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Did the Pentagon Get the Quadrennial Defense Review Right?

Every four years, the Department of Defense is required by law to conduct a Quadrennial Defense Review (QDR), a comprehensive review of the nation's defense strategy, force structure, modernization plans, infrastructure, and budget.[1] Because the most recent QDR, issued in February 2006, is the first such review to take full account of the paradigm-shifting events of September 11, 2001, it is particularly significant.[2] The United States now perceives a fundamentally different security environment that presents new challenges, including the rise of global terrorism, born of extremism; the proliferation of nuclear, chemical, and biological materials and weapons both to states as well as nonstate actors; the potential for failed and failing states to destabilize regions or become safe havens for terrorists and insurgents; the existence of regional adversaries who remain hostile to U.S. interests; and the rise of new great powers that have the potential to alter the global balance of power. In addition, the demands of real-world operations such as Iraq and Afghanistan and mounting pressures on the defense budget raised expectations that the 2006 QDR would be the vehicle used by Secretary of Defense Donald Rumsfeld to make the tough choices necessary to transform the U.S. military further for twenty-first-century missions.

Has the QDR delivered? How should its results be evaluated? There are four key criteria to determine whether the 2006 QDR has been successful from a strategic perspective. The first is to determine if the QDR provides a sound framework for setting strategic priorities for the department. This framework should help senior decisionmakers make difficult choices about

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where to place emphasis and where to accept or manage a degree of risk. The second criterion is to judge whether the QDR reshapes the U.S. armed forces in ways that better prepare them to meet twenty-first-century threats and opportunities. The QDR should articulate a new construct for sizing and shaping U.S. forces in the near to mid-term, develop a longer-term vision of the portfolio of capabilities the U.S. military needs for the future, and identify the shifts in investment required to achieve that vision. The third criterion is whether the QDR promotes initiatives to enhance the capabilities of interagency and international partners who are instrumental to the U.S. ability to accomplish its strategic objectives. The fourth and final criterion is to determine whether the QDR has developed a political strategy to gain the support of key stakeholders inside and outside the Defense Department, such as the armed services, combatant commanders, Congress, and key international allies and partners that are essential to implementation.

Great Expectations

Expectations for the QDR and its potential to adapt U.S. defense strategy and capabilities to the new challenges of today's security environment were justifiably quite high. Yet, other factors also increased the expectations for this review and the importance attributed to it. Ongoing operations in Afghanistan and Iraq have forced the U.S. military to accelerate its transformation to deal with challenges such as counterinsurgency, stabilization, and reconstruction operations. Indeed, the high tempo and unique demands of these real-world operations have driven a faster pace of change in a number of areas, from the growth of U.S. Special Operations Forces to the conversion of the U.S. Army to a rotation-based force to the retraining of military personnel to fill high-demand specialties. In this context, the 2006 QDR was seen as a critical opportunity to further accelerate the pace of change to meet the operational demands of a new era.

The fiscal imperative to tighten the U.S. government's belt and reduce the federal deficit has also increased the stakes for the most recent QDR. Although defense spending was initially protected from the kind of radical cost-cutting that has affected other types of discretionary spending, the post–September 11 days of the Defense Department's blank check are clearly over. In the immediate aftermath of the attacks, the defense budget grew (in constant 2006 dollars) from $395 billion in fiscal year 2002 to $469 billion in FY 2003 to a high of $480 billion in FY 2004. The defense budget top line came down to $435 billion in FY 2005 and $420 billion in FY 2006.[3]

The growth of the overall federal deficit to some $317 billion, or 3.8 percent of the gross domestic product, has returned deficit reduction to a national priority, increasing the competition for limited discretionary funds. In this context, senior Pentagon officials consistently argued that the choices made in this QDR would have to be "resource neutral" and acknowledged that previously projected increases in the Defense Department budget were not sustainable.[4] Although previous reviews had also been constrained by fiscal guidance, the 2006 QDR departed from past practice by requiring that any recommended increases in spending be accompanied by specific offsets. This budgetary pressure only grew when, in October 2005, the Pentagon was told to be prepared to cut up to $32 billion from its FY 2007–2012 defense plan, setting off another round of budget cutting.[5]

> Ultimately, the review lost its strategic focus.

These external fiscal pressures were made even more acute by pressures building inside the U.S. defense program, all of which amounted to the makings of a "perfect storm." Military personnel costs such as pay, health care, retirement, and housing are soaring and will continue to grow.[6] The costs of recruiting and retaining high-quality personnel are also increasing for some services, particularly the Army. Extreme wear and tear on equipment in the harsh environments of Iraq and Afghanistan has shortened the expected service life of some equipment and has contributed to rising recapitalization bills for the Army and Marine Corps.[7] Moreover, recent operational experience has only underscored the need to invest more in transformational capabilities that will help the U.S. military prevail against new challenges. These costs add up to a larger defense program than the budget permits and the need to make some tough choices. The QDR was the primary forum in which these decisions were expected to be made.

Finally, because Rumsfeld is a second-term secretary of defense who has had time to define his priorities, appoint his own choices to key civilian and military positions to form his own leadership team, and figure out how to navigate the politics of the Pentagon, many believed that he was well positioned to make the 2006 QDR the vehicle for implementing his vision of defense transformation. Indeed, one senior administration official called for this QDR to be "an engine of continued transformation," arguing that "the need to transform our military has elevated the role of the QDR from a tool of periodic refinement to a fulcrum of transition to a post–[September 11] world."[8]

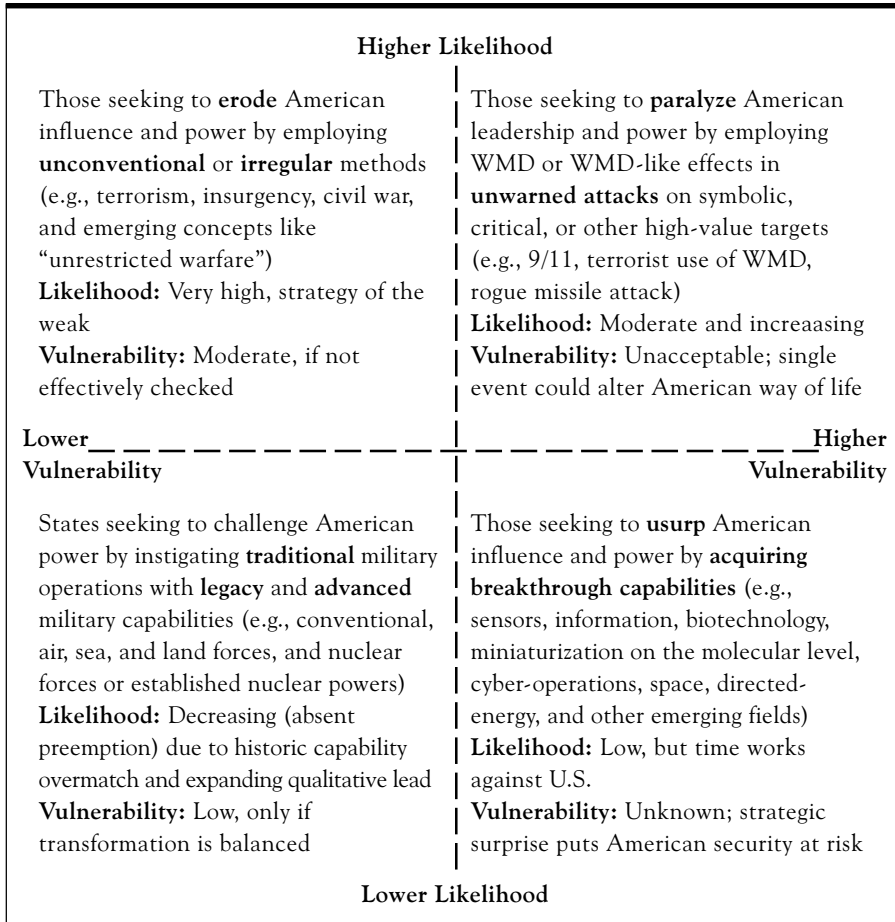## A New Strategic Framework for Setting Priorities and Allocating Risk

The central thesis of the QDR was that the Defense Department has unsurpassed capabilities to meet traditional challenges, such as defeating an adversary's military forces in a conventional campaign, but lacks the capabilities needed to deal with the full range of nontraditional threats that are likely to define key elements of the future global security environment.

In what became known as the "quad chart" (figure 1), the architects of the QDR identified four key challenges: traditional challenges, such as conventional military operations; irregular challenges, such as terrorism and insurgency; catastrophic challenges, such as terrorists' use of weapons of mass destruction (WMD) or attacks on critical infrastructure or markets; and disruptive challenges, such as an adversary's acquisition and use of breakthrough technologies. These items are arrayed according to the likelihood of their occurrence and the U.S. vulnerability to them. The quad chart has been generally accepted as a fairly accurate and noncontroversial way of framing the security challenges facing the United States.

The conceptual thinking behind the quad chart is highly consistent with the National Intelligence Council's (NIC) assessment of the future security environment through 2020.[9] In their December 2004 report "Mapping the Global Future," the NIC describes an international security environment in flux, highlighting several key trends: continued globalization, including an expanding and integrating global economy, the dispersion of technologies, and lingering social inequalities; the rise of China and India, among others, as new, major global players that will change the geopolitical landscape; new challenges to governance, such as reversals of democratization in some regions and the rise of "identity politics," such as political Islam, in others; and pervasive insecurity driven by international terrorism, internal conflicts, and WMD proliferation. The report concludes that, "[w]hile no single country looks within striking distance of rivaling U.S. military power by 2020, more countries will be in a position to make the United States pay a heavy price for any military action they oppose."[10]

The trends outlined by the NIC can be mapped fairly easily into the four challenge areas laid out in the QDR's quad chart. The global dispersion of technologies and technological know-how described in the NIC report suggests the possible emergence of disruptive threats to the United States. The "transmuting" of international terrorism since the September 11 attacks, the rise of political Islam, and intensifying internal conflicts all suggest a likely increase in various forms of irregular warfare in the future. The possibility, identified as the NIC's "greatest concern," that rogue states or terrorists could acquire and use biological or nuclear weapons underscores the potential for catastrophic threats.

Figure I. Security Environment: Four Challenges

Higher Likelihood

Those seeking to **erode** American influence and power by employing **unconventional** or **irregular** methods (e.g., terrorism, insurgency, civil war, and emerging concepts like "unrestricted warfare")
Likelihood: Very high, strategy of the weak
Vulnerability: Moderate, if not effectively checked

Those seeking to **paralyze** American leadership and power by employing WMD or WMD-like effects in **unwarned attacks** on symbolic, critical, or other high-value targets (e.g., 9/11, terrorist use of WMD, rogue missile attack)
Likelihood: Moderate and increaasing
Vulnerability: Unacceptable; single event could alter American way of life

Lower Vulnerability — **Higher Vulnerability**

States seeking to challenge American power by instigating **traditional** military operations with **legacy** and **advanced** military capabilities (e.g., conventional, air, sea, and land forces, and nuclear forces or established nuclear powers)
Likelihood: Decreasing (absent preemption) due to historic capability overmatch and expanding qualitative lead
Vulnerability: Low, only if transformation is balanced

Those seeking to **usurp** American influence and power by **acquiring breakthrough capabilities** (e.g., sensors, information, biotechnology, miniaturization on the molecular level, cyber-operations, space, directed-energy, and other emerging fields)
Likelihood: Low, but time works against U.S.
Vulnerability: Unknown; strategic surprise puts American security at risk

Lower Likelihood

The obvious implication of the quad chart is that the Defense Department needs to look beyond the traditional threats that have been the centerpiece of U.S. defense planning for decades and pay greater attention to irregular, cata-strophic, and disruptive challenges. More specifically, the U.S. military needs to maintain its conventional war-fighting superiority, but it also needs to reduce its investment in capabilities that simply expand its margin of conventional superi-ority to free up resources that will improve U.S. capabilities in other areas.

This shift of emphasis was further reinforced by the four "focus areas" out-lined in the QDR's terms of reference: defending the U.S. homeland in depth; building partnerships with other countries to defeat terrorist networks and transnational insurgencies; shaping the choices of countries "at strategic crossroads," for example, rising powers such as China and India; and prevent-ing WMD acquisition and use by rogue states or terrorists.[11] The architects of the 2006 QDR argued that "the more focused the issues addressed in the QDR, the greater the chance of developing lasting and innovative approaches."[12]

Nevertheless, the QDR's terms of reference have drawn some criticism. Because they did not provide an obvious hook for addressing the significant strains caused by ongoing stabilization and reconstruction operations in Iraq and Afghanistan, particularly on the U.S. Army, the National Guard, and the Marine Corps, the four core challenges were initially faulted as being too narrow in scope. Over time, another very different criticism emerged. The terms of reference, critics claimed, were too ambitious. As more and more questions were tucked into the framework of the four core challenges, the review's scope expanded to include dozens if not hundreds of issues, ranging from the future of the military health system to reforming the acquisition process to overhauling professional military education; ultimately, the review lost its strategic focus. One symptom of this problem was the proliferation of groups and subgroups working on various QDR issues soon after the review began. At the end of the day, there was no clear consensus at the leadership levels of the Defense Department on the 5–10 priority issues the QDR would address.

> The QDR did not produce a long-term vision for the mix of U.S. military capabilities.

Although the four focus areas articulated the secretary's top priorities for the QDR as well as a clear judgment about where the department should seek to reduce risk, the 2006 QDR did not utilize a rigorous risk management framework to frame critical decisions for senior leaders. This is particularly puzzling in light of the fact that the 2001 QDR offered a risk management framework for "balancing the demands of the present against preparations for the future consistent with the strategy's priorities" and enabling the department to consider trade-offs among fundamental objectives and resource constraints.[13] The 2001 risk framework included four related types of risks: force management risks, which referred to the ability to recruit, retain, train, and equip sufficient numbers of quality personnel and sustain the readiness of the force while accomplishing its operational tasks; operational risks, which meant the ability to achieve military objectives in near-term contingencies; future challenges risks, which referred to the ability to invest in new capabilities and develop new operational concepts to meet mid- to long-term challenges; and institutional risks, which meant the ability to develop management practices that promote an efficient and effective defense establishment.[14] Unfortunately, this framework for managing risk was never fully developed or utilized in the years between the two defense reviews and appeared to be largely ignored in the decisionmaking process of the 2006 QDR.

Reshaping the U.S. Military for the Twenty-first Century

The central challenge of this QDR was to adapt the U.S. military to be better prepared to meet twenty-first-century threats and opportunities, particularly nontraditional challenges. Reshaping the U.S. military for the future requires developing a new construct for sizing and shaping U.S. forces in the near to mid-term, articulating a long-term vision of the portfolio of capabilities the U.S. military needs for the future, and identifying the shifts in investment required to achieve that vision.

A NEW FORCE-PLANNING CONSTRUCT

One of the most important results of the 2006 QDR is a new construct for sizing and shaping U.S. forces, for determining what mix of military capabilities are needed and how much is enough. Prior to the 2006 QDR, there was a good deal of consensus in the defense community that the so-called 1-4-2-1 metric developed in the 2001 QDR had been too complicated to explain to the uninitiated and was rendered somewhat obsolete by the events of September 11, 2001. The 1-4-2-1 force-planning construct called on U.S. forces to be able to defend the homeland; deter aggression and reassure allies through forward deployments in Europe, Northeast Asia, the East Asian littoral, and the Middle East/Southwest Asia; fight two major combat operations nearly simultaneously and swiftly defeat adversaries in each theater; and win decisively in one of the two major operations, including regime change if necessary.[15] In practice, however, the military requirements of homeland defense were never fleshed out in any detail. In addition, after the September 11 attacks, the United States found itself confronting serious challenges outside the four key regions and engaging in a global war on terrorism and several counterinsurgency campaigns, none of which was captured in the 2001 framework. In 2005 the Defense Department needed a new conceptual framework for assessing and explaining the size of its forces and the mix of its capabilities, one that encompasses and balances the requirements of a broad range of twenty-first-century missions.

Under the new construct, the U.S. military is sized and shaped for three main types of missions: homeland defense, the war on terrorism/irregular warfare, and conventional campaigns. In each case, U.S. forces must be able to meet the peacetime or steady-state requirements associated with a given set of operations, to surge for crisis operations, and to maintain a rotation base adequate to sustain longer operations over time. In the category of irregular warfare, for example, steady-state requirements include establishing partnerships with allies to train and equip other militaries for operations such as counterterrorism and counterinsurgency, whereas surge require-

ments would include conducting the types of stabilization, reconstruction, and counterinsurgency operations seen today in Iraq and Afghanistan. An important feature of this construct is that it preserves the fundamental requirement that the U.S. military should be able to fight two major conventional campaigns nearly simultaneously, swiftly defeating adversaries in both and winning decisively in one. Alternatively, it states that the United States should be able to conduct one major and prolonged irregular warfare campaign and one major conventional campaign in overlapping time frames. This framework also acknowledges that the military needs additional personnel to generate, train, and sustain forces for these missions.

> One of the most important results is a new construct for sizing and shaping U.S. forces.

Perhaps the most innovative aspect of this new force-planning construct is that it puts both homeland defense and irregular warfare on an equal footing with conventional war fighting. Although homeland defense was first given prominence in the 2001 QDR and the 1-4-2-1 construct, this emphasis turned out to be more rhetorical than real. The new force-planning construct appears to unpack the military requirements of homeland defense in a bit more detail, but it stops far short of the specificity needed to adjust the mix of U.S. military capabilities for this set of missions. The new construct also recognizes the unique requirements of irregular warfare and the fact that large-scale stability operations or counterinsurgency campaigns may stress U.S. ground forces even more than conventional wars, as the United States has learned all too well in Iraq. This new emphasis on the requirements of irregular warfare also resulted in a new Defense Department Directive on Stability Operations, under which such operations are considered "a core U.S. military mission … [that] shall be given priority comparable to combat operations."[16] This is an important and welcome step forward in the Defense Department's thinking.

The new force-planning framework should also be praised for reintegrating notions of peacetime engagement as well as shaping into U.S. defense policy. In the defense strategy developed in the 1997 QDR, shaping the international security environment was treated as a pillar of U.S. defense strategy and a major focus of U.S. military activity in peacetime.[17] Shaping referred to a broad range of military activities that contributed to promoting regional stability, preventing conflicts and reducing threats, and deterring aggression and coercion on a day-to-day basis in key regions of the world. These activities included stationing and deploying forces abroad; establishing combined training, exercises, and other military-to-military interactions; and creating programs such as defense cooperation, security assistance, in-

ternational military education and training, and international arms cooperation. Shaping was dropped from the Defense Department lexicon in the 2001 QDR as the Bush administration sought to put its own mark on U.S. defense strategy and reign in some of the peacetime activities of the regional combatant commanders. In the 2006 QDR, partnerships with the militaries of other nations as well as shaping the security environment have been given renewed emphasis in each of the three mission baskets included in the new force-planning construct.

The new construct is also intended to have different implications for each of the military services. The emphasis on irregular warfare, for example, is intended to reorient the Army and the Marine Corps from their traditional focus on high-end war fighting and more toward the day-to-day demands of fighting the global war on terrorism and undertaking counterinsurgency as well as stability operations. This construct requires U.S. ground forces to maintain essential warfighting capabilities but also pushes them to rebalance their mix of capabilities to place greater emphasis on meeting irregular challenges. By contrast, the construct aims to maintain the focus of the Air Force and the Navy primarily, though not exclusively, on the capabilities needed to fight and win the conventional wars of the future, including conflicts involving disruptive challenges such as a near-peer competitor's efforts to deny the U.S. military access to a region of interest or conflict.

> Congress should consider requiring a QDR only from new administrations.

In light of this new force-planning construct, the QDR acknowledges the need for fairly significant shifts in the mix of U.S. military capabilities. At the same time, however, it asserts that the size of the force is about right. This judgment is particularly puzzling in light of recent experiences in Iraq and Afghanistan. Given that U.S. ground forces are being stretched almost to the breaking point by the prolonged irregular warfare campaign in Iraq, how can the current force be judged adequate to meet the more ambitious requirement of conducting both a large irregular warfare campaign and a major conventional campaign at the same time? One would have to make the high-risk, even dangerous assumption that a future war would not require substantial ground forces. This calls into question the wisdom of some of the force structure cuts recommended in the review, particularly the proposal to reduce the active duty Army from 43 planned Brigade Combat Teams to 42 and the Army National Guard from 34 to 28. These recommendations appear to have been driven more by budgetary constraints than by the force planning construct itself.

Nevertheless, over time this new force-planning construct has the potential to help the U.S. military rebalance its mix of forces and capabilities to adapt better to the new security environment. Although aspects of the construct appear to have been deliberately left ambiguous to achieve consensus among key stakeholders, the utility of the construct will ultimately depend on how it is used to clarify capability requirements and frame tough choices about where to minimize risk and where to accept risk and manage it. Unfortunately, the 2006 QDR appears to have made only limited and uneven use of this new construct in rebalancing the mix of capabilities that the U.S. military needs to adapt across the range of future contingencies.

> **B**uilding the capacity of others to fight terrorism is now essential to U.S. strategy.

A Long-Term Vision for the Right Mix of Capabilities

Perhaps the most universal expectation of the 2006 QDR was that it would produce a new, long-term vision for the mix of capabilities the U.S. military needs to be prepared for the future and identify basic shifts in investment—increases in high-priority programs and decreases in lower-priority ones—required to achieve that vision. Yet, the QDR fell far short of this expectation, which becomes particularly evident when the review's generally modest programmatic recommendations are contrasted with the more sweeping vision offered by a Pentagon-commissioned "red team" tasked with bringing the QDR's increased emphasis on nontraditional challenges to its logical conclusion.[18] The red team proposed a number of substantial changes for the U.S. military of the future, including cutting tactical air forces by 30 percent, canceling the Navy's DDX future destroyer, delaying the Army's Future Combat Systems, developing conventional theater ballistic missiles to strike high-value targets rapidly, building fast sealift ships and nuclear submarines, and developing a new long-range bomber.[19]

Although the military services may be relieved that more of the red team's recommendations were not implemented, the 2006 QDR fails to offer a comprehensive alternative vision that links challenges, capabilities, and programmatic changes. In some areas, such as irregular warfare, the QDR has done a good job of connecting the dots. To enhance U.S. capabilities for the global war on terrorism and irregular warfare, for example, the QDR calls for increasing by a third the number of Army Special Forces battalions, civil affairs personnel, and psychological operations forces; establishing a 2,600-person Marine Corps Special Operations component; increasing Navy SEAL team levels; establishing an SOF (Special Operations Forces) Un-

manned Aerial Vehicle squadron; making conventional ground forces more "SOF-like"; and putting more of the department's resources into critical areas such as human intelligence, linguistics, and cultural awareness. In other areas, such as homeland defense, the translation of strategy into capability requirements and programs appeared to be virtually nonexistent. With the notable exception of recommending $1.5 billion for medical countermeasures to deal with biological threats, the QDR failed to illuminate further the department's homeland defense requirements, despite the recent trauma of Hurricane Katrina and its aftermath, nor did it meaningfully enhance the role and capabilities of the National Guard in this mission area. This is one of the most significant opportunities lost in the review.

Enhancing Key Partner Capabilities

The 2006 QDR was also an opportunity to use the Defense Department's assets and influence to enhance the capabilities of interagency and international partners, without which the U.S. military cannot achieve its missions. Building up their capabilities is a laudable, although belated theme in the 2006 QDR.

Virtually every operation the United States conducts requires integrating all the instruments of the country's power—military, diplomatic, economic, and informational. When the government experiences operational failure or costs that are higher than expected, as in Iraq, it is often because of a lack of integrated interagency planning, interagency unity of effort on the ground, or rapidly deployable operational capacity outside the Defense Department. Although these issues go far beyond the Defense Department's purview, the U.S. military has a tremendous interest in ensuring that it has trained, ready, and resourced interagency partners in the field. Without them, the military is doomed to experience both mission creep, as it is forced to take on tasks for which it does not have a comparative advantage, and trouble developing viable exit strategies, as mission milestones for which others have the lead are not met.

The 2006 QDR proposed several initiatives to strengthen interagency unity of effort and build the capacity of other agencies. These initiatives include, among others, promoting the establishment of national security strategic-planning guidance, which would set national security policy priorities for the U.S. government and guide resource allocation across agencies; supporting the creation of more deployable, operational capacity in the civilian agencies of the U.S. government; enhancing opportunities for interagency education and training, including the establishment of a National Security University; developing a National Security Officer Corps, which would reward interagency experience for civilian and military professionals; and providing the president with greater flexibility in the allocation of funds for

interagency operations. Many of these initiatives were inspired in part by the findings and recommendations of outside interagency reform efforts[20] and should be applauded as important steps in the right direction.

Similarly, in the new security environment, international allies and partners are more instrumental than ever to the U.S. ability to achieve its national security objectives. Building the capacity of partner countries emerged as a key theme in the 2006 QDR. No matter how powerful the United States is as the world's sole superpower, in an era of globalization it cannot fight terrorism or stop WMD proliferation and use alone. The United States needs other countries to be willing and capable partners, whether they are European allies to operate alongside U.S. forces in operations or indigenous forces to prevent local and regional situations from becoming crises that require international intervention. Building their capacity is in the U.S. interest.

> There appears to be no political strategy to translate recommendations into realities.

The review placed particular emphasis on enhancing the capacity of international partners to police and secure their own sovereign territory to prevent the emergence of "ungoverned spaces" that could become safe havens for transnational terrorists. Given the presence of jihadist cells in at least 60 nations, building the capacity of others to fight terrorism and insurgency has become an essential element of U.S. strategy. Military engagement and security cooperation programs, quite prominent in U.S. defense strategy in the 1990s, are front and center once again on the Pentagon's policy agenda. The QDR argues that the department needs expanded authorities to provide greater assistance to coalition partners in the form of access to U.S. defense articles, lend/lease arrangements to obtain U.S. equipment, support for their participation in operations, and training and equipment for their security forces. The question is whether the department will be able to convince Congress to embrace this new policy focus and translate the QDR's recommendations into actual programs.

Gaining Agreement from Key Stakeholders

A truly successful QDR requires the buy-in not only of the Defense Department's senior civilian leadership but also of other stakeholders in the nation's defense enterprise, principally the military leaders who will implement the policy, the members of Congress who will appropriate funds for it, the industry leaders who will help develop the capabilities needed, and the

key international allies on whom the United States relies and who will be directly affected by the recommendations. Therefore, every QDR must have a political strategy designed to build the stakeholder coalitions necessary to translate its recommendations into realities.

The 2006 QDR appears not to have developed such a political strategy. Although the review has certainly engaged senior leaders in the military in a variety of ways, far less engagement has occurred with key members and committees on Capitol Hill. This QDR did not include a regular consultation process with the chairs and ranking members of the key defense committees in the Senate and House of Representatives. This lack of engagement and the level of mistrust it has engendered was one of the factors that led the House Armed Services Committee to undertake its own Congressional Defense Review.[21] As a result, few if any members have developed any sense of ownership of or support for the QDR's findings and recommendations prior to the president's submission of his budget to Congress. Although the relative timidity of many of the review's programmatic recommendations may help it survive congressional scrutiny, the Pentagon's failure to "prepare the battlefield" on Capitol Hill may increase the difficulty associated with implementing some of the QDR's more controversial recommendations.

Similarly, this QDR provided little opportunity for industry to engage with Defense Department leaders on adapting the department's capabilities for a new era. Here again, there was little substantive consultation with the major defense contractors. In this case, lack of engagement not only reduced the private sector's buy-in of the QDR's results; it also lost an opportunity to harness defense contractors' ideas, innovation, and expertise and to gain valuable allies when approaching Congress.

In contrast to the minimal engagement with Congress and industry, the QDR's leaders did engage a number of the United States' closest international allies and partners in developing the review. In a fairly radical and welcome departure from past practice, military officers from some of the country's closest allies, including Canada, the United Kingdom, and Australia, participated in a series of high-level roundtable discussions addressing each of the four core challenges and were also integrated into the QDR staff. This involvement enabled representatives of U.S. allies to take part in central discussions and contribute to the development of new concepts and approaches. In addition, the Office of the Secretary of Defense held consultations with representatives from the United Kingdom, Canada, Australia, Italy, the Netherlands, Germany, Sweden, Poland, Singapore, Japan, Korea, and India, as well as NATO. By all accounts and somewhat ironically, international stakeholders were engaged far more intensively than were some of the key domestic stakeholders.

The Final Analysis

When judged by these four criteria—a strategic framework for setting priorities and allocating risk, reshaping U.S. military capabilities for the twenty-first century, enhancing the capabilities of interagency and international partners, and a political strategy to gain buy-in from stakeholders—the 2006 QDR was really two reviews that combined progress made with opportunities missed. The first part of the QDR focused on strategy and planning constructs and yielded important refinements to the way the Defense Department thinks about the U.S. military's missions and requirements in the post–September 11 security environment. The second part of the QDR was a largely budget-driven program review that ultimately failed to make the tough choices required to implement the strategy fully.

The QDR stopped short of pioneering a new and more rigorous approach to defense planning and risk management that would better enable senior decisionmakers to create and manage a portfolio of capabilities that can adapt to a broad range of future missions. Perhaps the largest disappointment of the 2006 QDR was its failure to articulate a comprehensive, long-term vision of the capabilities the U.S. military needs for the future and to identify the shifts in investment needed to realize that vision. It did not adequately realign the U.S. defense program and budget with the realities of the new security environment, and it failed to make the necessary connections between stated strategic priorities, capabilities required, and actual programmatic decisions in all four focus areas.

Absent a compelling framework that links challenges, capabilities, and programs, the 2006 QDR is vulnerable to the same criticisms that have plagued past reviews. Although the review produced some welcome refinements in strategy, it was not driven by strategy and, in the end, devolved into budget-driven horse trading. There are several explanations for this outcome.

First, although outsiders viewed this QDR as Rumsfeld's legacy, it appears that the secretary himself never took full ownership of the process. In contrast to the 2001 QDR, when the defense secretary had been deeply and personally involved in virtually every decision made, Rumsfeld was far less engaged in the 2005 review, leaving the bulk of the work to his subordinates in the Office of the Secretary of Defense and the Joint Staff. Given that he and other senior Defense Department leaders were deeply engaged in the global war on terrorism and U.S. operations in Iraq and Afghanistan and that these wars were proving quite difficult to win, this may be understandable. This lack of ownership at the top, however, constrained the extent to which the review was able to get senior leaders to make tough decisions.

Second, although those who were most heavily involved in the QDR set high expectations for what it would ultimately produce, those expectations were not universally shared across the Defense Department's leadership. Outside of the policy office of the secretary of defense, few senior leaders in the department were looking to the QDR to produce substantial changes. Indeed, many were skeptical that it would or, even worse, were actively hoping that it would not.

Third and perhaps most importantly, the leadership of the review changed midway through the process. When Gordon England became the acting deputy secretary of defense in May 2005, Rumsfeld charged him with running the QDR on a day-to-day basis. England's predecessor, Paul Wolfowitz, had been the point man for the QDR, but by the time England inherited the review, the process had lost its strategic focus. In taking the reins of the QDR, England sought

> The QDR was really two reviews that combined progress made with opportunities missed.

to refocus the effort to frame key decisions for the secretary by commissioning an external red team to create specific programmatic benchmarks for the review and by reorganizing the internal effort into 12 new focus areas: integrated joint ground capabilities, integrated joint air capabilities, integrated joint maritime capabilities, integrated joint Special Operations Forces capabilities, global deterrence, combating WMD, situational awareness, mobility, homeland defense, global common areas (space and cyberspace), building partnerships, and strategies for developing human capital. Although England succeeded in injecting new energy and focus into the review, the emphasis on the original four focus areas was not recovered until it came time to write the QDR report. Although the QDR was originally intended to be a vehicle for making strategic shifts in the department's orientation and resource allocation, the rule that for every increase in spending proposed one had to offer a specific offset ultimately stifled innovation in many areas and condemned the latter part of the review to pursue an important but far more modest goal: rationalizing the defense program in light of projected budget constraints.

Overall, the 2006 QDR fell far short of its objectives. Rather than being "a fulcrum of transition to a post–September 11 world" or "the most fundamental review of the U.S. military posture since the dawn of the Cold War,"[22] as was originally anticipated, the QDR made only a few significant adjustments to the U.S. defense program. At the end of the day, much of the strategy was lost somewhere in translation.

Reconceptualizing the QDR Exercise

Pentagon officials have sought to blunt the criticism that the QDR has failed to deliver sufficiently substantial changes by offering the notion of a "rolling QDR," in which the end product is "capabilities guidance" and not necessarily specific programmatic decisions, and by maintaining that important decisions will continue to be made outside the time frame of the formal review process. In practice, this means deferring some of the most contentious trade-offs to the 2008 budget cycle and beyond. Realistically, however, by that time the Bush White House will be a lame duck administration with one less budget cycle to influence and less of an opportunity to implement its proposed changes successfully.

Looking beyond this most recent exercise, it is worth questioning whether quadrennial defense reviews should remain a cornerstone of U.S. defense planning. If many of them result in only modest programmatic changes, are they worth the time and effort they require? Critics of the QDR process argue that "the 'big bang' approach to defense transformation doesn't work and that transforming the Defense Department can only be done one big decision at a time through a robust strategic planning process that tees up strategic choices for the leadership and enables them to make decisions that establish the strategic direction of the department."[23] Nevertheless, the QDR remains a useful way for a new administration coming into office to set its strategic priorities for the department and infuse those priorities into the defense program, budget, and activities of the military. More questionable is requiring a second-term administration to conduct a QDR. Presumably, a sitting administration will have established its priorities and agenda in its first term, and its second QDR is unlikely to auger a radical departure from its chosen path. This was certainly true of the 1997 QDR and the 2006 QDR, both of which refined more than they fundamentally changed. Congress should therefore consider revising the law to require a QDR only from new administrations.

Beyond the QDR itself, the Defense Department needs a new and more rigorous approach to defense planning, one that provides the analytic basis for setting strategic priorities, allocating risk, and managing a portfolio of capabilities. Ideally, such an approach would be a blend of capabilities-based and threat-based planning, using dozens of scenarios in different combinations to understand what kinds of capabilities may be required in the future and to develop a portfolio of U.S. capabilities that is robust across that range. More specifically, this process should broaden the set of scenarios used for force planning to represent the full range of plausible scenarios,[24] not just the most likely or well understood near-term contingencies. Although the QDR developed a somewhat broadened set of planning scenarios and con-

ducted an operational availability study to assess how the force would perform over time against a variety of contingencies, this study was too limited in time, resources, and scope to illuminate the full range of risk allocation issues that Washington needs to address moving forward.[25]

Ideally, the defense planning process should be highly iterative and include an assessment of each of these scenario's individual demands, to be determined through war games, simulations, red teaming, and modeling, and should then examine the stresses placed on U.S. forces when scenarios are confronted in different combinations. The latter step would help to identify areas of capability shortfalls as well as excesses and could inform senior leaders' judgments about how and where to manage risk. This more robust approach to defense planning would require the department to make a more serious investment in analytic tools, yet this would not be terribly costly. Most importantly, such an approach would encourage the senior civilian leadership in the Pentagon to embrace an analytic framework for setting priorities and allocating risk and actually to use that framework in its day-to-day decisionmaking.

> A new and more rigorous approach to defense planning is needed.

The ultimate objective of this planning process would be to use the insights gleaned to adjust the mix of capabilities to increase the U.S. military's adaptability across a range of future challenges, reduce the level of risk in high-priority areas, and identify hedges as a means of managing risk in lower-priority areas. If properly implemented, this approach could go a long way toward framing the risks involved in any potential, major force-structure or programmatic change. Without such explicit and transparent risk assessment, it is impossible to make informed judgments about how much of a given capability is enough and whether a proposed change is in the nation's interests.

Notes

1. *National Defense Authorization Act for Fiscal Year 1997,* Public Law 201, 104th Cong., 2d sess. (September 23, 1996), http://www.defenselink.mil/topstory/quad_leg.html.

2. Although the 2001 QDR was released shortly after the September 11 attacks, the review itself was conducted before they occurred.

3. Office of the Undersecretary of Defense (Comptroller), "National Defense Budget Estimates for FY 2006," Washington, D.C., April 2005, p. 81, table 6-5, http://www.dod.mil/comptroller/defbudget/fy2006/index.html.

4. See James Kitfield, "Defense Cuts Compel Transformation," *National Journal*, January 29, 2005, pp. 300–301.

5. Gopal Ratman, "QDR May Devolve Into a Budget-Cutting Recipe," *Defense News*, November 7, 2005, p. 6.

6. Office of the Undersecretary of Defense (Comptroller), "National Defense Budget Estimates for FY 2006."

7. Douglas Holtz-Eakin, "The Potential Costs Resulting From Increased Usage of Military Equipment in Ongoing Operations," testimony before the U.S. House of Representatives Committee on Armed Services, Subcommittee on Readiness, Washington, D.C., April 6, 2005.

8. Ryan Henry, "Defense Transformation and the 2005 Quadrennial Defense Review," *Parameters* 35, no. 4 (Winter 2005–06): 5.

9. National Intelligence Council, "Mapping the Global Future: Report of the National Intelligence Council's 2020 Project," December 2004.

10. Ibid., p. 17.

11. Henry, "Defense Transformation and the 2005 Quadrennial Defense Review," pp. 5–15.

12. Ibid., p. 9.

13. U.S. Department of Defense, "Quadrennial Defense Review Report," September 30, 2001, pp. 57–58.

14. Ibid. This framework was influenced by the work of the National Defense University QDR 2001 Working Group. See Kenneth F. McKenzie Jr., "Assessing Risk: Enabling Sound Defense Decisions," in *QDR 2001: Strategy-Driven Choices for America's Security*, ed. Michèle A. Flournoy (Washington, D.C.: National Defense University Press, 2001), pp. 193–216.

15. Henry, "Defense Transformation and the 2005 Quadrennial Defense Review," p. 10.

16. U.S. Department of Defense, "Directive #3000.05," Washington, D.C., November 28, 2005, http://www.dtic.mil/whs/directives/corres/pdf/d300005_112805/d300005p.pdf.

17. U.S. Department of Defense, "Report of the Quadrennial Defense Review," Washington, D.C., May 1997, pp. 9–10.

18. For the public version of the red team's report, see Andrew Krepinevich, *Quadrennial Defense Review: Rethinking the U.S. Military Posture* (Washington D.C.: Center for Strategic and Budgetary Assessment, 2005).

19. Vago Muradian and Gopal Ratnam, "U.S. Services Brace for Cuts," *Defense News*, October 17, 2005, p. 1.

20. Clark Murdock and Michèle Flournoy, et al., *Beyond Goldwater Nichols: Defense Reform for a New Strategic Era—Phase II Report* (Washington, D.C.: CSIS Press, 2005), pp. 26–87.

21. U.S. House of Representatives, Committee on Armed Services, "CDR: Fact Sheet," Washington, D.C., September 20, 2005, http://www.house.gov/hasc/CDR/CDRFactSheet.pdf. See Vince Crawley, "No Crystal Ball for Threats to the Homeland," *Federal Times*, December 17, 2005, p. 13.

22. Krepinevich, *Quadrennial Defense Review*, p. v.

23. Clark Murdock, correspondence with author, December 29, 2005.

24. For example, Krepinevich proposed a series of "color plans" for this purpose. Krepinevich, *Quadrennial Defense Review*, pp. 53–78.

25. For a brief description of the Operational Availability Study '06, see "England Pares QDR Agenda Down to Size, Sets Stage for July Summit," *Homeland Defense Watch*, July 11, 2005.