproductive—what is the option? That they continue to succeed? Is it not to your satisfaction that we cannot defeat ISIS without American involvement and simply not from the air. Air power does not win.

So I respectfully disagree with this insane idea that somehow if we intervened to stop people that have just orchestrated an attack that killed people in San Bernardino, that somehow it will be counterproductive. The worst counterproductive thing would be to allow them to succeed.

But I look forward to continuing this discussion with you, Commander, and I respect your view.

And I thank all of you for being here today, and we look forward to continuing working with you on this restructuring, which was the reason for this hearing to start with. Thank you.

[Whereupon, at 10:59 a.m., the hearing was adjourned.]
[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

ISIS STRATEGY

1. Senator Ayotte. Secretary Flournoy and Secretary Vickers, what is lacking in the President’s strategy against ISIS, and what should the administration be doing that it is not?

Secretary Flournoy and Secretary Vickers did not respond in time for printing.

NATO FORCE POSTURE

2. Senator Ayotte. Secretary Flournoy and Secretary Vickers, the National Defense Panel review of the 2014 Quadrennial Defense Review (QDR) concluded last year that Russia’s aggression in Ukraine calls into question the longstanding view that Europe is a ‘net producer’ of security. As a result, the panel concluded that “NATO must bolster the security of its own frontline states, especially in the Baltics and across southern Europe but also in Poland, lest they be subject to intimidation and subversion. America must lead the alliance in this regard.” This belief that we must bolster U.S. and NATO force posture in Eastern Europe has been reiterated in a bipartisan manner by others who have appeared before the Senate Armed Services Committee this year, including former Secretaries of State Dr. Brzezinski and Dr. Albright. General Jones, Former Supreme Allied Commander Europe, said earlier this year that a failure to respond to Russia’s aggression in Europe appropriately could represent the “beginning of the end of NATO.” What is your assessment of the administration’s action so far in bolstering security in NATO’s frontline states, and what more needs to be done?

Secretary Flournoy and Secretary Vickers did not respond in time for printing.

UKRAINE

3. Senator Ayotte. Secretary Flournoy, along with others, you authored a report published this past February by the Atlantic Council, Brookings, and the Chicago Council on Global Affairs entitled “Preserving Ukraine’s Independence, Resisting Russian Aggression: What the United States and NATO Must Do.” The report said that the U.S. should provide “direct military assistance—in far larger amounts than provided to date and including lethal defensive arms—so that Ukraine is better able to defend itself.” The report concluded. “Only if the Kremlin knows that the risks and costs of further military action are high will it seek to fines an acceptable political solution. Russia’s actions in and against Ukraine pose the gravest threat to European security in more than 30 years.” Do you still believe that the United States should provide lethal arms to Ukraine? Why?

Secretary Flournoy did not respond in time for printing.

4. Senator Ayotte. Secretary Flournoy, what specific capabilities would you recommend the administration provide to Ukraine?

Secretary Flournoy did not respond in time for printing.

DETENTION POLICY

5. Senator Ayotte. Secretary Vickers and Commander Eggers, the spokesman for Operation Inherent Resolve, Colonel Steve Warren, recently said that “certainly it’s our preference to capture in all cases. It allow[s] us to collect intelligence.” As of today, Ayman al Zawahiri and Abu Bakr al Baghdadi, the heads of al-Qaeda and ISIS respectively, have yet to be killed or captured. From an intelligence perspective, would you rather kill or capture Zawahiri and Baghdadi? Why?

Secretary Vickers and Commander Eggers did not respond in time for printing.

6. Senator Ayotte. Secretary Vickers, would it take more than a few weeks to gather all of the valuable intelligence that Zawahiri and Baghdadi could provide?

Secretary Vickers did not respond in time for printing.
7. Senator Ayotte. Secretary Vickers, would there be value in potentially returning months or years later to interrogate Zawahiri and Baghdadi to confirm or clarify information gathered elsewhere?
   Secretary Vickers did not respond in time for printing.

8. Senator Ayotte. Secretary Vickers, could intelligence from Zawahiri and Baghdadi prevent future attacks and enable the United States to go after al-Qaeda or ISIS more effectively?
   Secretary Vickers did not respond in time for printing.

9. Senator Ayotte. Secretary Vickers, would it help or hurt our intelligence collection efforts if, after a few weeks of questioning Zawahiri or Baghdadi on a ship, we sent them to the Southern District of New York and told them that they “have the right to remain silent”?
   Secretary Vickers did not respond in time for printing.

10. Senator Ayotte. Secretary Vickers, if Zawahiri or Baghdadi were captured tonight, where would we detain them for long-term law of war detention and interrogation?
    Secretary Vickers did not respond in time for printing.

11. Senator Ayotte. Secretary Vickers, on February 15, 2011, when you came before this committee as the nominee to be Under Secretary of Defense for Intelligence, I asked you about the administration’s detention policy. You responded that “the administration is in the final stages of revising its—or establishing its detention policy.” Almost five years later, has the administration completed its detention policy? If yes, what is it? If no, why not?
    Secretary Vickers did not respond in time for printing.