Defense Management Challenges for the
Next American President

by Ashton B. Carter

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Abstract: The next American president will face a daunting list of national security problems, including a serious defense budget crunch. The budget crisis will be deepened by the global financial crisis, a tapering of supplemental funding associated with the wars in Iraq and Afghanistan, and the steady growth of military healthcare and other personnel costs. After six years of rapid defense budget increases, the Pentagon has lost the practice of matching strategy and resources. The next president will need to manage risk among investments in irregular warfare, counterterrorism, balancing new super powers, countering weapons of mass destruction, and traditional warfare. He will also need to begin to build non-military “soft power” capabilities outside of the Pentagon.

No American president, in recent memory, has left as unsettled a world and as many unresolved national security issues as George W. Bush will leave his successor in the Oval Office in January 2009. The new leadership of the Department of Defense in particular faces three categories of management challenges, each enormous and unprecedented. The first category includes massive ongoing operations in Iraq and Afghanistan, and against Islamist extremism, none of which will end entirely anytime soon. To these must be added runaway nuclear programs in North Korea and Iran, erratic or unstable governments in critical places like Russia and Pakistan, and still-unpredictable but near-certain new crises that will arise in Africa, the Middle East, or elsewhere.

Second, these immediate operational challenges will need to be met against the sad necessity to “reset” some of the traditional sources of American influence and effectiveness in the world. The United States will have to reset its global leadership by repairing frayed alliances and security partnerships. It will need to re-earn its reputation for thoughtful deliberation in how it conceives its strategic intentions. Even more troubling, it will need to re-earn its reputation for simple competence in executing these intentions. Both of these have been called...
into question in connection with Iraq. The new Secretary of Defense will also need to reset civil-military relations, which became strained under former Secretary of Defense Donald Rumsfeld but have already begun to be restored under his successor Robert Gates. In some quarters the United States will even need to restore its honor, which has been compromised by excesses such as Abu Ghraib, Guantánamo, and waterboarding. The project to restore the U.S. position to its rightful place will take years, but a new administration will need to begin immediately.

But a third category of challenges for the next administration’s national security leadership, less discussed in the froth of the presidential campaign but ultimately equally demanding for the next President and Secretary of Defense, concerns the management of investment in the U.S. national security future – budgets, programs, and the match between resources and strategy—or more accurately, the current mismatch. This third category is the topic of this article.¹

The Coming Defense Budget Crunch

The strategy-resources mismatch is of concern because of several factors that will impinge upon the defense budget, quickly and severely, early in the term of the next president:

– A likely leveling of the Defense top line. The American people will certainly not be demanding a “peace dividend,” because they will realize no comprehensive peace is at hand. But neither is there likely to be a continuation of the rapid upward trend that has put DOD’s base budget authority 36 percent higher (in real terms) today than on 9/11, and 80 percent higher if supplemental funding is included.² The Bush administration


² Congress seems likely to approve essentially the Administration’s entire request for FY2009, which will result in a total DOD base budget of $518 billion. The FY2001 defense budget was $381 billion in 2009 dollars. In FY2008, the DOD base budget was $493 billion, but supplementals added another $194 billion to DOD. The Administration has requested only $70 billion in supplemental funding so far for FY2009, leaving it to the next Administration to request supplemental funding for the rest of the fiscal year. Secretary of Defense Gates has estimated that another $100 billion in supplemental funding will be needed for the balance of FY2009. See Pat Towell and Stephen Daggett, Defense: 2009 Authorization and Appropriations (Congressional Research Service: updated June 18, 2008) available at: http://www.fas.org/sgp/crs/natsec/RL34473.pdf.
projected a slow decline in real defense spending over the next five years but will probably try to move some supplemental funding into the base budget before it leaves office.

- The very real possibility that supplemental funding (now about 40 percent as large as the defense base budget itself) will be cut faster than the actual commitments in Iraq and Afghanistan can be safely curtailed. In theory, the supplementals cover the marginal cost of the wars and the baseline budget covers the ongoing costs of the military. After six years of war, however, the reality is much more complex. Expenditures that might appropriately have been requested even without the wars have been included in the supplementals for expediency. If the supplementals dry up, these programs—some of them new and innovative—will be forced to compete with the old program of record for survival.\(^3\)

- The related possibility that ground-force reset costs will be higher than currently forecasted.\(^4\)

- A “bow wave” resulting from a failure to take account of cost growth in weapons systems and defense services, meaning that the actual expenditures needed to fund the forces and new weapons systems programmed will probably exceed those budgeted by a wide margin.

- The inexorable encroachment of health care and other personnel and current operating costs on the portion of the Pentagon’s budget that invests in future forces—procurement and research, development, test, and evaluation (RDT&E).\(^5\)

- The government’s uncertain overall fiscal position, especially with the downturn in the economy—its willingness to tax, borrow, or make cuts elsewhere to fund DOD’s needs.

- Growing evidence of the need to improve acquisition practices, program management, and system engineering skills in both government and the defense industry.

\(^3\) A few examples: the entire Joint IED Defeat Organization; Arabic, and Farsi language training; and parts of the Army’s planned transition to a Brigade Combat Team structure. See Peter R. Orszag, Director, *Analysis of the Growth in Funding for Operations in Iraq, Afghanistan, and Elsewhere in the War on Terrorism* (Congressional Budget Office, February 11, 2008) available at: [http://www.cbo.gov/ftpdocs/89xx/doc8971/02-11-WarCosts_Letter.pdf](http://www.cbo.gov/ftpdocs/89xx/doc8971/02-11-WarCosts_Letter.pdf). History provides little guide here, since the nation’s other long wars—Korea and Vietnam—were almost entirely funded out of the base DOD budget, not supplemental appropriations.

\(^4\) In addition to the tendency simply to underestimate future reset costs, there is a conceptual problem: after six years of war it makes no sense to restore forces to their pre-war state. So “reset” becomes “modernization” as a practical matter, and modernized forces cost more than the older forces they replace.

\(^5\) An American in uniform costs 40 percent more today than before 9/11, adjusted for inflation. Leaving aside entirely the extra costs of war, the baseline cost of operating each unit of the military (meaning their training, repairs of equipment, base operations, and health care) has been growing at a rate a few points above inflation for years.
Compounding these Defense Department issues are wider concerns of national security capability and management, where the U.S. edge in marshaling all elements of national power is not nearly as sharp as its military prowess. An edge of excellence outside of the Department of Defense must be created to match the edge our military forces possess. Secretary of Defense Gates has appropriately called for such a rebalancing of U.S. capabilities. Among the challenges are:

– The continuing need to build a better capacity to protect America and its friends from violent extremism and terrorism, which requires investment outside the Defense Department as well as within: in intelligence, law enforcement, homeland security, foreign assistance, and diplomacy.

– The crippling inadequacy of the non-Defense instruments of crisis intervention: civil reconstruction, political stabilization, and interagency coordination and command.

– Frayed alliances and security partnerships and a palpable diminution in both U.S. moral authority and ability to persuade, as revealed in extensive and consistent worldwide polling data.

– Lack of willingness or capacity in many countries, including important allies, to share the burden with the United States by augmenting and complementing its own efforts.

Needed: A Return to Strategy in the Pentagon

It is against this challenging budgetary background and widening understanding of the non-military capabilities needed for national security that the new American leadership must consider defense strategy for the future, which is the guide to investment. Strategic clarity—What kind of military does the United States need and why?—must make a return to the Pentagon after a period when ever-growing budgets and single-minded preoccupation with Iraq have caused it to fall out of practice.

The future is uncertain to be sure. But while there might be talk about “known-unknowns” and “unknown-unknowns,” five future requirements are, in fact, pretty well known. They provide a sturdy basis for realistic planning and programming for Defense. The U.S. national security establishment, including especially DOD, will need to be able, in parallel, to (1) conduct irregular stability operations in difficult politico-military circumstances; (2) combat violent extremists, including radical Islamist terrorists; (3) hedge against an unlikely but possible downturn in U.S.-China relations; (4) prevent and protect against weapons of mass destruction (WMD) threats; and (5) continue to overmatch possible adversaries on the conventional battlefield.

Each of these missions requires investment in future defense forces. Each requires, in fact, very different types of investment. Since it is not easy to
imagine a future world in which the need for any one of these five missions would disappear entirely, the Pentagon leadership in the post-Bush era must find a way to do them all, spreading available resources over them in a thoughtful investment portfolio.

It is also difficult to imagine having enough forces and dollars to do everything possible to accomplish each of the five missions in the portfolio. There will accordingly be some risk inherent in any investment plan to accomplish this multi-tasking strategy. The investment plan for Defense must therefore do what planners call “accept risk,” and it must allocate that risk within each of the five mission areas and among the different mission areas.

In recent years, the long-established processes in DOD to manage risk and set budgets have been undermined. The rapid increases in the budget have obviously been beneficial in one way—adequate funding for Defense—but in other ways, they have corroded the processes and discipline that ensure that strategy and budgets align. There has also been excessive reliance on so-called “capabilities-based” planning, which can easily devolve into improving what the military has rather than asking what it needs.

The task of Defense leaders in the post-Bush era will be to explain the portfolio strategy and to win the support of Congress and the American people for the needed investments. This article describes the principles that should guide Defense investments in the coming years for each of the five mission areas in the portfolio.

Conducting Irregular Stability Operations in Difficult Politico-Military Circumstances

Projected ongoing operations in Iraq (while probably diminishing), Afghanistan, and the Balkans and possible future operations in many locations (the Horn of Africa and Darfur among them) all point in different ways to this broad requirement for Defense in the future. This complex of missions—collectively called “irregular warfare” in official DOD parlance, though this term is not universal—comprises stability operations, post-conflict reconstruction, peacekeeping, counterinsurgency, humanitarian intervention, and other related types of missions. There are important distinctions among these concepts, and they need to be applied differently to each situation. But they result in a common Defense requirement—relatively large multipurpose ground forces capable of operating among civilian populations with strong self-protection and minimal harm to friendly civilians. Outside of Defense, this mission requires better U.S. civilian capabilities and interagency coordination, and outside of the U.S. government it requires international burden sharing.

Much as the United States would like to leave the field of irregular warfare behind and return to an era of traditional military-versus-military warfare, almost two decades of post–cold war experience show that this
complex of missions is here to stay. Defense must invest to keep and build its edge in irregular warfare. This will require an investment effort by Defense to:

– Change the shape and perhaps the size of the Army and Marine Corps to emphasize military specialties that are currently in high demand for irregular operations but in low supply. The principal strategic challenge for the Army is to decide how much to invest in such force elements and how much to invest in more traditional force-on-force land combat capabilities; and then how to combine both types of forces into a single overall Army (to oversimplify, should the Army commingle or separate the two elements?).

– Continue to evolve the mission of the Army and Marine reserves from providing strategic backup for World War III, to adding value to active-duty ground forces in this mission area —selectively and, for the citizen-soldiers involved, predictably.

– Launch a comprehensive program of innovation in the technology and tactics of self-protection for U.S. forces compelled to operate with restraint in the midst of civilian populations containing hostile elements, frequently in congested urban settings. Threats such as improvised explosive devices (IEDs), explosively formed projectiles (EFPs), mortars, rocket-propelled grenades (RPGs), shoulder-fired anti-air missiles, and suicide bombers are relatively minor factors in conventional force-on-force warfare on the open battlefield, but they can be major factors in irregular warfare. The types of investment relevant to irregular warfare range from armored combat vehicles like the Mine Resistant Ambush Protected (MRAP) vehicle to body armor, non-lethal weapons, and unmanned aerial systems like Shadow and Predator.

– Create a larger capability within Defense for training foreign security forces. Even the most interventionist U.S. administration with the most sumptuous funding of this mission area could not hope to manage more than a handful of significant stability operations at one time. Most of the time and in most places, the United States will be counting on stable governments and their indigenous security forces to fight insurgencies, eradicate terrorist safe-havens, prevent genocide, and in other ways ensure a peaceful and
decent world. Increasing the capability of other nations to ensure security is as important as increasing U.S. capabilities.

- Enlist the help of allies and partners. The United States should not bear the entire burden of irregular warfare operations where they are needed for international security.
- Rebalance national security investment to build civilian capabilities. To accomplish this rebalancing, the new President should expand the scope of the Congressionally-mandated Quadrennial Defense Review, which covers only the Department of Defense, into a Quadrennial National Security Review encompassing all the agencies that play a role in national security.

**Combating Violent Extremists, Including Radical Islamist Terrorists**

No one can say how long it will take to defeat or contain radical Islamist extremists bent on terrorism. However, there are reasons to believe that combating terrorism will be an enduring feature of the national security landscape long after what the Bush administration calls the “Long War” against Islamist extremism is over. With the advance of technology, the destructive power available to even small groups of extremists is growing. At the same time, society is growing more interdependent and connected and thus more vulnerable to terror—physically and psychologically. These two fundamental trends are visible as far into the future as any of us can see. Whatever the lifetime of Islamist extremism, therefore, it will long remain the business of national security authorities to counter terrorism arising from other movements and groups. In this sense, the notion of a “Long War on Terror” is apt.

But for future Defense investment, this mission points in a somewhat different direction from stability operations. The critical tasks, first of all, fall outside Defense—in law enforcement, intelligence, homeland security, foreign assistance, and diplomacy. Within Defense, they emphasize some of the same special forces (direct action and civil affairs) and trainers of foreign security forces as irregular warfare. But a new and potentially significant development is DOD’s increasing willingness to assume a role in emergency response through its Northern Command (NORTHCOM). For the first several years after 9/11, Defense steered clear of involvement in homeland security, since Defense leaders were preoccupied with Iraq and concerned that homeland security funding would be subtracted from the defense budget. More recently, however, DOD has acknowledged its inevitable role in carrying out the DHS-drafted National Response Plan for at least the catastrophic cases like a nuclear explosion on a U.S. city. The Pentagon has even gone so far as to assign forces to NORTHCOM for this purpose for the first time.

8 An increase of 13,000 Special Operations Forces is planned.
China is undergoing a transformation unprecedented in history in both scale and scope. United States–China relations are overall positive and the two nations have developed a mutual dependency that would make unbridled antagonism or armed conflict tantamount to mutual assured destruction. It would demolish an economic relationship that is vital to both. It would destabilize the Asia-Pacific region where, despite enduring animosities dating back to World War II and before, prosperity and political development have proceeded at an astonishing pace for decades—first in Japan and Taiwan, then South Korea, and now South and Southeast Asia, and China itself. A U.S.-China Cold War would be wasteful for both militaries, which face other pressing and shared threats from terrorism, proliferation, and a host of regional and transnational problems. A hot war would involve a catastrophic clash between two of the planet’s largest military machines and could possibly even escalate to nuclear conflict. For two governments to bring themselves to this point would be contrary to both their individual and common interests. The overwhelming evidence of recent trends suggests that the path of conflict is, indeed, highly unlikely.

Yet senseless conflicts have too often scarred history. Past experience suggests that as a matter of strategy an important question remains: Will China be a friend or foe of the United States twenty or thirty years hence? This question is sometimes wrongly posed as a matter of Chinese leaders’ “true intentions.” But the fact is that no one, including the current Chinese leaders themselves, knows where destiny will take China as a military power. China’s military future will be determined by the attitudes of its younger generation, the policies of its future leaders, its internal development and stability, and the possibility of unforeseen crises with the United States—for example, over Taiwan. There is no convincing way for Chinese leaders to persuade Americans of their country’s peaceful “intentions” decades into the future. These intentions are not a secret they are keeping from us; they are a mystery unknown to all.

In this strategic circumstance, the United States has no choice but to adopt a two-pronged policy. The most important prong is to engage China and encourage it to become a “responsible stakeholder” in the international community. But a second prong is to hedge against a downside scenario of
competitive or aggressive behavior by China. Successive U.S. administrations have struggled to sustain public support for the needed two-pronged policy—a policy that at first glance can seem self-contradictory. But there is no reason for our policy to be self-contradictory. Determination to engage should not get in the way of prudent hedging, but so also excessive hedging should not create a self-fulfilling prophecy whereby treating China as an enemy contributes to making it an enemy. And since today’s Chinese military leaders also cannot know where destiny will carry the relationship, it follows that they, too, probably have a two-pronged strategy. The Chinese will be preparing militarily for the downside scenario, and their hedging will look to the United States like the leading indicator of the very competitive behavior against which the United States is hedging. And so hedging can beget more hedging in a dangerous spiral. Hedging is contagious. The China hedge in U.S. strategy must therefore be a prudent hedge.

The dynamic of Sino-American mutual military hedging is most evident in the Taiwan Strait. U.S. policy is not to defend Taiwan no matter what, but it is U.S. policy (and law, according to the Taiwan Relations Act) to be prepared to defend Taiwan. China, for its part, refuses to renounce the use of force if Taiwan goes too far towards independence. So the U.S. Pacific Command and the People’s Liberation Army arm, train, plan, and exercise every day for the possibility of such a confrontation. Recent developments in cross-Strait relations, notably the thaw arising out of the election of President Ma Ying-jeou in Taiwan, make such a clash less and less likely. But no one has proposed an improvement to the overall policy status quo regarding Taiwan, and as long as that remains true, this small and localized but very real arms race seems fated to continue.

For Defense, a prudent China hedge creates an investment requirement very different from either irregular warfare or combating violent extremism. The China hedge emphasizes advanced maritime and aerospace forces rather than ground forces. The China hedge is therefore sometimes adduced as the rationale for large Navy and Air Force investments such as the Virginia Class attack submarine (SSN 774), the F-22 Raptor air superiority fighter, and the DDG 1000 destroyer. But a more specific focus of prudent hedging is to frustrate Chinese efforts in counter-air, counter-carrier, counter-space, and counter-information capabilities. Through such “asymmetrical” capabilities, China’s military leaders hope to find some way to puncture the U.S. military’s decisive dominance in a crisis or confrontation. These Chinese efforts are quite clear—reflected, for example, in the test of an anti-satellite interceptor in January 2007. U.S. investments in a prudent hedge should concentrate first

and foremost on showing China and its neighbors that such efforts will not succeed in upsetting the overall balance in the Pacific region that has given it decades of peace and prosperity.

**Preventing and Protecting against WMD Threats**

Weapons of mass destruction, meaning mainly nuclear and biological weapons (chemical and radiological weapons’ effects being much less dangerous and correspondingly more manageable), in the hands of hostile state or non-state actors can jeopardize the way of life, if not the survival, of the United States. These weapons are therefore the highest-priority threat to national security. Overall U.S. government efforts must include prevention of the spread of dangerous weapons, protection from them if they do spread, deterrence to discourage their use, and effective emergency response to minimize damage if they are used.\(^{11}\)

Prevention is especially important for nuclear weapons, since they require unique materials (highly enriched uranium and plutonium) that are difficult to manufacture. Once these materials are obtained by governments or terrorists, however, the barriers to fabricating and delivering a weapon are much lower. The grave setbacks in prevention suffered by U.S. policy in recent years—allowing North Korea to obtain a nuclear arsenal and failing to slow Iran’s nuclear program—have made the nuclear threat today greater than it was just a few years ago. To these disastrous developments must be added instability in nuclear-armed Pakistan and the incomplete security of Russia’s nuclear materials.

DOD plays a role in all phases of protection against WMD attack. But once again, it cannot accomplish the entire counter-WMD mission, which requires the contribution of other parts of government, by itself. And once again, the investments DOD needs to make to play its role in this mission are different from those it needs to make for other missions like stability operations and the China hedge. In the post-Bush era, the Department of Defense will need to take the following steps to make the Department’s contribution to protection from WMD:

- Fund and support the expansion (in scope and geographic application) of Cooperative Threat Reduction (“Nunn-Lugar”) prevention and related programs like the Global Threat Reduction Initiative, the Proliferation Security Initiative, and the Global Initiative to Combat Nuclear Terrorism.
- Expand the role and funding of the Defense Threat Reduction Agency (DTRA), which is DOD’s hub and a government-wide center of excellence for countering WMD. Its capabilities not only support the war

plans of the Combatant Commanders, but underlie many arms control, threat reduction, nonproliferation, counterproliferation, WMD counterterrorism, and WMD homeland security activities of the entire government. Astonishingly, DTRA’s budget has remained flat at only $3 billion since the 9/11 wake-up call, despite the clearly growing WMD dangers and the fact that DOD’s budget as a whole has grown enormously in the same period.  

– Review the military requirements for, and attend to the appropriate size and quality of, the nuclear deterrent. Senior defense managers tend to ignore nuclear forces because they play no role in the urgent problems of Iraq, Afghanistan, and the war on terror. Nor are they a budgeting priority since the entire nuclear posture only costs DOD about $12 billion per year, or one-fortieth of the defense budget. This amount covers the Triad of strategic nuclear forces (Trident submarines, Minuteman intercontinental ballistic missiles, and B-52/B-2 bombers when in the nuclear role), the small remaining non-strategic force (shore-based submarine-launchable Tomahawk cruise missiles and nuclear gravity bombs in Europe deliverable by dual-capable fighter aircraft), and their associated command and control. But the nuclear posture is obviously critical for deterrence, for the reassurance it provides to key allies, and for the role it plays in arms control and non-proliferation policy. Its quality is also of concern, as was demonstrated by the unauthorized flight of a B-52 bomber carrying nuclear weapons from Minot AFB to Barksdale AFB on August 30, 2007. Congress has mandated that the new administration conduct a Nuclear Posture Review in 2009. (The Department of Energy’s nuclear weapons related activities also are of concern. These activities cover warhead stockpile research, fabrication, and maintenance and cost about $6.5 billion per year.)

– Fund the development and acquisition of a robust suite of non-nuclear counters to the threat or use of WMD against U.S. territory, forces, and allies. While the president will always have nuclear retaliation as a possible U.S. response to WMD use, no president would wish that to be his first and only option. Presidents deserve a wider range of alternatives. Non-nuclear alternatives include, first and foremost, use of conventional forces for devastating retaliation. But they extend to passive defenses like protective suits and vaccines against chemical and biological weapons. They also include ballistic missile defense, currently a $9 billion per year program with policy-sensitive

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elements like the planned deployment of ground-based interceptors and radars in Poland and the Czech Republic. Yet another category is “non-nuclear strategic strike”—submarine-launched or ground-launched ballistic or boost-glide missiles loaded with non-nuclear warheads and capable of striking targets almost anywhere in the world in half an hour; this alternative also has policy-sensitive elements that would need to be resolved.

– Formulate realistic responses to a situation in which terrorists obtain or detonate a nuclear weapon. DOD would only play a part of a broader government-wide response. DOD’s roles include developing nuclear detectors and forensics, stepping up to its inevitable role in cleanup, and holding responsible (if appropriate) the government from which terrorists obtained the nuclear weapon or fissile materials.

**Continuing to Overmatch Possible Adversaries on the Conventional Battlefield**

For much of the post-cold war period, the single mission that had the most influence on the size of U.S. forces, and thus the Defense budget, was the requirement to be able to conduct two major regional wars simultaneously. Planners had wars against Kim Jong Il’s North Korea and Saddam Hussein’s Iraq in mind. The rationale was that if the U.S. military was entirely consumed by fighting North Korea, for example, Saddam Hussein might be emboldened to choose that moment to launch his own war. The two-simultaneous-war construct resulted in an analytically derived number of units of ground, air, and naval forces required in the scenarios and thus in the Defense budget. In reality the two-war requirement never exactly matched available budgets, and the construct was continually amended by both the Clinton and George W. Bush Defense leadership (by conceiving the two wars as overlapping but not strictly simultaneous and by ignoring or trimming the need for postwar occupation and stabilization). Nevertheless, it had a powerful influence on where DOD spent its money.

Each of the two-war scenarios underpinning Defense planning through the first post-cold war decade has changed dramatically.

On the Korean peninsula, South Korea’s ground forces have strengthened and North Korea’s have weakened, to the point where a large infusion of U.S. ground forces to halt and reverse a North Korean invasion is not needed. Today, naval and air forces and information systems would comprise the distinctive and decisive U.S. contribution to defeating North Korea’s armed forces. The unfortunate aftermath of the invasion of Iraq makes clear that planning for territorial wars should take into account the need for ground forces in the post-conflict period for stability. But in a war on the Korean peninsula, South Korea would probably insist that its ground troops be the mainstay of order in the North during the reunification process. The U.S. role in
a war on the Korean peninsula would therefore be limited to contributing airpower, naval power, and information during the combat phase. The capabilities needed to do this have much in common with those needed for the China hedge.

The second of the two major conventional war pillars of the 1990s planning construct—Saddam Hussein’s Iraq—is gone. Its replacement might seem to be Iran. But Iran is more likely to challenge the United States with tactics other than territorial invasion of the kind Saddam Hussein mounted against Kuwait in 1990: irregular warfare and terrorism through Hezbollah and certain Palestinian factions, selective efforts to puncture U.S. overall dominance (e.g., concealment and deception against U.S. attack from the air, jamming of GPS), and nuclear weapons aboard long-range missiles. The military counter to Iran therefore looks more like the previous four missions—respectively, irregular warfare, countering violent extremists, hedging against China, and countering WMD—than like traditional conventional force-on-force warfare.

In view of these fundamental changes in the threats motivating the traditional two-war construct, there is a need for a new construct in this mission area to size it in the context of DOD’s overall force and budget planning and investment. As a global power with global interests and unique responsibilities, the United States must maintain the capability to defeat aggression in more than one theater at a time. But the new two-war strategy cannot be based any longer on two particular wars of a conventional sort but on the widest range of possible plausible scenarios.

**Conclusion**

Given that Defense must be prepared to accomplish all five missions and that resources will be limited, devising the smartest and most parsimonious approach to accomplishing each of them is essential. Obviously investments that contribute to more than one of the five mission areas should enjoy extra favor. At a minimum, everything the Pentagon buys should make a vital contribution to at least one of these missions.

Even under the best of circumstances, the U.S. Department of Defense in the post-Bush era will inherit a Defense program that has not been aligned with the budget; a strategy not matched to resources; a need to restore and reset American influence and effectiveness on the world stage; and threats in Iraq, Afghanistan, North Korea, and Iran that have not been managed or resolved. This daunting inheritance can and will be overcome, but it will take years of strong leadership.