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Annual Conference Transcript
Strategic and Force Structure Considerations for the Future

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Begin Transcript

GREG JAFFE: Hey, everybody. I'll kick this off and I'll be really quick because I know you want to hear from our panelists and not me.

I was just going to say really quickly I came to the defense beat in 2000, so 17 years ago and I'm sort of been off and on it over the years. But it was striking to me in those days, pre-9/11, that modernization and force structure were like, you know, big things that we really covered. 9/11 happened and at least for those of us in the mainstream media, it really faded to the background. And so I think in some ways, we haven't had big, robust discussions about strategy, organization, doctrine. We haven't had big, robust debates about weapons programs in the way we might have in the past because the wars were so dominating the discussions. So I'm hoping we get a little bit of that today.

And let me start with Marla Karlin to start off, who's a former DASD for strategy and force development who's going to kind of lay out the big picture for us a little bit.

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MARA KARLIN: Great. Thank you so much, Greg, and thank you to CNAS for hosting this terrific and important discussion. So in setting the stage, I wanted to spend a moment on the security environment before I walk through some of the dilemmas that I think are plaguing the defense world these days.

And as we look across that landscape, we see a security environment that is increasingly chaotic and competitive. We see power being increasingly dynamic and distributed. We see a diversity of challenges, high-end challenges, lower end challenges, nuclear challenges, state and non-state violent actor challenges. If we look at the realm of technology, we see shifts like the first-mover advantage no longer being as useful as it had been, diffusion of power, increasing potential of autonomy, all of which are meaningful, and at the international order level, we see some real shifts that are worth noting.

So taken together, this all means that that what we're really seeing is the U.S. military's qualitative military advantage shrinking in a couple of meaningful ways. And when I look across this, there are a few dilemmas that I find particularly animating and worrisome.

So the first is how do you build and use a military that operates across the spectrum of conflict and where you've been able to place bets and hedge effectively across that spectrum of conflict. While it would be delightful to effectively just say, hey, we're not going to do any of those things, we don't have a great track record of not doing those things whatever they are. So the military needs to be both built and used for a variety of challenges. What do those bets look like? How does that shift look like in terms of the investments for using forces today and using forces tomorrow? There's this notion of steady state and surge that has existed for a long time and I think is probably increasingly less important and probably less relevant. So, overall, how do we look at that conflict spectrum?

The second predicament to think about is our reliance on and relationship with allies and partners. So this notion that the U.S. military always fights and wins on its own is, of course, not true. We didn't even fight and win our Revolutionary War entirely on our own. And yet, this has become a bit of a trope worth highlight. So thinking about the extent to which allies and partners can rely on us and which we can rely on them.

All important, but, frankly, the predicament that worries me the most is the last 15 plus years of war. And really trying to reconcile what that has meant for national security strategy, national defense strategy, and force development. We have inherited a lot of biases and processes in that 15-plus years of indecisive and inconclusive conflict, so trying to reconcile what that looks like is important.

Now, one solution that's given to all of these predicaments is just more money. And that may be a mirage. It is conceivable that Congress will not give the Defense Department more money, and I suspect we'll talk a lot more about that throughout the panel. But if that money should come, how to actually use and employ that funding? There's always the option that everyone's a winner and that every service gets an equal amount. That would be terrible and I think we can talk a lot more about why that's not a great idea.

So I'll just wrap with the notion that how we deal with these predicaments will really be the solution to whether or not we are making marginal change or meaningful change in defense over the coming decades. Thank you.

MR. JAFFE: Great. And next in our line here is Jerry Hendrix, who is here at CNAS and is the director of their Defense and Strategic Assessments Program. And Jerry is going to talk to us a little bit about naval and air power.

JERRY HENDRIX: Thank you. I want to talk a little bit about two themes that are emerging that I think are sort of stressing the force. One is an internal challenge which has been largely described as wholeness. There's been a whole discussion about the need to invest in wholeness within the naval force, and I want to touch on that, but I'll also talk about the external challenge, the words that we choose not to say or choose to say, anti-access area denial, we keep saying whether that's a useful term any longer but that's also an external challenge.

So, first, about wholeness. There's been a discussion within the FY '18 budget that this year we're not going to buy more, but, in fact, we're going to take dollars and we're going to invest in wholeness, we're going to buy more personnel, we're going to invest in infrastructure, we're going to invest in essentially readiness and maintenance.

But there's a problem with that. There's a breakdown in that logic. And that is is that, specifically when you think about the Navy, the Navy is divided essentially into quarters when you're getting ready into a deployment cycle. You know, 25 percent is in maintenance, 25 percent is in training, 25 percent is getting ready to deploy or deploying, and then 25 percent would be on deployment. And that's how essentially you cycle the Navy.

However, when you have a requirement to keep about 100 ships forward deployed and you only have a force of 276 ships, somewhere that math breaks down and that's where we've begun to see problems in the maintenance, not only for our ships but also with our aircraft. There was a report a few months ago that dealt with the Charlie and Delta models of the F-18, the legacy Hornets, the fact that the availability of that was way down. The fact of the matter is over the last 15 years, we forward deployed a lot of the ships and we forward deployed a lot of the aircraft and, over time, their maintenance has in fact come down and the readiness has come down.

So there's only really three ways to correct that. One is to decrease the number of deployments so that 25 percent of your force is only deployed at a time. That would take you from 100 ships down to 70, to 80 ships and a commensurate drop in the number of aircraft deployed. No one sees U.S. commitments in the world decreasing, and so that would actually leave strategic gaps.

The second thing is to forward deploy more of those forces. We have currently 30 ships forward deployed in places like Rota or in Japan or in Bahrain, but there's a big discussion now about whether we need to do a BRAC here at home, and I think it's going to be a challenge for

us to make an argument that we need to move more infrastructure forward at the same time that we're going to be closing things at home.

The third point is just to grow the force. The president's made a commitment to 350. The Navy says it needs 355. That allows us to get back to a wholeness. And, for that matter, in the Strike Fighter inventory, we've had a discussion we need to add 80 Strike Fighters to the inventory. I think the number is actually closer to about 120 to 130 airplanes. That would allow you to then grow back into the cycle where 25 percent of the force could actually be in that deep depot level maintenance at any given time to really bring its readiness up.

So that's the internal challenge. The external challenge is this A2AD, this idea of trying to come up with weapon systems that push the American forces, be they airpower or naval power, back from the shores outside of the range of those. And that is in response to the fact the U.S. is largely disinvested in long-range precision strike capabilities both from the carrier deck. We have some long-range precision strike in the Air Force, but the B-2 fleet, there's only 20 of those bombers. The B-52s are good for standing off with long-range strike weapons from the outside but if you had to penetrate into an S-400 environment or something like that that you see evolving over time, there's going to be a challenge.

And so this is why it's critical that you look at investments like the MQ-25 Stingray aircraft operating from the carrier deck. That along with the F-35 Charlie as well as the F-18 Block III Hornet which is going to have the compartmental fuel tanks to extended range, that allows the carrier to get back into that long-range capability and to be able to push power forward and power project again against an enemy who's trying to push you back.

And in the Air Force investment, in the B-21 bomber I think is going to be important too. An all-aspect stealth bomber that has carrying capacity, has the range, has the internal ordinance capacity, and then that needs to be bought in sufficient numbers. The difficulty I see there is we've been talking about, first, originally 80 to 100 then we said 100. Calculations that we have out in my recent report that I wrote with military fellow – Air Force military fellow Colonel James Price that we just released yesterday suggests we need really a B-21 population of around 164 minimum to be able to carry on the types of campaigns both in peace and in war.

So I think those are the types of investments that we have to make if we really want to make the force whole and also to make the effective. And so we have some significant bills ahead of us. Thank you.

MR. JAFFE: Great. Great. Our next panelist is Dave Johnson with CSBA and formerly of RAND. And he's going to talk to us a little bit about the Army and ground forces.

DAVID JOHNSON: Thanks, Greg, and thanks to CNAS for having me here. I want to talk a little bit about the context of not where we're going to find ourselves in the future, but where we find ourselves right now. I think for the first time since the 1940s we find ourselves facing two regional peer competitors that have real advantages in our own home backyards, particularly as was mentioned already the A2AD access problem.

But, right now, I think in Eastern Europe where I think is probably the greatest challenge for the Army as we face the prospect of being overmatched. And our paradigm that we've used since the end of the Cold War, deploying forward and massing forces under an air and a sea umbrella, is just not relevant in the context of the adversaries we face.

So I believe you need to understand the problems you're going to deal with before you try and solve them. I think the Army and the Marine Corps, quite frankly, as (Carla ?) said, faces three problems. One is how do you build capability to deter and, if necessary, defeat high-end state actors, and, for the Army, that is Russia as a pacing threat? Second, we've got to be able to deal with adversaries who had those capabilities which are proliferating – and I wrote a book a few years ago about Lebanon and Gaza. Hezbollah's create real problems for ground and air forces given the terrain they're operating in and the capabilities they're getting. Third, we've got to – unlike we did after Vietnam, retain what we've learned in the last 16 years, which is going to be a hard thing to do. We've got really big capability gaps. The chairman, the chief and the Army leaders have talked about them, but I think the first thing we have to do with regards to Eastern Europe is admit that we could be defeated.

I'm going to spend a little more time here talking about Russia, who's been very busy in the last few years. My first tour in the Army was in Korea, in '75, and everybody said this is – you know, they're going to fall apart in a year because of demographics, economy, everything else. We talked the same way about the Russians. This is something that's not going away anytime soon.

As Jerry said, they have air defenses that start with the S-400 and go down the manpads which create real problems for our attack helicopters as well as our fixed-wing aviation fleet. And they can operate themselves underneath this umbrella of air defenses. It's worth remembering the last time an American soldier was killed by an airplane was in April, 1953. Our short-range air defenses can't deal with this problem.

Additionally, as the Russians have always done, they field a lot of artillery – rocket and tube – that has not only cluster munitions which we have said we're going to comply with getting rid of them by 2018, but thermobarics and nuclear warheads. They've been improving their tank fleet. There may not be a lot of T-14s but every one of their tanks can shoot an anti-tank guided missile that outranges our armor by two kilometers.

We haven't fought this kind of adversary quite frankly since World War II, and I hear a lot of talk about the size of the Army and the Marine Corps. I think, you know, we can have a debate about what the number is. But I think real capability is based on capacity and, you know, the capability of the force size they bring to the fight. And we're way behind in about 10 areas that the chief has put on a list.

And what is stopping movement forward on that is not just funding for all the services. It is the effect of sequestration where you really can't plan past the current year. So I think, you know, we need to start treating this problem the same way we did, with buying MRAPs for IEDs

in industry and government. This isn't an urgent problem that we pretty much ignored for the last three years. And we need new concepts because even with the capabilities and the capacity, you know, how do you project land power into a contested environment, so I think the whole notion of what is forward defense and how much presence is necessary for deterrence is something needs to (be reasoned ?) again.

So I'm just going to conclude saying that I think, you know, we face the proposition of facing very competent, well-armed adversaries, who are not necessarily going to project outside the regions. But if you're going to have influence in a region, that's what's you're going to bump up against. And I think we need to get on with it. Thank you.

MR. JAFFE: Great. Great. Our last speaker is Todd Harrison from CSIS who's going to talk aerospace and a little bit of budget stuff as well.

TODD HARRISON: All right. I'll try to tackle both topics and I won't take the remaining amount of time. So I'll start with space. You know, it kind of goes without saying but we always need to remind ourselves that our space-based capabilities are a key enabler for the U.S. military in the way that we fight today. The communications provided through space-based systems, GPS, missile warning, intelligence, surveillance and reconnaissance – all of these capabilities that we get through space really enable all of the weapon systems that have been talked about in the other domains here.

The question we're facing right now is when does space transition from being viewed as just an enabler for the other domains of warfare and an actual domain of warfare in its own right? There was a time – and Jerry's a great historian. He can tell you about a time when airpower was viewed as nothing more than an enabler for our land and sea forces. Well, air power after World War II moved out into, you know, a war-fighting domain of its own, became its own service as well. The question we're facing now is are we at that point for space?

What we're seeing in space is that it is an increasingly contested domain because we are so dependent on it for our military operations and other domains. Our adversaries have recognized that and they are increasingly challenging us in the space domain.

Now, space has been a contested domain since the very beginning of the space age. The difference now is that those weapons are multiplying. They're getting more sophisticated and they're actually able to proliferate to rogue nations and even non-state actors. So for a long time we've been talking about, oh, the next war will be fought in space or war will extend into space. Well, we need to recognize it's already happening. You don't see things blowing up in space like in Star Wars other than the occasional ASAT test. But that's not what war in space really looks like. I mean, that could be part of it one day.

What we're more likely to see and what we are already seeing in many cases are the non-kinetic forms of conflict in space. Jamming of communication signals. You can't really do anything with a satellite if you can't communicate with it. You have to communicate through to a satellite using wireless means. That means that that's a point of vulnerability, where people

can try to jam those communications to and from the satellites. Lasers could be used to dazzle or blind the sensors on satellites. There are cyber weapons, of course, that can go in through your ground station and try to take control of or disable a satellite that's on orbit.

There are a whole host of threats to our space systems that are not kinetic. We are seeing these threats already today. And in many cases the barriers to entry for these threats are much lower. You know, it doesn't require a country being a space power of its own to acquire a cyber weapon to go after one of our satellites or a jammer that can jam GPS signal within a certain region or jam our communication links within a certain region. So we're already seeing that more and more.

Now, the key areas I think to watch in military space programs right now, I'll name a few of them quickly. One is protected communications. These are the forms of communications we use for our most sensitive data links where we do things to try to protect them from jamming and protect them from detection and interception.

Also missile warning. These are satellites, the current constellation we call SBIRS. They can detect missile launches all around the globe, 24 hours a day. For protected SATCOM and missile warning, we're in the early stages in this budget of starting follow-on programs for the next generation of systems. The question is are we going to design those new systems to be more resilient, to operate in this increasingly contested environment that we're seeing? And, quite frankly, I think the answer is kind of murky right now whether or not we will have actually learned those lessons.

The other area to watch out for are commercial advances in space capabilities. So we're seeing on the launch side there's been a real revolution in the commercial launch industry, what SpaceX is doing bringing down the cost of launch. Other companies like Blue Origin are getting in there as well, and we're seeing new efforts from some of our traditional providers like the United Launch Alliance and a whole host of other companies that are trying to get into the small satellite launch segment of the market.

Also in commercial space we're seeing big advancements in communication satellites. I would just point out to you that modern-day commercial communication satellites can carry about 100 times as much data as our current wideband communication satellites the military is launching. Commercial is literally a factor of 100 ahead of us in terms of data throughput on our wideband satellites.

And we're also seeing big advances in imagery satellites in the commercial sector. They're not – you know, the advances we're seeing are not in the big, exquisite telescopes looking at space. What we're seeing though are increases in the revisit rate. Companies like Planet, they're going to be offering the ability to image the earth multiple times every day.

And so these developments are happening in the commercial sector. The question is two-fold. How is our military going to take advantage of that? How are we going to tap into that innovation? And, number two, what does it mean that this is commercially available and

everyone else is going to have access to this, too? And I think that's a big challenge that we're going to have to deal with.

The last point I'll bring up right now, and this is being considered on the Hill as we speak, is do we need to reorganize the space enterprise within DOD? One of the proposals that's out there by Chairman Rogers is to create a space corps, basically a separate service for space. It would be basically like the Marine Corps is to the Navy, the Space Corps would be to the Department of the Air Force, you know, and that, of course, is being fiercely resisted by the Air Force, as you might expect. It would be a very disruptive change. I would argue that I think we need some disruptive change right now.

So I'll move on from space – so we've talked about, you know, the air domain, the sea domain, the land domain, space domain – there's a fifth war-fighting domain we should talk about as well. That's the budget. And it may be in fact the most contested domain of all.

So right now on the Hill, you know, the House and the Senate Armed Services Committees are working on their marks for the defense authorization bills for this year. And we see a lot of budget numbers floating out of that. I always like to remind people that those are authorization bills. They set policy. They imply a level of funding. They don't provide funding. So while all those people are busy on the Hill and they aren't listening, those aren't the budget numbers you need to be concerned about. They're pretty much irrelevant when it comes to the budget. I know. Good thing they're not here. Yeah. Authorizers don't like to hear that, but they know it.

The appropriations is what normally matters, is what do the appropriators actually provide because that's a number you can spend. But if the appropriators – I hope there aren't too many of them in the room here either – I'll also offer that the appropriations actually don't matter that much right now. What matters is the Budget Control Act. That's what matters. That trumps all of these things. And, right now, for FY '18, the base budget, so not including war funding, which is not capped, the base budget for total national defense is capped in the law at \$549 billion. That is existing law. Whatever Congress does, if they exceed that cap, it triggers the sequester and it cuts you right back down to the cap, okay?

So they can talk about, the Trump administration proposed \$603 billion in the base national defense budget. That's \$54 billion above the caps. If they don't change the caps and they passed it at that level, it cuts it back down to \$549. John McCain and Chairman Thornberry have talked about \$640 billion in the base budget. Now they're talking about a compromise level in between Trump and the \$640 billion, \$621.5 billion. That's all great. What matters at the end of the day, though, is what do they do to those budget caps? That's the sticking point here.

The deal – the budget deal hinges on what kind of negotiation they can have with Senate Democrats. To change the budget caps, you need 60 votes in the Senate, bottom line. That's what you need. You need all 52 Republicans plus eight Democrats or some other combination to get to 60 votes. And one of the troubling points this year is that in the Trump budget request to

Congress, it requests more for defense, \$54 billion above the caps for defense; it requests an equal amount cut in the non-defense side of the budget. There's no way that Democrats are going to support that. The way that we've seen all these budget deals work for the past six years is we've actually had equal increases on either side of the budget caps.

So he's proposing the opposite of what's worked in the past. He has also in this budget – the president has framed this very clearly, in stark terms, as a guns versus butter debate. I don't think that's good for defense. I don't think it's good for butter either. And so, you know, we're at a point right now where they can have all of these discussions and Republicans can negotiate among themselves at \$621.5 billion and it doesn't mean much until they get to talking with Democrats in the Senate about a deal to modify the budget caps.

You know, if you want my prediction right now, I think the upper limit is going to be – there are a number of Republicans who are negotiating now, \$621 billion. The lower limit is probably what was proposed last year in the Obama administration's budget request when they projected for FY '18. They projected I believe it was \$585 billion. So that's probably the upper and lower bound of where we end up this year in the base defense budget in terms of a deal they negotiate. To get there, they're going to have to give Democrats something on the non-defense side of the budget. And they'll probably sweep a little bit more out of the base budget into the OCO budget because it doesn't count towards the budget caps and it's a convenient loophole.

So we'll see what happens by the end of the year but those are the things I'll be watching.

MR. JAFFE: Great. I'll open it up with a few questions here. You know, one of the things that – (audio break) – we're in the midst of 15 years of war, which is phenomenal. And, Mara, you talked a little bit about the sort of biases we've inherited. I'm curious what you guys think in terms of what are the good biases we've inherited, what are the destructive biases we've inherited and how do we get beyond them?

MS. KARLIN: It's easier to think of destructive ones than good ones, but I'll work on that. So destructive ones, we've seen people not go to War College because they've been fighting, so for operational reasons, which is not good for the long-term health of the force. We've seen an emphasis on today's conflicts as opposed to building for future conflicts, which can be pretty dangerous. We've seen a real focus on the Middle East no matter how much there has been a desire, and we saw this with the Obama administration's rebalance strategy, just this sort of – just bias towards the Middle East dragging us down despite our desires.

I'd say the good biases, there's been some really good dialogue about the last 15 plus years. I mean, the Army deserves some real kudos for commissioning histories of the Iraq War, for example. That's an important thing. There's been just a desire to try to figure out what's working, what's not working, some terrific work on lessons learned.

But, overall, I worry – and I think Todd's kind of discussion of the numbers shows it really well, these are fantasy numbers on top of fantasy numbers. And I think probably the worst bias perhaps that we've seen is this instinct to just scream loudly that the apocalypse is coming if

the department doesn't get more money. And, at some point, that just doesn't seem to resonate. And I think we saw this over the last six years or so, lots and lots of loud screams – need more money, things are bad, et cetera, and then the apocalypse didn't hit. And so it didn't resonate.

So those are probably a handful.

MR. JAFFE: Is the apocalypse coming?

MR. HENDRIX: Yes, it's already here. No. The thing that – the counter that I would say to that is we have gone 15 years believing that we can do more with less. And the idea that if we're going to make an investment, if I have one dollar to spend, I'm going to spend it on the most highest capability that I have. And I'm not opposed to high capabilities. I think that there has to be a balance, though, between capabilities and capacity. And, at some point in time, you have to understand that numbers matter and that when you see an erosion of like some of the international rules of order on the high seas, for instance, it's largely because we've begun to vacate some critical areas.

And so the idea of investing in, for instance, frigates, to do day-to-day presence operations, I think is an important idea. And the idea of the fact that we're going to something like 41 to 43 submarines sometime in the 2030s is just – it's incredible to me that that's an area of investment that we need a significant look at right now.

So I think there has to be a balance between high and low, be that in aviation, you know, F-35 Charlie is great. I also need some more Hornets because I need to have somewhere between 60 to 70 aircraft on the deck to maintain the deck cycle on any given day. And so we're going to have to have balance, and that's one argument that I would make is we have to bring balance back to the force.

MR. JOHNSON: So I think the biggest challenge for land forces is what we've been doing the last 15 years has become what is normal. And this is what we think war-fighting is, where force protection is the imperative. So I worry that if we get in a fight with someone who is a moderate capability much less high-end capability, what it will do to the moral fabric of the force when you don't lose three or four people at a time, you lose – like it's happened in the Ukraine, where you lose a battalion in five minutes to rocket fire.

I worry that we're going to do this pendulum swing, like we always do and forget about everything on the right and in the middle. My wife was – (inaudible) – one time and a friend of hers said that what you have to understand about America is we either overwhelm or underwhelm. If we ever learned to whelm, we'd be really dangerous. (Laughter.)

So I guess the other piece we've lost sight of is what are real joint operations. And Eastern Europe, a key component of enabling joint action is going to be ground base fires dealing with air defenses, opening up the opportunity for the other services to operate, because if you're not there, you know, the plan to protect the Baltics that you're going to counterattack

back from Poland to retake them is not I think an attractive strategy for the people that live in the Baltics.

So I guess the last thing maybe, at least in procurement, is we created this culture in many ways of avoiding liability and risk that works fine in a force protection environment or an environment where it just really doesn't matter. The liability matters more than the output. And I think that's a culture that's permeated I think all the services in some ways.

MR. HARRISON: I would pick up on something Jerry said about balance within the force. You know, if you think of the major levers within your budget or capability, capacity and readiness, and you can move each of those kind of up and down, more or less, for the past 15 years, we have focused very much on readiness. I know the military likes to cry they're in a readiness crisis, but we focused very much on a particular type of readiness to fight the fights that we're in today, and our forces are very good at that. And they performed well.

We've also focused a lot on capacity of certain parts of our force, particularly our ground forces, and we've built up capacity when and where we'd need it to support these ongoing fights. What we sacrificed, what we punted on during the 2000s a lot were the capabilities, future capabilities. And so you look at a lot of the big modernization programs where we punted – you know, we had a bomber program before the B-21 program. We punted on it. We had all sorts of modernization programs for our space systems, for protected SATCOM in particular, and we punted on these things.

Now, there were good reasons a lot of these programs were killed at the time. But we've got to recognize we were just pushing this off into the future. We eventually have to do these modernization programs.

And, of course, in the Army, we had Future Combat Systems. We spent a little over \$18 billion on that program before we canceled it, and now we're still trying to figure out what is it we need in the future ground vehicles. And so I think we've really sacrificed over the past 15 years some of our future capabilities. And so we've got a lot of ground to make up in the coming years.

Now, I will say one good thing that happened over the past – really, more over the past five or six years I would say. And this – I think the credit here goes to Mara's office when she was in the Pentagon, and others in the Pentagon, that really did a lot of good work rethinking how we're going to operate in the future and how we're going to fight in this future highly contested, high-end environment. And so I think there's been a lot of good work, a lot of good thinking into that – the offset strategy that the Pentagon's been working on.

The next step though is that has to be implemented. This has to get into the program of record. It has to get buy-in from all of the services. I'm not sure they're all bought in. And we've got to move out on it in the future. So I think the seeds have been sown, but, you know, it's going to require continued watering before we see fruit.

MR. JAFFE: Can I ask in terms of operating in that environment, it strikes me that you need really for the anti-access environment, it's really high-end capabilities, whether the current programs we have in the pipeline can sort of deliver on that threat. And if they can't, to what extent does that threat overwhelm all the other myriad of needs we have in the department because it's so high end?

MS. KARLIN: So I think there's some really good progress that we see if you look at kind of munitions purchases in particular, that trajectory is one that I think is a positive one. The effort to double down on undersea – the sub force numbers are supposed to go down but that will be a lower dip than perhaps it could have been. There's a lot of good war-gaming happening, effort to think about operational concepts. That's well and good.

What's worrisome though, along these lines that we've spent 15 years focused on capacity and not capability is the indicators that you might be seeing some meaningful progress here, would mean the Army is not talking as much about end strength, but it's talking about modernizing its vehicles. It would mean the Navy would be talking a little bit less about ship numbers and more about those ships' capabilities to fight and win wars. Not a lot of indicators that those are happening yet.

MR. JAFFE: Jerry, do you want to talk a little bit about ship numbers? How do you feel about that?

MR. HENDRIX: Well, I disagree with that because the fact is you can't keep every ship forward deployed 100 percent of the time. And so you have to have it come off the line. You have to make a choice either to replace it at that point in time or to rotate something in behind it. And so, you know, there's 18 maritime regions of the world where COCOMs have identified that we have national interests. And so to service those regions, that's what drives the 355 number that we're all working off now. And so if you don't build to that, you're either going to face a gap or you're going to see a decline in readiness of those things.

The types of investments we make, not everything is going to be high, high end. The fact is we don't operate everything in the exquisite realm. You go to with exquisite in combination with other things. You can't see F-35 Charlie going forward without the Growler, for instance, that provide jamming. And, for that matter, the F-18, the Block IIs, the Block IIIs are going to bring weapon systems that are going to tie into that. It's how you're going to combine the architecture of the force that's going to allow you to operate in those A2AD environments in the future. So, again, I come back to balance.

MR. JOHNSON: You know, so I'd say in the last 15 years, we bought tons of capability. It's just not relevant to the high-end problems we're going to face in the future. About 20,000 MRAPs, we had a Manhattan project in JIEDDO, because this is the problem we had, and, you know, those problems are political problems as well as operational problems.

So I think the big gaps in land forces are, you know, long-range fires. Almost every Russian system or Chinese systems, Iranian system outranges our longest range ground-based

rocket systems. Anti-tank guided missiles – we’re the only first-class Army in the world that doesn’t have active protection to stop rocket and RPG fire.

And I guess the other piece is we’ve become used to being able to talk to anyone we want to, anytime we want to, out of headquarters that are full of computers, in tents that are just gigantic glowing targets for somebody who knows what they’re doing.

So we bought a lot of stuff. It’s really great if you’re in Afghanistan, you can be in a soft shelter. It’s not so good if you’re in the Baltics or Poland or Korea or just name the places.

MR. HARRISON: I think one of the big challenges right now is we like to – people are talking about growing the military, rebuilding the military and they like to boil it down to simple, quantifiable metrics. And, you know, I think Jerry’s right. Ship count matters. It’s not the only metric though that matters and Jerry would admit that too. You know, it’s not just the number of ships you have. It’s the capabilities they have. So there are a lot of metrics you could use like the number of missile tubes on your ships, the number of ships that are, you know, sub-surface. You know, a number of aircraft they can carry, the range of those aircraft, the capabilities of them.

And so it’s not an easy problem and, unfortunately, in the political sphere we like to boil it down to like, you know, how many units are ready at a particular time, you know. And so like we were talking before we came on stage. If the Army in recent testimony said they only have three BCTs that are ready to deploy overnight out of 58 in the total force, 95 percent are not ready? Really? What is that metric telling us?

If that’s true, why hasn’t someone been fired? But it’s probably telling us something different than that. It’s probably telling us that the way we measure readiness is incomplete. It’s probably telling us that, you know, we’re not sure what they need to be ready for.

And so we can’t boil it down to simple measures, but I’m afraid that, you know, you hear people talking about we’ll grow the Army to this size. Why? And of what capabilities? And what are you going to do with that? You know, we need to get to 1,200 fighters in the Air Force. We already have more than 1,200 fighters, like, you know, I’m scratching my head, what do you mean? What are you talking about? And why do you need that?

And so I think we’ve got to go deeper in this debate or else we risk growing the military and adding more money and squandering it, quite frankly, and growing in the wrong ways and growing in an unbalanced, unsustainable manner.

MR. JAFFE: One question, Jerry. Go ahead, David.

MR. JOHNSON: Yes. I’d add one thing is that I think the modernization challenge – and I agree with everything you’re saying. This is a capability plus capacities what readiness is. But if you look at the Army systems, the Howitzer that is there was built in the 1960, has been modernized over time. If we had the same modernization program for the Sherman tank in

World War II, we would have had used it in Operation Iraqi Freedom. The M1's modernization program goes out to 2060. And the question you have to ask yourself is, you know, is that a reasonable approach to the problems we face? And what do you have to give up to move forward in those other capability areas? And it begins I think with an assessment of just brutally honestly asking who you're going to fight and what are their capabilities and what I'd need to do an overmatch them? And we have not done that across the domains yet, I don't think.

MS. KARLIN: And just building on that, there's the ready for what, right? What does that conflict look like? Ready for when? At what stage would you need to be involved in that conflict? And then there's the joint question – what's everyone else bringing to this party? Because this is not just a one-service party. Unfortunately, the incentives absolutely are only for a one-service party when you have these kind of questions if they actually affect resources.

MR. JAFFE: You know, Jerry, I just wanted to ask one question that we talked about a little bit before. It struck me that President Trump has been more engaged in sort of procurement decisions than any other president I can remember. And I just wanted to – in terms of the details of programs, whether they be F-35 or other stuff, and I'm just curious from your perspective how unusual that is and whether it's a good thing or a bad thing. If you had something – wanted to answer on that?

MR. HENDRIX: I'll say very quickly because I know that we're essentially coming down to the – and the general is here. So, historically, actually I was asked this question by someone, so when was the last time you had a president take this sort of a deep look at the defense industrial base. And I really think that the last time there was sort of this deep of a read at that level where they're sort of getting involved in asking questions about individual programs, you have to really go back to Eisenhower where there was just this – just sort of level of specificity.

And then before that, you really have to go back to both Roosevelts, Franklin D., who had a lot of experience as assistant secretary of the Navy during World War I that he brought into World War II and got really interested in ship building, and then, of course T.R., you know, was deeply invested in the building up of the Navy. But to the degree that it's in aviation and it's in ground forces and it's in naval forces, we haven't seen this since Eisenhower finished up the Solarium project and got all three memos from Team A, Team B and Team C, which went deep and he read them all.

MR. JAFFE: Do we have a sense whether this is a good thing or a bad thing? Do we know yet?

MR. HENDRIX: I find it difficult to argue with commanders-in-chief about their level of involvement, so I won't make that kind of a judgment. So thank you.

MR. JAFFE: Gotcha. Gotcha. You know, I guess in the time – the little bit of time we have left, I mean, we had said that the mistake would be to give all the services the sort of the

same amount. I'm curious out how we figure out – how we divide up the pie then. Does anyone –

MR. HARRISON: So as a historical matter, I always like to point out to people that there's never been a year where each of the services have gotten equal shares of the budget. It's actually never happened. People like to talk about the budget being divided up a third, a third, a third.

First of all, about 20 percent of the budget actually doesn't go to the military services. It goes to what are called non – defense-wide accounts, things like health care, TRICARE, and things like Missile Defense Agency and all the other agencies that don't fall into the services. But even, if you look at the services' budgets, what is remarkable is in the base budget, so not war related. Each service's share of the budget has remained somewhat stable for about the past two, two and a half decades. And so that suggests that we have been kind of stumbling along since the end of the Cold War with some variation of the same defense strategy.

If you're going to see a big shift in the services' shares of the budget, it has to start with a new strategy. You back up further in time to the Eisenhower era, that's where we saw a big shift in the services' shares of the budget. The Air Force in the 1950s, the mid-1950s, it was a brand new service. At one point, it was getting 49 percent of the defense budget. Go, Air Force, right?

You know, are we going to see something like that? I mean, that was a huge strategic shift of the Eisenhower administration. I think we're at a point where we've been removed from the Cold War for many, you know, years now. It's probably time for a strategic shakeup like that.

MR. JOHNSON: So I guess the – again, I get back to – I think Mara hit it on the nose – is these are joint problems, and you don't start out with what every service is going to do. You start out with how do I solve the problem and where the capability gap is. If I have a long-range fires problem, that could be air, it could be ground, it could be whatever it is. But I don't think we've – I think we've lost a lot of capability to do the analysis. Strategy is great unless you have somebody do strategy to task, to programs, to industrial base, to what am I going to buy and how much is it going to cost.

In the industrial base – I was in a meeting last night – look, if we need it, we'll just build it really quick, like MRAPs. MRAPs came off the shelf. It wasn't really quick. And the problem was not as big as losing a battalion or a carrier or something else.

So I think you need to start with a really joint approach tied into the authorizers and appropriators that says, you know, what do we have to spend, in what places to solve this problem. And it's not specific to the services. It's specific to the problem.

MR. JAFFE: Great. Great. It looks like we've got about a minute left so I'm just going to wrap it up and let General McMaster get up here and speak to you because I know folk are really eager

to hear him talk. So stay in your seats. I think he's here and he's speaking soon. And thanks for a terrific panel. You guys were great. (Applause.)

End Transcript