

Statement by the Honorable James R. Locher III, Executive Director, Project on National Security Reform, Center for the Study of the Presidency, Hearing of the Committee on Foreign Relations, United States Senate, on “Implementing Smart Power: Setting an Agenda for National Security Reform,” April 24, 2008

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Mr. Chairman, Senator Lugar, and members of the Committee, I appreciate the opportunity to testify on national security reform.

Since the beginning of the 21<sup>st</sup> Century, the United States has suffered a number of painful setbacks: the terrorist attacks of September 11, troubled stability operations in Iraq and Afghanistan, and inadequate response to Hurricane Katrina. These setbacks are not coincidental; they are evidence of a system failure. Our national security system is not capable of handling the threats and challenges or exploiting the opportunities that confront us in today’s complex, fast-paced, information-age world. These deficiencies are not about the lack of talent or commitment by our national security professionals in all departments and agencies. They are working incredibly hard and with unsurpassed dedication. In many cases, they are being crushed by their workload. The problem is that much of their hard work is wasted by a dysfunctional system.

Of our antiquated arrangements, Defense Secretary Robert Gates has observed, “. . . we have tried to overcome post-Cold War challenges and pursue 21<sup>st</sup> Century objectives with processes and organizations designed in the wake of the Second World War.”

### Problems

There are dozens of problems in our national security system, but three are most pronounced. First, we are not able to integrate the diverse expertise and capabilities of our departments and agencies. Our national security challenges require effective whole-of-government integration, but we remain dominated by outmoded, inward-looking, vertically oriented, competitive, stove-piped bureaucracies – or what some have wryly begun to call “cylinders of excellence.” We need these elements of excellence, not as ends in themselves, but as building blocks in a whole-of-government approach. We need to be able to work horizontally across department and agencies boundaries, organizing and reorganizing these building blocks in an agile, adaptive, fluid way against the myriad unpredictable and dynamic threats we face.

Consider the unity of effort required in combating terrorism. We need to integrate law enforcement, diplomacy, military, intelligence, information, finance, health, transportation, and more to effectively combat the threat of terrorism, an amorphous threat that is constantly changing. But our mechanisms for producing this integration are weak compared to the power of the massive, departmental bureaucracies. We have a tiny headquarters – the National Security Council and Homeland Security Council staffs – that in any event have only advisory responsibilities. Only the president has the authority to integrate the efforts of the departments and agencies, but he lacks the time and mechanisms to do so. Presidents have sought to delegate their authority to lead agencies or czars. Neither of these approaches has been successful, and both have engendered an ad hoc approach. Integration of our national security efforts could be promoted by a strong interagency culture or a national security strategy that directs the activities of the departments and agencies. Unfortunately, we have neither. In sum, our organizational

arrangements are misaligned with our security challenges. Until we address these arrangements through comprehensive reform, we will continue to be disappointed by our performance and run the risk of incurring future catastrophic costs in blood and treasure.

The second major problem in the national security system is that civilian departments and agencies are under-resourced and culturally and administratively unprepared for national security roles. We have heard recently a great deal about the resourcing side of this issue, especially from Defense Secretary Gates. He said, "What is clear to me is that there is a need for a dramatic increase in spending on the civilian instruments of national security – diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development." Secretary Gates is absolutely correct. But there is another dimension to this issue: the lack of preparedness of civilian departments and agencies to rapidly deploy their expertise overseas.

The problem of the underfunding and under-preparedness of civilian departments and agencies stems in part from our outdated concept of national security. With World War II in mind, the National Security Council was focused on military, diplomacy, and intelligence – it still has that focus. We know that national security today is much broader: finance and economics, trade, law enforcement and legal, information, energy, health, environment, and more.

Third, congressional committees are organized with jurisdictions that generally match the structure of the Executive Branch. As such, Congress tends to reinforce the vertical structures and processes of the departments and agencies. Capitol Hill focuses on the parts and cannot address a whole-of-government approach to national security missions. National security reform will be unsuccessful without creating means for Congress to address national security missions from end-to-end.

Moreover, as the need for more integrating mechanisms in the interagency space in the Executive Branch takes full expression, Congress will need to oversee these new entities. We have already begun to see these new entities take shape although they are insufficiently formed at present. The National Counterterrorism Center, U.S. Africa Command, U.S. Southern Command, and Office of the Coordinator for Reconstruction and Stabilization are seeking to promote interagency integration in their areas of responsibility. But they remain underpowered and in some cases ill-conceived for these roles. Focusing on the interagency space would represent a totally new jurisdiction for Congress. If you believe, as I do, that the most important national security work in the future will take place in the interagency space, this is a jurisdiction that Congress must add.

These three problems and others in the national security system are not new. Our system has almost never been capable of addressing national security missions with a whole-of-government approach. We have seldom been able to integrate all of the instruments of national power. We could not do it well in Vietnam or Operation Just Cause in Panama or elsewhere.

Our shortcomings, however, have become more serious in recent years. Why? Two answers: complexity and rapidity of change. In an increasingly complex and rapidly paced world, our vertical stovepipes are less and less capable and less and less responsive. The gap between our capacities and the demands being placed on the national security system is widening. This is a frightening conclusion.

### Reform Agenda

What must be done? Modernizing the national security system will require sweeping reforms in the Executive and Legislative Branches. Marginal or incremental changes will not do. We need a 21<sup>st</sup> Century government for 21<sup>st</sup> Century challenges. There are many important department-led reforms that are attempting to increase our ability to integrate national power and deal with the many effects of globalization and a changed international security environment. In the State Department, Secretary Rice is leading a number of these efforts under the rubric “Transformational Diplomacy.” Ultimately, the success of such departmental reforms will depend upon an effort to change the way we operate at an interagency level. This is the focus of the Project on National Security Reform.

Three sets of national security reforms will be needed. First, new presidential directives governing the operation of the national security system will be required. The next president could make enormous changes on his or her own through these directives. Although he or she would lack some authorities and could not create a permanent system, the required transformation could be started.

The second set of reforms will be a new national security act, replacing many provisions of the 1947 Act. At the committee’s hearing on March 5, you, Mr. Chairman, spoke of your interest in developing a National Security Act of 2009. You are absolutely on target. We need a new national security act to mandate historic reforms on how we plan, organize, and train for national security in the 21<sup>st</sup> Century.

A third set of reforms will be amendments to Senate and House rules to bring about necessary congressional reforms. One key possibility is to create Select Committees on Interagency Affairs in the Senate and House of Representatives. These new committees could be peopled by the chairman and ranking minority members of current authorizing committees with national security jurisdictions plus corresponding appropriations subcommittees. This would create in effect horizontal teams in the Senate and House that could take whole-of-government approaches to national security missions. These Senate and House select committees would empower and oversee the national security system. They would not interfere with the jurisdiction of the standing committees and subcommittees, which would continue to perform their current oversight responsibilities.

### Prospects for Reform

Change is never easy. Transforming the world’s most important, most complex organization will be incredibly challenging. The status quo has great powers of inertia and some formidable defenders.

Despite obstacles, major reforms can be achieved. I have been actively involved in three major reform efforts – each an historic success: (1) the Goldwater-Nichols Department of Defense Reorganization Act – which unified the Pentagon and created the world’s premier joint warfighting force; (2) special operations and low-intensity conflict reforms, known as the Cohen-Nunn Amendment, which created the U.S. Special Operations Command and the magnificent special operations forces that played extraordinary roles in Afghanistan and Iraq; and (3) defense reform in Bosnia and Herzegovina, where I served as the chairman of the Defense Reform Commission, which took the three warring factions and successfully put them into one military establishment and on the path to one army. In each of these cases, ninety-five percent of the experts

judged that reform was impossible. The many naysayers to these earlier reforms remind me of a statement by Supreme Court Justice Louis Brandeis: “Most of the things worth doing in the world had been declared impossible before they were done.” As in the case of these earlier reforms, national security reform will take visionary leadership and the skilled application of change management techniques.

### Project on National Security Reform

The Project on National Security Reform, sponsored by the Center for the Study of the Presidency, is working to bring about such historic change in the national security system. The Project’s goal is approval of a new system early in the next administration. In its report, the Commission on Smart Power observes: “Implementing a smart power strategy will require a strategic reassessment of how the U.S. government is organized, coordinated, and budgeted.” The Project on National Security Reform is working to provide that strategic assessment for consideration by the next president.

A distinguished coalition of former officials -- Brent Scowcroft, Jim Steinberg, Newt Gingrich, Joe Nye, Tom Pickering, Michèle Flournoy, David Abshire, Leon Fuerth, General Jim Jones, General Chuck Boyd, and eleven others of great expertise and experience -- guide the Project on National Security Reform. Fortunately, three members of the Project’s Guiding Coalition – Nye, Pickering, and Boyd – also participate in the Smart Power Commission. More than 300 national security professionals from think tanks, universities, consulting and law firms, businesses, and government are participating in fourteen working groups to examine problems in the national security system.

The Project has the support of senior officials in the Departments of Defense, Treasury, and Homeland Security, Office of the Director of National Intelligence, and Homeland Security Council staff. Congress provided \$2.4 million for the Project in the FY2008 Defense Appropriations Bill. This funding is being delivered to the Project through a Cooperative Agreement with the Department of Defense. Secretary Gates selected a Cooperative Agreement as the funding mechanism to preserve the Project’s independence. He is adamant that the Project does not become viewed as an instrument of the Department of Defense, and that is absolutely the case. The Project is totally independent and comprised of a broad coalition of nongovernmental organizations. The Project has raised \$400,000 from foundations and is seeking additional funding from a number of government and private sources.

Thirteen members of the House of Representatives have formed a Working Group on National Security Interagency Reform. A principal objective of their efforts is to promote congressional understanding of the need for historic national security reform. Importantly, the House Working Group has representatives from the committees with national security jurisdictions. A similar effort is needed in the Senate.

The Project on National Security Reform is pursuing its work with the same rigorous methodology that produced the Goldwater-Nichols Act. First, there is the need to understand the history of how we arrive at our current organizations and processes. Second, underlying assumptions must be analyzed to determine if they remain valid or no longer fit with reality. Third and most important is the requirement to identify problems and their causes. This is the most challenging part of the intellectual effort and is often under-developed in Washington reform efforts. It is especially hard in problem

identification to get beyond symptoms to identify the real problems. We often focus on the fact that the patient has a 104 degree temperature but do not work to determine the fundamental illness.

Also in the Project's methodology is the examination of all elements of organizational effectiveness: vision and values, processes, structure, leadership and organizational culture, personnel incentives and preparation, and resources. Too often just one of these elements – structure – receives all of the attention. One conclusion from the Project's early work related to leadership is the increasing importance of leaders with incredible skills of collaboration. We have had considerable experience with leaders who have emphasized competition over collaboration. This approach undermines our efforts to create the interagency teams upon which every national security mission depends.

Only after these steps have been taken will the Project on National Security Reform begin to consider solutions. It will develop the full range of alternative solutions to fix each of the identified problems, evaluate each alternative as objectively as possible, and recommend an integrated set of solutions that directly relate to the problems and to an even greater extent causes. The Project will also give major attention to implementation. We know that implementation is 50 percent of the battle in achieving the desired outcomes.

An interim report will be produced on July 1 and a final report on September 1, the latter as required in the National Defense Authorization Act for FY2008. The interim report will focus solely on problems, their causes, and their consequences. The final report will offer alternative solutions, their evaluation, and an integrated set of recommendations.

Following completion of these reports, the Project will begin to draft presidential directives, a new national security act, and amendments to Senate and House rules. These will be completed by the November election.

### Role of Next President

The next president will have a central leadership role to play in making national security reform a reality. The intellectual and political opposition cannot be overcome without a strong commitment from and active involvement of the president.

The Project on National Security Reform has worked to keep the three presidential campaigns informed of its progress. The McCain, Obama, and Clinton teams are aware of our agenda and have expressed keen interest in its direction and intended outcomes. On July 13, 2007, Senator McCain called for legislation to reform the national security system: "To better coordinate our disparate efforts, I would ask Congress for a civilian follow-on to the 1986 Goldwater-Nichols Act which fostered a culture of joint operations within the separate military services. Today we need similar legislation to ensure that civil servants and soldiers train and work together in peacetime so that they can cooperate effectively in wartime and in postwar reconstruction."

We must make national security reform a campaign issue. Given the serious deficiencies in the national security system, the presidential candidates must be asked to articulate a plan for fixing the nation's antiquated security system and to make specific commitments to do so. Change has been a central theme of campaign debates. Of all of the possible changes to be discussed, national security reform must be at the top of the list given that providing for the common defense ranks as the government's premier

responsibility. Hopefully, the candidates will commit to a specific program of action to be undertaken during their first 100 days in office.

### Conclusion

National security reform must happen, and it must happen soon. The costs of failing to move forward rapidly with an agenda of reform could be catastrophic. The nation's security cannot be adequately preserved without 21<sup>st</sup> Century organizations using 21<sup>st</sup> Century leadership and management techniques. The nation will be best served if bold reforms are initiated at the start of the next administration.

Moving this large mountain, however, will require sustained dedication of a coalition of like-minded people in the Executive Branch, Congress, think tanks, universities, businesses, and concerned citizens. I hope that the distinguished leaders and members of this committee will find that national security reform merits their attention and decide to play a leading role in this coalition.

The time for action is now.