Portfolio Rebalancing Exercise

**CNAS Team Strategy**

Robert Work
Shawn Brimley
Kelley Sayler
Jacob Stokes

* CNAS does not take institutional positions
Major rebalancing assumptions

• **2012 Defense Guidance provides a sound strategic framework**
  - Continue rebalance to Asia-Pacific
  - Remain engaged in Middle East, but with fewer boots on ground
  - No major near-term stability/COIN campaigns
  - Reduced military engagement in Europe, Africa, and South America

• **U.S. not likely to engage in direct, symmetrical conflict with a high-end adversary in the near to mid-term**
  - That said, U.S. is steadily losing its monopoly in guided munitions-battle network capabilities and (in some cases) capacities, which is weakening conventional deterrence and complicating its ability to project power

• **When combined with advances in additive manufacturing, big data, material sciences, nano- and bio-technology, and autonomous systems, we foresee a period of potential discontinuous change in the conduct of military operations**
Major rebalancing assumptions

• We therefore foresee a shift toward a new warfighting regime (which we call “20YY”) in which:
  o The U.S. faces adversaries with guided munitions-battle network parity
  o Cyber warfare is an integral part of warfighting doctrine at all levels of war
  o Robotic and autonomous unmanned platforms, sensors, and systems are ubiquitous in all operating domains

• Viewed this exercise (which modeled rough effects of sequestration over ten years) as a major opportunity to begin a thoroughgoing reshaping of the Joint Force and industrial base
  o Considered our choices within the context of a (minimum) four FYDP problem

• Willing to take near-term risk to achieve a long-term payoff
  o Smaller, but more networked and lethal force
  o Need to remain engaged globally, if at lower levels of effort, while freeing up slack for experimentation
  o Exploit the power of demonstrations
Minimum Four FYDP Strategy

FYDP 1: Assume risk to lay groundwork for move toward 20YY

FYDP 2: Invest heavily for 20YY

FYDP 3: Accelerate move towards autonomous and robotic systems

FYDP 4: Enter mature precision-guided munitions and robotics regime

Supporting design and industrial base strategy:
- 1950s – Transition from piston engines to jets
- 1960s – Missiles and space
- 1970s – Computers and digital electronics
- 1980s – Advanced aviation & stealth
- 1990s – Guided munitions and battle networking
- 2000s – Focus on warfighting
- This exercise – Focus on autonomous systems and robots
Full sequestration, Move 1: Assume Risk

- **General principles:**
  - Cut overhead (BRAC, civilians) to greatest extent practical
  - Adopt tiered readiness for all forces
  - Preserve S&T (increase to greatest extent possible)
  - To greatest extent possible, invest in weapons that attempt to address offensive dominance in guided munitions regime
    - Electric weapons (e.g., cyber, EM railgun, DEW, HPM weapons)
  - To greatest extent possible, invest in autonomous unmanned systems and robotics
  - Retain/emphasize globally responsive forces
    - Aerospace, naval, and special operations forces
    - Pursue high/low mix for naval and air forces
  - Invest in overseas basing and global logistics forces (e.g., tenders) to greatest extent possible
Full sequestration, Move 1: Assume Risk

• **Specific choices:**
  - Retained nuclear triad
    - Less emphasis on ICBMs
    - Kept Ohio replacement program on track
  - Smaller campaign Army
    - Less focused on global shaping, more on institutional reshaping
    - Focus on active forces
  - Smaller tactical air forces
    - Hi-lo mix
    - 50% of force 5th generation by end of second FYDP
  - Smaller Navy
    - Hi-lo mix
  - Marine Corps to traditional expeditionary force in readiness role
    - Cut reserves
  - Retained special operations forces to greatest extent possible
  - Retained air and sea mobility forces to greatest extent possible
Full sequestration, Move 2: Invest heavily for 20YY

**Choices in Move 1 allowed:**
- Rapid fielding of EM rail guns
- Accelerated procurement of unmanned systems
  - Invested in autonomy in Move 1 (and again in Move 2) across all domains

**Savings in Move 1 allowed:**
- Increased investments in DEW
- Increased investments in space
- Increased investments in cyber
- Increased investments in munitions
- Increased investments in overseas infrastructure
  (all unaffordable in Move 1)
Summary Graph

Summary of Adds / Cuts:
CNAS (Full BCA)
Half sequestration

- Same choices made during full sequestration; simply invested in autonomous and unmanned systems earlier and at higher levels
  - Bought back readiness
Conclusions

• **Sequestration not necessarily as big a problem as phasing**
  - We need to start reshaping the force for 20YY regardless of level of resources; sequestration simply jump starts the process
  - Did not have to hit year-by-year targets; big problem

• **Need to increase DoD’s degrees of freedom**
  - Infrastructure (bases) BRAC
  - Compensation BRAC
  - Organizational/infrastructure BRAC (realignment)

• **Under any circumstances, have to accept substantial near-term risk**
Bottom-Line

We must prepare now to move toward the mature guided weapons and robotics regime