

MESSAGE FROM THE SECRETARY OF DEFENSE

On September 11, terrorists attacked the symbols of American freedom, prosperity, and military might. They visited violence on thousands of innocent people—small children, mothers and fathers, people of many nationalities and religions. In less than a month, the United States responded. The President issued the call. Like-minded countries joined with the United States in flexible coalitions to fight the threat of terrorism to international security. Military forces took up forward positions in Central and South Asia. The United States set the conditions to prevail in Afghanistan, sent in forces on the ground to work with anti-Taliban Afghan forces, and launched devastating military attacks against Taliban and al Qaeda strongholds in Afghanistan. And before the fires at the World Trade Center had burned out, the Taliban had been driven from power and the foreign terrorists they sheltered, while not gone completely, were on the run.

Americans can rightfully take pride in the courage and achievements of the men and women in uniform. But U.S. forces will face even greater challenges ahead. U.S. military actions to date represent only the beginning of a long, dangerous, and global war against international terrorism. And even as U.S. forces fight the war against terrorism, other challenges loom on the horizon.

A New Imperative: Winning the War While Transforming the Force

The attacks of September 11 showed that the United States is in a new and dangerous period. The historical insularity of the United States has given way to an era of new vulnerabilities. Current and future enemies will seek to strike the United States and U.S. forces in novel and surprising ways. As a result, the United States faces a new imperative: It must both win the present war against terrorism and prepare now for future wars—wars notably different from those of the past century and even from the current conflict. Some believe that, with the U.S. in the midst of a difficult and dangerous war on terrorism, now is not the time to transform our Armed Forces. The opposite is true. Now is precisely the time to make changes. The attacks on September 11th lent urgency to this endeavor.

Transforming the U.S. Armed Forces is necessary because the challenges presented by this new century are vastly different from those of the last century. During the Cold War, America faced a relatively stable and predictable threat. The challenges of the 21st century are much less predictable. Who would have imagined, only a few months ago, that terrorists would hijack commercial airliners, turn them into missiles, and use them to strike the Pentagon and the World Trade Center Towers? But it happened. America will inevitably be surprised again—by new adversaries striking in unexpected ways. As adversaries gain access to weapons of increasing range and power, future surprise attacks could grow vastly more deadly than those on September 11. Surprise and uncertainty thus define the challenge the Department of Defense faces in this new century—to defend the nation against the unknown, the unseen, and the unexpected.

Charting a New Course: The First Year

Well before September 11th, the senior civilian and military leaders of the Department were in the process of determining new approaches to deterring and defeating adversaries. With the Quadrennial Defense Review, senior leaders took a long, hard look at the emerging security environment—and came to the conclusion that a new approach to defense was needed.

Much has been accomplished in fashioning such an approach. In the past year, the Department of Defense:

- Adopted a new defense strategy;
- Replaced the decade-old two major theater war construct to sizing U.S. forces with a new approach more appropriate for this century;
- Reorganized and revitalized the missile defense research and testing program, free of the constraints of the Anti-Ballistic Missile Treaty;
- Reorganized to provide better focus on space capabilities;
- Fashioned a new Unified Command Plan to enhance homeland defense and accelerate transformation;

- Adopted a new approach to strategic deterrence through the Nuclear Posture Review that increases our security while reducing the number of strategic nuclear weapons; and
- Adopted a new approach to balancing risks.

These achievements were accomplished while fighting a war on terrorism—not a bad start for a Department that historically has had a reputation for resisting change.

Accelerating Transformation

Transformation lies at the heart of this new approach to defense. The development of transformational capabilities and forces will be given strategic focus by the principal challenges and opportunities under the new strategy. The Department has distilled these into six operational goals. In developing future capabilities, U.S. forces must:

- Above all, protect critical bases of operations (most importantly, the U.S. homeland) and defeat weapons of mass destruction and their means of delivery;
- Project and sustain power in distant anti-access and area-denial environments;
- Deny enemies sanctuary by developing capabilities for persistent surveillance, tracking, and rapid engagement;
- Leverage information technology and innovative network-centric concepts to link up joint forces;
- Protect information systems from attack; and
- Maintain unhindered access to space—and protect U.S. space capabilities from enemy attack.

These six goals represent the operational focus for our efforts to transform U.S. Armed Forces. Our experiences on September 11th and in the Afghan campaign have reinforced the importance of moving the U.S. defense posture in these directions. The Department has established an Office of Force Transformation to help to ensure these goals will be met. It will also seek to ensure that changes occur not only in the systems DoD acquires, but

also in military culture and the organizations that drive those investment decisions.

Through the 2003 budget, the Department has laid out the signposts for transformation. Over the next decade, a portion of the force will be transformed. It will serve as a vanguard and signal of the changes to come. Ground forces will be lighter, more lethal, and highly mobile. They will be capable of insertion far from traditional ports and air bases and will be networked with long-range precision-strike systems. Naval and amphibious forces will be able to overcome anti-access and area-denial threats, operate close to an enemy's shores, and project power deep inland. Aerospace forces will be able to locate and track mobile enemy targets over vast areas, and in combination with land and sea forces, strike them rapidly at long ranges without warning. The joint force will be networked in order to conduct highly complex and distributed operations over vast distances and in space.

Managing Risks

The Department of Defense cannot achieve the goals of the new defense strategy without a new approach to managing different kinds of defense risks. The previous threat-based approach placed overwhelming priority on the near-term operational risks associated with the two major theater war construct. This had the effect of crowding out investments in other critical areas. During the past decade, the Department of Defense invested too little in people, modernizing equipment, and maintaining the defense infrastructure. As we create the 21st century military, the defense program must invest with an eye toward balancing the various risks.

For the first time, the program of the Department of Defense is presented in this report in terms of a new risk framework. It identifies the following four areas of risk and the Department's programs to address each.

- ***Force management risk*** results from issues affecting the ability to recruit, retain, train, and equip sufficient numbers of quality personnel and sustain the readiness of the force while accomplishing its many operational tasks.

- ***Operational risk*** stems from factors shaping the ability to achieve military objectives in a near-term conflict or other contingency.
- ***Future challenges risk*** derives from issues affecting the ability to invest in new capabilities and develop new operational concepts needed to dissuade or defeat mid- to long-term military challenges.
- ***Institutional risk*** results from factors affecting the ability to develop management practices, processes, metrics, and controls that use resources efficiently and promote the effective operation of the Defense establishment.

The purpose of this framework is to allow the Department to consider tradeoffs in allocating resources among fundamental objectives. In creating the 21st century military, it would be imprudent to neglect any of these areas. The Department of Defense must wisely allocate resources and structure programs to create a portfolio of capabilities that is balanced appropriately for the variety of challenges we face. The President's FY 2003 Budget Submission to the Congress establishes such a balance.

The problems of the Department—and the risks they pose—have developed over many years and will take time to redress. The immediate task before the Department is to stop the erosion in capability resulting from underinvestment during the past decade. The current budget request focuses on this task while seeking additional investments to put the Armed Forces on a path to reducing and managing all four categories of risk.

Conclusion

Today, one often hears that everything has changed after September 11. While the nation is united in support of the courageous efforts of its Armed Forces, the danger exists that complacency will slowly return. The temptation will arise to return to the old ways of doing things. Free people must be vigilant to not forget—or disregard—the lessons of September 11. One of those lessons is that dangers are likely to increase, not diminish. Our lives and liberties—and those of future generations—depend on the contribution of the U.S. Armed Forces. To preserve our freedom, security, and prosperity, we must ensure our men and women in uniform have the resources they need to contribute to peace and security in our still dangerous world.

Each generation must bequeath to the next the capabilities to ensure its security. Today, we have the security of future generations of Americans in our hands. We must get it right.