

EDELMAN: Thank you for joining us for today's Foundation for Defense of Democracies event. I'm Ambassador Eric Edelman, a member of the Board of Advisors at FDD's Center on Military and Political Power. I was honored to co-chair the bipartisan and congressionally mandated 2018 National Defense Strategy Commission alongside former Chief of Naval Operations and retired Admiral Gary Roughead.

That commission concluded that "the security and wellbeing of the United States are at greater risk than at any time in decades", and warned that, "America's ability to defend its allies, its partners, and its own vital interests is increasingly in doubt. If the nation does not act promptly to remedy these circumstances, the consequences will be grave and lasting."

Since then, the United States has undertaken some important efforts to restore readiness and initiate the most important U.S. military modernization effort in decades. This modernization effort is far from complete, however, and our adversaries have not been standing still.

Beijing and Moscow are fielding new capabilities that could enable both governments to achieve their political objectives with military force as well as pursuing efforts in the so-called grey zone—both geographically and functionally to the strategic disadvantage of the United States.

Meanwhile, Iran is inching toward a nuclear weapons capability, North Korea is building its missile arsenal, and the Taliban and al-Qaeda once again enjoy a terrorist safe haven in Afghanistan.

With this context in mind, the Biden administration is currently in the process of drafting the 2022 National Defense Strategy. This document will guide Department of Defense activities for several years to come. I don't envy their task.

As our panelists today note in their *War on the Rocks* piece last month, each of the five leading threats to the United States, and especially the threat from China, have only grown worse since 2018.

Perhaps that's why Indo-Pacific Command noted in its Section 1251 report to Congress this year that the region's military balance of power continues to become "more unfavorable."

How should we think about the next National Defense Strategy and how can it be made into a serious effort to coordinate and direct the department's ends, ways, and means and garner strong bipartisan support?

These and related topics are the subject of today's event, and we are excited to have some of the best U.S. defense policy and strategy experts here to engage in this discussion.

They include:

Bryan Clark, a senior fellow and director of the Center for Defense Concepts and Technology at the Hudson Institute. A career U.S. Navy submariner, he focuses on naval operations, electromagnetic warfare, autonomous systems, military competitions, and wargaming and he's been my colleague in the past.

Mackenzie Eaglen, resident fellow at the American Enterprise Institute, where she works on defense strategy, defense budgets, and military readiness. She also served as a staff member on the 2018 National Defense Strategy Commission, worked on Capitol Hill and at the Pentagon.

Thomas Spoehr, a retired Army lieutenant general who serves as the Heritage Foundation's director for national defense research. While in uniform, he held a number of assignments related to the defense budget, including the Army's director for Program Analysis and Evaluation, and director for Force Development.

And my colleague Bradley Bowman, senior director of FDD's Center on Military and Political Power, where he focuses on U.S. defense policy and strategy. He served as a long-time Senate staffer, Army officer, and assistant professor at West Point.

The conversation is moderated by another former colleague Gordon Lubold, White House and national security reporter for *The Wall Street Journal*.

A bit more about FDD before I turn over the floor to Gordon and his team. FDD is a non-partisan research institute exclusively focused on national security and foreign policy. We accept no funds from foreign governments.

For more information on our work, visit us at FDD.org or find us on Twitter @FDD.

With that, over to you, Gordon, to begin the discussion.

LUBOLD: Okay, thank you, Eric, for that great introduction. I want to thank the Foundation for Defense of Democracies and its Center on Military and Political Power for hosting this great conversation.

We're going to try to move quickly and get to as many questions and topics from the four of you as we can today. I thought we could start, Tom, by just if you could kind of lay out what you think is the importance of this National Defense Strategy and what do you hope to get from it, and then we'll go from there.

SPOEHR: Yeah. Thank you very much, Gordon. So, this is going to be a very significant National Defense Strategy. The 2018 National Defense Strategy was extraordinarily important for the Department of Defense to orient themselves away from the global war on terrorism and start focusing on great power competition, but it only went so far, and it only could go so far, because some of these ideas had not been developed.

This is going to be the first National Defense Strategy that takes this idea of global power competition and really sharpens the pencil and puts some ideas out there about how we want to deter China, how do we want to deter Russia, some of the operational techniques and concepts that the Pentagon's going to use.

And so, in that regard, it could not be more important. It's going to be really a decisive statement by the Biden administration, how do they feel about national defense, and where are they going to place the priority. So, I'm looking forward to it, and this group, we really wanted to get our thoughts out there to shape that strategy, which should be underway right now. We're not hearing much about it, but presumably it's fast underway at the Pentagon.

LUBOLD: I know that, with love and respect for those who worked on the QDR over the years, that the current NDS is a document that is often cited and shows its current relevance. And so, can imagine everybody hopes to get another one equally as relevant if not more so.

Mackenzie, thanks for being here. You owned part of this piece that you all wrote about, and I wondered if you could kind of lay out what your view is of what your next NDS and also maybe how you make a distinction between problems and threats, which is an important distinction, I think, as we look at this.

EAGLEN: Yeah. Thanks for hosting, Gordon. That's so nice of you. And, thanks to my co-authors for a great effort. As one of our colleagues said, nowhere in our article are we trying to get to less or doing more with less, or even really any of the sort of typical DC exercises, wordsmithing, spending months wrangling over terms like great power competition. That's not what we are about. We're about making serious, big, bold statements and prioritizing and being honest about everything.

And so, we believe that the core function of the department is deterring and winning wars. Sure, competition is important, it's part of deterrence, but deterring and winning wars is the foundational job of this federal agency, why it exists. And the department has to focus on doing that against its most capable opponents. Right?

So, even though in the Cold War, we never fought at the Fulda Gap, the military fought all kinds of small wars and conflicts all over the globe against our Cold War enemies. And so, that's going to continue. And so, in some cases, Gordon, that requires— it's not just duplicative. In some cases, there is an overlap. In some cases, you need to specialize investments, in training, in readiness if that's the cornerstone of the strategy.

And we call for not—What I increasingly say is the conflation of national security problems and national security threats. The Department of Defense's job is to look outward into the world and help keep Americans safe from those threats. Then, we have oodles of other agencies and organizations and governments, state, local, and federal, whose job it is to protect Americans here at home.

Sure, is there a Homeland Defense element to National Defense? Yes, absolutely. But what I've seen in defense strategies over the years is that mostly they're additive, and this one, unfortunately, we'll know soon, but this one may also be that. They're additive without adding time, people, or resources.

What I mean by additive of national security problems? Well, we know the Secretary of Defense has said pandemic relief and response, including future pandemics, is a top priority for the department. Climate change, resiliency, and green programs, top priority for the department. And, extremism, diversity, racism, inclusion, these priorities as well. I would argue that those don't need to make it into the final version.

LUBOLD: Do you want to expand on that a little bit, though? Because I think that we saw a lot of criticism of General Milley when he spoke about the wokeness. You want to expand on that little bit? And, I do want to encourage everybody, I do want this to be a conversation, so anybody else jump in and answer that question or any others on this topic.

EAGLEN: Right. It doesn't mean those priorities aren't important, or that the department can't care about climate change. It's not at all what it means, but it does mean that Defense Department leadership needs to make sure that they can do their most important job really well, and I'd argue they can't today. So, focusing on prioritization of jobs and responsibilities, the most serious among them is to win the wars and doing that really well, that's arguably the top priority.

LUBOLD: Got it. Anybody else on that.

BOWMAN: Gordon, I'll jump in here. I completely, for what it's worth, agree with Mackenzie on that. I mean, we've all heard the colloquialism or the cliché phrase, if everything's a priority, nothing's a priority, and the essence of strategy as I understand it is establishing priorities, right? Resources are finite. You can't do everything, so what are you going to do?

Well, as a country, we're going to do all kinds of things, but as Mackenzie's saying eloquently, what do we want the Department of Defense to do? I do believe we're in a great power competition, not with rivals, but with adversaries. We're in a great power competition with adversaries, and that competition involves all kinds of tools of national power, ideally integrated well together.

But the Department of Defense's contribution to that competition, I would say, is to be able to do exactly what Mackenzie said, be able to deter and win wars. And, if the DOD can do that, that's going to make our other tools of national power more effective, particularly diplomacy, development, and economics.

So, competing currently in the cyber domain, all these, yes. Most of the ongoing competition is in other domains, but meanwhile, undergirding all that should be a Department of Defense that no one wants to fight because they're so good at what they do.

And, if we drag the Department of Defense into all these important but peripheral areas, ironically, we're going to be undercutting not only our ability to defend ourselves but the effectiveness of all those other tools of national power.

LUBOLD: Fair point. Yeah. I think military leaders and others would say that the military is always the easy button, and so then people come to them for things that aren't even really—shouldn't be necessarily in their wheelhouse. Brad, as long as I got you, do you want to talk a little bit about the threats that you laid out in the piece, and why are they more urgent than they were the last time?

BOWMAN: Sure. No, thank you. As the four of us wrote in our *War on the Rocks* piece last month, the 2018 National Defense Strategy, right, so the 2022 one is being developed now. The last one we had was published in 2018. It identified five leading threats, China, Russia, Iran, North Korea, and terrorism.

The key point that I think we wanted to make in our piece was that if you bring a sober, objective, serious, and analytical effort to this, and you look at each one of those, China, Russia, Iran, North Korea, and terrorism, I think a compelling case can be made that each one of those five is worse now than it was in 2018. I mean, I'll spare the viewers running through each of those. You can read more about them in the piece, and you can do a five-minute Google search and basically see that each one of those is more formidable than it was four years ago.

And so, why do we need to highlight that? Because, I think, again, going back, I don't want to geek you out here, but strategy, you begin with the end. You begin with the objective or the interest. What are we trying to accomplish? You identify the core threats to that, the most likely and most dangerous threats, and then from that, you establish your ways and means.

But, if you flip that on its head and you start with, "Okay, well this whole exercise is going to be—we won't say it, but in reality, it's going to be an effort to justify a flat or reduced Defense budget, I'm sorry. That's not strategy. That's a political document.

And, in previous times, maybe we could get away with that sort of silliness, but I'd say right now the threats we confront, particularly from China, are so grave and so serious and really so urgent that if this administration delivers a National Defense Strategy like that, I do worry the consequences could be quite significant.

So, if we objectively look at the threats, I think we're going to see that the 2018 National Defense Strategy Commission had it about right, and that is that we need at least 3 to 5% real growth in the Defense budget. And, of course, we know the Biden administration requested a budget that didn't even keep up with projected inflation.

So, there's good reason, I think, to be concerned right now and to call for a real strategy.

LUBOLD: Thank you, Brad. We'll come back to some budget issues because I think, obviously, they are central to any discussion on strategy.

China does seem to be the wolf closest to the door, the 25-meter target, whatever the thing is. Bryan, you had some contributions particularly on that. Do you want to kind of walk us through how you see the China threat and how it emerges?

CLARK: Yeah, yeah. Thanks, Gordon. The issue with China is, obviously, it's the highest priority we have facing the Department right now from a defense strategy and standpoint, but China looms large because it is the world's largest military by a lot of dimensions. Largest navy, largest coast guard, largest maritime militia, largest army. It's the largest air force in the region.

So, it's a huge military. It's increasingly capable. They're modernizing very rapidly. They're in a position to where they can really exercise a degree of superiority and maybe even dominance over portions of the Western Pacific and East Asia that we're going to have to really counter if we want to be able to protect our interests, mostly our allies overseas.

I don't know if the Department and people in America have really come to grips with the idea of a China that is a peer of the United States technologically, militarily, and in some ways, geopolitically. So, there's going to be a challenge the Department's going to have to face in terms of how to counter that, how to deter aggression against a country that really has the tools and the geographic proximity to exercise their will in a lot of ways in the Western Pacific.

So, it's not like the Soviet Union, where they were behind us in terms of innovation and technology. It's a totally new bag of fish. It's a situation where we're facing essentially the British, if you will, back in the 1800s when the United States and the British were in some ways peers.

So, we're going to have to come up with new ways of deterring China that aren't just trying to dominate the region as we have with other competitors or other adversaries. We're going to have to come up with new concepts to try to fight in new, different ways. We're going to have to try to innovate technologically, and most of all, we're going to have to come up with a new posture that's going to be more robust and able to actually defend our allies forward, as Brad has written about pretty eloquently.

All those things together are designed to raise the cost for the Chinese of aggression, reduce the benefits of aggression for them in the back end, and then maybe come up with new ways to punish Chinese aggression in the aftermath.

But I think we need to get away from this idea of thinking about us being able to deny China its objectives in the Western Pacific because we're such a much more powerful, capable military. We are now at a place where we are peers, and we're going to have to reconcile ourselves to that and come up with some more creative ways to counter them militarily as well as using other elements of national power, as Brad said.

LUBOLD: Good. Just a quick on China, though, do you think, and you kind of touched on it, but do you think that their trajectory can be altered by the U.S., or is it a question of the U.S. figuring out how to adjust and counter on its own? Is there some interaction there that can affect that?

CLARK: Yeah, certainly, I would argue in terms of a long-term competition, there may be ways at the edges to try to adjust China's trajectory. It seems like what you're seeing today in China is they're adjusting their own trajectory by virtue of the decisions they are making internally, so their economy is kind of encountering the middle-income growth slowdown that most countries experience. They're having problems politically internal to the country.

So, there's some issues that China has brought on itself, and that's probably going to be much more of a determinant of its future trajectory than what the United States does. What we can do, what's in our control, is what we do in terms of how we posture our military, how do we operate our military, how do we work with our allies to be able to provide a united front? So that we raise the cost for China, in terms of acting aggressively in its neighborhood. And if you make the price high enough then they're going to be less likely to pursue aggression. But I think we need to be really sober and realistic about the capabilities China has and remind ourselves that this is really us trying to prevent them from achieving something, not us winning a war in the traditional way against China where we roll into the Capitol, and we take over at the end of it.

LUBOLD: Right. Good. I want to come back to some of that other stuff and allies is an important part of this whole conversation, we'll come back to it. Tom wanted to bring you into it. Obviously, deterrence is a big factor when it comes to building a strategy. What's your view of how the U.S. can build into its strategy an effective deterrence strategy and then execute it?

SPOEHR: Yeah, thanks Gordon. And so, after protecting the homeland, which is usually a function of missile defense and strategic nuclear deterrence, deterring our adversaries, and particularly China and Russia, is really the main task that should be covered in this National Defense Strategy. It's really about sending the message to China, we'll take China for now, one that the U.S. is committed to their defense; two, that we are resolute. But most importantly that we are committed, and we are going to achieve a military balance of power that can deny them their initial objectives. So let's take Taiwan. That we can deny them from taking over and holding Taiwan. And a lot of times in these National Defense Strategies people lose sight of what we're actually trying to do and we try to bring that discussion back to that.

One of the things that concerns us, all four of us, is that the Pentagon has been kind of test marketing this idea of something called integrated deterrence. And Secretary Lloyd Austin, I think, rolled that out in Singapore. He was talking about deterrence is more than military power. It involves economic sanctions, and diplomatic sanctions, and then military power. And on one level that's something the United States has always done. We've always used all instruments of power to kind of influence potential adversaries. But on the other hand it's deeply concerning because usually the Pentagon's job, and what they talk about, is maintaining a favorable balance of power in order to reinforce deterrence.

So, when we have the Secretary of Defense saying that we should emphasize integrated deterrence, which includes stern diplomatic notes or economic sanctions, or maybe even nuclear deterrence, it causes all of us to be

super concerned that we are going to vacate this idea of maintaining a favorable military balance of power and rely on other things, which are much less certain to actually influence Chinese behavior. So it kind of reminds me of the Biden administration saying that, “Hey, we’re going to ensure the rights of women in Afghanistan by maybe denying the Taliban international recognition or something like that. That for sure ought to put the fear into them.” It’s like well no that is not something they recognize. What we think President Xi and probably his advisors recognize is a favorable military balance of power. So in this paper we really tried to bring the discussion back to that and to leave elements like economic sanctions for discussion at the national level, in the National Security Strategy not the National Defense Strategy.

LUBOLD: Interesting. This is a good segue to what I get excited about in particular is how do you do deterrence? Some would argue deterrence in the Middle East has not worked to deter Iran. General McKenzie from Central Command likes his carriers and likes his other stuff in the region, and some would argue it doesn’t really work. I’m going to go back to you Brad a little bit on this. Under the original pivot—Or I don’t know what pivot it was, but under the Obama pivot to Asia, I think it never met its objectives, necessarily, but part of it was there were never a lot of forces that were put in there. There was this expectation of all this military might that was going to be poured into the region but never was. The Pentagon may be thinking about it differently now. One of the talking points is, “Well we have already 376,000, whatever the number is, military forces in INDOPACOM.” A lot of them are in California and Hawaii.

Do you want to talk a little bit about how as we think about a strategy what needs to be brought to bear to the region, physically, capabilities-wise and what that means?

BOWMAN: Sure. Thank you. So we’ve talked a bit here about ends or objectives, we’ve talked about threats to those objectives. And to complete the picture we have to talk about means and ways. What do you need and how do you employ those capabilities, capacities, and so forth? One element of—in DC a lot of times it’s we focus on hardware because if you don’t have the right hardware, you can’t fight the war, but it also matters where that equipment and those people are stationed. I would argue that it matters more than ever now because we now confront adversaries, plural, particularly China but also Russia, that are going right after the traditional American way of war. Anyone who’s probably older than 30 or 35 assumes that the U.S. military can deploy wherever we want on a schedule of our choosing and initiate the war how we like, and our adversaries just have to kind of accept all that.

Well, that assumption is dead. That assumption is over or it should be. I think Americans need to—if they’re not already awake to that fact they need to wake up quick. Let me be more specific. In Taiwan, for example, goodness forbid if there’s a conflict in the Taiwan Strait tomorrow, next month, next year, we cannot safely assume, in my opinion, that we’re going to be able to surge reinforcements there uncontested from Guam, from Hawaii, from California, from wherever. That has been an assumption of U.S. contingencies and war planning for decades, and it is no longer a good assumption. I would assume that if shooting started in the Taiwan Strait, and it was clear to Beijing that America was going to start flowing in reinforcements and was actually going to stand by our commitments and do something about it, I would be shocked if there weren’t simultaneous cyber-attacks on U.S. bases in the United States. I suspect our forces would be under attack in all different forms before they even left the ground in the United States and en route, right?

So, this idea that we’re going to be able to surge forces safely, quickly, and effectively into a contingency, whether it be in the Baltics against Russia or in the Taiwan Strait, is no longer a good assumption. So what do you do with that? Well, there’s kind of two schools of thought. One is this kind of—I almost view it as kind of a defeatist attitude, “Well we just better pull back because they’re going to pummel our forces in the first days. We just got to pull back. Maybe we shouldn’t do missile defense in Guam, we should just pull back.” Or another approach—I’m being a little bit of a strawman there, but you get the idea. Another part is we need to strengthen the agility, survivability, and lethality of our forward

forces to convince them not to do it in the first place. And, based on the assumption of what I already said, you cannot safely assume you're going to be able to get vessels from San Diego or Pearl Harbor, aircraft from the Midwest, and troops from Fort Lewis there in a relevant time period.

So, if it's all about deterrence convincing them that they can't accomplish their political objectives at an acceptable cost then you have to get those forces forward in a sufficient capability and capacity that they don't try to do it. And if they do try to do it you'll be successful. So, if you buy what I'm saying that has implications right now, not 10 years from now, right now for what we do in the first island chain, what we do with our NATO partners in the Baltics, and then the Middle East is a whole other discussion I'm glad to get into if we have time.

LUBOLD: I mean, so where do you put them? Where do you put them? How does it look different from the conventional deterrence that we're thinking about, in terms of capabilities and forces? But also, the kind of other talking point typically is okay then now you're into provocation mode and so—

BOWMAN: Yeah. Yeah.

LUBOLD: where's the balance?

BOWMAN: It's a fair question and I'd love to bring in Bryan on this in a second, if he's willing, because he's focused on a lot and done really great work on this. But I think you have to look at, as I said earlier, the most likely and most dangerous scenarios. When I look at the most likely and most dangerous scenarios in the Taiwan Strait I put a premium on long-range precision fires that we need to have forward; I put a premium on missile defense, I put a premium on electronic warfare, cyber, hardening our bases, agility of forces, these sorts of things. I know all three of my counterparts could add to that.

And a key point, it sounds like a Capitol Hill talking point when I say it, but it really has real meat on it, is that we have to understand this is not just a China threat to the United States. This is a China threat to a free, open, and inclusive Indo-Pacific. If you buy that then that means that hey other people care about this too. Australia, they care. Hey Japan, they care. Hey India, they care. And if you start to build a more —I'm not talking about a NATO, let's not go down that silly path. I'm not talking about a NATO, I'm talking about increasingly unified real world military capability that we can employ. If I'm a PLA planner an increasingly unified and capable Quad that's like a nightmare scenario if you look at a map. I mean, that's not good. So I'm all about building out the Quad to make it much more than it is. "It's got to be more," as H. R. McMaster's says, "than good mood music at cocktail parties." We really have to bring real capability to bear here.

But Bryan I know, and Tom, and others, and Mackenzie have good thoughts on this too—

LUBOLD: Yeah. I think this is a good question for anybody to jump in on. Please.

CLARK: So, I'll say one thing we have to think about with China is there could be a lot of most stressing scenarios with China, so we kind of think of invasion of Taiwan is the most stressing situation we might face. Well, they could blockade Taiwan for two years. They could blockade Taiwan using cyber and economic tools or physical tools. They could execute a long-term campaign of Gray-zone warfare with intensification periodically. There's lots of ways they can stress out our force and not just in terms of capabilities we'd need in a short duration invasion of Taiwan. It could be a protracted operation that we just don't have the capacity to sustain. So, the fact that they got lots of options they can

pursue means we'd need more options to be able to counter them and that gets to posture, having a posture that's more robust than we have today with a more of a diversity of capabilities, gives the Chinese more things to think about, in terms of ways that we could pursue countermeasures to them.

To Tom's point earlier about—He was talking about denying China the ability to invade Taiwan. I think what we're talking about here is making it so costly for China to invade Taiwan, or so time consuming, it's no longer on acceptable terms for them. Because I think sometimes when we throw the word denial out there people perceive that as meaning we can stop them under all conditions from invading Taiwan. I think when we throw that around it sets the bar so high that it instigates this kind of defeatist feeling on the other side, where they say, "Well we're never going to stop that because you've got a country of 1.3 billion people against a small country that's 90 miles away. If we can't deny them then we should give up." So I think we need to make sure that we're talking about the fact that we are trying to raise costs and increase the likelihood of the Chinese not being successful on their terms. But that gets to the idea of having more options and that's posture is a thing that enables those options.

LUBOLD: Who else? I mean, I'm still interested in the issue of provocation and how you strike that balance, but Tom or Mackenzie you want to jump in on any of that?

SPOEHR: Yeah, I was just going to add that I think there's opportunities that maybe weren't there a couple years in the Indo-Pacific. The Philippines has changed from trending neutral or negative to trending slightly positive, so I see all kinds of possibilities there. Australia we just read about that and they get those nuclear attack subs that'll be a huge game changer. So, I think there's—Japan obviously. Some places where we can increase our force posture and it's not going to require a breakthrough, like a Sadat agreement at Camp David or something like that. I think there's actually some things that we can be optimistic about.

EAGLEN: Can I just add Gordon, like in the most pressing scenarios point that Bryan was making, it's a big ugly question. People don't want to ask it but what if the president, as commander-in-chief, says to take back the island? I mean, you need a really big army and capable Marine Corps to do that, for example. It could happen. That would be pretty pressing, for example. But what I like about what my co-authors—Or I can't remember whose line this was, but it's also important not to specialize to just one scenario. We wrote specifically in there in Washington it's easy to think the only scenario is this fait accompli, preventing China's fait accompli. But Russia has demonstrated through exercises and capabilities its ability to conduct its own fait accompli today in the Baltics if it chose to move. So that's one of the reasons we call for focusing on our most capable competitors and being honest about what they have already shown that they're—To be more honest it's not just about what they have but how strong we are relative to who they are today.

LUBOLD: Good.

BOWMAN: Gordon can I jump in real quick on that?

LUBOLD: Please do.

BOWMAN: Mackenzie mentioned Russia and it just may be interesting to folks to remind them that—I was talking earlier about assumptions that are no longer true or are dangerous to continue to assume. Here's another one: the assumption that we could only confront a China challenge or war, or a Russia war, one at a time. I think that's a bad and dangerous assumption. I say that because if you look what our Intelligence Community has said in their Worldwide Threat Assessment they said that China and Russia are more aligned than they've been since the 1950s. Now I'm not

saying they're allies, I'm not trying to overplay that, I'm not trying to say there isn't some challenges and historical concerns in that relationship. But there is strategic-level coordination going on between those two governments. They are doing military exercises together, and even if there was no prior coordination, if you're Putin and you see something unfolding in the Taiwan Strait, maybe that's the moment you roll the dice in the Baltics, even if there is no coordination, right? So there doesn't have to be coordination for you to end up in the same place, where you're confronting simultaneous major combat operations. So, if we're sizing our military for political purpose, assuming that we're going to let them place one MCO, one major combat operation, in my view, respectfully, that is a horribly dangerous assumption.

LUBOLD: Okay. Interesting. So, another great segue into let's talk a little bit more about some of these allies and what is kind of within the realm of the possible in the region and elsewhere. I think we're starting to see a little bit more of a shift. Somebody just alluded to it a minute ago. But there is an importance. I think Tom in particular wrote about the importance for realism when it comes to allies. There is maybe a slightly changing narrative that Beijing may be losing the room a little bit, but I'd be interested to hear what you see as any evidence of that. But then on the flip side, what's the area of concern where we should be more realistic about what allies are prepared?

SPOEHR: Yeah. Thanks, Gordon. I think allies are perhaps the biggest comparative advantage that we have over our adversaries. They are the secret sauce. They are the 11 herbs and spices that we have that Russia and China cannot even touch. I mean, you look at China's allies, if you put that in quotation marks. Maybe that's North Korea. That'd be a great ally to have, and if you're Russia, maybe your ally is Belarus, although they run hot and cold. So we really, compared to our adversaries, have a great web of allies, and we can count on them for basing rights, certain military capabilities. We use them to provide and convey international legitimacy on military operations. So we cannot ever take our allies for granted. However, I have seen, and I think there is probably some concern that—I worry that we worry that in the next national defense strategy, somebody may use allies as justification to say, “Hey, we're going to do less in this particular theater, and therefore our allies will do more.”

This has been said before in QDRs and things like that. I'm speaking specifically of Europe, is this idea that if the United States kind of disengages a little bit that others will step up to the plate. While that sounds good and it looks good on charts, it has not been our experience. Love or hate Trump, with all the pressure that he put on our NATO allies, we have 19 of about 29 NATO allies that are [not] spending 2% of their GDP on national defense. Is 2% of GDP a magic number that is the best measure? No, but it's the only one we have, really, that kind of cuts across different economies on how much they are committed to national offense.

So, we've got countries like Germany with the biggest economy in Europe, and they're spending 1.57 of their GDP on defense. They're not saying that's going to go up appreciably in the coming years, and so their armed forces are essentially dismantling themselves. Their current political situation in Germany is such that with the Social Democrats taking the upper hand, I'm even more fearful than I was in the last couple of years. That government couldn't even muster the resolve. I love those guys, but they could not muster the resolve to even buy an armed drone, like a Predator. So, they're willing to buy drones, but they're not willing to put any armament on them, which is—I don't think they understand quite the deal with drones.

So, love our allies, but before we start saying that Japan is going to step up, and Japan, again, love them, but they spend 1% of their GDP on defense. They buy great stuff. They have great destroyers and a great fleet. But to think that just because we write it in a National Defense Strategy that all of a sudden, our other allies are going to step up and cover U.S. interests in other places, I think is a fallacy.

LUBOLD: Good. Thanks. Anybody else can jump in. Please do. But I'm also just interested in do you see a changing narrative, again, in the Indo-Pacific particularly in terms of the U.S. and China? We saw AUKUS and we saw Australia kind of really align itself in recent weeks. What say you?

SPOEHR: That's a huge move. We've got a new Japan prime minister. I don't know where he's going to go. Maybe Bryan has some thoughts on that. So AUKUS is a big deal. AUKUS is going to have to come in –Bryan, again, would know better than I do. To start a nuclear-attack submarine program, they are going to have to vastly increase their defense budget. So that'll be the real test. When the president and the prime minister sign agreements, that's one thing. When the Australian Parliament actually ponies up the dollars to build these nuclear submarines, that'll be a sign as well. But I defer to Bryan for more thoughts on that.

CLARK: Yeah, so the Australians had already committed 90 billion Australian dollars toward this effort. So it sounds like they're willing to put the money against it. That was one of the reasons that convinced the United States to go in on sharing nuclear technology with Australia. So I'd say it's a significant sign that the US felt like the commitment was there such that they would actually share it, because the fears before—This was also pursued in previous years, and the reason we had not shared the technology was a lack of confidence in Australia's ability to kind of stay the course and actually manage it in a way that would be responsible and secure and not reflect badly on the United States as the source of the technology at the start.

But I think the big thing that's going to come out of this is the ability to have submarines based on the western coast of Australia, nuclear submarines at a nuclear-capable base. That should happen earlier than they actually start delivering submarines, because that means U.S. submarines could start operating out of Perth as well, which would be great for our presence. It's also a terrific liberty port. So I think that's great for the Navy.

BOWMAN: I would just add, Gordon, as Bryan knows better than me, but some of the viewers may not know is that America's attack submarine fleet is actually getting smaller right now. So, at a time when that is one of our—

LUBOLD: One has a bump in it at the moment.

BOWMAN: I'm sorry?

LUBOLD: One has a bump in it because they just bumped into something in the South China Sea.

BOWMAN: Right, right, right. And that capability, that Virginia-class attack submarine capability, is a wonderful capability that causes real problems in a variety of ways for our adversaries. But that fleet is actually getting smaller, because we're not replacing the Los Angeles-class submarines as quickly as we should with Virginia-class. So bringing on some additional Australian capability eventually will be a wonderful thing, but Bryan, we'll be lucky to have those in the water in what, 15 years?

CLARK: Right.

BOWMAN: I mean, that'll be success 10, 15 years, give or take, a long time. This is one of the key things that I think some folks missed, is that AUKUS, the sub deal, which is wonderful and important, got a lot of the press. But really, it's not a new alliance, right? We already have an alliance with Australia. It is a military technology cooperation [partnership] through which hopefully a lot of other things will flow, and hopefully many of those will come online sooner, because if

you look at what INDOPACOM and others are saying, right, we could have a problem in the next six years in the Taiwan Strait. So you're talking 15 years from now, I'm almost uninterested.

LUBOLD: As long as we're on that. Bryan, do you want to talk a little bit about the modernization? I think you stated the U.S. is doing a modernization of its nuclear and its conventional forces. You want to just kind of lay down some markers on that, please?

CLARK: Yeah. So one of the big challenges that we're facing, and Mackenzie has talked about this as well and done some great writing on it, is that we're simultaneously modernizing our conventional forces as well as our nuclear forces and the infrastructure behind them. So, it's an enormous bill that's coming due because we've sort of been riding that Cold War investment for the last 30 years and are finally having to pay it off, because we extended the lives of a lot of conventional platforms and systems out to the point where they're no longer extendable and same thing with the nuclear forces. So we're recapitalizing the strategic submarine force with the Ohio-class getting replaced by Columbia. We're replacing the ground-based strategic deterrence with the follow-on to Minuteman. We're replacing the bombers with the B-21, which will replace some of the B-1s and B-52s that are older now and that we're also on the conventional side replacing a large number of our ships. We're replacing a rather huge ground modernization program going on, future vertical lifters replacing our helicopters.

So simultaneously we're replacing all of this Cold War kit that we bought near the end of the Cold War, and then now we finally have got to do something with that force that's going to reach its retirement age. That bill is pretty enormous, and I think Mackenzie and Commander Salamander referred to that as the "terrible twenties." That is the challenge that we're facing right now. So one thing the United States has to figure out is how to pay that modernization bill while simultaneously making its posture more robust and being able to maintain the readiness of the force for today so that we don't leave this gap over the next five or six years in which an adversary could perceive us as being vulnerable.

LUBOLD: I want to go to Mackenzie and talk about money in a minute, but just because you've touched on it and you're a ship guy of knowledge, the number of ships is always seen as kind of a great benchmark, right? Can the U.S. figure out—This is not necessarily a strategy question, of course, though, it is, is can the U.S. build more ships and build enough of them at a low enough cost to make an effective naval force again?

CLARK: It can. So the Navy has been aspiring for the last 15 years to try to get above a 300-ship navy and it being unable to do so. So we're still hovering right around 297 ships today. The Navy could build more ships and has to make smarter decisions about what kinds of ships it buys. It's gone through several situations where it's thrown a lot of money against a ship that never paid off, like the DDG-1000. We're putting money into today frigates and the Arleigh Burke destroyer, which should help to build up the fleets numbers, going forward. The Virginia-class submarine has been a success, building two of those per year. But the problem is they're replacing ships that we were buying at three to four per year during the Cold War.

So, the fleet is going to shrink or it's going to stay the same, but we're going to see a rebalancing of the fleet. So what's going to happen is we're going to have more of these smaller ships, like the littoral combat ship and the frigate and fewer of the bigger ships, like the cruisers, which we're likely to retire, the destroyers, and bigger amphibious ships. So those are all leaving the fleet, being replaced by a smaller set of ships, going forward. So that rebalancing is going to make the fleet more numerous, perhaps, but not necessarily more capable.

LUBOLD: Great. That's a topic, obviously, unto itself, but we only have a few minutes here, so I want to make sure we get to more of it. Mackenzie, you are always my go-to on issues of resources and money and budgets. So all this sounds potentially great, but obviously there is a political reality, and there's a budgetary and bureaucratic reality. Give us a snapshot of how you see any of this, policies, budget, and budgets policy. How do those two get reconciled?

EAGLEN: So, strategy wears the dollar sign, right? But we say strategies should be threat-led and budget-informed, so not irrespective of spending. You have to consider how much something costs and prioritize. No matter your strategies, there still has to be prioritization underneath that, those main objectives, but that's not what we're seeing in DC right now, right? So, the previous Pentagon leadership plus then the strategy commission led quite ably by Ambassador Edelman and former CNO Gary Roughead endorsed the 3 to 5% annual over-inflation target as the minimum increasingly, and then all over pages of *The Wall Street Journal* today, Gordon, and your publication, it's just about all the red flashing warning signs of inflation, right? Easily probably going to look back on this quarter and it'll be easily over 5%. The next quarter, too, right?

For the Defense Department, which contracts out most of its—Basically, most of the money that goes in goes back out the door in some form of pay, salary, services, equipment. Their inflation is actually typically higher than the overall economy. So a budget that doesn't even keep pace with inflation, we can't pretend like the strategy can be met. So, it's one of the reasons—Jim Mattis also said, Secretary of Defense in the last administration, "America can afford a strong defense. Of course we can." It's really about prioritizing choices also in the federal government, right?

With the COVID blowout bills that increase every federal agency spending with no year dollars except defense, with an infrastructure bill for many other agencies except defense, and then a '22 budget that only puts one agency on a diet, the Department of Defense, a fiscal diet, it would be unserious to write a new strategy that is either the status quo of the last one, which I doubt, or additive, like I said, and a flat budget. So we're hoping that they don't have this cart before the horse thinking.

LUBOLD: I want to come back to that, but anybody else want to jump in on just resources? Because it's—

SPOEHR: I do, and I'm optimistic today, maybe the first time in a while. That is Mackenzie said this is a political decision, how much to put against defense. But in our system of government, both Congress and the executive branch get a vote. What we have seen in the last couple of months is that Congress kind of pushed back against the Biden administration's anemic budget request. So, most people think in this town that they're going to add some 24, 25 billion dollars to the 2022 defense budget request, and it will bring that budget request up to 3%, I think 3% on top of inflation. So it's going to be a hard, painful thing. It may have to be done every year versus— a deliberate plan on the part of the administration. I think these congressmen are seeing the intelligence reports. They're watching the news and they're voting based on what they feel versus some kind of ideology that says that national defense needs to shrink.

A deliberate plan on the part of the administration. I think these congressmen are seeing the intelligence reports. They're watching the news and they're voting based on what they feel versus some kind of ideology that says that national defense needs to shrink.

BOWMAN: Gordon, can I jump in? I completely agree with Mackenzie and Tom on all their points, and just let me foot stomp on what Tom just said so that the listeners understand that. The Biden administration submitted a defense budget proposal that wouldn't even keep up, not even close, with projected inflation, as Mackenzie just said. Then the Senate Armed Services Committee, the Republicans and Democrats, give or take, and in the House Armed Services

Committee and the entire House of Representatives all agreed and voted in an overwhelming bipartisan way that they should add roughly 24 billion dollars to what the Biden administration requested. These are people who are getting the classified briefings about what our threats are doing. They're getting the briefings about our readiness and these are sorts of things. If anyone said, "Oh, okay, well, here you go. You're arguing for more defense. We're spending ourselves into defense oblivion. We can't afford this."

Well, can we at least agree on some facts? Here's two facts, right, and I can send you the numbers to prove it, and Mackenzie knows these far better than me, as a percentage of federal spending, as a percentage of GDP, we are spending near post World War II lows. Next time listeners, you hear a politician saying it's defense that's causing all these problems, remember those two numbers, those are facts. Even if we were spending much higher amounts, right, you prioritize things related to security and survival. Right? Otherwise, nothing else really matters. I just wanted to put those two numbers on the table.

CLARK: Gordon, one thing I would add to that is if inflation is going to be 5% this year, then that addition that Congress made to the bill, or to the budget, is probably going to be eaten up in a lot of ways by inflation, so we're going to end up back where we were to start with, which is unfortunate. The other thing is that by adding that money, Congress is of course helping get defense back up to where it should be. Ideally, the administration would absorb that, take that idea on, and in the next budget incorporate that 25 billion up front so they can actually spend it on things that they think are most important to give us an edge, as opposed to Congress having to add it at the end where they've only got so many ways they can use that money.

If you're Congress at the very end of the budget cycle, you can buy more of which you're already buying, but you can't buy something new that doesn't exist today, and that might have been a better way to spend the money if the department had adopted a higher top line to start with.

LUBOLD: Mackenzie back to you or anybody, but Mark Esper with his night court at the Army, and then I think he tried to bring the same approach to when he was Sec Def, cutting inefficiencies and cutting defense budget, and that whole strategy is how you're going to pay for this broader strategy. Is that valid, or can it be done because it didn't seem like it amounted too much.

EAGLEN: I would argue that is just good governance with taxpayer dollars. It's your due diligence as part of the job, but any assumption that you'll generate one additional new dollar to reinvest somewhere else has proven over the last 15 years to never come true. They've gotten it right by getting it wrong every single time. Every service, every year, every time they've made a budget bogie for assumptions of savings, they don't materialize partly because of that special defense inflation I talked about where the costs of goods and services and people just go up higher than inflation every year, even before this year with its high eye-popping number. No, and it doesn't rise to the level of, it should just be something we all do as part of our jobs. It shouldn't be something that we do in the hopes of new money. Just being responsible stewards of taxpayer money is the right thing to do.

LUBOLD: Right. I think nobody could disagree, and yet, that's not going to pay for any of these.

EAGLEN: No.

LUBOLD: It's not going to, it's a point of inflation issues or any other increases that you all are arguing for. One other quick thing, which is just, I think in the piece, you all argue for the sense of urgency, and there's always a sense of urgency. Right? The Pentagon in particular is not known for its efficiency and speed when it comes to fielding advanced capabilities, the nine-year pistol that General Milley talked about on the hill a couple years back. Characterize for us how important urgency is now and how it can be executed given that it's not been, depending on anything in particular, there's nothing that successful in doing it in the past.

BOWMAN: Gordon. I can jump on that, and maybe my colleagues can add anything they want. There's an anecdote that I cite a lot about TROPHY Active Protection System. This is an Israeli system that you put on tanks and armored vehicles that they fielded operationally in 2011, rockets, mortars inbound. It actually intercepts them so it never hits the vehicle or the tank. Israelis had that fielded in 2011. We didn't acquire that until 2019 when General Milley essentially became a four-star officer's Army Chief of Staff. He took that Israeli technology, put it on our M1 Abrams tanks, deployed those tanks to Europe to deter Russian aggression. Israeli technology, American tank in Europe deterring Russian aggression. Hey cool. That's wonderful, but listen to the dates I just said, 2011 to 2019. That's an eight-year gap where you had U.S. soldiers around the world in tanks and armored vehicles where they could have been better protected.

If you buy what we're saying about this frenetic military technology competition we're in with China, we can't afford to do it that way. Right? Either one of two bad things are going to happen. We're not going to deter the aggression, or we're going to have service members not being able to complete their missions and come home safely to their families, both of which are unacceptable. We have to do better in going from concept to field to capability. That's not a new thing. We've all been saying that our entire career. We know that. But there is some good news. Right? General McConville, Army Chief of Staff said [on October 12] that 24 of the 35 major modernization systems will be in the hands of soldiers in some form by fiscal year 2023. I want to learn more about that. I want to dig into the details, but if true, that's great. Bravo. Good.

But at the same time in testimony earlier this year, GAO found that a 35% increase in major defense acquisition programs in the time required to deliver those initial capabilities resulting in an average delay of more than two years. So progress, yes. Continued problems, yes. Higher stakes for these problems, yes. So, what do we do? We don't want to just admire the problem and wring our hands about it. Well, again, going back to what Tom said, on our assets list are tech savvy democratic allies. Many of those are in Europe, our NATO allies, Japan, Israel, all these things. It can't just be little one-offs where we belatedly try to fill a capability gap. We got to get together more systematically upfront and identify intelligence informed requirements that we both have and then get to work on filling those as quickly and cheaply as possible.

Stretch our defense budgets further and get them in the hands of our respective troops. Israel might use it in Syria. We might use it in the Taiwan Strait. It doesn't matter. In many cases, it's a lot of the same capabilities, and we need less anecdotal and more systematic cooperation with tech savvy democratic allies.

LUBOLD: Good. Who else wants to jump in on that quick?

SPOEHR: I want to hit one aspect of it, and that is there's people in Congress, there's legislation proposed to increase the amount, the percentage of domestically sourced stuff and to only buy U.S. stuff. That cuts exactly against what Brad's talking about. If we somehow get to a point where we're trying to source 100% of our defense articles in the

United States, we are going to deny the United States military great technologies, we are going to irritate our partners, and they are going to pull up the drawbridge too and only buy what's produced in their indigenous areas or maybe in the European Union. Policies like that which restrict where we can buy stuff, really, I think, will work to the United States' disadvantage.

LUBOLD: Anybody else? We good?

EAGLEN: Gordon, I was struck by the Vice Chairman of the Joint Chief's comments earlier this month where he said, "The Pentagon, we're too risk averse. We're unbelievably or remarkably slow." I'm thinking, aren't you the head of the (JROC) [Joint Requirements Oversight Council]? What are you doing about it? Stop complaining about it. Tell me what you did in your tenure where your responsibility is purchasing stuff faster. I read about Air Force software chiefs quitting with their mic dropping resignation letter saying we can't get anyone to pay attention to us, to get capability out there faster. I want less complaints and more action with more results.

LUBOLD: Fair point. We've got five minutes. I want to give kudos to whoever came up with the name of your op-ed, *What to Expect When You're Expecting a National Defense Strategy*. Cute name there. I will read this last bit to you and then ask each of you if I can in the last four minutes to make a very concise response. You know what you read, but I'll put it here. You know what you wrote. "With threats to U.S. national interest on the rise, the consequences of producing an ineffective National Defense Strategy may be severe and could come quickly. Clear-eyed thinking about national interests, the threats America faces and how the military can best deter those threats is urgently needed. Here's hoping the 2022 National Defense Strategy gets it right." Quickly, what are your closing thoughts on what I just read. Anybody?

SPOEHR: I'll just kick off and say, hey, we sometimes fool ourselves. We've done this in our QDR's. I think somebody mentioned that. If we start to assume that our allies can do more, that economic sanctions will change President Xi's mind, if things will come together in an absolutely spectacular way in favor of the United States, we're just fooling ourselves. We can't count on luck. We can't count on other things. We have to forge our own destiny here. I'm hoping this National Defense Strategy dispenses with a lot of these hopes and prayers and actually charts a reasonable path ahead.

LUBOLD: Thanks Tom. Who's next, Bryan?

CLARK: Yeah. I think the strategy, like we said, has to have a path to be able to deter China and maybe defeat them in some conflicts, but I think it needs to be realistic about the China threat, needs to be realistic about the ways they can stress us, and it needs to capture a new way of organizing and posturing our forces to be able to more effectively counter China. We can't just continue to ride this approach of having dominance like we have in the past. The last National Defense Strategy, I thought it did a very good job of starting to begin that conversation of how we need to rethink posture, rethink strategy, operate differently. That's what we're going to have to do going forward because we have to be more creative to deal with the China threat.

LUBOLD: What you got Mackenzie?

EAGLEN: I'll let Brad have the last word as the organizer of today's event, but right. Not just urgency. Right? Everybody really does need to go faster, but we said honesty and humility were the other watch words. Maybe it's time to be more candid that we're not as good as we think we are in a lot of ways, right, militarily, and with our plans, our training, our war games, our everything, concepts, and capabilities, and onboarding new equipment. I mean, I

think the spectacular book *Why Air Forces Fail*, the first reason in the book is hubris. We run the risk with all these rosy assumptions about how others might fight, how capable they are, and how good or not we are. It's time to be more honest, even if that is a little embarrassing, but maybe the embarrassment is what this system needs to do better and go faster.

LUBOLD: Good. The last couple months have shown the perils of hubris. I think some would argue. Brad, your last comment.

BOWMAN: Those are tough acts to follow, but I'll try. Both Mackenzie and I spent a fair amount of time working in Congress, and my colleagues follow Congress closely as well. I think we all would agree that if you're going to have a strategy that withstands the test of time, that lasts beyond whoever happens to be in the White House right now, whoever happens to be controlling the Senate, then you have to create policies and strategy that engender bipartisan support and to my patriotic hardworking fellow Americans in the Biden administration writing the National Defense Strategy right now, I beg you, listen less to the pollsters and the politicians and the OMB folks, and listen more to the intelligence community and the combatant commands as you draft the National Defense Strategy. If you do that, you'll craft a '22 NDS that we'll stand the test of time and make our country more secure. If you don't do that, then you're going to produce a document that no one reads, that will be in the trash can before it's published.

LUBOLD: That's concise and interestingly put. Folks, really appreciate your time. Thanks for including me here everybody really great thoughts and food for a lot of more thought and conversations, but thanks very much. That concludes our talk today.

EAGLEN: Thanks Gordon.

BOWMAN: Thank you, Gordon. Thanks all. Bye.