PROJECT ON NATIONAL SECURITY REFORM

Forging a New Shield
November 2008

Executive Summary
The non-partisan Project on National Security Reform (PNSR) was established to assist the nation in identifying and implementing the kind of comprehensive reform that the government urgently needs. A key component of PNSR’s work has been a thorough analysis of current problems; PNSR’s working groups have conducted 37 major case studies and 63 mini case studies. Ten analytic working groups have examined different aspects of the national security system and are developing recommendations for addressing problems within their respective domains. Three additional groups will take the products from the main analytic working groups and work with the executive branch and Congress to develop mechanisms for reform, draft legislative proposals and executive orders, develop suggested amendments to House and Senate rules, and assist in the implementation of reforms.

The project is led by James R. Locher III, a principal architect of the Goldwater-Nichols Act that modernized the joint military system, and sponsored by the Center for the Study of the Presidency and Congress, which is led by Ambassador David Abshire. PNSR’s Guiding Coalition, comprised of distinguished Americans with extensive service in the public and private sectors, sets strategic direction for the project. PNSR works closely with Congress, executive departments and agencies, nonprofit public policy organizations, universities, industry, and private foundations.
ABOUT THE CENTER
FOR THE STUDY OF THE PRESIDENCY

The Center for the Study of the Presidency (CSP), founded in 1965, is a non-partisan, non-profit organization that provides an institutional memory of and for the U.S. presidency in a changing world. The center is the only organization that systematically examines past successes and failures of the presidency and relates its findings to present challenges and opportunities. By highlighting past presidential successes and failures, the center seeks to offer wisdom to current and future presidents, their staffs, Congress, and to students and journalists studying the presidency. Today, both the executive and legislative branches are highly compartmentalized, and this is the enemy of strategic thinking, action, and the best use of resources. In addition, the nation is polarized even though public opinion polls show a desire to break these barriers and face our nation’s real public policy issues. Lessons learned from past American experiences offer insights on how best to deal with these challenges. The center organizes conferences, working groups, and publications to preserve the presidential memory; examines current organizational problems through an historical lens; and nurtures future leaders.
PROJECT LEADERSHIP
James R. Locher III, Executive Director
Dennis C. Blair, Deputy Executive Director
Christopher J. Lamb, Director, Research & Analysis
Job C. Henning, Director, Political & Legal Affairs

EXECUTIVE SECRETARIAT
John Depenbrock, Chief of Staff
Kathryn Zander Yates, Deputy Chief of Staff
Jack Gatesy, Finance & Administrative Officer
Captain Brian Helmer, USN, Special Advisor
Thomas R. Lottermann, General Counsel
Priscilla Enner, Executive Assistant
Leland Russell, Collaboration Strategies
Adam Garfinkle, Editorial Consultant
Daniel Korski, Senior Advisor
Bob Polk, Senior Advisor
Dan Langberg, Special Assistant

RESEARCH & ANALYSIS DIRECTORATE
Carrie Madison, Chief of Staff
Richard Weitz, Leader, Case Studies
Sheila R. Ronis, Leader, Vision
Kathleen Hicks, Co-Leader, Processes
Daniel M. Gerstein, Co-Leader, Processes
Christopher J. Lamb, Leader, Structure
Myra Howze Shiplett, Leader, Human Capital
John Bordeaux, Leader, Knowledge Management
Charles Stevenson, Leader, Congress & Other Oversight
David Bertreau, Leader, Resources
Erik Leklem, Leader, Overarching Issues
Vikram Singh, Deputy, Overarching Issues
Limor Ben-Har, Deputy, Human Capital

POLITICAL & LEGAL AFFAIRS DIRECTORATE
Bob Kravinsky, Deputy Director
Ed Rowe, Chief of Staff
Steven J. Nider, Director, Congressional Affairs
Gordon Lederman, Leader, Legal Working Group
Jeff Greene, Deputy, Legal Working Group
Cody M. Brown, Chief of Legal Research
Justin Rubin, Staff Attorney
Jeffrey Ratner, Staff Attorney
David Egner, Press Secretary
Frances Hardin, Deputy Press Secretary
Judith Evans, Deputy Press Secretary
Jordan Smith, Press Officer
Michael Drohan, Assistant Press Officer
Michael Moodie, Strategic Advisor
Ysbrant Marcelis, Advisor

CENTER FOR THE STUDY OF THE PRESIDENCY & CONGRESS REPRESENTATIVE
Thomas M. Kirlin, Vice President of Operations and Chief Financial Officer
PROJECT CONTRIBUTORS

The leadership of the Project on National Security Reform thanks the following departments, agencies, associations, and firms for their assistance with the project. Although project leadership has attempted to include all contributing organizations on this list, they apologize if any have been inadvertently omitted.

Organizations That Have Provided Grants to PNSR: General Atlantic Corporation • Carnegie Corporation of New York • McCormick Tribune Foundation • Federal Government: Agency for International Development • American Red Cross • Bureau of Industry and Security • Central Intelligence Agency Combating Terrorism Technology Support Office • Commission on the National Guard and Reserves • Congressional Research Service • Department of Defense • Department of Homeland Security • Department of State • General Services Administration • Immigration & Customs Enforcement • Millennium Challenge Corporation • National Aeronautics and Space Administration • National Security Council • Office of Management and Budget • Office of Personnel Management • Office of the Director of National Intelligence • Sandia National Laboratories • State and Local Government: Culpepper County Sheriff’s Office • Delaware Department of Safety & Homeland Security • Maryland Department of Transportation • Virginia Department of Fire Programs • Virginia Department of Health • Winchester Emergency Management • FOREIGN GOVERNMENT: U.K. Ministry of Defence • THINK TANKS AND OTHER ASSOCIATIONS: American National Standards Institute • The Atlantic Council • Brookings Institution • Business Executives for National Security • Carnegie Endowment for International Peace • The Cato Institute • Center for American Progress • Center for International Security and Cooperation • Center for a New American Security • Center for Research and Education on Strategy and Technology • Center for Strategic and International Studies • Center for the Study of the Presidency • Council on Foreign Relations • European Council on Foreign Relations • Heritage Foundation • The Homeland Security Institute • Hoover Institution • Hudson Institute • Institute for Defense Analysis • Institute for National Strategic Studies • National Academy of Public Administration • National Governors Association • Professional Services Council • RAND Corporation • Reserve Officers Association • U.S. Chamber of Commerce • Wilson Center • LAWS FIRMS: Arnold & Porter LLP • Bingham McCutchen LLP • Cooley Godward Kronish LLP • Crowell & Moring LLP • Morrison & Foerster LLP • Venable LLP • Wilmer, Cutler, Pickering, Hale & Dorr LLP • ACADEMIA: American University • Catholic University • College of William & Mary • Columbia University • Duke University • George Mason University • Georgetown University • George Washington University • Grand Valley State University • Friends University • Harvard University • Institute of World Politics • James Madison University • Johns Hopkins University • Joint Special Operations University • Kings University • London School of Economics • National Defense University • Naval Postgraduate School • New York University • North Carolina Central University • University of Notre Dame • Pennsylvania State University • Stanford University • Swarthmore College • Texas A&M • Trinity College, Dublin • U.S. Air Force Academy • U.S. Army War College • U.S. Military Academy • U.S. Naval War College • University of California at Los Angeles • University of California at San Diego • University of Maryland • University of Southern California • University of Texas at Austin • University of Virginia • Walsh College • Wake Forest University • Wayne State University • CORPORATIONS: Analytic Services Inc. • Battelle Memorial Institute • Bonner Group Inc. • Booz Allen Hamilton • Cassidy & Associates • Center for Naval Analyses • Cognitive Edge • Cohen Group • Congressional Quarterly • DeticaDFI • DomesticPreparedness.com • DynCorp International • EBR Inc • Econpolicy • Energetics Incorporated • Evidence Based Research, Inc. • FMP Consulting • GEO Group Strategic Services, Inc. • Global Strategies Group • Good Harbor Consulting • Hutchinson Associates • IBM • The Institute for Foreign Policy Analysis, Inc • Kleiman International • Kroll • L-3 Communications • Microsoft • Military Professional Resources Inc. • MITRE Corporation • Monument Policy Group LLC • National Security Network • Northrup Grumman Corporation • Oracle • PRTM • Randolph Morgan Consulting LLC • Science Application International Corporation • The Scowcroft Group • SRA International, Inc. • Strategic Consulting LLC • TrialGraphix • U.S. Trust of Bank of America • VeriFIDES Technology

The Project is also informed by the experience and expertise of private citizens, including: a former secretary of the army and congressman from Virginia; a former under secretary for preparedness, Department of Homeland Security (DHS); a former director for combating terrorism, National Security Council; a former director for state and local government coordination, DHS; a former director of military support, U.S. Army; a former commander, Atlantic Area, U.S. Coast Guard; a former director of preparedness programs, DHS; a former chief of procurement, DHS; a former deputy inspector general for Iraq reconstruction; former ambassadors to foreign nations and multilateral entities; and former assistant secretaries of defense.
WORKING GROUP MEMBERSHIP

The Research & Analysis Directorate of the Project on National Security Reform is comprised of 10 working groups. The project also includes a Legal Working Group, which made significant contributions to this research. The membership of these working groups includes experienced and deeply knowledgeable individuals committed to the successful reform of our national security system. The content of this report has been informed and shaped by each member listed below. The Project on National Security Reform would like to thank all of the working group members for their individual contributions to this report.

CORE STUDY TEAM

Research Associates
James Douglas Orton
Matt Shabat
Matthew Schmidt
Rei Tang
David Tucker

Research Fellows
Berit Fitzsimmons
Elaine Banner
Tom Panagopoulos
Kris Magnuson
Kelly-Christelle Orsini

Writing Staff
David Bounds
Bill Kloman
Pamela Thornton
Gareth Williams

CASE STUDIES
Richard Weitz, Working Group Leader
Dylan Lee Lehrke
Christine R. Gilbert
Elizabeth Zolotukhina

Research Fellow
Lauren Bateman

CONGRESS AND OTHER OVERSIGHT

Charlie Stevenson, Working Group Leader
Rodney Bent
Janet Breslin-Smith
Allison Boyd
Derek Chollet
Bob Goldich
Kim Wincup

Research Fellows
Richard Simons
Jessica Tacka
Jeffrey Krentel
Kimberly Roberts
Corina Johnson

KNOWLEDGE MANAGEMENT

John Bordeaux, Working Group Leader
Irving Lachow
David A. Oppenheimer
David C. Gompert

Research Fellows
Aaron Azlant
Brian Dollar
Jon Lee
Neil Padukone
Ephraim Unell
OVERARCHING ISSUES AND NATIONAL STRUCTURES
Erik Leklem, Working Group Leader
Vikram Singh, Deputy Working Group Leader
Stephanie Ahern
Bruce Berkowitz
Ivo Daalder
Xenia Dormandy
Steve Flanagan
Paul R. Gebhard
John Hillen
Frank Miller
Ambassador Robin Raphel
Nora Bensahel
Patrick Cronin
Kori Schake
Rick Nelson
Dan Rice
Research Fellows
Jessy Baker
Jon-Claud Nix
Stefanie Garcia

PROCESSES
Kathleen Hicks, Working Group Leader
Daniel Gerstein, Working Group Leader
Robert Beecroft
Mark Bellamy
Hans Binnendijk
Judith K. Boyd
Alan Cohn
Joseph J. Collins
Joshua DeLong
Eric Fagerholm
Stephen Flanagan
Alethea Gordon
Donna Hopkins
Frank Jones
Erik Kjonnerod
John Kreul
Edward Marks
Clark Murdock
Kirstjien Nielsen
Rex Patterson
Heather Peterson
Kaleb Redden
Deborah Rosenblum
Joe Rozek
Robert Scher
Gary Shiffman
Chris Shoemaker
Steve Taylor
Russ Travers
Anne Witkowsky
Christine Wormuth

RESOURCES
David J. Berteau, Working Group Leader
Gordon Adams
Mark Albrecht
Toni Hustead
David Morrison
Mark Stevenson
Harry Tomlin
Brian White

Research Fellows
Anna Kasupski
Devin Lynch
Aaron May
Katherine Mitchell
Matthew Zlatnik

STRUCTURE
Christopher Lamb, Working Group Leader
Richard Best
Jack A. LeCuyer
Erik Leklem
Edward Marks
John F. Morton
Robert B. Oakley
Paul Posner
Matt Shabat
Vikram Singh

Research Fellows
Lisa Andivahis
Craigory C. Brown
Margaret Costa
Franz-Stefan Gady
Peter Lohman
Anna Marzullo
Ariella Viehe
Creighton Vilsack

HUMAN CAPITAL
Myra Shiplett, Working Group Leader
Limor Ben-Har, Deputy Working Group Leader
Kenneth Hunter
Liane Roach

Research Fellows
Brian Ellison
Nick Lesher
Erich Schwarz
Nicholas Martin

VISION
Sheila Ronis, Working Group Leader
Patti Benner
Jim Burke
Bill Doll
Joe Gueron
Erik Kjonnerod
Dan Langberg
David Leech
John Meagher

Carmen Medina
Bob Polk
Matthew Russell
Chris Waychoff
Hans Binnendijk
Brad Botwin
David Couzens
Paul Halpern
Paul Hanley
Rudy Lohmeyer
Andy Marshall
Elton Parker

Research Fellows
Marcello Abbruzzetti
Lindsey Gehrig
Ian Grant

LEGAL
Gordon Lederman, Working Group Leader
Jeff Greene, Deputy Working Group Leader
Cody M. Brown, Chief of Legal Research
Justin Rubin, Staff Attorney
Jeoffrey Ratner, Staff Attorney
Gerry Gingrich
Danielle Camner Lindholm
Frank J. Mirkow
Wendy Reid
Dear President Bush:

Section 1049 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181) required a study of the national security interagency system by an independent, non-profit, non-partisan organization. This letter forwards the results of that study, prepared by the Project on National Security Reform, under the sponsorship of the Center for the Study of the Presidency.

We, twenty-two members of the Guiding Coalition of the Project on National Security Reform, affirm unanimously that the national security of the United States of America is fundamentally at risk. Our study provides compelling evidence of this risk and the increasing misalignment of the national security system with a rapidly changing global security environment. The study analyzes the problems in the system’s performance, their causes, and their consequences and proposes an integrated set of reforms for the Executive Branch and Congress.

We have now turned the Project’s attention to drafting the necessary legal instruments – an executive order, amendments to

---

James R. Locher III  
Executive Director,  
Project on National Security Reform

David M. Abshire  
President and CEO,  
Center for the Study of the Presidency

Norman R. Augustine  
Retired Chairman and CEO,  
Lockheed Martin Corporation

Joel Bagnal  
Former Deputy Assistant to the President  
for Homeland Security

Robert D. Blackwill  
Counselor,  
Council on Foreign Relations

Adm. Dennis C. Blair  
Former Commander in Chief,  
U.S. Pacific Command

Gen. Charles G. Boyd  
President and CEO,  
Business Executives for National Security

Lt. Gen. Daniel W. Christman  
Senior Vice President for International Affairs,  
U.S. Chamber of Commerce

Gen. Wesley Clark  
Former Supreme Allied Commander, Europe

Ruth A. David  
President and CEO,  
Analytic Services Inc.

Leon Fuerth  
Project on Forward Engagement,  
George Washington University

Adm. Edmund P. Giambastiani Jr.  
Former Vice Chairman,  
Joint Chiefs of Staff

Newt Gingrich  
Former Speaker,  
U.S. House of Representatives

James L. Jones  
President and CEO,  
Institute for 21st Century Energy,  
U.S. Chamber of Commerce

James M. Loy  
Former Deputy Secretary of Homeland Security

Jessica Tuchman Mathews  
President, Carnegie Endowment for International Peace

John McLaughlin  
Former Deputy Director,  
Central Intelligence Agency

Joseph S. Nye, Jr.  
University Distinguished Service Professor,  
John F. Kennedy School of Government,  
Harvard University

Carlos Pascual  
Vice President and Director, Foreign Policy Studies, Brookings Institution

Thomas R. Pickering  
Former Permanent Representative to the United Nations

Brent Scowcroft  
President and Founder,  
The Scowcroft Group

Jeffrey H. Smith  
Partner, Arnold and Porter

Kenneth R. Weinstein  
CEO, Hudson Institute
Senate and House rules, and a new national security act – to gain approval of these urgently needed reforms and the renewal they would bring.

The Project on National Security Reform is ready to assist in consideration and action on a bold transformation of the national security system.

Respectfully yours,
## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRÉCIS</td>
<td>14</td>
</tr>
<tr>
<td>THE CASE FOR ACTION</td>
<td>I</td>
</tr>
<tr>
<td>MAJOR ASSESSMENTS AND FINDINGS</td>
<td>V</td>
</tr>
<tr>
<td>A Changing World</td>
<td>v</td>
</tr>
<tr>
<td>A New Concept of National Security</td>
<td>vi</td>
</tr>
<tr>
<td>Identifying the Problems</td>
<td>vii</td>
</tr>
<tr>
<td>Predicates and Goals for Effective Reform</td>
<td>x</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>XI</td>
</tr>
</tbody>
</table>
PROJECT ON NATIONAL SECURITY REFORM

Forging a New Shield
November 2008

EXECUTIVE SUMMARY
Précis

Forging a New Shield represents the culmination of more than two years of work by more than three hundred dedicated U.S. national security executives, professionals, and scholars. It provides a comprehensive historical analysis of the current U.S. national security system, an evaluation of the system’s performance since its inception in 1947, and a detailed analysis of its current capabilities. On the basis of these assessments, the report proposes a fully integrated program of reform and renewal.

This executive summary highlights the compelling case for redesigning the U.S. national security system, distills the study’s essential assessments and findings, and outlines the detailed, integrated set of recommendations put forth in the report.
THE CASE FOR ACTION

We, twenty-two members of the Guiding Coalition of the Project on National Security Reform, affirm unanimously that the national security of the United States of America is fundamentally at risk. The U.S. position of world leadership, our country’s prosperity and priceless freedoms, and the safety of our people are challenged not only by a profusion of new and unpredictable threats, but by the now undeniable fact that the national security system of the United States is increasingly misaligned with a rapidly changing global security environment.

The legacy structures and processes of a national security system that is now more than 60 years old no longer help American leaders to formulate coherent national strategy. They do not enable them to integrate America’s hard and soft power to achieve policy goals. They prevent them from matching resources to objectives, and from planning rationally and effectively for future contingencies. As presently constituted, too, these structures and processes lack means to detect and remedy their own deficiencies.

The United States therefore needs a bold, but carefully crafted plan of comprehensive reform to institute a national security system that can manage and overcome the challenges of our time. We propose such a bold reform in this report; if implemented, it would constitute the most far-reaching governmental design innovation in national security since the passage of the National Security Act in 1947.

However daunting the task, we believe that nothing less will reliably secure our country from clear and present danger. We are optimistic that American government can re-invent itself once more, as it has done many times in the past, not only for the sake of our national security, but for better and more effective government generally. No area of policy is more critical, however, than national security; if we fail to keep pace with the opportunities afforded by change as well as the challenges posed by an unpredictable world, we will ultimately be unable to preserve and strive to perfect our way of life at home.

Our optimism is buoyed by a widespread and growing consensus that we have reached a moment of decision. Not everyone, however, is yet convinced that a major reform of the U.S. national security system is necessary. Some skepticism is understandable. After all, despite its shortcomings the system did work well enough to achieve its principal aim of victory in the Cold War. Moreover, major reforms in other areas of government, such as for the intelligence community, have not always produced the benefits advertised for them. Besides, every presidential administration since that of Harry Truman has altered the system he inherited to some degree, presumably showing that the 1947 system is flexible enough as is. Hence, it is sometimes argued, all we need do is put the right leaders in the right places and they will overcome any organizational design deficiencies they encounter.

Notwithstanding these arguments, we believe the case for fundamental renewal is compelling. First of all, we face within the legacy national security system, as within all government organizations, the problems of bureaucratic aging. No large organization consisting of multiple parts is static. While the world is changing, and as its interactions pick up speed thanks to the spreading implications of the information revolution, most of the component parts of the U.S. national security system, still organized hierarchically around traditional organizational disciplines, grow more ponderous and reactive.
As important, the national security structures designed in 1947, and incrementally tweaked ever since, arose and evolved in response to a singular, unambiguous threat to the United States and its constitutional order that was expressed principally in military terms. The threats we face today are diffuse, ambiguous, and express themselves in a multitude of potential forms. Our concerns once flowed from the strength of determined opponents; now our concerns flow as often from the weaknesses of other states, which spawn adversaries we must strain even to detect before they strike. No mere tinkering can transform a national security organization designed, tested, and tempered to deal with a focused state-centric military threat into one that can deal with highly differentiated threats whose sources may be below and above as well as at the level of the state system. The gap between the challenges we face and our capacity to deal with them is thus widening from both ends.

The events of recent decades have validated the accuracy of this key observation. Upon close examination, the failure rate of the 1947 system was not small, but failure encompassed neither the majority of cases nor cases of supreme U.S. national security interest. But that is because most challenges to the United States during the Cold War fell into the paths of well-honed departmental competencies. What government organizations do routinely they tend to do tolerably well, and the core challenges we faced between 1947 and 1989 broke down in ways that the Department of Defense or the Department of State, aided by the intelligence community and very occasionally by other agencies of government, could handle on their own.

Many Cold War-era challenges, too, could be handled sequentially, with the Defense Department actively or tacitly shaping the strategic environment, and the State Department then negotiating and managing political outcomes based thereon. The contours of most major contingencies, from the Korean War to the Cuban missile crisis to the Soviet invasion of Afghanistan, also allowed Congressional oversight to operate effectively in structures parallel to those of the executive branch. But when a contingency required not the sequential but the simultaneous integration of military, diplomatic and other assets of American power, the outcome was often suboptimal, and occasionally, as with the Vietnam War, an acutely damaging one.

Clearly, U.S. national security apparatus failed at many integrative challenges before the Vietnam War, and it failed at many such challenges after Vietnam. It is troubled still, as current dilemmas attest. After more than seven years, the U.S. government has proved unable to integrate adequately the military and nonmilitary dimensions of a complex war on terror, or to effectively integrate hard and soft power in Iraq. It has faced the same challenge in Afghanistan, where it has also had trouble integrating allied contributions into an effective strategy. And it has been unable so far to integrate properly the external and homeland dimensions of post-9/11 national security strategy, as the uneven performance of the federal government during and after Hurricane Katrina showed.
It is facile to blame all these regrettable outcomes on particular leaders and their policy choices. Leadership and judgment matter, to be sure, but as this Report demonstrates, no leader, no matter how strategically farsighted and talented as a manager, could have handled these issues without being hampered by the weaknesses of the current system. What has changed is not so much the capacity of the legacy system to manage complex contingencies that demand interagency coordination. What has changed is the frequency of significant challenges that bear such characteristics, and the possibility that they may be of paramount significance to American power, principle, and safety.

It is our unshakable conviction that the United States simply cannot afford the failure rate that the current national security system is not only prone but virtually guaranteed to cause. Not even astute leaders, if we are fortunate enough to merit them, will be able to overcome its increasingly dangerous shortcomings. Unless we redesign what we have inherited from more than 60 years ago, even the wisest men and women upon whom we come to depend are doomed to see their most solid policy understandings crumble into the dust of failure. It is our generation’s responsibility, at this moment of peril and promise, to make sure that does not happen.
MAJOR ASSESSMENTS AND FINDINGS

The report’s major assessments and findings follow a four-part logic. From an assessment of the international environment, we revise our conceptual grasp of national security. We then identify the problems of the current system in that light, and on that basis spell out the predicates and goals for effective reform.

A CHANGING WORLD

It is widely understood that the security environment of the early 21st century differs significantly from the one the U.S. national security system was created to manage. The character of the actors has changed; the diversity of state capabilities is greater; and the international norms delimiting legitimate behaviors have shifted as well. Exchanges of goods, information, ideas, and people are also far denser and more variable than they were even a dozen years ago, let alone in 1947. Taken together, these developments and others have given rise to novel security conditions and dynamics. Four aspects of this environment are especially striking.

First, while no single challenge rises to the level of the Cold War’s potential “doomsday” scenario of superpower nuclear war, a multitude of other challenges from a variety of sources—rising state powers, rogue regime proliferators, and non-state actors that include terrorists, transnational criminal organizations, and other assorted entrepreneurs of violence—threaten the integrity of the state system itself, with unknown and largely unknowable consequences for U.S. security.

Second, since we do not know which of today’s challenges is more likely to emerge and which may pose the greatest peril, we must spread our attention and limited resources to cover many contingencies. There are now more nuclear-armed states than during the Cold War, with several rogue states not presently deterred from pursuing acquisition or development of nuclear weapons of their own. Terrorists openly seek access to weapons of mass destruction and aver their intent to use them against the United States, its allies and friends. In the face of these threats, we must devise risk-management hedging strategies based on necessarily incomplete information. This constitutes a far more daunting planning template than that which we grew used to during the Cold War.

Third, the complexity of these challenges is compounded by the fact that the pursuit of science and technology is now a global enterprise in which even small groups can participate. Hostile states and non-state actors alike can employ existing knowledge and technique as well as new science and technology to assail far stronger states. This marks a broad diffusion of policy capacity and initiative worldwide that the United States and its allies must face.

Fourth, current challenges reflect an interdependence that makes it impossible for any single nation to address on its own the full range of today’s complex security challenges. The now widespread perception of interdependence may also paradoxically increase competition to influence or control the presumed torque points of that interdependence. Traditional alliances, while still vitally important, must therefore be augmented by both situation-specific temporary coalitions and new partners above and below the state level—regional and global institutions, for example, as well as localized elements of the private sector and the scientific community.
It is clear, then, that most major challenges can no longer be met successfully by traditional Cold War approaches. We cannot prevent the failure of a state or mitigate the effects of climate change with conventional military forces or nuclear weapons. The national security challenges inherent in a widespread international financial contagion or a major pandemic do not lend themselves to resolution through the use of air power or special operations forces.

Diplomacy, too, now requires skill sets and operational capabilities that Foreign Service Officers during the Cold War would have considered both esoteric and marginal to their duties. The intelligence craft, as well, faces unfamiliar collection and analysis demands that far exceed the scope of issues and methods with which the intelligence community is comfortable.

Regrettably, the U.S. national security system is still organized to win the last challenge, not the ones that come increasingly before us. We have not kept up with the character and scope of change in the world despite the tectonic shift occasioned by the end of the Cold War and the shock of the 9/11 attacks. We have responded incrementally, not systematically; we have responded with haste driven by political imperatives, not with patience and perspicacity.

If we do not act boldly but deliberately now, as the term of the 44th president of the United States begins, to achieve comprehensive reform, the nation is bound to regret its lack of foresight. We will pay increased costs in human lives, financial resources, and global influence from crises that could have been averted and nasty surprises that need never have happened. Important opportunities to promote a more benign international environment will go unexploited, probably even unnoticed. The hope for a world of freedom and basic human decency that the United States has represented over the past two centuries for uncounted millions of people will dim.

A NEW CONCEPT OF NATIONAL SECURITY

For all these reasons, we must learn to think differently about national security and devise new means to ensure it. The Cold War-era concept of national security has broadened as new categories of issues have pushed their way onto the national security agenda; yet others are bound to arrive in coming years, too, without neat labels or instructions for assembly and operation. This means that the operative definition of security itself must change from an essentially static concept to a dynamic one.

In our view, national security must be conceived as the capacity of the United States to define, defend, and advance its interests and principles in the world. The objectives of national security policy, in the world as it now is, therefore are:

- To maintain security from aggression against the nation by means of a national capacity to shape the strategic environment; to anticipate and prevent threats; to respond to attacks by defeating enemies; to recover from the effects of attack; and to sustain the costs of defense
- To maintain security against massive societal disruption as a result of natural forces, including pandemics, natural disasters, and climate change
- To maintain security against the failure of major national infrastructure systems by means of building up and defending robust and resilient capacities and investing in the ability to recover from damage done to them
It follows from these objectives that success in national security—genuine success over generations—depends on integrated planning and action, and on the sustained stewardship of the foundations of national power. Sound economic policy, energy security, robust physical and human infrastructures including our health and education systems, especially in the sciences and engineering, are no less important in the longer run than our weapons and our wealth. Genuine success also depends on the example the United States sets for the rest of the world through its actions at home and abroad.

Four fundamental principles follow from a more refined definition of national security and its key policy objectives.

First, efforts to address current and future challenges must be as multidimensional as the challenges themselves. Addressing successfully the contingency of a terrorist detonation of a “dirty” bomb in a major city, for example, entails a range of critical functions including deterrence, norm-building, prevention, defense, preparedness, and consequence management. Focusing on any single dimension or lesser subset of this spectrum of functions will sharply increase the likelihood of major failure.

Second, the national security system must integrate diverse skills and perspectives. The actors in U.S. national security policy today already include government departments that have not traditionally had front-row seats, like Justice and Treasury. But departments such as Agriculture, Interior, and Transportation, agencies such as the Centers for Disease Control and Prevention within the Department of Health and Human Services, and elements of state and local government and the private sector are playing increasingly greater roles as well. Creating ways to mobilize and integrate this diverse set of actors is essential to make effective and informed decisions in today’s national security environment.

Third, a new concept of national security demands recalibration of how we think about and manage national security resources and budgeting. Today’s more complex challenges impose qualitatively more demanding resource allocation choices, even in good economic times. If we should face a period of protracted austerity in government, as now seems more likely than not, meeting those challenges will become orders of magnitude more difficult. In developing and implementing national security policy, the rubber meets the road where money is spent, and we are unanimously agreed that the current system’s gross inefficiencies risk collapse under the weight of the protracted budget pressures that likely lie ahead. We need to do more with less, but we cannot hope to achieve even that without fundamental reform of the resource management function.

Fourth, the current environment virtually by definition puts a premium on foresight—the ability to anticipate unwelcome contingencies. While the ability to specifically predict the future will always elude us, foresight that enables anticipation and planning is the only means we have to increase response times in a world of rapid unpredictable change. It constitutes the critical precondition for actively shaping the global security environment in ways conducive to achieving national security goals.

IDENTIFYING THE PROBLEMS

By thoroughly examining the structures and processes of the current legacy national security system—including its human and physical capital and management dimensions, as well as its executive-legislative branch dynamics—we have isolated the system’s essential problems. Unless these essential, underlying problems are rectified, system failures will occur with increasing frequency. Five interwoven problems, which the report details at length, are key.
1. The system is grossly imbalanced. It supports strong departmental capabilities at the expense of integrating mechanisms.

2. Resources allocated to departments and agencies are shaped by their narrowly defined core mandates rather than broader national missions.

3. The need for presidential integration to compensate for the systemic inability to adequately integrate or resource missions overly centralizes issue management and overburdens the White House.

4. A burdened White House cannot manage the national security system as a whole to be agile and collaborative at any time, but it is particularly vulnerable to breakdown during the protracted transition periods between administrations.

5. Congress provides resources and conducts oversight in ways that reinforce the first four problems and make improving performance extremely difficult.

Taken together, the basic deficiency of the current national security system is that parochial departmental and agency interests, reinforced by Congress, paralyze interagency cooperation even as the variety, speed, and complexity of emerging security issues prevent the White House from effectively controlling the system. The White House bottleneck, in particular, prevents the system from reliably marshaling the needed but disparate skills and expertise from wherever they may be found in government, and from providing the resources to match the skills. That bottleneck, in short, makes it all but impossible to bring human and material assets together into a coherent operational ensemble. Moreover, because an excessively hierarchical national security system does not “know what it knows” as a whole, it also cannot achieve the necessary unity of effort and command to exploit opportunities.

The resulting second- and third-tier operational deficiencies that emanate from these five basic problems are vast. As detailed in the report, among the most worrisome is an inability to formulate and implement a coherent strategy. Without that ability, we cannot do remotely realistic planning. The inevitable result is a system locked into a reactive posture and doomed to policy stagnation. Without a sound strategy and planning process, we wastefully duplicate efforts even as we allow dangerous gaps in coverage to form. These systemic shortcomings invariably generate frustration among senior leaders, often giving rise to “end runs” and other informal attempts to produce desired results. Sometimes these end runs work as short-term fixes; other times, however, they produce debacles like the Iran-Contra fiasco.

A key part of the system’s planning deficit arises from the fact that it is designed to provide resources to build capabilities, not to execute missions. Since we do not budget by mission, no clear link exists between strategy and resources for interagency activities. As things stand, departments and agencies have little incentive to include funding for interagency purposes; they are virtually never rewarded for
doing so. As a consequence, mission-essential capabilities that fall outside the core mandates of our departments and agencies are virtually never planned or trained for—a veritable formula for being taken unawares and unprepared.

This explains why departments and agencies, when faced with challenges that fall outside traditional departmental competencies, almost invariably produce ad hoc arrangements that prove suboptimal by almost every measure. Personnel are often deployed to missions for which they have little if any relevant training or experience. It also explains why in novel environments, like “nation-building” missions in Iraq and Afghanistan, multiple U.S. departments and agencies have trouble cooperating effectively with each other; nothing has prepared them for so doing.

An overburdened White House also produces an array of less obvious collateral damage. As a rule, U.S. presidents have resorted to two means of reducing their burdens when the interagency process fails to produce adequate policy integration: designate a lead agency or a lead individual—a “czar.” Neither means has worked well. Neither a lead organization nor a lead individual has the de jure or de facto authority to command independent departments and agencies. The lead agency approach thus usually means in practice a sole agency approach. Similarly, czars must rely on their proximity to the president and their powers of persuasion, which, if institutional stakes are high, can be downplayed if not entirely dismissed. The illusion that lead agency or lead individual fixes will work in turn tends to demobilize continuing efforts at creative thinking among senior officials, thus enlarging the prospect of ultimate mission failure.

White House centralization of interagency missions also risks creating an untenable span of control over policy implementation. By one count more than 29 agencies or special groups report directly to the president. Centralization also tends to burn out National Security Council staff, which impedes timely, disciplined, and integrated decision formulation and option assessment over time. Further, time invariably becomes too precious to be spent rigorously assessing performance, which essentially vitiates any chance for institutional learning and dooms the system to making the same mistakes over and over again.

Lastly in this regard, the time pressures that an overburdened White House faces almost guarantees an inability to do deliberate, careful strategy formulation, thus completing the circle that ensures the system’s inability to break out of its own dysfunctional pattern. When there are fires to put out every day, there is little opportunity to see and evaluate the bigger picture. Too short-term a focus also blinds leaders to the need to attend to system management and design issues. This significantly compounds the system’s inability to learn and adapt.

The results are cumulatively calamitous. Without a realistic and creative national security strategy, no one can say what policy balances and tradeoffs are needed. No one can devise a rational investment strategy. No one can devise appropriate human resources and education programs to assure an effective system for the future, or recognize the critical importance of generating a supportive common culture among national security professionals.

Even as it crowds into every square inch of available office space, the NSC staff is still not sized or funded to be an executive agency... Yet a subtler and more serious danger is that as the NSC staff is consumed by these day-to-day tasks, it has less capacity to find the time and detachment needed to advise a president on larger policy issues.

-- 9/11 Commission Report
Ossified and unable to adapt, our national security system today can reliably handle only those challenges that fall within the relatively narrow realm of its experience in a world in which the set-piece challenges of the past are shrinking in frequency and importance. We are living off the depleted intellectual and organizational capital of a bygone era, and we are doing so in a world in which the boundaries between global dynamics and what we still quaintly call domestic consequences are blurred almost beyond recognition. We thus risk a policy failure rate of such scope that our constitutional order cannot confidently be assured.

PREDICATES AND GOALS FOR EFFECTIVE REFORM

True national security reform demands a new way of thinking and a different way of doing business. Just as the 1947 National Security Act sought to create a decision-making and policy implementation system for addressing the then novel challenges of the post-World War II world, a national security system for today and tomorrow must be responsive to 21st century security challenges by:

- Understanding that the nature of contemporary security challenges represents a mix of the traditional and nontraditional, generating both dangers and opportunities greater in number and more varied in nature than in the past;
- Discarding processes, practices, and institutions that may once have been useful but which are now out of kilter with global security issues and dynamics;
- Mobilizing all tools of national power as the basis for conducting a truly comprehensive and agile national security strategy;
- Ensuring the democratic accountability of both decision-makers and policy implementers; and
- Developing an approach that enjoys the support of the American people and provides hope for the rest of the world.

Acknowledging these predicates of effective reform requires that a new national security system identify critical functions that must be integrated into a genuinely strategic approach. It must set key goals and link them to discrete critical outcomes. This is the only way that the costs and pain of a redesign transition can be worth the effort.

Acutely mindful of these costs, and mindful that wrongheaded reform efforts can do net harm, the report focuses on four key goals as the basis for its recommendations. To achieve desired goals and to achieve them efficiently, the national security system must:

- Mobilize and marshal the full panoply of the instruments of national power to achieve national security objectives
- Create and sustain an environment conducive to the exercise of effective leadership, optimal decision-making, and capable management
- Devise a more constructive relationship between the executive branch and Congress appropriate for tackling the expanded national security agenda successfully
- Generate a sustainable capacity for the practice of stewardship—defined as the long-term ability to nurture the underlying assets of American power in human capital, social trust and institutional coherence—throughout all domains of American statecraft
RECOMMENDATIONS

Forging a New Shield’s major and subordinate recommendations, expressed here within seven key themes, are constructed as a single integrated proposal. These themes and recommendations are dependent on each other for their effectiveness no less than a building’s foundation, superstructure and functional systems must be conceived as an aggregate for any part of it to work as intended. The members of the Guiding Coalition agreed with the general thrust of the integrated set of recommendations and not necessarily every recommendation as expressed.

Some of our recommendations require congressional action to be implemented while some can be implemented by Executive Order, and others at the Cabinet level by Secretarial order, as specified in the report. The following summary sketches only the highlights of our integrated proposal for the redesign of the U.S. national security system.

We wish particularly to emphasize the proposal’s integrated nature, which only careful study of the report itself can fully reveal. While some of our recommendations may require fine-tuning during implementation, we caution against an à la carte approach to reform. We have ample recent experience with half-measures and lowest-common-denominator political compromises. Though they may seem pragmatic at first blush, they only delay the emergence of problems or shift them from one place to another; ultimately, they don’t work.

★ ★ ★

We must adopt new approaches to national security system design focused on national missions and outcomes, emphasizing integrated effort, collaboration, and agility.

To broaden the conceptual scope of national security to align with twenty-first-century realities, we recommend the establishment of a President’s Security Council (PSC) that would replace the National Security Council and Homeland Security Council. International economic and energy policy would be handled by the PSC as well, fully integrated into U.S. political and security strategies that focus not on departmental strengths and goals but on national missions and outcomes.

To more effectively integrate the national security policy of the United States, we recommend the statutory creation of a director for national security (DNS) within the Executive Office of the President. The director would be responsible for tasks encompassing the high-level operation of the national security system (specified in detail in the report) that go beyond those of the present assistant to the president for national security affairs.

To establish a coherent framework for the national security system, we recommend the issuance of an Executive Order, supplemented as necessary by presidential directives, to define the national security system, establish presidential expectations for it, and establish norms for its fundamental functions that are likely to transcend administrations.

We recommend that Congress prescribe in statute the national security roles of each executive branch department and agency, including non-traditional components of the national security system; and that nontraditional components should create the position of assistant for national security to clarify and facilitate
the coordination of the department’s new national security mission within the national security system.

To improve the international relations of the United States, we recommend transforming the Department of State by consolidating within it all functions now assigned to other departments and agencies that fall within the core competencies of the Department of State.

We recommend the statutory creation of a Homeland Security Collaboration Committee to provide a venue for the collaboration of state and local government authorities, the private sector, and nongovernmental organizations with the federal government; and of a Business Emergency Management Assistance Compact to facilitate private sector and nongovernmental assistance in emergency management.

★★★★

We must focus the Executive Office of the President on strategy and strategic management.

To improve strategic planning and system management, we recommend instituting a National Security Review to be performed at the beginning of each presidential term, as directed by the new President’s Security Council. The review should prioritize objectives, establish risk management criteria, specify roles and responsibilities for priority missions, assess required capabilities, and identify capability gaps.

We recommend the preparation of the National Security Planning Guidance, to be issued annually by the president to all national security departments and agencies, in order to provide guidance to departments and agencies based on the results of the National Security Review. The president should further direct that departmental and agency planning conform to this guidance.

To enhance the management of the national security system, we recommend that an executive secretary of the President’s Security Council be empowered by statute, as detailed in the report, to support overall system management. The executive secretary would report to the director for national security.

To enhance the performance and oversight of the national security system, we recommend the creation of an official, reporting to the director for national security, to analyze interagency operations, including real-time assessments of overall system performance and system components’ performance.

★★★★

Even as we centralize strategy formulation, we must decentralize the modalities of policy implementation by creating Interagency Teams and Interagency Crisis Task Forces.

We recommend that the president selectively shift management of issues away from the President’s Security Council staff (and supporting interagency committees) to new empowered Interagency Teams. These teams would be composed of full-time personnel, would be properly resourced and of flexible duration, and be able to implement a whole-of-government approach to those issues beyond the coping capacities of the existing system. The characteristics, authorities, and chains of command for interagency teams, and how Interagency Teams would coordinate their activities with existing departmental and agency functions, are defined and detailed in the report.
To enhance crisis management, we recommend that the president create Interagency Crisis Task Forces to handle crises that exceed the capacities of both existing departmental capabilities and new Interagency Teams.

We recommend that the secretary of homeland security develop a National Operational Framework that specifies operational integration among the private sector and all levels of government for the full range of homeland security activities, including prevention and protection as well as response and recovery.

We must link resources to goals through national security mission analysis and mission budgeting.

To more effectively resource national security missions, we recommend that national security departments and agencies be required to prepare six-year budget projections derived from the National Security Planning Guidance. The PSC staff should then lead a joint PSC-Office of Management and Budget (OMB) review of the six-year resource plan of each national security department and agency to assess consistency with the National Security Planning Guidance. Based on that review, OMB should issue guidance for each department’s and agency’s six-year program in a National Security Resource Document which presents the president’s integrated, rolling six-year national security resource strategy proposal to Congress.

We recommend the creation of an integrated national security budget to provide the president and the Congress a government-wide understanding of activities, priorities, and resource allocation, and to identify redundancies and deficiencies in the resourcing of national security missions. This budget display should be submitted to Congress with agency budgets and be accompanied by justification material that reflects how the budget aligns with the objectives outlined in the National Security Review and National Security Planning Guidance.

We must align personnel incentives, personnel preparation, and organizational culture with strategic objectives.

We recommend the creation of a National Security Professional Corps (NSPC) in order to create a cadre of national security professionals specifically trained for interagency assignments. As detailed in the report, NSPC personnel slots must be explicitly defined, and NSPC cadre must be accorded proper incentives and career-long training opportunities to be effective.

To create a personnel “float” that will enable critical interagency training and ongoing professional education, we recommend increasing civilian personnel authorizations and appropriations in annual increments to be phased in over five years and based upon a manpower analysis; we further recommend using the National Security Education Consortium, established by Executive Order 13434, for that purpose.

We recommend the development of a National Security Strategic Human Capital Plan, as detailed in the report, to identify and secure the human capital capabilities necessary to achieve national security objectives. To advise the PSC executive secretary on national security human capital, we recommend further the creation of a Human Capital Advisory Board consisting of public and private experts.
We also **recommend** establishing the expectation that, within an administration, each presidential appointee—unless disabled, experiencing a hardship, requested to resign by the president, or appointed to another government position—would serve until the president has appointed his or her successor.

☆ ☆ ☆

**We must greatly improve the flow of knowledge and information.**

We **recommend** the creation of a **chief knowledge officer in the PSC Executive Secretariat** to enhance decision support to the president and his advisers, and to ensure that the national security system as a whole can develop, store, retrieve, and share knowledge.

To enhance information management, we **recommend the creation of a chief knowledge officer in each national security department and agency**, as well as the creation of a Federal Chief Knowledge Officer Council.

To enable cross-departmental information sharing, we **recommend** the creation and development of a collaborative information architecture. Parallel with the construction of this information architecture, the PSC Executive Secretariat must develop overarching business rules for interdepartmental communications and data access in order to eliminate bureaucratic barriers presently hindering the flow of knowledge and information.

To streamline particular security functions, we strongly **recommend** the establishment of a single security classification and access regime for the entire national security system, and, pursuant to statute, security clearance procedures and approval should be consolidated across the entire national security system.

☆ ☆ ☆

**We must build a better executive-legislative branch partnership.**

To improve the overall functioning of the national security system, we **recommend establishing Select Committees on National Security in the Senate and House of Representatives** and assigning each committee jurisdiction over all interagency operations and activities, commands, other organizations, and embassies; funding; personnel policies; education and training; and nominees for any Senate-confirmed interagency positions that may be established.¹ These select committees should also be assigned jurisdiction for a new national security act.

To empower the **Senate Foreign Relations Committee and House Foreign Affairs Committee** to formulate and enact annual authorization bills, we **recommend** that new House and Senate rules be adopted. This will require, inter alia, amending section 302(a) of the Congressional Budget Act to provide that the Senate and House Budget Committees recommend allocations for all national security budget function components; reenacting the firewalls that prevented floor amendments transferring funds from international or defense programs to domestic programs that exceed caps on discretionary

¹ Except for those pertaining to internal matters of the Office of the Director of National Intelligence and its components.
spending; and requiring a supermajority in the House to waive the current rule requiring passage of authorizing legislation prior to consideration of appropriations bills for defense and foreign policy.

To facilitate prompt consideration of senior national security officials, we recommend that each nomination for the ten most senior positions in a national security department or agency should be placed on the executive calendar of the Senate, with or without a committee recommendation, after no more than 30 days of legislative session; and we recommend the abolition of the practice of honoring a hold by one or more Senators on a nominee for a national security position.

We recommend the comprehensive revision of the Foreign Assistance Act of 1961 by the end of the 111th Congress (December 2010) in order to restore and advance the integrity of the U.S. foreign assistance program.

To optimize the oversight of homeland security activities, we recommend consolidating oversight of the Department of Homeland Security to one authorizing committee and one appropriations subcommittee per chamber.
CONCLUSION

This summary of *Forging a New Shield*'s recommendations illustrates in brief the scope of our proposal for the redesign of the U.S. national security system. While our vision remains firmly faithful to and deeply rooted in our Constitutional framework, it is nonetheless a bold plan for reform. Indeed, we firmly believe that, if implemented, our vision for renewal will evoke the very best in the balanced system our Founders conceived.

The Founders created a system of strong presidential government because they understood that leadership is the sine qua non of an effective and sustainable political order. But they embedded their design for strong leadership in a framework of law that insures democratic accountability to the people in whom American sovereignty ultimately rests. It has been our purpose in this report to maximize both the potential for wise leadership and the safeguards of democratic accountability, for only by balancing these two imperatives will America be able to match its power to its principles for the benefit of our own citizens and those of the world.

We invite constructive and vigorous engagement on our proposal. Indeed, we are eager for it, and so we say to all our countrymen, and to our friends abroad as well, in the words of Isaiah, “Come now, let us reason together.”
FORGING A NEW SHIELD

NOVEMBER 2008

EXECUTIVE SUMMARY