Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON
IMPROVING THE PENTAGON'S DEVELOPMENT OF
POLICY, STRATEGY, AND PLANS

Tuesday, December 8, 2015

Washington, D.C.

ALDERSON COURT REPORTING
1155 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036
(202) 289-2260
www.aldersonreporting.com

HEARING TO RECEIVE TESTIMONY ON

IMPROVING THE PENTAGON'S DEVELOPMENT OF

POLICY, STRATEGY, AND PLANS

Tuesday, December 8, 2015

U.S. Senate

Committee on Armed Services

Washington, D.C.

The committee met, pursuant to notice, at 9:31 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. John McCain, chairman of the committee, presiding.

Committee Members Present: Senators McCain [presiding], Inhofe, Sessions, Ayotte, Fischer, Cotton, Rounds, Ernst, Tillis, Reed, Nelson, Manchin, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, and Heinrich.

OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR FROM ARIZONA

Chairman McCain: The committee meets today to continue our series of hearings on defense reform. We have reviewed the effects of the Goldwater-Nichols reforms on our defense acquisition, management, and personnel systems. In our most recent hearings, we have considered what most view as the essence of Goldwater-Nichols, the roles and responsibilities of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, the service secretaries, and service chiefs, and the combatant commanders.

This morning we seek to understand how these civilian and military leaders formulate policy, strategy, and plans, as well as how to improve the quality of civilian control of the military and military advice to civilian leaders.

We are fortunate to have with us a distinguished panel of witnesses, who are not strangers to this committee, who will offer their views based on many years of service to our Nation: The Honorable Michele Flournoy, former Under Secretary of Defense -- and should have been Secretary of Defense -- for Policy, who is currently CEO of the Center for American Security; the Honorable Michael Vickers, former Under Secretary of Defense for Intelligence, who has also previously served as a special forces officer and a CIA operations officer; and Commander Jeffrey W. Eggers, former

Special Assistant to the President for National Security Affairs, who served both President George W. Bush and President Barack Obama and was previously a U.S. Navy SEAL officer.

As we have heard in previous hearings, Goldwater-Nichols emerged from concerns about the unity of command and the ability of our military to operate jointly. However, another primary concern was poor military advice, which former Secretary of Defense James Schlesinger said at the time had grown so bad that it was, quote, generally irrelevant, normally unread, and almost always disregarded. Unquote.

That is why the Goldwater-Nichols Act elevated the Chairman of the Joint Chiefs of Staff as the Principal Military Advisor to the President and Secretary of Defense and created the position of Vice Chairman of the Joint Chiefs of Staff.

The intent of these reforms is that the Secretary of Defense and Chairman of the Joint Chiefs of staff would be better able to promote a department-wide perspective that could integrate activities and resources comprehensively across the military services.

Goldwater-Nichols also sought to improve the process of developing policy, strategy, and plans by requiring the President to submit a national security strategy and provide

guidance to the Chairman of the Joint Chiefs of Staff and the combatant commanders for the preparation and review of contingency plans.

These were all important reforms, but 30 years later, how do we evaluate their effectiveness? If we base that on the quality of so-called strategy documents such as the National Security Strategy or Quadrennial Defense Review, I fear we may have a serious problem. The QDR process has grown so bad that Congress created an independent panel to review the Pentagon's work. In 2010, that panel concluded, quote, instead of unconstrained, long-term analysis by planners who were encouraged to challenge preexisting thinking, the QDRs became explanations and justifications often with marginal changes of established decisions and plans. The poor quality of the DOD strategic planning documents may suggest a deeper, more troubling problem, that despite Goldwater-Nichols reforms or in some cases perhaps unintentionally because of them, the development of policy, strategy, and plans in the DOD has become paralyzed by an excessive pursuit of concurrence or consensus. Innovative ideas that challenge the status quo rarely seem to survive the staffing process as they make their long journey to senior civilian and military leaders. Instead, what results too often seems to be watered down, lowest common denominator thinking that is acceptable to all relevant

stakeholders precisely because it is threatening to none of them.

I would cite again our recent experience in Iraq. Regardless of what we think about the circumstances by which we went to war in Iraq, the fact is that our Nation was losing that war for 3 and a half years, with disastrous consequences for our national security if we did fail. And yet, the development of a new strategy to finally stabilize the situation was not produced by the system, but rather by a group of outside experts and insurgents within the system going around the system. In many ways, this question of strategy is the crux of our current review. The main problem that Goldwater-Nichols sought to address 30 years ago was primarily an operational one, the inability of the military services to operate as one joint force. It is impossible to dispute that at a tactical and operational level, the U.S. military today is unrivaled in the world and far more capable than it was 3 decades ago, thanks in no small part to 14 consecutive years of sustained combat.

The problem today, however, seems to rest far more at the level of strategy. Our adversaries from ISIL to Iran and North Korea to China and Russia are inside our decision cycle. They are capable of responding to events deciding and acting faster than we are. Instead, the Department of Defense and the U.S. Government more broadly appears

increasingly incapable of adapting and innovating at speeds sufficient to maintain the initiative and keep us a step ahead of our adversaries.

The DOD also appears increasingly challenged by strategic integration, integrating thought and action across regions, across domains of military activity, and across short-term and long-term requirements. Perhaps this should not be surprising when, as previous have testified, the Secretary and the Deputy Secretary of Defense are the only two leaders in the Department with directive authority to mandate this kind of strategic integration. All of these problems are compounded by the fact that civilian control and oversight of the military has increasingly become confused with civilian micromanagement of the military.

This is not an attempt to condemn an organization just because some disagree at times with its conclusions. This is a broader problem. Our defense organization has consistently been too slow in adapting to the threats and challenges we face today and will face tomorrow. And there are real questions as to whether our current defense organization, which has long assumed that wars it would fight would be short and largely one-sided, is optimally set up to succeed in long-term strategic and military competitions with great power rivals and non-state actors like ISIL.

Part of this problem may lie, as previous witnesses have testified, in how the Department educates and develops its civilian and military leaders when it comes to strategy. I will be eager to hear our witnesses' thoughts on how to improve the Department's development and management of its people in this regard, and yet we must always remember that bad organizations all too often trump good people. Ultimately we must get this right because we have never confronted a more complex, uncertain, and numerous array of worldwide threats and our margin for error as a Nation is not what it once was and, indeed, is dramatically diminishing relative to our competitors. We have largely weathered the consequences of our previous failures, but without changes, we may not remain so fortunate for long.

Senator Reed?

STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE ISLAND

Senator Reed: Well, thank you very much, Mr. Chairman. Let me join you in welcome the witnesses and thank them not only for their testimony today but for their extraordinary service to the Nation. And I know they will provide insights that will better help us deal with these very complex problems that we face.

As Secretary Bob Gates said before this committee in October, Americans, including all too often our leaders, regard international crises and military conflict as aberrations when, in fact and sad to say, they are the norm.

He went on to further state, while we may not be interested in aggressors, terrorists, revanchists, and expansionists half way around the world, they ultimately are always interested in us or our interests or our allies and friends.

And Secretary Gates' admonition has reverberated throughout our hearings these past few months. The Department of Defense is facing many complicated and rapidly evolving challenges. We have seen how violent extremist organizations are able to promote the destructive agendas and carry out attacks against the United States, our allies, and our respective interests. In Iraq and Syria, the breakdown of a nation-state system has allowed the

reemergence of centuries old divisions, creating a vastly complex situation. At the same time, Russia continues its provocative behavior in Europe while also deploying Russian troops and military equipment to Syria to directly support the failing Assad regime. Likewise, China's assertive behavior in the South China Sea reflects both its desire to assert great power status and a challenge to international norms, including the freedom of navigation. Compound these issues, and the age of nuclear proliferation and global instability becomes even more dangerous.

It is in this context that previous witnesses before this committee have testified that the Department's organization and processes are not flexible enough to respond in a timely manner. For example, Eliot Cohen outlined how the Department currently produces strategy documents on a fixed schedule and stated that a much better system would be something like the white papers produced by the Australian and French systems, not on a regular basis but in reaction to major international developments and composed by small special commissions that include outsiders, as well as bureaucrats.

In addition to how the Department develops defense policy and military strategy to respond to evolving threats, I would also welcome the witnesses' views on whether or not changes are needed to the Department's force planning

process, if the current combatant command structure engenders effective military operations, and whether the size and number of defense agencies and field activities and other headquarters functions should be consolidated or eliminated.

Lastly, while not fully within this committee's jurisdiction, I would be interested in the views of our witnesses on the current interagency structure for national security and whether changes in that area should also be considered.

These are complex, multifaceted issues that do not offer easy or quick solutions. Again, I look forward to hearing from each of our witnesses for their perspectives and thank them for their service.

And thank you, Mr. Chairman.

Chairman McCain: Secretary Flournoy?

STATEMENT OF HON. MICHELE A. FLOURNOY, FORMER UNDER SECRETARY OF DEFENSE FOR POLICY

Ms. Flournoy: Mr. Chairman, Senator Reed, distinguished members of the committee, thank you so much for inviting us here to testify before you. And I applaud this committee's effort to take a hard look at the Goldwater-Nichols legislation 30 years after its passage and to consider a broad range of defense reforms. I believe that defense reform is absolutely critical to ensuring that we have a military that can underwrite the U.S. indispensable leadership role in a very complex and tumultuous environment.

The perspectives I offer today really come from serving two different administrations in the Pentagon, five different Secretaries of Defense from my perch at a defense-oriented think tank, but also from the time I have spent in the private sector looking at organizational best practices and so forth.

This is a very target-rich environment. It would be hard to cover all of the range of defense reform issues that I hope this committee will address in a single session, but I just want to highlight five problems that I have seen particularly in the area of strategy and planning and policy.

The first is what I call the tyranny of consensus and

the duplication of effort across staffs. I think the emphasis on consensus, finding what we can all agree on, sort of watering down solutions to the lowest common denominator has really become quite pervasive in the Pentagon, sometimes in OSD but particularly in the Joint Staff process, as the different perspectives from the services, the COCOMs, and others are brought into discussion.

I think this overemphasis on jointness in policy actually undermines the Department's ability to respond quickly and effectively and strategically to some of the challenges we face. That emphasis or overemphasis on consensus is further complicated by what I see as a lack of role clarity between OSD, Joint Staff, COCOM staffs, and sometimes the services. I saw this in my perch as Under Secretary of Defense for Policy where frequently even though the OSD clearly had the policy lead, there were more officers working a given policy issue in the Joint Staff and on the COCOM staffs than there were on the policy staff. And this is across many functional areas, whether it is intelligence policy, logistics, a whole range of areas where there is a lot of duplication and a lot of confusion about who has what role and what responsibility.

When you look at the Joint Staff and the Office of the Chairman, it has grown to nearly 4,000 people. That is 10

times what it was when the Defense Reorganization Act was passed in 1958. I actually think the Chairman and the Secretary would be better served by a smaller and more strategic joint staff that was focused predominantly on the Chairman's core function, which is providing best military advice to the Secretary and to the President.

Similarly, the COCOM staffs collectively have now burgeoned to over 38,000 people. I think they too are ripe for a real scrub in terms of the breadth of their functions and the level of duplication with the Joint Staff and with OSD.

The second key problem is what I would consider a broken strategy development process. I am the veteran of many QDRs. I have the bruises and scars to prove it. But I think as well intentioned as the QDR was as a mandate from Congress, I think it has in fact in practice become a very routinized, bottom-up staff exercise. It includes hundreds of participants, thousands of man-hours, and really does not produce the desired result. What is really needed is a top-down, leader-driven exercise that focuses on clarifying strategy. What are our priorities? What are the hard choices? How do we allocate risk?

I would encourage this committee to look at overhauling the QDR legislation. I know there was some new language in the NDAA, but the key pieces that I see are, first, moving

to a more leader-driven process rather than a staff exercise, and two, having the primary product be a classified strategy document that actually has the teeth to guide resource allocation and prioritization within the Department. You may also want to still publish the occasional white paper unclassified explanation of our defense strategy for outside audiences, but the key piece that is most important for the Department and its management is the classified piece.

The third problem I would highlight is a flawed force planning process. This is the process that translates strategy into the forces we will need for the future. And here the tyranny of the consensus is very much apparent. As we look at how this process is done, every step of the way from scenario design to analysis, to insight, all of that is governed far more by reaching the consensus among parochial interests than it is guided by pursuing the national interest. The current process is antithetical to the kind of competing of ideas and innovation that the Department really needs to grapple with the key questions, which are how are new technologies and capabilities going to change the nature of warfare in the future. How will we develop those new concepts to prevail in a more contested and difficult environment? How are we going to make the necessary tradeoffs in programming and budgeting?

What we need and I think what is possible is the creation of a safe space by the Secretary and the Deputy Secretary to really have a process where all stakeholders can bring solutions, ideas, concepts to the table to compete on how best to solve a given problem, whether it is the COCOMs, the Joint Staff, the services, and also industry who have great insights about what is technologically feasible.

This may not necessarily require legislative change but it does require leader focus and change within the Department if we are going to get the kind of force development and innovation that the Department needs to keep pace with the threats that we are facing.

The fourth key problem I would highlight is bloated headquarters that undermine both performance and agility. In recent years, headquarters have continued to grow even as the active duty force has shrunk. The Office of the Secretary of Defense now has more than 5,000 people; Joint Staff, as I mentioned, nearly 4,000; COCOMs, 38,000. In total, if you add in the defense agencies, you have 240,000 people, excluding contractors, at a cost of $113 billion. It is almost 20 percent of the DOD budget.

And this is not just a matter of inefficiency. It is also a matter of effectiveness. When you go out into the private sector, there is case after case where you document that bloated headquarters' slow decision-making push too

many decisions up the chain rather than resolving them at the lowest possible level, incentivize risk-averse behaviors, undermine organizational performance, and compromise agility. I think the same is certainly true in government. And what is more is all these resources that are duplicative take resources away from investment in the warfighter, which is the DOD's primary mission.

So I would really encourage this committee and the Congress more broadly to take several steps in this regard.

First, strongly encourage the Secretary of Defense to conduct a comprehensive and systematic effort to delayer headquarters staffs across the defense agency. When I say delayering, I am talking about a systematic design effort that goes through, eliminates unnecessary layers of bureaucracy, optimizes spans of control. There are proven methodologies for doing this that have been used across both the private sector and the public sector. I would start with OSD, the Joint Staff, move to the COCOMs, the service secretariats, and then the defense agencies.

Second, I think the Congress needs to give this Secretary of Defense the kinds of authorities that past Secretaries of Defense have been given to manage a reshaping of the organization in the workforce, things like reduction force authority, things like meaningful retirement and separation incentive pays, including things like base

realignment and closure. And I know we can get to that in the Q and A if you would like.

The third thing is I think that Congress should actually direct the Secretary to commission a study by an outside firm that has both deep private sector experience and familiarity with the unique requirements of the defense enterprise to look at these areas of overlapping functions, how do we better integrate and streamline staffs within the Department. This could look at the service secretariats versus service chiefs' staffs. It could look at OSD and Joint Staff functional area overlaps. It could even look at areas like transportation and logistics where all of the leading private sector firms have integrated those functions, yet in the Department of Defense, we have two separate organizations managing those.

And lastly I would say I think we all need to take a hard look at the combatant command staffs. I personally believe it is time to actually reduce the number of COCOMs -- there are areas of consolidation that would make sense -- streamline the subcommand and service component structure and also look at the size and composition based on a honing of the functions that we want the staffs to perform.

I think the last piece I would just foot-stomp is the importance of providing the Secretary with the authorities he needs to actually make these changes. I have mentioned

some of them. One of the ones I want to highlight because it is in this committee's direct control is a requirement that is placed on all DOD nominees being considered that is different from what is being placed on other agency nominees, and that is in most agencies, to avoid conflict of interest problems, you are allowed to put your assets and your holdings in a blind trust and then, if necessary, recuse yourself from certain decisions. The SASC historically has said, no, that is not enough. You actually have to divest of your assets in any company that does business with the Pentagon. The result of that is that you basically disincentivize anyone from the private sector who has the kind of management acumen and experience running large organizations to come in and serve in the Department of Defense. And we lament that lack of expertise and that lack of acumen in terms of the people we are able to recruit to serve, and yet, some of the rules in place have prevented that kind of service. So I would just encourage you, before the next presidential transition, to take a hard look at that rule.

I am out of time, but let me just conclude by saying a lot of these problems can be addressed by means other than revising the fundamental legislation of Goldwater-Nichols. I personally believe a lot of the core elements of Goldwater-Nichols -- they got it right. The powers given to

the Secretary of Defense, the role of the Chairman not only as the military advisor to the Secretary but also to the President, ensuring that the President has the ability to hear military dissent if it exists before he makes a national security decision.

The one thing that I will say I would not like to see that some others who have testified before you have recommended is reinserting the Chairman in the operational chain of command. In my view, giving the Chairman decision-making authority over the COCOMs and services would come at a high cost, essentially commensurately reducing the authorities of the Secretary of Defense. Decisions about where to deploy forces, when and how to use force in conducting military operations are fundamentally decisions about where, when, and how the United States should use its power and expend its blood and treasure. In a vibrant democracy like ours, those decisions should remain in civilian hands, not the hands of military authorities.

So let me conclude there, and I am happy to entertain your questions. Thank you.

[The prepared statement of Ms. Flournoy follows:]

Chairman McCain: Thank you.

Secretary Vickers?

STATEMENT OF HON. MICHAEL G. VICKERS, FORMER UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE

Mr. Vickers: Chairman McCain, Ranking Member Reed, distinguished members of the committee, it is a privilege and a pleasure to be with the Senate Armed Services Committee this morning to discuss how the Pentagon might improve its development of policy, strategy, and plans.

It is an additional pleasure to be joined by my former colleagues, Michele Flournoy and Jeff Eggers. Let me say Michele and I are almost always of like minds, and I strongly endorse everything she said.

It has been 7 months since I retired from my position as USDI. I miss the great privilege of defending my country, and as astonishing as this may sound to some, I miss all of you too.

[Laughter.]

30 years ago, a lack of joint interoperability and interdependence and insufficient attention given to our special operations forces provided the impetus for major defense reform. Today, the need for defense reform is no less urgent.

In my view, defense reform today needs to address two critical problems, one managerial, how to reverse the steady decline in combat power that stems from rising personnel and weapons costs and excessive overhead, and the other

strategic, how to get better strategy and therefore more effective military operations at the higher levels of war.

As Dr. Kissinger and others have noted, we are engaged in three long-term conflicts or competitions in the Middle East with global jihadi groups and Iran, in Europe with Russia, and in Asia with China. Mr. Chairman, as you noted in your opening statement, these three strategic challenges are highly asymmetric and two are wholly or predominantly unconventional. Each of our adversaries and competitors are able to impose significant costs on us, and each challenge will likely last for decades.

We were as much as a decade and a half late in responding to China's anti-access/area denial challenge to our power projection capabilities, but now I believe we are generally heading in the right direction. We seem flummoxed by and self-deterred in our response to Russian indirect and direct aggression, and although it is certainly not from a lack of trying, we are far from having a strategy that can bring stability to the Middle East.

We have had considerable success at the tactical and operational levels, particularly in the counterterrorism arena and in turning around at least temporarily the situations in Iraq and Afghanistan, but much less at the strategic level. It is not enough to win battles or even campaigns. We must win our wars and our strategic

competitions, and victory must lead to the establishment of the regional and international orders that we seek. Our need for good strategy is more important than ever and our organizational capability to produce it is uneven at best and very much personality-dependent.

Let me say a few words about good and bad strategy. In my written statement, I described what I think good strategy is and I provided several examples from our history of the past 30 years that I think constitute it and so I will not belabor it now.

Bad strategies result from a poor understanding of the strategic and operational environment, unrealistic games, or confusing goals with strategy, inappropriate ways, insufficient means, and inadequate follow-through. But more than anything, they stem from an inability to identify the decisive element that confers enduring advantage and then to focus actions and resources on it.

The reasons why we frequently produce bad strategy are insufficient strategic education, lack of relevant operational expertise and strategy-related experience among many of our practitioners, as Michele noted, insufficient competition and rigor in the marketplace of strategic ideas, and failure to bring Congress along as a partner in the development and implementation strategy. The most successful strategies that I have been associated with in my

career have been when we have had Congress as a real core partner.

Bad strategy affects not just current operations but future ones as well. As Secretary Gates has observed, the Department all too frequently prepares for the wrong war and prioritizes capabilities for imaginary wars over real ones.

Now, let me offer a couple of ideas that dovetail with what Michele said that could improve the Department's making of strategy.

Let me first emphasize my core point: good strategy requires good strategists. It is just hard to get away from that. Strategy is hard. It looks deceptively simple. It is anything but, particularly as you move up from tactics to strategy and grand strategy.

The first is to revamp the selection and promotion of our general and flag officers to give greater weight to strategic education and development in the course of their career. We are packing too much in the careers of every officer, and today it is hard for me to see how we will produce in the future four-star commanders who have Ph.D.s like General Petraeus and Jim Stavridis or have significant foreign expertise, as General Abizaid and some others. The system just simply does not allow that anymore.

With our one-size-fits-all line officer or personnel management system, we have sacrificed the strategic

education of our officer for tactical and joint gains, which are very, very necessary but not sufficient. It is far less likely going forward, as I said, that we will produce officers who have attained a Ph.D, are proficient in foreign languages and knowledge about areas of strategic interest to the United States.

We are paradoxically plagued by both too much and too little joint experience in our officer corps. For some promising officers, we should consider relaxing the joint duty assignment until they reach the general officer or flag officer rank, and within our services, we should seek to produce a mix of highly tactically proficient and then somewhat less tactically proficient but still tactically proficient but strategically educated officers that are on the command track and compete to our highest levels of military office.

The second idea, which again dovetails with something Michele said, is to rigorously select and educate a joint corps of operational strategists and transition the current joint staff, which does all things for all people, into a real joint general staff focused on the preparation and conduct of war.

Let me draw one difference. On the civilian realm and civilian control, as Michele said, strategy is usually set by a few people at the top or should be. In the military,

it very much depends on having a talented action officer that provides impetus up to the top, and I do not really see that system changing. It just can be reformed.

A joint general staff would differ from the current general staff in several important ways: in the rigor of selection and strategic education; in their longevity of position; in their independence from their services once they go in this area, although they would maintain their operational currency; and in their exclusive focus on war and strategy.

Let me close with a few thoughts on improving strategy across the broader national security establishment. The National Security Council system works very well when it focuses on big questions of strategy and crisis management. I do not personally believe that a Goldwater-Nichols for the interagency would be wise. In fact, I think it would perpetuate some of the strategy pathologies we have in the Department across the interagency.

Good strategy and effective operations are greatly enabled by good intelligence and the operational integration of the Central Intelligence Agency and the Department of Defense in recent years has significantly improved our operational effectiveness in several areas. And I am sure I am going to sound parochial in saying this, but at the margin, given the challenges we face, their asymmetric and

long-term character, we will likely see a larger return at the margin, dollar for dollar, in our strategic effectiveness by providing additional resources to national intelligence than we will by providing equivalent amount for defense. And of course, I am for both.

Thank you very much for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Vickers follows:]

Chairman McCain: Thank you.

Commander Eggers?

STATEMENT OF COMMANDER JEFFREY W. EGGERS, USN (RETIRED), FORMER SPECIAL ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS AND FORMER U.S. NAVY SEAL OFFICER

Mr. Eggers: Thank you, Chairman McCain, Ranking Member Reed, and members of the committee. It is an honor and a privilege to testify on this important topic. And I am honored to be joined by my former colleagues, Michele Flournoy and Michael Vickers.

My testimony today is, of course, informed by my own experiences as a naval officer, policy advisor to several senior defense officials, a National Security staff member across two administrations, and as well my recent public policy research on the intersection of organizational performance and behavioral science.

Goldwater-Nichols was, of course, informed and catalyzed by the failures of that generation. And my sense is that our modern shortcomings are equally deserving of reform. So I appreciate the significance of this topic and this opportunity.

My experience across both ends of the policy spectrum is that the defense policy and strategy apparatus that employs our world-class military is by comparison relatively weak. So my testimony today is focused on what I consider to be the greatest challenge to the future of our defense policy, and it is not any particular threat, nor is it how

we are organized. Rather, I see our most significant challenge to defense policy as simply how we think and the most significant future threat we face as a failure to adapt in the future.

Amidst budgetary pressures and a very rapidly dynamically changing future environment, it is imperative that we invest in the concept of intellectual adaptability. This is particularly important because we have demonstrated an inability to actually predict the course of future threats. Secretary Gates perhaps said it best. Quote: When it comes to predicting the nature and location of our next military engagements, since Vietnam our record has been perfect. We have never once gotten it right.

So making the case for intellectual adaptability is quite easy. I think the hard part is designing change that actually results in intellectual adaptability. The good news is the Pentagon has gone a great way to internalize this concept and institutionalize it within their current strategic planning lexicon.

So I would first make a few points about how adaptability relates to people and technology.

First is that adaptability relates to an organization's culture and therefore and ultimately its people. As General Dempsey once said, if we do not get the people right, the rest of it will not matter. We are going to put the country

at risk.

It is in this light that I believe Secretary Carter's Force of the Future initiative should be aggressively implemented, but the proposals are likely to meet some dilution as they go through the cultural resistance to change.

Second, the strategic potential in this initiative of Force of the Future is not simply in controlling costs. Rather, it is enhancing the adaptability of the force. We must shift our way of thinking from retention of talent to the development of talent.

Third, adaptability must not be misconstrued as how we acquire or buy technology. Even for DARPA, which I see as one of the world's greatest intellectual innovation firms, their great history of innovation rests instead on their personnel system with their special hiring authority in a very rigorous intellectual process.

Fourth, intellectual adaptability will require rebalancing the military's emphasis on operational employment with academic development. Generally speaking, the more time spent in operational units, the more promising one's military career, which is a disincentive to pursue experiences that broaden and build new ways of thinking such as civilian schools.

And fifth and finally, the command-centric military

promotion system results in a lack of skill differentiation that dulls intellectual adaptability. Command track officers who come to staff jobs to check the box so to speak for their joint requirement have little incentive to challenge the mainstream analysis of that institution lest they jeopardize their operational career.

In exploring an adaptable force that is more open to new ways of thinking, my statement highlights cultural factors that generate a wider array of new ideas, improve upon a risk-averse culture, and can do things to inoculate against cognitive bias. We must do better at seeing the world as it is vice how we wish it were or thought it was going to be.

Along these lines, my statement offers two broad sets of recommendations to promote intellectual adaptability in policy and strategy, which I will summarize. The first set speaks to military personnel management and the prioritization of people and their cognitive development.

One, move beyond the joint concept by building senior military leaders in the future that have an abundance of national security experience outside of Defense.

Two, prioritize academic growth by making such broadening tours more common by the time people reach the 06 milestone with a significant expansion of civilian school opportunities.

Three, promote differentiation among our office community by balancing opportunity between a dominant command track career track and the non-command tracks.

Four, promote a meritocracy in military promotion by making more flexible both the early promote system and the up or out tradition.

The second set of reforms is applicable to the civilian side of the defense policy community with three recommendations.

First, institutionalize an independent red team of experts and outsiders that are empowered to rigorously test the policy assumptions and to present alternative perspectives into the process.

Two, separate the policy development and implementation functions so that the policy development personnel can be protected from the burden and distraction of day-to-day operational crises.

And third and finally, enhance the development of the civilian policy professional community with specialized training to enhance critical and divergent thinking in the policy development and assessment process.

I greatly appreciate the opportunity to testify and offer these thoughts today. The uncertain nature of our future puts the need for humility into our planning and puts a clear premium on the concept of adaptive thinking and

being more open to how we employ the resources we will have in the future. As always, such reform will be disruptive and costly and entail some acceptance of risk. However, in my view such risk will be more manageable and more acceptable than the increasing costs of a future failure to adapt.

I hope my testimony serves useful to the purposes of this committee, and I look forward to assisting the committee and I definitely look forward to your questions. Thank you, Mr. Chairman.

[The prepared statement of Mr. Eggers follows:]

Chairman McCain: Thank you very much.

Secretary Flournoy, I have been concerned about the centralization of decision-making on a tactical level. I have been told, for example, the reason why we waited for a year to launch strikes against the fuel trucks, which were a great source of ISIS's revenue, that the decision rested in the White House and had never been given. It seems to me that those decisions should be made at a tactical level, and I wonder about your concern about that.

But, second of all, when I tell people and my constituents about the numbers that you just cited in your testimony, tens of thousands of staff members at all levels, they ask me a simple question. How did this happen?

And finally, what is your solution? Do we have to act legislatively to put caps on the size of these staffs? Do we have to restructure the entire organizations? I think everybody agrees they are much, much, much too large. And so what is your suggestion as to how we get this situation back under control and get our service men and women back into the operational force?

Ms. Flournoy: So first on your point about tactical decisions being sort of pulled up the chain of command into either the senior reaches of the Pentagon or the White House, I think too often that happens because of two reasons: one, a lack of role clarity of who has what job;

and two, a risk aversion. The more people are worried about risk, the more they tend to pull decisions up the chain of command.

The irony of that is that I think if you were to keep the NSC process focused on strategy development, policy setting, setting the right and left limits for execution, and then you were to empower the secretaries of the various agencies to actually execute on that policy and then hold them accountable if they screw up, but allow them to really be empowered executors of the policy, I think actually in fact that would reduce risk to the President and to the policy.

So I do think it is a matter of role clarity, but it is also a matter of management style that empowers leaders down the chain and holds them accountable.

You know, in terms of how this tremendous growth in headquarters staffs have happened, I think there is certainly instances where in a very complex world, the Department gets assigned new tasks and every time there is a new task and somebody new responsible for that task at a senior level, they grow a staff.

Chairman McCain: And there is a new command.

Ms. Flournoy: And there is a new command. Right.

So there is some of that.

But I also think it happens -- it is more about the

natural tendency of bureaucracies to grow. The fact that without role clarity you have a lot of people competing to do the same work, we now have a situation where COCOMs are routinely pulled into the policy process. And if you are a four-star COCOM commander and you are going to have to appear in the situation room, of course, you are going to build your own policy staff so you are prepared to do that. But is that really what we want the functions of the COCOMs to be?

So I think role clarity, really scrubbing the functions and then I think applying some of the best practices that many Fortune 500 companies have gone through, which is systematic organizational design where you start with some design principles and then you go layer by layer and you optimize spans of control and you eliminate unnecessary layers. And not only do you get cost savings, but more importantly, you get the kind of organizational agility and adaptability that my colleagues here have been talking about.

Chairman McCain: Secretary Vickers?

Mr. Vickers: I would just underscore what Michele said about the dangers of centralization. I also think there is a case -- and it does stem from risk aversion, and I think when you confuse a regional war for a counterterrorism campaign and apply processes you apply outside of areas of

armed hostilities, then you get the results. If you compare our campaign against the Taliban in 2001 versus our campaign against ISIL in Iraq and Syria, you see a really marked difference, and you see a marked difference in results as well in terms of toppling the hostile regime. ISIL, of course, is far more like a state -- or it is a combination of a state and a global jihadist organization. Even within the counterterrorism realm, when we have applied the principles that Michele described in terms of delegated authority, we have been far more effective.

Chairman McCain: Commander Eggers, briefly.

Mr. Eggers: Thank you, Chairman McCain.

The only point I would add is the role of information flow and technology which has changed radically and made it far easier for the effect that Secretary Flournoy mentioned where we pull in the field. We feel an obligation to understand the operational level of detail and the policy decision-making process. And I think that has two drawbacks. One is it does bloat the size of the subordinate staffs, but two, it introduces a certain cultural deference to the field and a certain amount of bias towards the preferences of the field, which I alluded to in my statement for the record, which I think has to be acknowledged.

History suggests that there is benefit by senior leadership understanding these tactical details and the

effects of the policy and the strategy. Yet, I think that that has grown due to the proliferation of technology change and the way we see information and have awareness of the battlefield.

Thank you, Mr. Chairman.

Chairman McCain: Senator Reed?

Senator Reed: Well, thank you very much, Mr. Chairman.

And thank you witnesses for very, very thoughtful testimony.

Starting with Secretary Flournoy, you indicated that in the realm of planning documents, the process would be improved if it was a classified document essentially and then periodical releases of generic information, et cetera. If you want to elaborate, please do so, Madam Secretary, and then I will ask Secretary Vickers and the Commander for their comments too.

Ms. Flournoy: In my view, when we have unclassified documents, we tend to get a lovely coffee table book that is a list of everything that is important. But what the Department really needs is strategy and strategy is about making choices. So clear priorities where not everything is a priority. Probably the hardest part of strategy is deciding where you are going to accept and manage risks. There are problems talking about that in too detailed a manner in a public context because your adversaries are

listening, opportunists are listening, allies are listening. So it is very important I think for a real strategy document to be classified and shared with the appropriate overseers in Congress to really guide prioritization and resource allocation.

I also think that that process should be leader-driven but be very inclusive at the leadership level. The best example of that I saw was in the development of the 2012 defense strategy where we did it because of profound changes in the resourcing and security environment, but it included everybody from the President to the Secretary of Defense to the Chairman to all of the COCOMs, all of the service chiefs and secretaries, and so forth. I would have liked to have actually seen it include a couple of key Members of Congress as partners. But it was an iterative process of really getting the leadership team as a leadership team to buy into a real strategy that did prioritize some things and accept risk and manage it in other areas. So I think that is a good model to build on.

Senator Reed: I will just insert a point and then ask the Secretary, and then you might come back at the end, Madam Secretary.

This is all nice, but ultimately we have got a budget, which is pretty open and people argue that that is the strategic guidance right there. You might think about this,

Secretary Vickers. How do we sort of have this very classified sort of strategy and then have a budget that does not reveal it?

Ms. Flournoy: I think there are parts of the budget that are rightly classified, and I think we can have a broad discussion of strategy and we should in a democratic context. I just think that what I hear from this committee and from others in the Department, frankly, is a frustration that we stop short of the hard choices sometimes. And I think some of those need to have a classified environment to have an honest discussion about what we are actually doing.

Senator Reed: Secretary Vickers, please, and then Commander.

Mr. Vickers: Sure. I think that important aspects of our strategy have to be developed in secret to be effective, and that really is the case. You know, it is a question of emphasis. The reason for this is that good strategy really has to be unexpected in some ways if you are going to exploit your strengths against your opponent's weaknesses and create new strengths. Either to change the rules of the game or to beat him at his own game has to be consistent with your overt strategy, but there are important elements that have to be secret.

I would add to your question, Senator Reed, classified strategy can use unclassified capabilities in unexpected

ways, and that is what confounds your enemy, as well as our classified capabilities that we necessarily keep classified.

Senator Reed: Commander, can you comment, please?

Mr. Eggers: I would take a slightly different and mixed view on this which is that the problem with the strategic documents and the framing we have now is not necessarily that they are unclassified, it is that they avoid the hard decisions and that they become a laundry list of every conceivable approach to solve a problem because of the process. And that is not because of the unclassified nature so much as the process that develops those documents. And some strategic documents will need to be classified by virtue of the content, but that in general an open document that is open to the scrutiny and the debate of outside experts who will not have access to a classified document could be a valuable effect to increase the diversity of thinking that goes into that strategy that we would lose by classifying the document.

Senator Reed: Well, thank you.

Thank you, Mr. Chairman. Thank you.

Chairman McCain: Senator Rounds?

Senator Rounds: Thank you, Mr. Chairman.

Just down the line, does a classified document or series of classified documents exist today that actually are the operational directive that would be a replacement to a

QDR? Is there a series of them out there right now that we simply do not talk about?

Ms. Flournoy: Yes. There is a planning guidance that is issued both for force planning but also for contingency planning. And so there are key elements of a strategy in those documents that do exist today.

And I would agree with Commander Eggers. I am not suggesting that all our defense strategy should be classified and that solves the problem. I just think that the real issue is being able to make those hard choices, being able to debate where we are going to accept and manage risk, how we are going to prioritize among the many things we need to do.

Senator Rounds: Agreed, gentlemen?

Mr. Vickers: Yes. I mean, there is certainly no shortage of classified documents and guidance. The question is whether they are strategically meaningful in a sense of concentrating actions and resources. That is where I think we fall short. That is the difference between good strategy and bad strategy. It is not things that we should do in the classified realm we sometimes do in the unclassified realm, but it is also whether what we are doing in the classified realm is really significant enough. It still has to meet the same test for good strategy. You are just more exposed, and that is why you keep it classified because you are

trying to really -- you are acknowledging how you assess the world, which may be different than the way you say things in public in some important aspects, and then actually how you are going to leverage your advantages is obviously sensitive.

Senator Rounds: Mr. Eggers?

Mr. Eggers: And I would agree. I think people in the military decision-making and policy decision-making processes, when they set out to try and drive the process, will assemble all of these reference documents, unclassified or classified, QDR, national defense strategy, strategic planning guidance, and so on. And even then, it is very difficult to look at the mosaic of that guidance and the strategic framework and discern what that means for the implementation on that particular policy issue. In other words, it has become so big and so diverse in some ways that it often can lack coherence to the policy decision-making process that it is trying to inform, and even worse, it can become somewhat disconnected from resource allocation, which is a different problem in and of itself.

Senator Rounds: Bottom line, if the QDR were to be eliminated, there would be a savings, I believe, in terms of staff time just creating it, and at the same time, there are other documents which could be expanded upon in a classified setting that would take the place of what we are doing right

now in an unclassified setting.

Ms. Flournoy: Yes. I would encourage you to just fundamentally reset the process and ask the Secretary to produce a top-down, leader-driven strategy document that has a classified form and an unclassified form and get rid of the bottom-up, "everybody comes to the table" kind of process because in practice the QDR has become the ultimate tyranny of consensus. The object is what can we get everybody to agree on and sign off on as opposed to how do we frame and present to the Secretary and the Chairman the real choices before the Department and how to make those choices. It focuses it on consensus as much as framing and assessing the alternatives and offering those for decision, which is a different process than what the QDR has come to be.

Mr. Vickers: And it is much bigger than the QDR in terms of strategy. You know, as Jeff said and the chairman said about strategic integration, we do strategy every day in lots of ways. So our COCOMs every day are doing something called phase 0 operations directed by classified guidance that is shaping the environment. Well, you know, we are not doing all that well that is shaping the international environment the last 15 years, and that is why a coherent strategy that is strategically integrated -- this is something that spans administrations, but that is what is

really missing from our overall practice of strategy.

Senator Rounds: Thank you, Mr. Chairman.

Chairman McCain: Senator King?

Senator King: Thank you, Mr. Chairman.

I find this a fascinating and important discussion. Napoleon said war is history. Freud said anatomy is destiny. It has been my observation that structure is policy, that if you have a large, cumbersome, slow structure, you will have cumbersome, slow, consensus-driven, and ultimately unsatisfactory policy or strategy, as we are talking about today.

It is very interesting. Mr. Vickers, you kept talking about adaptability as the key term, and you used the phrase about consensus is the enemy. You cannot adapt if you have a consensus-based process, it seems to me. What we are really talking about is agility and agility in decision-making particularly in an era of such rapidly developing and changing challenges, the challenges we are facing today from ISIS are different from the challenges we faced from terrorism 2 years ago. The whole homegrown extremist idea is a new challenge. And yet, we have 38,000 people trying to evolve policy.

Ms. Flournoy, I think one of your important insights is that policy should be top-down, that the people who are assigned to think big picture are to be the ones where the

strategy should begin.

Mr. Vickers, do you agree with that proposition?

Mr. Vickers: I do. That does not mean only senior leaders have to do it. They can be aided by a small staff or key individuals, but I think small groups, top-down, senior accountability is critical in strategy.

Senator King: If we are talking about strategic thinking in the military, give me some thinking, Mr. Eggers, on whether the promotion process stifles creativity, risk-taking, and the kind of adaptability that we are looking for. To put it more bluntly, could Rickover become an admiral today?

Mr. Eggers: In my statement for the record, I go into some detail about a lot of the research that suggests that the promotion system with its emphasis on the command track model, which puts the premium on operational experience, is in fact degrading our ability to be more creative and innovative in how we think. That, coupled with the refinements of Goldwater-Nichols and the Joint Staff requirement for promotion, for instance, means that you today have a Joint Staff that is built with some of the best officers we have largely from the operational community on a very promising career track who come to that job and have very little incentive to think differently and offer opinions that are outside the mainstream analysis, which

hinders the process. In effect, the Joint Staff can become something of a pass-through for field or COCOM recommendations in the process.

Senator King: I could not find the quote, but there is a wonderful quote from Churchill about the sum of any committee decision is always no, that the committee, by definition, sort of filters out a different thinking and adaptability and agility, which again is what we need.

Let me change the subject for a minute. Is all this window dressing? Is real policy not made in the White House these days? We have thousands and thousands of people in the Pentagon thinking about strategy, but the decisions are made in the White House and perhaps that is where they have to be made.

When I was Governor -- or let me just make another example. It was not some mechanic -- the headline was not "mechanic failure caused helicopters to crash in the desert." It was "Carter mission to rescue hostages failed." Do you see what I mean? If the President is going to be held responsible for these decisions, it seems to me in large measure they have to be made there. I do not have an answer here, but I am interested in your thoughts, Ms. Flournoy.

Ms. Flournoy: I think strategy and policy decisions should be made at the commander-in-chef level -- many of

them, particularly when you are putting Americans in harm's way. But I think once a general policy direction is set, empowering your line organizations to actually implement it within certain right and left limits and then holding people accountable for the results -- you know, it is the only way you are going to be able to deal responsively and effectively with the full range of challenges that we are facing.

I think from a White House perspective and from a senior leader perspective, one of the challenges is when you ask for options, when you ask for ideas, what do you get? And this gets back to the tyranny of the consensus. What we really need right now on the capabilities front is real competition of how are we going to solve some of the key problems in a much more contested Asia-Pacific environment or with a Russia who may actually realize real anti-access/area denial capabilities in the European theater even sooner, or with this persistent problem with ISIS and violent extremism. We need real options development, and that means a competition of ideas.

Senator King: I am out of time, but I think it was Mr. Eggers who talked about a red team. I love the idea of a red team in the Pentagon or perhaps in the National Security Council whose job it is to contest the conventional wisdom, to contest the consensus, to be obnoxious. I could

volunteer for that. I am well qualified.

[Laughter.]

Senator King: But seriously, I think literally a structure that builds competition and contrarianism into the system might be salutary.

Thank you very much for your testimony.

Thank you, Mr. Chairman.

Chairman McCain: I think it was the former head of IBM that had a sign on his desk that said "The Lord so loved the world he did not send a committee."

[Laughter.]

Chairman McCain: Senator Sessions?

Senator Sessions: Thank you, Mr. Chairman.

Senator King, thank you for beginning to think at a higher level. That is what is on my mind right now. We are talking about a very important thing, how to develop strategy within the Department of Defense. But if it does not coordinate with the executive branch's ultimate decisions about how to conduct operations, then we have got a problem. We have got a breakdown.

So I am thinking about the role of the National Security Council. I understand that to be the place where the President makes his final strategic decisions, and therefore, how does the Defense Department, which has the technical expertise presumably to execute whatever strategy

they are given to execute -- how do they influence that? Are they properly being respected and their expertise accepted? Or how does that relationship -- and is there anything that we can do -- I will ask the three of you -- to enhance the ability of real practical knowledge on the ground?

I may be wrong. I have a couple of problems. I think that we were way to slow in responding to ISIS's move in Iraq. It was like, well, once they take over and they stop, then we will worry about taking back territory, which is normally harder than stopping it to begin with. And then we have the problems, as has been mentioned, in Syria.

Secretary Flournoy, what do you think?

Ms. Flournoy: A couple of observations. One is that I think when one of my former mentors, John Hamre, used to say, if you want to make a staff more strategic, cut it in half. I think as you grow staffs -- and this includes the National Security staff -- they tend to get more into operational details and tactical kind of oversight. I think historically when you have had smaller National Security Council staffs -- I am thinking of, for example, the Scowcroft era with a very clear understanding of what their role is, which is strategy, policy, honest broker, and options development for the President and not getting into a lot of micromanaging of agencies' actual execution, except

when there is a problem and providing necessary oversight there -- so I think that is very important.

In terms of the Goldwater-Nichols structure, I actually think the structure is right in that you have the Secretary of Defense at the table in the National Security Council and you also have the Chairman as an independent voice, not only an advisor to the Secretary but also an advisor to the President. And what that ensures is that even when the President is -- whether it is his own view, he is representing a COCOM view, what have you -- when there is military dissent, that that direct line to the President by the Chairman ensures that he has an opportunity to make that dissent heard before the President makes a decision about using the military instrument. And I think that is absolutely critical. I have seen it work. It sometimes upsets people, but it is a very, very critical part of the system.

Senator Sessions: Then you have the problem where if the President says it is my strategy, my policy not to have boots on the ground again in the Middle East, how does the Defense Department handle that? Do you structure a QDR that reflects that view?

Ms. Flournoy: Well, once the President makes a decision with regard to a particular operation, then folks have a choice of they implement that, salute smartly and

implement, or if they feel that ethically or morally they cannot do that, then they have their own personal choices.

Senator Sessions: Well, I think that is a good answer.

I think the Nixon-Kissinger, the China deal, was decisive, small people with the depth of knowledge themselves, knew who to ask, made the move, and it worked. It is hard to do that the larger you get I think.

Secretary Vickers?

Mr. Vickers: Yes. I would agree with what Michele said. When you have too much centralization in the White House rather than on strategy, a big, broad strategy that is set, and when it is not working, it needs to change, you get a number of results.

One, as you move up into our higher level committees of the National Security Council system, you tend to strip away real operational expertise for the problem at hand, and that can isolate a President. And that is why, as you said, making big decisions, of course, is the President's -- that is what they are elected to do, but they cannot tactically manage operations. And so you tend to be slower as you assess the situation, or you tend to be very protracted in decision-making for some decisions that take 3 years rather than 3 months in some cases.

You know, as I said, if I look at different models -- Michele talked about the growth in the staff. It is also a

question of process and what you focus on. By very, very different experiences, for instance, in the 1980s when we were at war with the Soviets in Afghanistan, we reviewed that about every 6 months where we do not really do that today. We review them every week or every month.

Senator Sessions: Thank you, Mr. Chairman.

Commander Eggers, do you want to respond? My time is about up.

Mr. Eggers: I would only offer an encouraging note, that the size of the National Security staff is an acknowledged issue and there is an ongoing effort I think to try and streamline and reduce that because of the effect that Secretary Flournoy spoke to, that smaller in this case could be better.

Senator Sessions: A yes or no answer. Do you think that it is important for us to work harder to develop a long-term strategic policy for the United States on the major threats that is bipartisan in nature?

Ms. Flournoy: Yes. And I actually think that that will be job one for a new administration going forward, and elections both in Congress and presidential elections will hopefully allow us to come together more on such a strategy and hopefully on a comprehensive budget deal that would actually underwrite the necessary investments for that.

Chairman McCain: Senator Ernst.

Senator Ernst: Thank you, Mr. Chair.

Thank you to our witnesses today for being here.

I enjoyed the discussion about our force structure, about being more agile, more flexible, mobile. There are so many things that we really do need to consider.

But as it comes to force structure, I am really concerned about our military intelligence force structure and our support to our warfighters both now and to meet the needs in the future. And I really feel that we need more robust assets to meet the intelligence requirements in both Europe and Africa. And I believe that we should be able to enhance support to our warfighters by reforming the Cold War era institutions and really focus on streamlining some of these headquarters and command relationships. And I want to focus a little bit on ENSCOM.

As you know, the U.S. Army Intelligence and Security Command is located at Fort Belvoir, Virginia, and it is currently the Army's senior intelligence integrator. It equips, trains, mans all of our intelligence units around the globe.

And when I asked about ENSCOM and its impact on intelligence and warfighter last week, General Michael Flynn said before this committee we have Army component commanders underneath every geographic combatant commander and yet the Army intelligence forces are aligned back to ENSCOM. Talk

about more headquarters that you do not need.

So I think there is a fundamental need to take a real laser focus at what you are addressing and decide whether or not ENSCOM can be dissolved. There is a fundamental need to decide if ENSCOM can be dissolved. You take resources and you push them out to those theater intelligence brigades which are necessary. End quote. That was from General Flynn.

And, Secretary Vickers, do you agree with General Flynn's comments on ENSCOM, and how can the Army better align its intelligence forces?

Mr. Vickers: I actually do not. In fact, I strongly disagree with them.

So the theater intelligence brigades that -- and I have great respect for General Flynn. The theater intelligence brigades that General Flynn talked about support our combatant commanders. One of the functions that ENSCOM serves is that -- and I am against excessive headquarters. So let me say that upfront. But one of the functions that it serves is to provide the highest level command for the Chief of Staff of the Army for intelligence across the Army. But it also serves as managerial development for our senior intel leaders. If I compare our intel leaders, who are going to rise to positions of commanding great organizations, they need the same leadership development

that our combat arms leaders do.

So if you are a staff officer, if you are a J-2, if the last thing you commanded is a battalion or something like that and then suddenly you find yourself as director of a major national intelligence agency with 20,000 people, just like our combat arms officers, you hope you have had a division command or something else before you rise to a corps command. And that is one of the functions that I think ENSCOM serves. It is 20,000-some people or something like that. It provides that opportunity for a two-star to not only set intel priorities for the Army but also to gain the important managerial experience that is required before you take on a national agency.

Senator Ernst: I am not sure whether I agree or disagree with that. I would hope that developmental opportunity is important. Whether you have a command at that level or not is maybe another issue. But I would like to look more into that.

Secretary Flournoy, do you have any thoughts on that?

Ms. Flournoy: I must confess this is not an issue that I have looked at in detail, so I do not have a view on it at this point.

Senator Ernst: Okay.

Commander Eggers?

Mr. Eggers: Similarly. With all the respect for both

Michaels, Flynn and Vickers, I would not add anything.

Senator Ernst: Very good. I appreciate the input.

Secretary Flournoy, while we have you here, last week Secretary Carter announced that all military occupational specialties will be open to women. And I would love your thoughts on that. I support providing women the opportunity to serve in any capacity as long as standards are not lowered for women to join those types of occupational specialties and it does not hurt our combat effectiveness.

However, I am disturbed at how it appears the Secretary has muzzled the services to a point where they cannot provide results and data from their combat integration studies before or even after that decision was made this past week. And what are your thoughts on the process of how this decision was made and can you provide any further input? And my time is running short as well.

Ms. Flournoy: I was not involved or aware of many of the internal details of the process. Like you, I support an approach that sets a clear set of standards based on types of military specialties and then holds all people, men and women, to those standards. If women are able to pass the standards, they should be able to serve.

The one thing I will say is that there has been a lot of discussion about impact on unit cohesion. I think much of that is disproven by actual operational experience that

has occurred in Iraq and Afghanistan. But I would also say we have not taken account some of the positives. I mean, all of the business leadership -- I am sorry -- literature and experience emphasizes that the more diverse you make a team, the better decision-making you get, the better performance you get, and so forth.

So I am generally supportive of this decision. I am not aware of the particulars of the internal process. I would certainly hope that this committee in particular would be provided with all of the data that you request to understand how the decision was made and is being implemented.

Senator Ernst: Thank you, and I do hope that we are provided with that information.

Thank you, Mr. Chair.

Chairman McCain: Secretary Flournoy, I would not like to end this hearing without making you uncomfortable.

Ms. Flournoy: Sir, I would expect nothing less of you.

[Laughter.]

Chairman McCain: Are we winning the war against -- the conflict with ISIS?

Ms. Flournoy: I do not think we are where we need to be, sir. I think that this threat has shown itself to be much more serious than I think we first realized. As Mr. Vickers said, it is going to be a generational issue. It is

something that is a long-term challenge that we need to deal with, and I do not think we are fully resourcing a multidimensional strategy.

I do think a lot of the strategy the President has articulated is correct, and I personally support an approach that is primarily focused on enabling local partners to be more effective against this threat. I do not think invading Syria is the answer. But I do think we, as the United States, need to play more of a leadership role diplomatically, more of a leadership role in terms of enabling others militarily and with intelligence and be in a more forward-leaning posture because this threat is getting worse not better.

Chairman McCain: Secretary Vickers? And by the way, I read a very excellent piece you wrote recently. I think it was in Politico. I am not sure which one, but I thought it was very thoughtful.

Mr. Vickers: Thank you, Mr. Chairman.

I do not believe we are winning or we are certainly not winning fast enough. As Michele mentioned, this will be a long struggle, but if you look at our fight with Al Qaeda, if you look at it in terms of a campaign, we need a more rapid and decisive campaign that will at least deny sanctuary, much as we did with the Taliban in 2001. The war was not over, but it certainly knocked them back on their

heals, knocked Al Qaeda back on its heals for some period of time. And that is what I think we need to do to ISIL in the short run and then many, many things to follow.

Chairman McCain: Commander Eggers?

Mr. Eggers: Thank you, Mr. Chairman.

I would only add that while I agree with you that the situation is quite concerning not just because of the degree of the threat but also because how complex the problem is, that sometimes I am concerned that the debate becomes overly focused on the one thing we do control, which is U.S. troops and, quote, boots on the ground, which seems to me to somewhat disrespect the essence of our previous discussion, which is kind of thinking in broader and more diverse strategic terms. And in this particular context, I think the debate needs to consider not only the application of U.S. military means, to include soldiers and troops on the ground, but as well the broader political landscape both within Iraq, but as well within Syria and within the region, and that too often that gets lost in that debate and in that discussion.

Thank you, Mr. Chairman.

Chairman McCain: I thank you. I am sure you understand the concern of the American people in light of the San Bernardino attack and Paris and others. The opinion polls have lifted this issue understandably to one of the

highest priorities. And we need to have a national conversation about it. I obviously have my views and Senator Reed has his, which we are largely in agreement, but more importantly, we have to, I think, develop a strategy that is credible to the American people, and I do not think that is the case today.

Jack?

Senator Reed: My only comment would be I think as the commander pointed out, it has to be a multifaceted strategy with political as well as military dimensions, information warfare dimensions. And I think interestingly enough, I think Secretary Vickers made a good point about we had not the last 15 set the conditions properly, and I think we have to go back and look back and say what were we doing. In fact, in some cases, we were victims of our success. The ability to take out terrorists with drone strikes and Predators was very effective short-run, but it created this dynamic in the world that many people found a justification to focus their animosity against us as a reaction. So I think, again, what we have to do -- and the chairman is right. We have to come up with a coherent, multifaceted strategy, and I think we can agree upon it and move forward.

Chairman McCain: I think Senator King wants to weigh in on this.

Senator Reed: He has a quote from Mark Twain.

[Laughter.]

Senator King: No, I do not. Sorry about that.

Chairman McCain: Yes. The one about suppose you are a Congressman, suppose you are an idiot, but then I repeat myself?

[Laughter.]

Senator King: Do not get me started.

We are talking mostly about military strategy, and that is absolutely appropriate because we are fighting a military opposition. But we are also fighting an idea. And I think if there is any gap in the -- well, there are several gaps, but one of the serious gaps is the clash of ideas gap. We wiped out USIA 15 years ago. It now appears that was a mistake. For the country that invented social media to be losing the battle of social media is shocking to me, and I think that we need a much more strong and vigorous ideas thrust ultimately because it is very difficult to kill ideas and we are not going to do it with drones. We have got to do it with information. And I think that has got to be part of the strategy in connection with all the military options, the air strikes, the troops, all of those things. But I fear that that is one of the places. These people in California were radicalized online, and I think that should be a real serious warning to us that that is where this battle is also taking place.

Thank you, Mr. Chairman.

Chairman McCain: Also, by the way, a great Russian success is their propaganda in eastern Europe as well.

Would any of the witnesses like to respond to those words of wisdom by the Senator from Maine?

Ms. Flournoy: I do not have a ready Mark Twain quote, but I do agree with the notion that this has to be a sustained multidimensional effort. I think some of the areas where we are lacking is in countering the narrative online. ISIS is posting 90,000 posts a day online, and one of the most effective things I saw in counter was the tweeting of a remark that was made after the stabbings in the UK metro, which was someone saying to the attacker, you ain't a Muslin, bro. I mean, this behavior of stabbing civilians in the London Tube is not representative of the religion of all of Islam. And that got tweeted virally. And that was probably one of the most effective counter-narrative things that has happened recently.

But we do not have a sustained and systematic effort online to counter ISIS presence and attempt at recruiting. But more fundamentally I think what we really lack at the community level, here, overseas, is community-level counter-radicalization programs. And it cannot be something the U.S. Government comes in and does. We can help facilitate, but really funding, assisting, help enabling those

community-level engagement to try arrest radicalization inside communities here, in Europe, elsewhere. That is a critical part of the strategy that I think needs more attention as well.

Chairman McCain: Secretary Vickers, did you want to add anything?

Mr. Vickers: No. I agree. You cannot win in the long run without really countering and discrediting the idea. I would add in the short run, one of the ways to discredit the idea is to really set them back. I mean, part of their success right now is they are perceived as having the success.

Chairman McCain: Absolutely. I think that is a very key item here.

Mr. Vickers: And we saw that, for instance, with the Taliban and Al Qaeda right after 9/11. You know, their stock went way up after 9/11, and then 3 months later, when they were kicked out, it was, you know, who are those bums for a while. Now, it did not last. It does not win the long-term war, but it does matter.

Chairman McCain: Commander Eggers, did you want to --

Mr. Eggers: I would just balance out the conversation by offering the flip side of that idea, which is that one way to destroy an organization's ideology is to dismantle the organization, of course. But what we need to be careful

about is the unintended consequences of how we do that because in this case that is precisely what could play into their narrative, particularly with the introduction of U.S. or Western ground forces and the escalation of that type of war within their region. And I think that is the issue that really comes into play where it gets very complex between the military application of means and the ideological fight.

Chairman McCain: Well, we can continue this discussion, but I think it is incredible to say if you accept the view that some U.S. military presence is needed, which clearly events indicate to me, which we have been talking about for a long time, and predicting the events that have taken place, that then you are conceding that ISIS can continue to succeed. There is no strategy now. There is no strategy to take Raqqa, their base, where they are, among other things, developing chemical weapons. So this idea that somehow the United States of America, by inserting some ground troops in order to succeed, is going to be counterproductive -- what is the option? That they continue to succeed? Is it not to your satisfaction that we cannot defeat ISIS without American involvement and simply not from the air. Air power does not win.

So I respectfully disagree with this insane idea that somehow if we intervened to stop people that have just orchestrated an attack that killed people in San Bernardino,

that somehow it will be counterproductive. The worst counterproductive thing would be to allow them to succeed.

But I look forward to continuing this discussion with you, Commander, and I respect your view.

And I thank all of you for being here today, and we look forward to continuing working with you on this restructuring, which was the reason for this hearing to start with. Thank you.

[Whereupon, at 10:59 a.m., the hearing was adjourned.]