DOCUMENTED BRIEFING

RAND

Quadrennial Defense Review 2001

Lessons on Managing Change in the Department of Defense

John Y. Schrader, Leslie Lewis,
Roger Allen Brown

Prepared for the
Joint Staff

National Defense Research Institute

20030711 015

Approved for public release; distribution unlimited

The research described in this briefing was sponsored by the Joint Staff. The research was conducted in RAND's National Defense Research Institute, a federally funded research and development center supported by the Office of the Secretary of Defense, the Joint Staff, the unified commands, and the defense agencies under Contract DASW01-01-C-0004.

ISBN: 0-8330-3189-9

The RAND documented briefing series is a mechanism for timely, easy-to-read reporting of research that has been briefed to the client and possibly to other audiences. Although documented briefings have been formally reviewed, they are not expected to be comprehensive or definitive. In many cases, they represent interim work.

RAND is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND® is a registered trademark. RAND's publications do not necessarily reflect the opinions or policies of its research sponsors.

© Copyright 2003 RAND

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from RAND.

Published 2003 by RAND
1700 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138
1200 South Hayes Street, Arlington, VA 22202-5050
201 North Craig Street, Suite 202, Pittsburgh, PA 15213-1516
RAND URL: http://www.rand.org/
To order RAND documents or to obtain additional information, contact Distribution Services: Telephone: (310) 451-7002; Fax: (310) 451-6915; Email: order@rand.org

PREFACE

This documented briefing summarizes analysis performed for the Joint Staff in preparation for and in support of the second Quadrennial Defense Review (QDR), during the period from spring 1999 through summer 2001. The focus is the management of analysis of complex "cross-cutting" issues to ensure that senior decisionmakers know the strengths and weaknesses of arguments surrounding difficult policy and resource issues. This is essentially an "after-action report" for QDR 2001.

The research tracks through what actually occurred in contrast to what was planned to occur. The tragic events of September 11, 2001, truncated the planned end-game for the QDR, but we believe it is important to capture the dynamics of the process, as far as it went. This research will be of interest to the Joint Staff, the military services, and the Office of the Secretary of Defense (OSD), as well as other professionals interested in defense management processes.

This research was conducted for the Director for Force Structure, Resources, and Assessment (J-8) within the International Security and Defense Policy Center of RAND's National Defense Research Institute, a federally funded research and development center sponsored by the OSD, the Joint Staff, the unified commands, and the defense agencies.

CONTENTS

Preface iii

Acknowledgments vii

Abbreviations ix

Introduction 1
Previous Reviews 3
Joint Staff Involvement in QDR 2001 10
Cross-Cutting Issues 25
Conclusions and Recommendations 36

Appendix: QDR 2001 "Must Address" Items 43

Bibliography 47

ACKNOWLEDGMENTS

This study would not have been possible without the cooperation and support of sponsors and the Joint Staff QDR team members. The research team was given access to Joint Staff QDR activities and a wide range of relevant documents. The sponsors in the Studies and Analysis Management Division (SAMD), Col Steve Mirr, USA, and Col Michael Altomare, USA, and our project monitors Lt Col Tim Sakulich, USAF, and Lt Col Norman Edwards, USAF, provided continuity, encouragement, and insights on the process. John Gordon and Dan Fox provided insightful reviews that helped to clarify some of the issues raised in this analysis. Any remaining errors are solely the responsibility of the authors.

ABBREVIATIONS

AC-RC	Active Component–Reserve Component
BRAC	Base Realignment and Closure
BUR	Bottom-Up Review
BW	Biological warfare
C4ISR	Command, control, communications, computers, intelligence, surveillance, and reconnaissance
CINC	Commander in chief
CJCS	Chairman, Joint Chiefs of Staff
CONOPS	Concepts of operation
CS/CSS	Combat Support/Combat Service Support
DCB2K	Dynamic Commitment Beyond 2000
DHP	Defense Health Program
DOPMA	Defense Office Personnel Management Act
DPRK	Democratic People's Republic of Korea
DRID	Defense Reform Initiative Directive
EWG	Executive working group
FGCS	Force Generation, Capability, and Structure
GOSC	General Officer Steering Committee
HD/LD	High-Demand/Low-Density
HR	Human resources
IPT	Integrated Product Team
IS	Information Superiority
JCS	Joint Chiefs of Staff
JROC	Joint Requirements Oversight Council

JSPS	Joint Strategic Planning System
JSR	Joint Strategy Review
JWCA	Joint Warfighting Capabilities
MOD	Modernization
MRC	Major regional contingency
MRS-05	Mobility Requirements Study 2005
MTW	Major theater war
NDP	National Defense Panel
NEA	Northeast Asia
NEO	Noncombatant Evacuation Operation
NMS	National Military Strategy
OBPRM	Objectives-Based Planning and Resource Management
OOTW	Operations Other Than War
OPTEMPO	Operational tempo
OSD	Office of the Secretary of Defense
PERSTEMPO	Personnel Tempo
POM	Program Objectives Memorandum
PPBS	Planning, Programming, and Budgeting System
QDR	Quadrennial Defense Review
RCE-05	Reserve Component Employment Study 2005
SAGD	Studies and Analysis Gaming Division
SAMD	Studies and Analysis Management Division
SECDEF	Secretary of Defense
SLRG	Senior Level Review Group
SMI	Sustainment, Mobility, and Infrastructure

SRA	Strategy and Risk Assessment
SSC	Smaller-scale contingency
SWA	Southwest Asia
TIJE	Transformation, Innovation, and Joint Experimentation
TOR	Terms of Reference
WMD	Weapons of mass destruction

Purpose

- **Provide insights for the Joint Staff on managing periodic reviews of cross-cutting issues by examining the processes in the 2001 Quadrennial Defense Review**
  - **Focus on Joint Staff activities**
  - **Identify external factors that shaped the process**
  - **Contrast processes, perspectives, and outcomes with previous reviews**
- **Support J-8 Studies and Analysis Management Division in developing an analysis plan for routine review of cross-cutting issues**

RAND

INTRODUCTION

This paper was prepared to summarize lessons learned from the 2001 Quadrennial Defense Review (QDR 2001). RAND has been supporting the Joint Staff through the most recent defense reviews. Our research has examined the first QDR conducted in 1997[1] but also included analysis of the less-formal Base Force Review in 1992.[2] Our long-term involvement provides a unique perspective on how the Joint Staff has evolved in supporting the Chairman of the Joint Chief of Staff (CJCS) in his expanded role mandated by the Goldwater-Nichols legislative changes to Title X statutes.[3] This and subsequent changes to Title X, U.S. Code, include formal responsibilities to review and comment on defense matters that require analytic support as well as military judgment.

---

[1]See Schrader et al., *Quadrennial Defense Review (QDR) Analysis 1999.*

[2]See Lewis, Roll, and Mayer, 1992, *Assessing the Structure and Mix of Future Active and Reserve Forces: Assessment of Policies and Practices for Implementing the Total Force Policy.*

[3]Goldwater-Nichols Department of Defense Reorganization Act of 1986, PL 99-433, 1 Oct. 1986.

The Director for Force Structure, Resources, and Assessment (J-8) assists the CJCS by managing a process that can provide credible and timely analysis to support high-level review of important issues.

Congress mandated that another QDR be conducted in 2001[4] and the Joint Staff implemented a structure to develop information for the CJCS. The structure for this QDR was built around lessons learned from QDR 1997. The findings of this analysis are intended to shape Joint Staff preparations for subsequent major review and to better address cross-cutting issues that arise between major reviews.

This analysis will focus on the activities of the Joint Staff. However, the actions of the Joint Staff were strongly influenced by the external environment that included the military service staffs and the staff of the Office of the Secretary of Defense (OSD), as well as the White House and Congress. The activities were shaped by a new administration that changed planned timing for the review to allow the new Secretary of Defense (SECDEF) to use the review to set his agenda for the next four years. Ultimately, the results of the QDR were shaped by the terrorist attacks of September 11, 2001, as the government refocused on the new challenges and a different set of priorities. The Joint Staff was working from a paradigm from QDR 1997 that envisioned integration and partnership with OSD. Although they came up in QDR 2001, many of the issues raised in the review will not go away, even with increased resources. In many cases, they are the same issues that came up in previous reviews. The legislation for this QDR was similar to QDR 1997, but there was a lack of clarity about exactly what Congress was looking for. Understanding how issues were handled and why they were not resolved will help the Joint Staff prepare for subsequent reviews.

This analysis will address the following in turn: previous reviews, Joint Staff involvement in QDR 2001, examples of cross-cutting issues and how they were treated, and, finally, some conclusions and recommendations.

---

[4]National Defense Authorization Act, 1999.

Previous Reviews

- **Base Force**
  - Implementation of peace dividend
  - Major, balanced force structure reductions
  - Cheney-Powell response to collapse of USSR
- **Bottom-Up Review**
  - Clarified post–Cold War strategy
  - Minor, balanced force structure reductions
  - Part of new administration's transition
- **QDR 1997**
  - Emphasized demands of BUR strategy
  - Minor, balanced end-strength reductions
  - Congressionally mandated with concurrent NDP
  - Perceived by some as "budget driven"

RAND

PREVIOUS REVIEWS

Reviews of defense strategy are not new. One of the most famous resulted in a National Security Council document principally authored by Paul Nitze in 1950 titled "U.S. Objectives and Programs for National Security (NSC-68)." It "recorded the agreement of senior U.S. foreign-policy makers about the nature and magnitude of the Soviet threat to U.S. interests and the steps to be taken to meet that threat."[5] More recently, reviews have focused on strategy in the post–Cold War era. As the Soviet Union collapsed, there was a need to adjust both force structure and strategy for Congress and the general public. There is a chicken-and-egg dimension to defense strategy development. Clearly, the President determines "whither defense," but reviews can begin in the Pentagon and rise to the President for codification, they can start with a new strategy document from the White House with the details of implementation left the to Pentagon leadership, or, as has been the case in recent history, Congress can direct that a review be performed. In any case, fiscal

[5]See Haley, Keith, and Merritt (1985), p. 38.

constraints shape where in the spectrum of possible strategies an administration can expect to operate.

The first of the modern reviews is frequently referred to as the "Base Force Analysis." It was conducted by then Defense Secretary Richard Cheney in close coordination with the Chairman of the Joint Chiefs of Staff General Colin Powell, USA, in 1989. The Base Force developed in this review was intended to define the minimum force needed to execute the new strategies that had been approved earlier in 1989. It cautioned against greater reductions until it was clear that all Cold War dangers had disappeared.[6]

By 1993, when the Clinton administration came into office, the force reductions planned during the Base Force Analysis were well under way, but the strategy replacing the focus on central Europe and nuclear deterrence was unclear. Defense Secretary Les Aspin had proposed possible alternative force postures while serving as Chairman of the House Armed Services Committee. These options were incorporated in a more formal "Bottom-Up Review" (BUR) that presented alternative strategies focusing on two major regional contingencies (MRCs), nominally Southwest Asia (SWA) and Northeast Asia (NEA). Options were characterized as "Win-Hold-Win" and "Win-Win." The review resulted in a floor on force reductions but acknowledged that planned forces were inadequate to meet the postulated threats without enhancements that were planned to improve the capabilities of the resulting force structure.[7] Planned enhancements included more sealift and airlift, better strike capabilities, and increased lethality for ground forces. The strategy acknowledged the need for forces to conduct peace enforcement and intervention operations but concluded that, "These capabilities can be provided largely by the same collection of general purpose forces needed for the MRCs."[8] This was the beginning of the recognition that a "mismatch" existed between the defense strategy and the resources allocated to support it.

By 1997, some members of Congress[9] had become concerned that the annual reports of the SECDEF to the President and Congress did not

---

[6]See Larson, Orletsky, and Leuschner (2001) for a detailed review of the Base Force Analysis.

[7] See Aspin (1993), p. 11.

[8]See Aspin (1993), p. 13.

[9]Bipartisan concerns were represented by Sen. Dan Coates (R-Ind.) and Sen. Joseph Lieberman (D-Conn.), who ultimately cosponsored the QDR legislation.

adequately address defense strategy vis-à-vis the forces and resources required to support the strategy. These concerns resulted in legislation mandating a review by the Department of Defense (DoD) at the beginning of a new presidential term and an external review by a panel of experts (designated the National Defense Panel). QDR 1997 resulted in minor adjustments to end strength and few programmatic adjustments. It was strongly criticized for not adequately addressing future requirements and the transformation necessary to maintain capabilities into the future. In particular Senator Lieberman commented:

> the report issued today does not live up to the high expectations I had for it. . . . This report represents, as others have said, essentially a "salami-slicing" approach. It is not dramatic change, nor does it seem to point to future dramatic changes to deal with increased workload for our military forces to respond to the much more complicated geopolitical situation nor to changes in technology, which have created a revolution in military affairs.[10]

In fact, QDR 1997 represented a negotiated settlement providing adjustments to fix some modernization funding problems through symmetrical reductions in force structure and civilian manpower. It included consensus decisionmaking between the SECDEF and the Joint Chiefs of Staff (JCS), but many of the planned reductions never occurred (particularly those that affected the reserve components).

QDR 1997 was important in the emergence of the impact of peacetime contingencies on resources for modernization. These operations had been identified in the BUR but were treated as lesser and included missions that could be dealt with within planned resources for major contingencies. During the review, the services and the Joint Staff made clear that the increasing scope of peacekeeping and other "smaller-scale contingencies" (SSCs) were causing serious problems. As a result, major force reductions to pay for modernization and transformation were essentially taken off the table. However, the requirement to be able to fight two nearly simultaneous major theater wars (MTWs) was not changed.

---

[10]See *Congressional Record*, "The Quadrennial Defense Review" (Senate—May 19, 1997, p. S4673).

General Service Perspectives on QDR 97

- **Overall**
  - **QDR was a damage-limiting exercise. There was little expectation of any gain and a high risk of major losses.**
  - **The cost of the QDR in terms of manpower committed and leadership opportunity costs far outweighed its payoff.**
  - **Acceptance of concept of services retaining savings from efficiencies a big plus—if it is sustained.**
  - **QDR generally viewed as a resource drill.**
  - **Some of attempts at openness were counterproductive because lower-level representatives were not empowered to commit their leaders.**

RAND

RAND's review of QDR 1997 included interviews with the military service staffs as well as the Joint Staff QDR participants. Their shared views are summarized above in the figure above. There was opportunity for service participation, but there was no "forcing function" for change. Because no one lost more than the considerable time that went into the QDR, it was not a major event. The QDR began with expectations that defense accounts would be reduced to pay for increases in domestic programs, but the passage of a balanced budget amendment during the QDR ensured little change for defense top-line resources and little need for major changes in forces or programs.[11] In the end, services were assigned resource targets with freedom to choose how to achieve savings in manpower costs. This resulted in end-strength reductions of 15,000–25,000, which were only partially implemented.

Service participation in option development was constrained throughout the QDR because major changes needed to be approved by the senior leadership before they could be considered in lower-level working

[11]Prior to argument on a balanced budget amendment, a perception was widely shared that demands for increased domestic spending would result in major reduction in defense spending. The argument included "firewalls" to protect defense allocations.

groups. When force structure or programmatic alternatives were put on the table as possible alternatives, they were often disowned at higher levels of review. These constraints also affected members of the Joint Staff who were reluctant to be perceived as "getting out in front."[12]

---

[12]In this context, we mean that, since the military chain of command flows downward from the SECDEF to the CINCs and the CJCS, some assume that initiatives from lower echelons would be out of order. There is an important distinction between supporting a decision after it is made and providing advice while decisions are being considered. During the QDR preparation phase, some who wanted to limit the scope of Joint Staff involvement argued that Joint Staff analysis would be presumptuous and would limit the flexibility of the new administration. Raising the specter of "getting out in front" became a cover for advocating no change.

Specific Service Perspectives on QDR 97 Results

- Army
  - Representation of Capabilities
    - Dynamic Commitment and Readiness analysis strengthened Army's case for current force structure
    - Lack of well-defined new concepts from Force XXI limited case for modernization
  - Satisfaction with Results
    - Very satisfied
    - General perception in summer 1996 was that Army force structure would be bill-payer (two divisions)
  - QDR exposed AC-RC rift without generating insights on how to resolve problems
- Navy
  - Representation of Capabilities
    - Focus on demands of current operations reinforced Navy case for forward presence and capabilities of deployed task forces
  - Satisfaction with Results
    - Because services were essentially permitted to solve their own problems, it was viewed as a limited success
- Air Force
  - Representation of Capabilities
    - Serious concerns about representation of the potential of airpower. Models did not adequately support emerging new capabilities, and concepts of operation did not reflect Air Staff preferences.
    - DC games and readiness analysis did show how heavily air forces are committed to shaping activities.
  - Satisfaction with Results
    - Although no major programs were canceled and the need for F-22 and JSF was firmly established, the QDR was viewed as a lost opportunity.
- Marine Corps
  - Representation of Capabilities
    - Very satisfied with visibility and relevancy of Marine Expeditionary Units in SSCs and shaping
    - Experimentation and new concepts built image of innovation and flexibility
  - Satisfaction with Results
    - Because senior military leadership was able to gain control in end-game, outcomes were acceptable if not remarkable
    - V-22 acceleration an unanticipated bonus

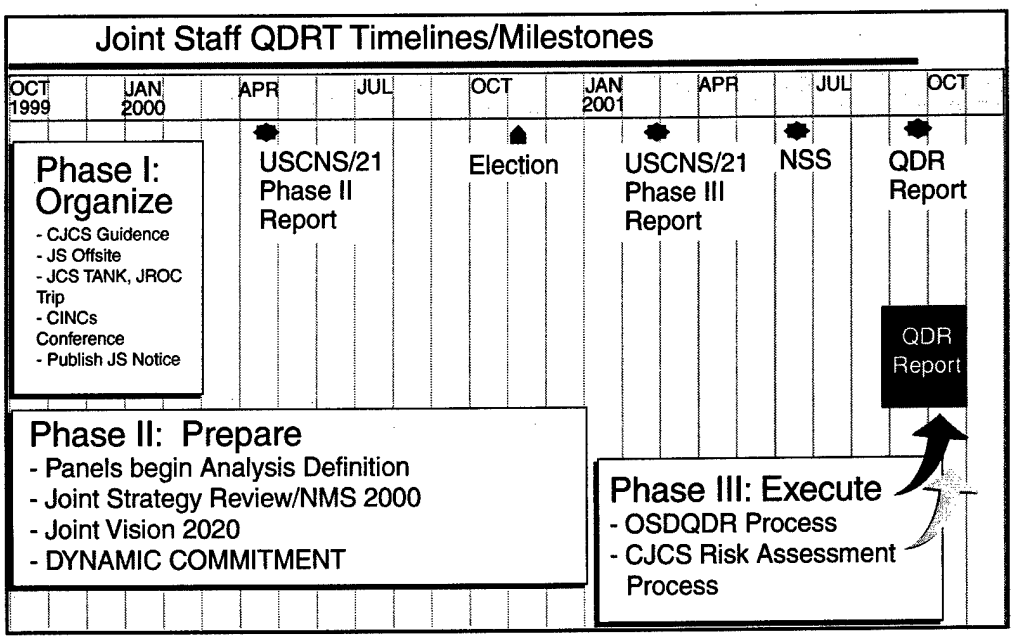
RAND

In spite of the complaints from the services, they were generally happy with the results of QDR 1997. The Joint Staff worked to ensure service participation, but service QDR activities were not subordinated to Joint Staff activities. Each service established QDR organizations to participate in Joint Staff forums, but they also worked directly with the OSD staff to ensure that service perspectives were adequately presented. The specific service perspectives reflect their initial expectations and the QDR results. The Department of the Navy had been addressing serious recapitalization issues for a couple of Program Objective Memorandum (POM) cycles prior to the QDR and had made major decisions on its future. It hoped to use the QDR to build support for the tough choices it had already made. Because this effort was largely successful, the Navy was satisfied with the outcome (marginal as it was). As part of the Department of the Navy, the Marine Corps had already addressed recapitalization and found the QDR emphasis on ongoing operations very supportive of Marine Corps goals.

The Army anticipated that the QDR was a way to pay for costly aviation modernization programs and other new programs by reducing Army force structure. The continuing operations in the Balkans helped the Army make a case for only minor changes in force structure because of the high demands of current operations. The minimal changes directed in the QDR

report were welcomed by the Army because they did not reduce the number of active Army divisions. On the other hand, the Army's treatment of its reserve components in distributing the cuts required by the QDR exacerbated the internal rift between the active-duty Army and its reserve components, in particular the Army National Guard.

The Air Force was the most outspoken in its criticism of the QDR, not because its plans were limited by the QDR but rather because the QDR did not force more change on joint operations. Senior leaders in the Air Force felt that emerging airpower capabilities should lead to a fundamental change in war plans and joint concepts of operation—with a more prominent role for airpower in defeating enemy ground forces. The relatively modest changes directed by the QDR fell far short of Air Force expectations. The Air Force did achieve operational validation of the F-22 requirement, although with a smaller force structure than it desired.

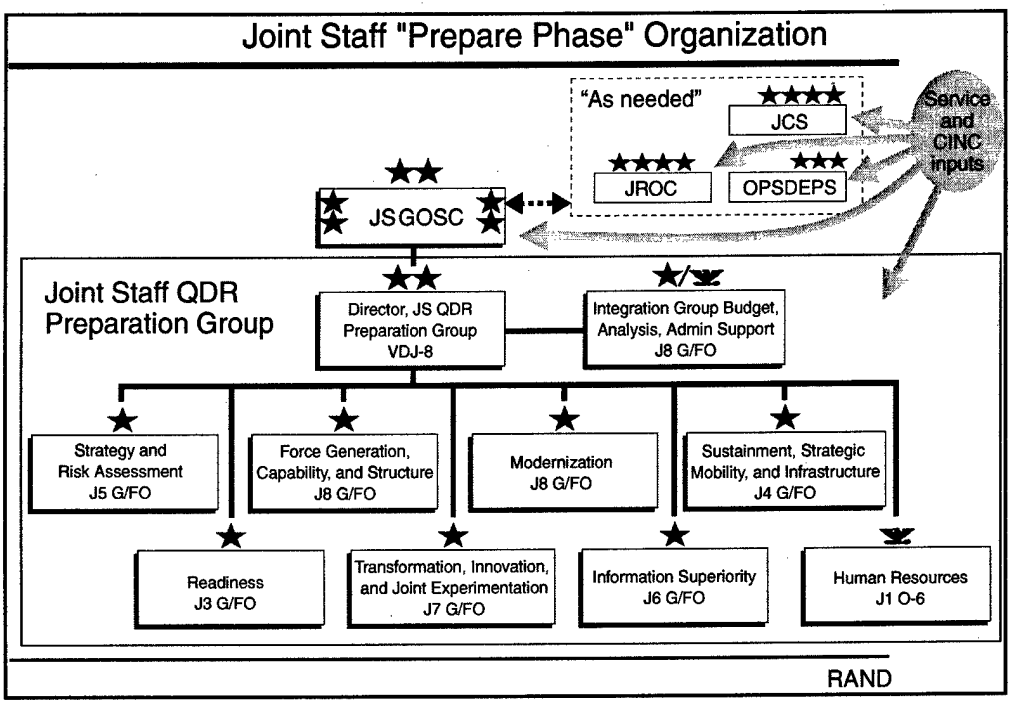


JOINT STAFF INVOLVEMENT IN QDR 2001

The Joint Staff began formal preparations for QDR 2001 in fall 1999. The lessons of QDR 1997 convinced the senior leadership that many issues from previous reviews were unresolved. Because the CJCS would be expected to comment on QDR outcomes, it was considered desirable to have supporting analyses and detailed discussions among the service chiefs prior to being asked for inputs from a new administration. Some ongoing cyclical requirements of the Joint Strategic Planning System (JSPS) would contribute to QDR preparation (specifically the biannual Joint Strategy Review (JSR) and periodic updates of the National Military Strategy (NMS). In addition, the transformation themes in the update of Joint Vision 2010 to Joint Vision 2020 would also contribute to the QDR knowledge base.[13] Ongoing and planned analyses were also relevant to QDR planning. In particular, the Mobility Requirements Study (MRS-05) update would affect QDR judgements on adequacy of planned lift improvements. Some QDR-unique requirements, such as the Dynamic Commitment seminar war games, were planned for building on the QDR 1997 experience.

[13]This figure was used by the Joint Staff in February 2000. At that time the Relook at Joint Vision 2010 was envisioned as a five-year update (2015). Its target was eventually shifted to 2020.

Understanding the dynamics of election-year politics and the lessons of QDR 1997, the Joint Staff envisioned a three-phase set of activities with overlapping planning and preparation phases leading up to an execution phase that would begin after the election. The Joint Staff QDR plan included tracking significant external defense review activities such as the multiyear U.S. Commission on National Security/21st Century (USCNS/21) (known as the Hart/Rudman Commission) and a review at the National Defense University by a QDR 2001 working group led by former Deputy Assistant Secretary of Defense, Michele Flournoy.



Joint Staff QDR planning included an organizational structure that would allow Joint Staff management of preparatory activities with service and commander-in-chief (CINC) participation in both oversight and analysis. Building on lessons learned in QDR 1997, the structure included a formal Integration Group to assist the Vice Director, J-8, in his dual roles as Director of the Joint Staff QDR Preparation Group and as the Chairman of the Joint Staff QDR General Officer Steering Committee (GOSC). The organization was built around eight panels consisting of Strategy and Risk Assessment (J-5); Force Generation, Capability, and Structure (J-8); Modernization (J-8); Sustainment, Strategic Mobility, and Infrastructure (J-4), Readiness (J-3); Transformation, Innovation, and Joint Experimentation (J-7); Information Superiority (J-6); and Human Resources (J-1). The panel structure reflected the "stovepipes" within the Joint Staff, but it allowed the natural sponsors who dealt with many of the likely issues to draw on the knowledge of their staffs who dealt with many of the issues on a regular basis. The goal was to accommodate issues of concern to the services in a broad array of panels. The shortcoming of this approach was that many of the most important issues of this and the previous QDR were inherently cross-cutting and required inputs from more than one panel. Examples include the Army's efforts to develop lighter, more mobile forces that would depend on unprogrammed Air Force airlift or unprogrammed Navy fast sealift. Future joint operations

will take advantage of new command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) capabilities, but these changes will require new joint concepts of operation (CONOPS) that may require very different mixes of forces than current war plans. The cost of fielding new capabilities will require trade-offs and divestiture of legacy capabilities that cut across the panels or traditional planning stovepipes.

Supporting Activities

- Dynamic Commitment Beyond 2000 (DCB2K)
  - Legacy of QDR 1997
  - Overplanned and undermanaged
  - Should have been stopped when issues of relevance arose
- Ongoing Studies/Processes
  - MRS-05
    - Legacy of previous analyses of same scenarios
    - Too near-term in focus
    - Captive of detailed planning advocates
    - No new CONOPS considered
  - JSR
    - Constrained by concern about getting too far in front of OSD
    - Provided expanded perspective on totality of demand for capabilities but did not address prioritization or resource implications

RAND

The Joint Staff identified a number of ongoing or planned activities that would need to be coordinated with the QDR or whose output would influence QDR perspectives. During QDR 1997, J-8 Studies Analysis and Gaming Division (SAGD) conducted a series of seminar war games named "Dynamic Commitment." They led to a shared perspective on the complexity of current operations and their impact on forces allocated to war plans. They also showed problems in obtaining consistent data documenting the pace of current operations. From the beginning of QDR 2001 planning, a new series of games named Dynamic Commitment Beyond 2000 (DCB2K) was planned to focus on current operations (with data supporting high levels of activity) and the transition to warfighting scenarios. Numerous planning meetings were held in fall 1999 to develop scenarios and build databases. The series was planned to begin in June 2000 with 63 scenarios, each of which would have a concept of operations and detailed force list defined by the relevant CINC. As the original dates approached, concerns about data and service concerns about how their capabilities would be represented led to a series of postponements. In the end, a scaled-back series of games was conducted in fall 2000 and winter 2001. Plans to investigate new concepts of operation or alternative strategies were put on hold. Eventually the DCB2K structure was used again in summer 2001 in an abbreviated game named "Positive Match,"

where scenarios and assumptions were revisited with updated current forces but no new strategies. The general consensus among participants was that the returns, in terms of understanding of requirements and the impact of transformed forces, were not commensurate with the tremendous investment in manpower to prepare for and conduct the games. The services wanted to argue the insufficiency of current resources as the centerpiece of the agenda for the QDR. There was no interest in addressing major changes that might allow plans to fit within available resources.

Another legacy of QDR 1997 was the ongoing review of strategic lift requirements. During the BUR, an assessment of capabilities led to a commitment to enabling forces by adding to deficient capabilities, such as airlift and sealift. Requirements for supporting the two-MRC strategy were assessed in a study known as the Mobility Requirements Study BUR Update (MRS-BURU) in 1996. Although the strategy had not changed significantly, more emphasis was placed on the demands of current operations in the Balkans (not assumed in previous studies) and a lack of major change in sealift and airlift programs. In 1999, another round of analysis was initiated with cooperation among OSD, the Joint Staff, the CINCs, and the services. The analysis was named the "Mobility Requirements Study 2005" (MRS-05) to assess POM forces in the context of existing war plans. In part because of the need for very detailed data sets for mobility planning models, but primarily because of a reluctance to address possible changes to future concepts of operations that might place current force structure at risk, the MRS-05 basically reaffirmed long-standing goals for airlift, in particular, that were not funded in service POMs.

The QDR provided an opportunity for the military leadership to suggest a strategy or a set of strategy alternatives that might address the growing mismatch between actual capabilities and the demands of an unconstrained strategy. However, such an ambitious approach would have been difficult to pursue since again change would place some service force structure at risk. The JSPS provides for a periodic strategy review—the JSR—and one was planned for fall 2000. The JSR team and the QDR 2001 Strategy panel consisted of most of the same Joint Service and service players. The analysis began with a wide-ranging review of proposed alternative strategies, including some being considered by the National Defense University's QDR working group that also included many of the

same players in an oversight role.[14] The same issue of limiting the flexibility of a new administration and a continuing aversion to making assumptions about future capabilities and future concepts of operation led to the JSR producing an unremarkable document. It once again provided a detailed overview of the full spectrum of engagement, peacekeeping, warfighting, and deterrent operations that the services were expected to perform, but it expressed no preference for new strategies or priorities. This approach would have been acceptable if it had been used as a starting point for an integrated review of force, strategy, and program alternatives for the JCS to consider in preparation for the QDR. In the event, it merely provided another document with little impact on the new administration's defense strategy review.

---

[14]See Flournoy (2000), pp. 18–26.

Joint Staff QDR Integration

- **High marks for acknowledging need for integration**
- **Effectiveness limited by stovepipes focusing on stand-alone issues and services' desire to keep control of force-structure issues**
- **Rumsfeld reviews derailed Joint Staff QDR support plans**
- **Compressed time frame of end-game resulted in JCS monitoring but not shaping OSD decision processes**

RAND

As previously noted in the early Joint Staff planning charts, integration was viewed as an important part of the Joint Staff QDR effort. The Director of the Joint Staff approved QDR guidance on February 23, 2000, that included the following statement on the role of the Joint Staff:

> The [Joint Staff] QDR organization and process will:
>
> a. Prepare for and support the overall conduct of the QDR.
> b. Efficiently identify, plan, conduct, and integrate analysis in collaboration with the combatant commands, Services, Defense Agencies, and OSD.
> c. Prepare the Chairman's assessment of the review and assessment of risk.
> d. Ensure [Joint Staff] unity of effort.
> e. Be open and collaborative.
> f. Parallel the existing [Joint Staff] structure and use existing staffing processes to the maximum extent possible to minimize redundancies.
> g. Staff and manage tasks with a view towards analytical integration.[15]

[15]See Joint Staff (2000a), p. A.1.

To accomplish the planned integration, a process model was established that envisioned integration within panels by panel leads. When an issue required inputs from other panels, integration of panel outputs was performed by a formal senior-level integration group. The Vice Director, J-8, served as the leader of general officer integration activities and the Chief, SAMD, led the O-6 level integration activities. Monthly GOSC meetings were held throughout 2000, but activities focused primarily on process. The committee reviewed briefings on panel activities before they were briefed to higher levels and provided a forum for the services to express their concerns. Little substantive analysis was conducted during the year. The phrase "strategy driven" became a mantra that was interpreted to mean that no serious consideration of force-structure reductions would be allowed. The "strategy" demanded more capabilities, so more resources would be required to resolve the strategy-resources mismatch.[16]

In early 2001 with the new SECDEF Donald Rumsfeld in place but with few of his key advisors on board, Joint Staff QDR integration activities came to a halt. The SECDEF convened his own defense review utilizing retired military officers, former defense and White House officials, and longtime Pentagon insider, Andrew Marshall, Director of the Office of Net Assessment. These reviews were described as a source of independent advice for the SECDEF, but their findings were not to be prescriptive. Panels addressed Defense Strategy, Quality of Life, Acquisition Reform, Transformation, National Missile Defense, Intelligence/Space, Nuclear Forces, and Conventional Forces, as well as several others.

The Joint Staff panels continued to meet with little focus because they had essentially been frozen out of the strategy review. They continued to assume that they would eventually be integral to the QDR. However, the time remaining after OSD reviews was limited, and there was no clear end-point for reviews or restarting point for formal QDR activities.

---

[16]See Gouré and Ranney (1999) for a comprehensive discussion of the generally accepted gap between plans for military operations and the resources required to sustain the strategy.

QDR Postelection/Execution Phase

- Rumsfeld panels provided outsider perspectives on key issues
  - Broader range of issues
  - No apparent integration
- "Terms of Reference" marked restart of formal QDR activities
  - Heavy emphasis on process and strategy descriptors
  - Little analysis—short time frame
- Extensive SECDEF Tank sessions provided opportunities for Chiefs to raise issues
  - Joint Staff QDR activities provided background
- Evolutionary development TOR-DPG-QDR
  - Planned decision meetings did not produce decisions
- 9/11 attacks truncated review process, but outcome was already determined

RAND

January 2001 was typical of other transition years when a new President has just been elected. However, the controversy over the Florida election returns delayed the appointment of defense officials even more than in previous years. Donald Rumsfeld was no stranger to the Pentagon or to the issues facing him in his second round as SECDEF. His problem was that, aside from personal staff, he would have to wait weeks or months for selection, vetting, and confirmation of his senior-level advisors. The Joint Staff QDR organization was in place, but in truth it had not resulted in any interesting sets of alternatives for the secretary to consider. The new SECDEF turned to trusted old colleagues like Andrew Marshall, who was still in his job as Director of Net Assessment since Mr. Rumsfeld was last in the building, and former defense officials he had worked with in various advisory panels and boards. The group included retired General James McCarthy and retired Admiral David Jeremiah, as well as former Air Force Acquisition Executive Jack Welch. These individuals temporarily occupied empty offices slated for new appointees. They

formed small teams of knowledgeable outsiders providing a wide range of views on strategy, weapons systems, and management processes.[17]

By late spring 2001, there was a functioning core of new appointees and the leadership of some of the review panels had made the transition from outsiders to political appointees. In other cases, the panels submitted reports to the SECDEF, held press conferences, and disbanded.[18] The QDR legislation was still on the books and attention began to return to QDR activities. The report was due on September 30, 2001, and the same legislation required a new national security strategy within 120 days of the start of the new administration, but that was being ignored. On the other hand, the QDR provided an opportunity to get specific about new priorities and the services still needed formal guidance for preparation of their new POMs.[19] The new team chose a document called Terms of Reference (TOR) for the 2001 QDR as the mechanism to restart the formal review process. Initially a classified working document, it brought the services and Joint Staff back into the process and formed a framework for the eventual QDR report. The unclassified TOR was dated June 22, 2001, but the organizational structure it defined was in place and operating in May.

The TOR outlined the anticipated security environment and analytic requirements for decisions that would be made as part of the QDR. However, the brief time remaining and the need for coordination meant that little new analysis could be performed. What did occur was an unprecedented series of meetings between the SECDEF and the JCS reviewing the strategic environment and many of the cross-cutting issues facing DoD. These meetings were unique because they did not center on elaborately staffed presentations but instead were candid discussions by the principals without their key advisors. The earlier Joint Staff QDR

---

[17]In Myers (2001): "All the panels are conducting their reviews virtually in secret, which underscores the political risks of proposed cuts in military programs. It is not clear how Mr. Rumsfeld—and ultimately President Bush—will integrate the various panels' recommendations, which in some cases appear to be contradictory."

[18]See "Rumsfeld's Conventional Forces Panel Proposes Joint Response Units," *Inside the Pentagon*, May 3, 2001, for a discussion of the panel led by David Gompert. "Like virtually all of the panels Rumsfeld created to advise him on his ongoing defense review, little is publicly known about the details of what the conventional forces group is considering. Gompert reportedly has not coordinated his draft findings with the Services."

[19]POMs were normally submitted in June and reviewed by OSD during the summer. The only important milestone is submission of the President's Budget in February of the following year so compression of the schedule was anticipated.

sessions with the JCS provided some background for the military participants, but there were few areas of consensus on transformation or strategy changes. There was agreement that planned resources were insufficient even to support the current strategy.

The TOR contained many of the items that would be needed to guide service POM preparations and would be necessary in the QDR report. Although the Defense Planning Guidance is a classified document that never evolved into an unclassified document like the TOR, it needed to be produced by many of the same people at the same time. As a result, the TOR morphed into the DPG by adding necessary additional detail as the TOR-mandated process unfolded. The TOR process established a hierarchy of review bodies: a Senior-Level Review Group (SLRG), led by the SECDEF and Deputy Secretary of Defense; an Executive Working Group (EWG) led by the Special Assistant (eventually confirmed as the Principal Deputy Under Secretary (Policy); and eight supporting panels or Integrated Product Teams (IPTs) assigned to prepare options and conduct analyses to support decisions by the senior leadership. The decisions emerging from the SLRG meetings were to form the basis for the changes reported in the QDR report. Unfortunately, the process did not yield the planned results by early September when the QDR needed to be written. The issues were complex, and resource implications of decisions were not integrated. In fact the eighth panel was supposed to integrate earlier decisions with resource information, but this integration never occurred.

The QDR legislation required an independent assessment by the CJCS but little time remained for such a review as September 30 approached. The Joint Staff was required to anticipate what the QDR report would say to begin preparations for the CJCS response. While these activities were in their early stages, the terrorist attacks occurred in New York and Washington. After September 11, the QDR process was essentially stopped and a report was prepared and submitted that left open most of the difficult issues and pointed to subsequent decisions consistent with the new strategy after additional studies were conducted.[20] The anticipated substantial effort to produce a detailed assessment for the CJCS resulted in a four-page section at the end of the QDR report noting the need for more resources, agreeing with the emerging strategy, and summarizing some of

[20]Although not formally announced until the QDR report was sent to Congress, the new strategy would elevate homeland security concerns, including missile defense, but would not make any significant force-structure changes.

the additional work that would be required to address issues raised in the review.

Joint Staff/OSD Panel Crosswalk

OSD Integrated Product Teams	Strategy and Force Planning	Military Organizations and Arrangements	Capabilities and Systems	Space, Information, and Intelligence	Forces	Personnel and Readiness	Infrastructure
Joint Staff QDR Panels	OSD Integration Panel						
Strategy and Risk Assessment	Strategic Guidance, Elements of Strategy, Core Capability, Force Sizing	Force Sizing and Core Military Capability	Core Military Capability	Resources to Support Low-to-Moderate Risk	Resources to Support Low-to-Moderate Risk	Resources to Support Low-to-Moderate Risk	Resources to Support Low-to-Moderate Risk
Force Generation, Capability, and Structure	Strategy-Force Structure Mismatch	Roles and Missions of the RC	Synchronizing Force Structure Change with Recap, Mod., Transformation		Strategy-Force Structure Mismatch	End-strength Requirements Consistent with NMS	
Modernization	Appropriate Level of Annual Modernization and Recapitalization		Appropriate Level of Annual Modernization and Recapitalization	Appropriate Level of Annual Modernization and Recapitalization	Appropriate Level of Annual Modernization and Recapitalization		Appropriate Level of Annual Modernization and Recapitalization
Sustainment, Strategic Mobility, and Infrastructure	Strategic Mobility Force Structure; OP (Prepo, Infrastructure, etc.)	Resolve OP Issues	Alternative JLOG C2		Strategic Mobility Force Structure; Alternative JLOG Force Structure	Resource Allocation for DRID 54	Strat Mob Force Structure; CONUS/OP Infrastructure; Industrial Base; BRAC; Ranges

Joint Staff QDR Integration Panel

RAND

The OSD IPTs established by the QDR TOR were similar in structure to the Joint Staff QDR panels, and the issues that the QDR legislation identified provided a natural linkage. This table, prepared by the Joint Staff, shows how elements of issues were parsed from the initial work of the Joint Staff QDR panels to the OSD IPTs. This analysis reinforces the fact that many of the issues that the QDR was expected to address were cross-cutting and not easily pigeonholed into a single functional grouping. Recurring examples are the strategy–force structure mismatch and the strategic mobility force structure issues that cannot be addressed independently by any single strategy, force structure, or infrastructure panel. In the event, with the summer's time compression of QDR schedules, the IPTs were no better than the QDR panels in structuring alternatives for the senior leadership.

In summary, the Joint Staff participation in QDR 2001 was substantial with serious attempts to prepare the JCS for the review. However, the effectiveness of these activities was limited by a reluctance to tackle difficult cross-cutting issues that could have major consequences for the service whose current way of doing business would be affected. In a repetition of QDR 1997, the services and the Joint Staff spent considerable effort in preparing for the QDR without commensurate returns in terms of influencing QDR decisions. The Joint Staff made the determination that it

Joint Staff/OSD Panel Crosswalk (cont.)

OSD Integrated Product Teams	Strategy and Force Planning	Military Organizations and Arrangements	Capabilities and Systems	Space, Information, and Intelligence	Forces	Personnel and Readiness	Infrastructure
Joint Staff QDR Panels	OSD Integration Panel						
Readiness	Readiness Issues Are Embedded in Each IPT Report—Primary Focus Is in Personnel and Readiness, Military Organizations and Arrangements, and Infrastructure						
Transformation, Innovation, and Joint Experimentation	Transformatioin Strategy/Master Plan; JV 2020 Concepts	Changes to Key Institutional Process	IS Investment Strategy; Info Superiority Capabilities and Architecture	IS Investment Strategy; Info Superiority Capabilities and Architecture	Info Superiority Forces		IS Investment Strategy; Info Superiority Capabilities and Architecture
Information Superiority	Information Superiority Issues Embedded in Transformation Panel—Primary Focus Is Capabilities & Systems and Space, Information, and Intelligence						
Human Resources		PERSTEMPO; Medical Organization and Structure			Endstrength; Factors to Mitigate PERSTEMPO	Core Compensation; Personnel Policies; Recruiting; Retention	
Homeland Defense	Define Homeland Security/-Defense Operational Concepts; Define Mission Area; Impact of NMD	DoD Integration	Investment Strategy; Systems Architecture; Concurrent Requirements		Demands of Concurrent Operations		

Joint Staff QDR Integration Panel

SOURCE: Joint Staff Briefing, "11 July QDR Update."

RAND

did not have the analytic capability or resources to provide independent assessments and would depend heavily on the services to provide analysis. As a result, little or no analysis for most of the difficult issues took place. The Joint Staff will have difficulty preparing for future QDRs because of the lack of force-structure or modernization decisions of any kind in this QDR. The services can be expected to continue to resist substantive involvement by the Joint Staff in issues that could adversely affect their individual plans.

CROSS-CUTTING ISSUES

RAND's participation with the Joint Staff in a wide range of strategic resource planning over the past 10 years has had a common underlying theme. The difficult issues facing the senior leadership (both military and civilian) do not lend themselves to treatment by a single functional element of either the OSD or the Joint Staff. Instead, the norm is that tough issues are cross-cutting, combining elements of strategy, forces, concepts of operation, and modernization. A typical example is the set of issues associated with the readiness of forces. Readiness must be measured against the missions that forces are expected to perform and time lines for planned military operations. Another example is the current high-priority topic—transformation. How and when forces are transformed depends on which missions we expect to perform and which operational concepts will be employed to accomplish those missions. It is natural for bureaucracies to see problems from the perspective of their particular function or stovepipe, but it is the responsibility of the senior leaders and their analytic support staffs to demand integration of perspectives in sets of options that address the substance of a cross-cutting issue and not just the equities of a single component.

The question of cost cannot be ignored in this process. We choose to use the term "strategic resource management" to encompass planning and programming activities in the Planning, Programming, and Budgeting System (PPBS) process, development of requirements in the JSPS, and systems development issues in the acquisition process. The model of supply (capabilities provided by the services and defense agencies), demand (capabilities demanded by the operational commanders), and integration (by senior leaders informed by analysis) provides a better characterization of the role of the OSD and Joint Staff. This is not just an internally focused activity of allocating the resources available to DoD but also part of a series of interactions with the public and their representatives in Congress to shape the environment for meeting their needs. Not only are the processes interdependent, they also put out products and require inputs at times that are not mutually supportive.

The last two QDRs are manifestations of desires in Congress to understand what the Executive Branch believes our military forces need to do and the perspective of the military leadership on the capability of our planned forces to meet those needs. We can expect the QDR process to continue, although this QDR has shown how difficult it is for a new

administration to deal with a comprehensive defense strategy review in the first months after an election. The second year of a presidential term may be a better time for comprehensive reviews, but it would mean suboptimal treatment of individual issues for the first year. This review will develop information to support the "real" Bush agenda, which will be presented in the FY 2004–2009 program. Issues raised in the Rumsfeld review and the QDR may be answered in studies directed in the initial DPG.

Congressional Questions

1. The results of the review, including ... the national defense strategy of the United States and the force structure best suited to implement that strategy at low-to-moderate risk
2. The ... national security interests of the United States ... that inform the national defense strategy defined in the review
3. The threats to the ... national security interests of the United States ... and the scenarios developed in the examination of those threats
4. The assumptions used in the review ...
5. The effect on the force structure and on readiness for high-intensity combat of ... operations other than war and smaller-scale contingencies.
6. The manpower and sustainment policies required ... in conflicts lasting longer than 120 days.
7. The anticipated roles and missions of the reserve components ...
8. The appropriate ratio of combat forces to support forces (commonly referred to as the "tooth-to-tail" ratio) ...
9. The strategic and tactical airlift, sealift, and ground transportation capabilities required ...
10. The forward presence, prepositioning, and other anticipatory deployments necessary ...
11. The extent to which resources must be shifted among two or more theaters ...
12. The advisability of revisions to the Unified Command Plan ....
13. The effect on force structure of the use by the armed forces of technologies anticipated to be available for the ensuing 20 years.
14. Any other matter the secretary considers appropriate.

RAND

The starting point for this review was a list of required elements included in the authorizing legislation, commonly referred to as "Congressional Questions." It is essentially the same list of questions directed in QDR 1997 with the addition of a requirement to describe national security interests and to address the force structure required to implement the strategy at a low to moderate level of risk.[21] The 1997 QDR could be viewed as an attempt by the Republican-controlled Senate to force the hand of a Democratic administration in addressing perceived shortfalls in defense spending. By early 2000, the outcome of the election was far from certain, but the idea of a review to lay out a basis for defense spending had broad support. There was a general acceptance of the fact that, regardless of who won the election, serious mismatches existed between the resources being allocated for defense and the competing demands to support current operations and to prepare forces for an uncertain future.[22]

[21]Title IX, Sec. 901. Permanent requirement for Quadrennial Defense Review, National Defense Authorization Act for Fiscal Year 2000.

[22]See Gouré and Ranney (1999), pp. 23–65, for a discussion of "Defense Legacies of the 1990s."

The legislation also required the CJCS, in addition to participating in the review, to submit his assessment of the review including his assessment of risk. It would not be enough to simply lay out a strategy. Congress expected independent military judgements on how well it would work.

Looking at the questions, it is clear that they are interrelated and it would be necessary to develop an analytic framework to provide insights on these questions. During the 1997 QDR, the Joint Staff and OSD organized along functional lines: strategy, forces, personnel, modernization, infrastructure, etc. As previously discussed, this QDR did much the same—with distinct Joint Staff QDR panels formed early in the process and later developing OSD IPTs. The Joint Staff QDR teams were assigned responsibility for the questions with one principal team and one or more supporting teams for each question (or part of a question).

Some Potential Joint Staff QDR Issues (March 2000)

Role of U.S. Military
- What are costs, risks of what we do?

Force Structure
- Scenario-based planning...still viable?
- Is twoMTWs the right sizing convention?
- Impact of modernization?

Personnel
- Impact of economy on recruiting?
- Impact of changing attitudes toward military?
- Will demographics support force structure?

Reserve Component
- Role and size? Political support for change?
- Readiness and capabilities?

Enablers
- Incentives and metrics for change?
- What management mechanisms wiDoDuse?

Technology
- How do we discard legacy R&D?
- Can we embrace emerging technology faster?
- How do space/C4ISR factor into our strategy?

Strategy
- Capability-based? Threat-based?
- Combination?

Budget
- Topline: up, down, or same?

Near Versus Far Term
- Balance between R&D and procurement?
- How do we quantify risk?

Modernization/Recapitalization
- What are the strategy-based requirements?
- What is affordable? Who are the bill payers?

Agencies
- Number and size

Infrastructure
- Political support for change?
- Possibility of new BRAC?

Departmental "Fratricide"
- How can we avoid it among services?
- Between active and reserve?

RAND

Early in the process of preparing for the QDR, the Joint Staff identified a set of cross-cutting issues that must be faced to answer the congressional questions. They were generated from lessons learned from QDR 97 and from discussions with the senior military leadership. If the staff could conduct analyses and present options to the JCS during the preparation phase, the JCS would be well positioned to participate in the execution phase after the election. These are not easy questions but they do a good job of spanning the range of issues.

Joint Staff "Must Address" Issues

	Assessment
• Background: Strategic Environment to 2020	A
• Core Themes:	
– Strategy-to-Force-Structure Mismatch	N
– A Strategy for Strategic Mobility, Sustainment, and Infrastructure to Achieve Joint Vision 2020	P
– Funding to Support Modernization and Recapitalization	N
– Understanding Homeland Security/Defense (HLS/D)	P
– Transforming to Joint Vision 2020	N
• 40 specific items identified as necessary to answer congressional questions	
• Process kept JCS informed of what needed to be addressed but did not propose alternatives	

Assessment Criteria: A (Addressed) P (Partially Addressed) N (Not Addressed)

RAND

The potential issues identified in March 2000 continued to be discussed in the Joint Staff QDR panels, in the GOSC, and in the tank.[23] By spring 2001, they had evolved into a set of "Must Address" issues that, however the QDR evolved, would need to be answered if the report were to meet congressional expectations. The "Must Address" issues that were prepared by the Joint Staff panels fell into six logical categories: a general category defining the strategic environment out to 2020; and five "Core Themes"—the strategy-to-force-structure mismatch; a strategy for strategic mobility; sustainment capabilities, and infrastructure to achieve Joint Vision 2020; funding to support modernization and recapitalization; understanding homeland security defense; and transforming to Joint Vision 2020. The groupings included 40 specific items for the review to address. Because the review was primarily the responsibility of the SECDEF, these "Must Address" questions formed the basis of a scorecard for the JCS in monitoring the progress of the review.

By September 2001, it was clear that time constraints and other problems meant that only the strategic environment would be dealt with in any specific manner. Costs of the emerging strategy were problematic, since

[23]The meeting room for the JCS in the Pentagon is commonly referred to as the "tank."

they had not been addressed during the QDR preparations. Transformation goals were unclear, particularly with regard to future concepts of operation. No comprehensive, alternative future force structures had been considered during the preparation phase. The Joint Staff QDR activities were the victim of two sets of countervailing pressures. First, the services did not want the Joint Staff to limit service prerogatives. Second, the OSD staff and the new SECDEF were not convinced that the Joint Staff could deliver useful insights on difficult, cross-cutting issues. The Joint Staff assumed that its past involvement guaranteed a seat at the table. However, the private reviews chartered by the SECDEF raised questions about the independence of the Joint Staff and its ability to perform objective analysis.

Joint Staff QDR Panel Issues

Strategy and Risk Assessment
- Define "strategic ends," "strategic ways," and "strategic risk"

Forces
- Assess total force requirements for:
  "Posture of Engagement"
  full range of crisis response
  generation and support for next 20 years

Modernization
- Assess Defense Program Projections costs, shortfalls, and gaps

Information Superiority
- Are ISR forces adequately structured and prepared?
- Can the Common Operational Picture be supported?
- Are information operations forces and capabilities adequate?
- What force-structure and modernization changes are necessary to build the Global Information Grid?

Transformation, Innovation, and Joint Experimentation
- Assess transformation strategy
- Assess ability of institutional processes to implement transformation strategy
- What changes to CONOPS are required to develop a Joint Vision 2020 force?

Readiness
- Assess impact of maintaining aging systems
- Assess impact of high OPTEMPO
- Assess impact of recruiting and retention difficulties
- Assess impact of limited mobility capabilities
- Assess impact of LD/HD problems

Human Resources
- Assess impact of high PERSTEMPO on Quality of Life
- Assess impact of increasing number of missions
- Assess impact of end strength levels
- Assess impact of compensation levels

Sustainment, Mobility, and Infrastructure
- Assess Defense Health Program
- Assess impact of balancing pace of change between combat and generating forces
- What force-generation capabilities are required?
- What mobility capabilities are required?
- Define incompatibilities between MTW and SSC logistics support requirements
- Assess impact of lack of integrated logistics picture and lack of sufficient interoperability

RAND

The Joint Staff QDR panels developed a comprehensive list of questions within their individual areas of responsibility. These are summarized above and listed in more detail in the Appendix. This list would have been a good starting point in early 2000 to guide analyses that could have been performed by the Joint Staff and/or the services, if the already-mentioned reluctance to "get out in front" of OSD had not been a constraint. The list is still problematic in that it artificially forces issues into functional working groups.

Synthesized Cross-Cutting Issues

- Defining strategy alternatives and understanding their implications
- Defining force-structure alternatives that better support the strategy within resource constraints
- Defining overseas presence options to support emerging strategic challenges
- Defining postures and equipment options to support unique demands of SSCs
- Defining strategy and capability options to respond to asymmetric threats
- Defining DoD's roles, responsibilities, and requirements for homeland defense
- Defining a transformation strategy for new operational concepts and organizational relationships to exploit new technologies
- Defining appropriate mechanisms to sustain TEMPO and support the strategy
- Supplying adequate readiness resources
- Balancing sustainable recapitalization, transformation, and force structure
- Balancing modernization of platforms and weapons to provide adequate capability and stocks
- Maintaining nuclear deterrence and stability while deploying limited NMD
- Efficiently managing infrastructure to support operational readiness and quality of life

RAND

Our continuing analysis of defense reviews has resulted in an alternative perspective on issues. We believe that involving the senior leadership in the process from beginning to end is important. It is not possible to "contract out" for analysis and then expect the results to be accepted on difficult issues that involve service equities (and may not be susceptible to traditional analytic tools). Instead, we believe an iterative process, where sets of alternatives are constructed to capture a range of possible strategic and resource environments, is necessary. The purpose is not to come up with the single "right" answer. Instead, the focus is on building an understanding of the complexities and uncertainties associated with alternative courses of action.

RAND's list above highlights several important aspects of cross-cutting issues. First, strategy alternatives need to be addressed. The military does not prescribe strategy, but the services and the Joint Staff are participants in the process. Their role is not to justify the current strategy or to guess how a new administration will change the strategy. Instead, the JCS should be presented with logically consistent sets of alternatives to discuss so that an informed military perspective can be provided when asked.

The words "alternatives" and "options" appear in many of the synthesized issues. This reemphasizes the need for not trying to find the

single, "right" answer. The SECDEF and the President will ultimately make the important decisions. The role of staff processes is to build insights among the senior military leaders so that military advice can be both relevant and timely. Where consensus exists among the JCS, the CJCS can reflect their common views. When there is disagreement, an opportunity arises to share perspectives and to gather additional facts bearing on the differences.

Definitions are also important. Homeland security might include only direct attacks by terrorists from inside our borders or it could also include ballistic missile attacks and our strategic nuclear deterrent forces of submarines, bombers, and ICBMs. Reviews should begin with explicit definitions of the kinds of missions included and proposals for taxonomies to break missions into manageable pieces for analysis. There will never be a shared understanding of requirements for homeland security until there is agreement on what it contains. For this emerging mission, actors other than DoD are in the decision process, so it may only be possible to address elements of the homeland security mission that might demand military capabilities. Even a shared understanding of the capabilities that might be provided by reserve component forces and the cost of using them would prepare the CJCS and his representatives for participation in interagency deliberations.

A particularly important element of many of the cross-cutting issues is the CONOPS associated with alternatives. There is no other aspect of the defense strategy debate that is more "joint" and more "military." This is the area where there should be discussion and analysis by the Joint Staff and the CINCs, with service participation but without service control. Our recommended approach, drawing on the capabilities of the services, would be to solicit candidate future concepts for joint operations from service doctrine and analysis agencies and then tailor them to construct better, more joint, alternatives. Alternatively, the Joint Staff and the CINCs could identify priority areas for concept development that would encourage service development of new CONOPS with oversight from outside the service to ensure the capabilities of other services are included.

Finally, a recurring theme in our list of synthesized cross-cutting issues is balance. Capabilities-based force development involves trade-offs and the role of the senior military leadership is to assist the SECDEF in making trade-offs. Current operations require resources to sustain ongoing activities, but the level of resources committed must be balanced against the need for investment in future capabilities. Risks are associated with choices, and models will not provide "optimal" answers because risk

assessment is very subjective. The bulk of the activity of the Joint Staff in preparing for and participating in reviews will be associated with understanding military capabilities demanded by possible future missions and how emerging systems and CONOPS can contribute to success in those missions. However, planning activities should include increased time for the JCS and the CINCs to address issues of balance and the resources required to achieve desired capabilities. Both this QDR and QDR 1997 saw the Joint Staff participating in lower-level issues and processes more than addressing difficult cross-cutting issues.

QDR Outcomes

- Provides a framework for looking at future requirements and setting priorities
  - Transformation of the U.S. military and defense establishment
  - Capabilities-based approach
  - Defense Policy Goals
    - Assure allies and friends
    - Dissuade future military competition
    - Deter threats and coercion
    - If deterrence fails, decisively defeat any adversary
- Introduces expanded perspective on risk
  - Force Management Risks
  - Operational Risks
  - Future Challenges Risks
  - Institutional Risks
- Moves critical decisions to the future
  - "As this transformation effort matures ... DoD will explore additional opportunities to restructure and reorganize the Armed Forces"

RAND

CONCLUSIONS AND RECOMMENDATIONS

QDR 2001 was another step in a progression of periodic, increasingly formal reviews of defense strategy. The greatest utility of the reviews to date has been to clarify what U.S. military forces have been doing and what the administration views as its priorities for future capabilities. Achieving those capabilities requires specific guidance on forces, resources, and the pace of change. However, the administration does not control the implementation of its choices. Congress must authorize and appropriate funds and in the process review and accept the administration's choices. A QDR is a first step in a long and iterative process of turning priorities and objectives into useful capabilities.

No new administration wants to accept the terminology of a previous administration in describing its own views, even though previous constructs may still be relevant. The same is true when a private-sector company brings in a new chief executive. QDR 1997 enfranchised the Shape, Respond, Prepare Now paradigm for the Clinton defense

strategy.[24] Our forces will continue to try to shape the environment favorably, to respond effectively, and to prepare for the future, but a new nomenclature based on Bush priorities and perspectives was required. This QDR with its multiple reviews of strategy alternatives has provided a satisfactory top-level taxonomy for developing and sustaining military forces. Transformation of existing forces using new technologies for both operations and support is central to the emerging Bush defense strategy. The old approach of "threat-based" planning keyed to a few specific states (e.g., the USSR, Iraq, or North Korea) was already losing favor and has been replaced with a "capabilities-based" approach. Exactly how that approach will be implemented remains to be seen, but the general standard is clear. Finally, the pillars of Shape, Respond, and Prepare have been replaced with an equally useful set of defense policy goals: assure allies and friends; dissuade future military competition; deter threats and coercion; and, if deterrence fails, decisively defeat any adversary.

This QDR made a noteworthy step in responding to the congressional questions related to risk by expanding the definition. Prior to this, QDR risk was primarily associated with the possibility of failure during military operations. However, many more risks need to be considered in defense planning. The National Defense Panel in QDR 1997 addressed one of these in its criticism of the failure to adequately address future requirements. This QDR introduced four interrelated categories of risk that need to be considered. The first of these is Force Management Risk. This is often referred to as the risk of "breaking the force" by asking too much of people and equipment. The second category is Operational Risk. This is the failure to achieve operational goals. The third category, Future Challenges Risks, addresses some of the concerns raised by the NDP: Will we be ready when new asymmetric responses make our current capabilities irrelevant? The final risk category, Institutional Risk, brings to the forefront those areas that compete for modernization and current operations funds: an infrastructure of trained and experienced personnel and institutions to support the desired capabilities.

The most noteworthy outcome of the QDR is its lack of closure on important issues related to implementing the strategy. Force structure is essentially unchanged, new CONOPS remain to emerge, and hard choices have been postponed. Aside from the tragic events of September 11, this

[24]The Clinton strategy incorporated these elements: shaping the international environment, responding to crises, and preparing now for an uncertain future (National Security Strategy for a New Century, May 1997).

QDR was conducted too early in a new administration. Not enough of the new team was in place, and could not be expected to be identified and confirmed, to significantly affect the first new defense budget. Bold changes require consensus building, inside and outside the Pentagon. A few new themes can be addressed and certainly homeland security and missile defense are among them. More difficult issues of divesting legacy systems and force structure to foster introduction of new capabilities take more time.

Conclusions

- QDR 2001, like QDR 1997, was useful in providing information on requirements for military capabilities
- QDR 2001, like QDR 1997, was ineffective in presenting solutions to identified shortfalls in capabilities and resources
- Timing for defense reviews is problematic
  - Need to be done early to implement new priorities
  - Selection, confirmation, and education of political appointees requires time
- Joint Staff effectiveness limited by services
  - Do not want to risk loss of roles and missions
  - Title X responsibilities improve services' ability to make trade-offs

RAND

In conclusion, the QDR provided a forum during the preparation phase for the Joint Staff, services, and CINCs to review strategy issues, the capabilities likely to be demanded, and some proposed alternatives. During the execution phase, it presented opportunities for the JCS to share their views with the new SECDEF in the tank as a group rather than as individuals. On the other hand, like QDR 1997, the review provided few solutions. Again, it was clear that current operations were stretching some capabilities to the breaking point while others were not being used. In terms of our economic model for strategic resource planning, the demand side was well articulated but there was no integration of current and future supplies of capabilities within a set of fiscal constraints. We should not be naive about the political dimension of these activities. A large part of the strategy review was to build a consensus for increased defense spending. Nevertheless, the increases will never be large enough to remove the need for integration and making tough choices.

As previously discussed, the timing of a QDR is problematic. A new administration may have only four years to implement its policies and new concepts, and systems take years to move from development to fielded capabilities. As a result, it is important to get started as quickly as possible. On the other hand, all the tools are not available in the first six

months after an election. The Joint Staff could help this process by being prepared to answer difficult questions on cross-cutting issues. This would require a preparation phase that focused on examining alternatives and not succumbing to pressures to avoid "getting out in front" of the civilian leadership. Congress assumes that military leaders will provide military advice. Preparing to provide that advice by ensuring that appropriate analysis has been conducted is part of the job description.

To provide effective military advice, the CJCS must push the Joint Staff to examine trade-offs and to understand resource issues without being stopped by service concerns that their special interests will be placed at risk. The services have broad Title X responsibilities and must make difficult choices in building their POMs, but many of their decisions inhibit transformation. In addition, they have their own agendas that conflict with many of the options that should be examined. The CJCS should be able to ask services to consider alternatives without taking away from their responsibilities. If the Joint Staff cannot effectively address cross-cutting issues (and stand up to service "stonewalling"), they will be marginalized in the important resource management decisions that will shape future capabilities.

In the end, OSD seized control of the process and fulfilled the congressional mandate by laying out a defense strategy. This is probably as much as could have been expected because it provides a stepping off point for programmatic decisions that must be made in the following months. The JCS and Joint Staff participated in the process, but they did very little shaping.

Recommendations

- **CJCS should use existing processes to routinely address cross-cutting issues from a military perspective**
  - Joint CONOPS for employing emerging new capabilities
  - Prioritization within broad categories of issues
- **QDR Integration structure should be retained**
  - Periodic review of selected issues in tank
  - Status reporting system for quarterly review of cross-cutting issues and related analyses

RAND

The QDR only brings focus to the activities that should be going on routinely in the tank. The Joint Staff should provide the senior leadership with relevant analysis of issues associated with military capabilities. Emerging CONOPS should be discussed and developmental activities redirected before they are cast in concrete. Staffing and discussion of issues will ensure that "surprises" do not occur when joint force commanders are asked to perform missions with transformed forces (or with inadequately transformed forces). Treating new systems individually in the Joint Requirements Oversight Council (JROC) or in the tank is a piecemeal approach that can lead to being captured by technology that may not be appropriate for the missions the CINCs are expected to support. Many new ideas are competing. The senior military leadership should be prepared to help prioritize those demands.

The Joint Staff put a lot of energy into establishing an analytic structure to support the QDR. That structure and some of its associated processes should be retained. The J-8 might develop a multiyear analysis plan for dealing with selected cross-cutting issues. The status of analyses and emerging issues could be reviewed periodically in the tank to build a knowledge base for the next periodic, wide-ranging review. Supporting panels, focused on the areas of strategy, modernization, strategic mobility,

forces, etc., could become repositories for subject-matter expertise, while the leaders of the panels and their supporting flag and general officers provide a basis for integration. For these recommendations to work, the Joint Staff needs to determine what level of analysis is required, what capabilities for analysis it wants to develop and maintain, and how much they want to rely on the services. This would include soliciting candidate future CONOPS for joint operations to be considered along with any new program. There will be future reviews—what role the Joint Staff plays depends on the willingness of its leadership to address contentious issues.

APPENDIX: QDR 2001 "MUST ADDRESS" ITEMS

Background: Strategic Environment to 2020

Y	President and SECDEF must provide strategic guidance early to ensure the QDR process is strategy driven, per QDR legislative requirement.
Y	Are the current elements of strategy still valid? If not, how should they be refined or changed?
Y	What is the resulting core military capability required to execute the strategy?
Y	What is the proper force shaping and sizing construct?
Y	How do we define and measure risk?
N	The resources required to support the strategy at low to moderate risk.

Core Theme: Strategy to Force Structure Mismatch

N	Solutions to the current strategy-to-force-structure mismatch.
N	A strategy to synchronize force-structure changes with recapitalization, modernization, and transformation.
N	End-strength requirements consistent with meeting the demands associated with all aspects of the NMS.
N	The anticipated roles and missions of the RC and the requirements necessary for the RC to capably discharge those roles and missions.

Core Theme: A Strategy for Strategic Mobility, Sustainment, and Infrastructure to Achieve Joint Vision 2020

Y	Provide required strategic mobility force structure, equipment, and command and control capabilities to meet the NMS at reduced risk and implement the Joint Vision 2020 Future Joint Force.
Y	Resolve overseas presence issues in prepositioned stocks, en-route infrastructure, installations, and engineer capabilities.
Y	Develop/implement alternative joint logistics C^2 capabilities / structures to deploy, engage, and sustain the Total Force.
Y	Identify and recommend resource allocation actions required to aggressively achieve DRID 54 Logistics Transformation.
N	Evaluate vulnerabilities and recommend strategies for global industrial base readiness, surge, and sustainment.
Y	Make the BRAC case: Infrastructure to maintain readiness and power projection must match Total Force requirements.

Y	Develop a plan to address the encroachment on training ranges.
Y	Assess structural and operational infrastructure alternatives to improve Joint Force capabilities and reduce overall costs.
Y	Restore and maintain deteriorated facilities.
Y	Infrastructure must keep pace with force modernization and transformation.

Core Theme: Funding to Support Modernization and Recapitalization

N	What is the appropriate level of annual modernization/recapitalization funding required to execute the NMS?

Core Theme: Manning and Maintaining the Total Force

Y	9th QRMC review of the effect of recent changes to military core compensation on recruiting and retention.
Y	Alternative forms of compensation and personnel policies (e.g., a thorough review of DOPMA).
Y	Resolution of the DHP shortfall and accrual financing versus making retiree healthcare an entitlement.
N	Development of a medical organizational structure that directly affects the execution of both the readiness and the benefit-delivery mission.
Y	Ways to successfully compete with those influences that negatively impact the recruiting and retention process.
N	Ways to mitigate the impact of sustained high PERSTEMPO on the force.
N	End-strength requirements and proper force mix for the full range of operations required by the NMS.
N	Involvement of national level leadership to address the lower propensity of today's youth to serve, particularly in view of the robust economy.
Y	Ways of mitigating employer/employee concerns with regard to increases in RC use in support of operations.

Core Theme: Understanding Homeland Security / Defense

N	What is the definition of homeland security/defense?
N	Who should be the DoD integrator for homeland security/defense?
N	What is the operational concept and systems architecture for homeland security/defense?
N	What are the required steps to translate the homeland security/defense operational concept into a mission area?
N	What is the investment strategy for homeland security/defense?
Y	What are the concurrent requirements for other military operations?
N	What are the impacts of deploying a National Missile Defense System?

Core Theme: Transforming to Joint Vision 2020

	DoD's responsibility to enable and continue transformation through:
N	A synchronized and coherent DoD transformation strategy/master plan to achieve new joint warfighting capabilities and new joint operational concepts as envisioned in Joint Vision 2020.
N	Changes to transform key institutional processes or create new ones, as required, to effect the transformation that achieves Joint Vision 2020.
Y	IS forces and capabilities necessary to execute the NMS.
N	The need for a DoD IS investment strategy based on requirements, capabilities, and systems/architectures.

NOTE: Y (yes) and N (no) indicate whether the item has been addressed by the QDR.

BIBLIOGRAPHY

Aspin, Les, *The Bottom-Up Review: Forces for a New Era*, Department of Defense, September 1, 1993.

Bernstein, Peter L., *Against the Gods, The Remarkable Story of Risk*, New York: John Wiley & Sons, 1996.

Flournoy, Michele A., *Report of the National Defense University Quadrennial Defense Review 2001 Working Group*, Washington, D.C.: Institute for National Strategic Studies, National Defense University, November 2000.

Goldwater-Nichols Department of Defense Reorganization Act of 1986, PL 99-433, October 1, 1986.

Gouré, Daniel, and Jeffrey M. Ranney, *Averting the Defense Train Wreck in the New Millennium*, CSIS Significant Issues Series, November 1999.

Haley, P. Edward, David M. Keithly, and Jack Merritt, eds., *Nuclear Strategy, Arms Control, and the Future*, Boulder, Colo., and London: Westview Press, 1985.

Joint Staff, *Joint Staff Quadrennial Defense Review Policy, Organization and Process*, JS Notice 5640, February 23, 2000a.

_____, *Joint Staff Quadrennial Defense (QDR) Joint Staff Road Ahead*, Briefing for Joint Staff QDR Preparation Group Planning Meeting, March 2, 2000b.

Kirkwood, Kirk W., *Strategic Decision Making*, Belmont, Calif.: Duxbury Press, 1997.

Larson, Eric V., David Orletsky, and Kristin Leuschner, *Defense Planning in a Decade of Change*, Santa Monica, Calif.: RAND, MR-1387-AF, 2001.

Lewis, Leslie, C. Robert Roll, and John D. Mayer, *Assessing the Structure and Mix of Future Active and Reserve Forces: Assessment of Policies and Practices for Implementing the Total Force Policy*, Santa Monica, Calif.: RAND, MR-133-OSD, 1992.

Myers, Steven Lee, "Pentagon Paper Urges Scuttling Howitzer System," *New York Times*, April 23, 2001, p. A1.

National Defense Authorization Act for Fiscal Year 2000, Sec. 901, § 118, Quadrennial Defense Review, October 5, 1999.

Pirnie, Bruce, and Sam B. Gardiner, *An Objectives-Based Approach to Military Campaign Analysis*, Santa Monica, Calif.: RAND, MR-656-JS, 1996.

Quadrennial Defense Review Report, September 30, 2001.

Rumsfeld, Donald H., *Guidance and Terms of Reference for the 2001 Quadrennial Defense Review*, June 22, 2001.

Schrader, John Y., Roger Allen Brown, and Leslie Lewis, *Managing Quadrennial Defense Review Integration: An Overview*, Santa Monica, Calif.: RAND, DB-317-JS, 2001.

Schrader, John Y., Leslie Lewis, and Roger Allen Brown, *Quadrennial Defense Review (QDR) Analysis*, Santa Monica, Calif.: RAND, DB-236-JS, 1999.

Schrader, John Y., Leslie Lewis, William Schwabe, C. Robert Roll, and Ralph Suarez, *USFK Strategy-to-Task Resource Management*, Santa Monica, Calif.: RAND, MR-654-USFK, 1996.

Stacy, Ralph D., *Managing the Unknowable*, San Francisco: Jossey-Bass, 1992.

Tufte, Edward R., *The Visual Display of Quantitative Information*, Cheshire, Conn.: Graphics Press, 1983.

U.S. Commission on National Security/21st Century, *Road Map for National Security: Imperative for Change*, Washington, D.C., January 31, 2001a.

_____, *Road Map for National Security: Addendum on Implementation*, Washington, D.C., April 15, 2001b.