Center for Strategic and International Studies (CSIS)

Military Strategy Forum with Major General Steven L. Kwast, Director, U.S. Air Force Quadrennial Defense Review

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DAVID BERTEAU: Good afternoon, ladies and gentlemen. Welcome to the Center for Strategic and International Studies. I’m David Berteau. I’m the director of the international security program here. And on behalf of Dr. Hamre, our CEO, I want to thank you for joining us here in the room. I want to thank those viewers who have joined us on the CSIS website, and I also want to issue a special thanks to our viewers on C-SPAN.

Let me remind you, as a starting point, to turn off your electronic devices. I say that as I’m looking at mine, realizing that I frequently get lost in the commands. There are so many options that “off” is a hard one to find. But that will help us as we go through this.

I also want to lay out for you kind of how we do this. This is a special discussion series of our military strategy forum. We’ve been holding these military strategy talks for more than a decade now under the generous sponsorship and underwritten support from Rolls Royce North America, and we’re very grateful to Rolls Royce for that support. It’s allowed us to continue to this ongoing discussion and dialogue through a big buildup and now a big drawdown, and we’re grateful for that support.

This special discussion series is on the – something called the Quadrennial Defense Review. We know it in defense by its initials – we actually almost everything by its initials – the QDR. You really know you’re an insider when you can actually engage in an entire sentence with subjects, verbs, modifiers, and they’re all acronyms – (laughter) – and you can – and it actually makes sense to you, if you will. The Quadrennial Defense Review, of course, has been around for a while. I’m going to review that history just briefly with you.

Then we’ll welcome our guest, Major General Steven Kwast. General Kwast has been in the Air Force, actually, technically, I guess since you enrolled first at the Air Force Academy, but he graduated from the Air Force Academy in 1986. He’s had quite a number of assignments, command-level, at all levels in the Air Force, over 600 hours of combat flying, ranging from original Desert Storm and Desert Shield through Southern Watch and on into Enduring Freedom. And he now has the unique distinction of being the director of the Air Force office for the Quadrennial Defense Review, Air Force QDR office, if you will, inside the Air Force under the assistant vice chief of staff. So he’s got the responsibility for managing this from an Air Force perspective.

The QDR, the Quadrennial Defense Review, of course, is a statutory requirement. Congress passed it back in 1996. And there has been since then four QDRs: ’97, 2001, 2006 and 2010. So this will be our fifth, if you will. And they’re patterned on actually something that happened before the first QDR, the bottom-up review that was done at the end of the Cold War, at the beginning of the Clinton administration, that basically said, let’s take a look, we’re not going to have as much money, let’s take a look at a changing world environment, a change in our strategy and look at how the strategy and the resources align. But the statute from Congress says you need to look at what your requirements are independent of your resources, all right? And we all know the basic plan by which DOD does this sort of thing. First, you build your strategy, then you look at what resources it takes to do it, and then you program and budget for those resources and just submit it to Congress, and if your justification is adequate and the tea leaves are right, you’ll get most of it.
Now, this QDR is in a very different circumstance. It’s a circumstance where the role of Congress is a bit more ambiguous than it often is. We’re now in the first week of August, and we have a fiscal year that ends in seven weeks. As of right now the Defense Department does not know what the end of that fiscal year looks like. We’ve still got reprogramming actions that are out. We’ve still got contracts that have not been awarded. We’ve still got decisions on how many furlough days. There are reports out there that furlough days are being reduced in the Defense Department from 11 to 6. I suppose that’s good news unless you had built your vacation plan around a four-day furlough weekend. But we’ll see how that plays out, if you will. We have no good idea of where we’re going for fiscal year ’14, which starts on October 1st. We may be operating under a continuing resolution. There may be some flexibility under that law or not. We may actually be looking at a government shutdown come October 1st. We have a debt ceiling crisis that will hit somewhere around, oh, Veterans Day or Thanksgiving or something like that, and Congress is going to have to deal with that. And of course, if we don’t have a resolution of the overall caps from the Budget Control Act of 2011, we’ll have another sequester in as late as January 15th of next year. So that’s a lot of uncertainty in the budget arena. But the QDR itself, the Quadrennial Defense Review, is both by law and by the interests of the department in some ways somewhat independent of those resources. And there is value in doing the QDR regardless of what the resource implications are. We’ve done them. They’re useful when you’re building up. They’re useful when you’re drawing down. And we’ve done them in both cases, if you will.

So what we’re going to do is we’re going to welcome General Kwast. He’ll give some remarks. Then I’ll engage in a little bit of a discussion with him here on the stage. I suspect I’ll pick up a couple of questions from his comments. Then we’re going to open it up to questions from the floor. You all have had the opportunity to pick up as you came in notecards, and you can write your questions out and hold them up. The staff are there to come around and pick it up – pick up from you. If you run out of notecards or you don’t have one, raise your hand, and they’ll bring you some notecards. I don’t think we have number two lead pencils, but we could probably find them in we need to. And they’ll bring the cards up. We have two of our senior folks, our senior adviser, the Honorable Kim Wincup, and senior fellow Stephanie Sanok Kostro is here to integrate those cards, assimilate them, get as many questions asked as we can, and we’ll see if can get some answers or at least some commentary on those. The whole point is really to engage in a dialogue and a discussion, and we’re really grateful to general Kwast for joining us here today.

With that, let me turn this stage over to Major General Steven Kwast. Sir.

MAJOR GENERAL STEVEN KWAST: Thank you very much. (Applause.)

All right. Well, first of all, thank you for being here today. I know there are many other things you could be doing on such a fine summer day. It is not quite as hot as the dog days of summer. So I appreciate the fact that you’re here. And I know that you’re here because you care about the future of this nation just as I do, just as those that are part of the crowd that make sure that the dialogue is rich and it’s deep, and so I welcome contentious conversation, because that ways, we make sure we get it right, and we don’t let groupthink or just taking the easy road be
the answer because that usually fails a society, and, you know, we’re not in the business of failure.

So let me start out by first of all, saying that, you know, from an Air Force perspective, you know, this QDR is an opportunity. It’s an opportunity to ask some of those fundamental questions. So as a team member for this broader Department of Defense journey that we’re going to be on, I’m going to be helping articulate those questions from our chief and our secretary and our stakeholders that help the Air Force play a productive role, a helpful role at moving our Department of Defense down the road towards some of the things he was alluding to, towards the fact that our world has changed – and I’m not sure we have done a good job of considering how it’s changed and what it means for what we’re building and what we are building has with regard to relevance to the – to the international community and our role in this world. So some of these questions, I think, are pretty fundamental that the QDR needs to ask, and it plays right into the Air Force core missions that I’ll talk to in a second.

But it – you know, the tough questions are, what is the nature of our world, and what role do we play in that, which is laid out by our president and our national leaders, and then necking that down to what kind of constructs, concepts and methods do we look at to see if there is a different way, a better way of doing things, a way of approaching this business of security and a way that’s affordable, because clearly, our resources are diminishing. It also means looking at the entire relationship. You know, what are our end states? What are we trying to achieve in different places? What is the method we’re using to achieve them, you know, our posture and our presence? Some of the same theologies that grew out of World War II need to be looked at and asked the question, is the technological place we’re at right now, with science and technology, married up sufficiently with the way the world has changed, with the speed of information sharing to transportation to all of the other things that you all know so well, and is it married up well with the approach we are taking in order to be players in this world that bring stability, predictability and peace where possible and allow diplomacy and statesmanship to allow people to collaborate so that economic goodness flows from the global commons to America and makes America’s engine of national security strong? And that’s our economy.

So for the Air Force, this conversation is a rich one, and it plays right into the entire purpose and reason why the Air Force exists. You know, when you talk about economies of force, when you talk about having aspirations to be a world leader yet having to do it in an affordable way, the Air Force is your best bet in many ways, and that’s why this conversation is rich. It’s a best bet because what we do is we go out and we bring air and space superiority anywhere in the globe our president or our nation needs it to be so that we can go and see, hear, understand the environment, with the ISR and all of the other elements we have, to understand decision quality information so that we are acting with efficiency and prudence, and we’re in a way that has a cause-and-effect relationship of bringing peace and stability and not conflict if at all possible; that we can then move things to wherever that place in the globe is that’s a point of interest, and we can deliver things, whether it’s humanitarian or whether it’s other things, that we can get it there, and nobody can stop us if we have that will; and then finally, that we can bring to bear the capabilities to drive reassurance to our friends, we can drive deterrence to those that might oppose America’s desire to be a leader for peace and good in this world, and that we can deliver in any environment – contested, uncontested, it doesn’t matter – that we provide our
president and our nation options, and those options mean that we don’t have to say no. In order to do that in an affordable way and to continue being that indispensable role that we play, or to play that indispensable role that we play in our nation, we’ve got to take a look at those underpinnings questions about how we are structured and how we fit into the joint fight.

And then finally, we are the command and control that links it all together. The Air Force is the one that provides that theater level, that command and control that will tie the entire joint fight, the coalition fight, together in a harmonized way to make sure that we always maintain the comparative advantage against any potential adversary and that nobody can do the cross-domain integration that the Air Force can provide in the command and control element and core mission that we play.

So those kind of describe, you know, some of the questions, I think, that are out there that we ought to be asking. You know, and the QDR needs to ask other questions that go well outside the Air Force, although we benefit from. It needs to ask questions about these basics about compensation and efficiencies to make sure that we are good stewards of the American taxpayers’ money and that we are doing it for the best return on investment possible. We need to take a look at our force sizing constructs to make sure that we’re sized appropriately and in the right places for the right capacity. We need to take a look at our models and total force to make sure that we have the balance right of how much capacity is in the reserve component and how much capacity is outside that for this future depending on how our nation wants to proceed.

And we do need to take a look – always take a look at our homeland defense – the ability to look at what threats are out there for America that we might have to be ready for. So I’ll close with the one statement that I think describes our charge in uniform, and that is, we must be prepared for the unexpected. We will never predict what the future will look like. We’ll always get that wrong; we always have as people on this globe. But we can build things that provide options to our American people that bring the resiliency, the flexibility and the adaptability so that they can swarm and fuse to any problem out there and bring air and space superiority so you can actually go somewhere and see what’s going on, provide the ISR so you can understand for decision-level, quality information, that you can move things there, to and from, no matter what it is, at the time of your choosing.

And then finally, you can command and control it and you can act with corrosive effects, diplomatic effects, humanitarian – you name it, you can put effects on target and you can do it all at the speed of this world. And that’s the final point I’ll make. There is a temporal dimension to this security element that only the Air Force provides, and we have to not forget that, that readiness and our ability to move quickly – and the president or the nation has a problem in the South China Sea, and then hours or days later, you’ve got a problem in South Africa, you need to be able to swing, and you need to be able to do it immediately. Otherwise, you allow things to cascade out of control, and it goes back to the old adage, a stitch in time will help you prevent spending much more in the future.

The Air Force is that arm that brings the temporal dimension that really brings us a better future. And so this QDR is a wonderful place to have those conversations, talk about how the Air Force plays into the joint community, the coalition community, the interagency community
and those things we uniquely provide this nation that has made us indispensable since our inception in World War II and will make us a player in the future that gets stronger and better, especially as we go through austere financial times where you need good economies of force and you need good return on investment on your taxpayer dollars. The Air Force is your service to provide that.

OK. Thanks for letting me have a few opening comments, and I hope that those questions that I asked precipitate a few questions of your own, and I want you take it anywhere you want, OK? Yes, I have my limits. I can only talk for the Air Force, and, you know — or the QDR role that I play, but I welcome any question, because this is about, again, contentious conversation so that we as protectors of this nation collectively are making sure our policymakers and those with the authorities to actually make decisions are being provided clear counsel and our nation does not regret that we didn’t have the right conversation at the inflection point in our history.

MR. BERTEAU: All right, thank you sir. Why don’t you have a seat, and I think we’re going to roll back the podium here. I’m going to think out loud with you a little bit on a couple of points that you made while folks are writing their questions and raising your hands; the staff will pick them up from you. I want to look at it from kind of three levels, if you will. One is from the perspective of the Air Force. You know, the Quadrennial Defense Review is a process — it’s a review, right? But it produces a report, and there is a document. I haven’t checked with my local library to see how many times their copy gets checked out and read, but I teach for a number of universities here, and I know my students get to read even the old ones, right? So it does move around and up and down the circles, but it’s really the process much more than it is the document itself that’s the end, if you will. So I want to look at that process from three perspectives.

One is inside the Air Force. We’re not yet at the point where the process has officially kicked off. There’s not a terms of reference that’s been negotiated and signed. The guidance is multiple, if you will. There’s fiscal guidance, and there’s guidance from the Strategic Choices and Management Review that was just completed, and there are a lot of other internal guidance documents as well. And there is an end date because in fact it’s due to Congress — the document is due to Congress next winter when the budget goes up.

But in the meantime, it seems to me that there possibly are some issues — you touched on some of them in your opening remarks — that it’s important for the Air Force to get started thinking about how do you wrestle with these issues, in advance of getting guidance, in advance of getting a terms of reference and a schedule, if you will. How do you use that time now to position yourself better and for taking advantage of tackling the issues now?

GEN. KWAST: Yeah, well, I appreciate that question. And the answer is we never stop this process. There is a QDR team that’s always there. Now, you have people — different people rolling in and out, and we become more public during this tenure where, you know, we’re actually going to deliver a report. But we wrestle with these questions each and every day, and we keep going back to our strategy and keep going back to our partnership with the Army, the
And so from a process perspective, the SCMR was – gave insights. And even though it did not deliver everything that everybody might have wanted it to deliver, it was a process that rigorously looked at where the money was, and it looked at, and it helped reveal, some of the state of affairs we’re in, which can be a platform for some strategic choices, a platform for decisions on – about where we need to go in order to be affordable, in order to be more effective and more relevant and adaptive to the new world that we’re living in.

So this process is ongoing. And the way the Air Force mechanizes to that process is this team that’s there all the time and that is then out in the public more often at this juncture will build a team that marries up to whatever the Office of Secretary of Defense designs. So they’ll design – like in SCMR, for example, they designed 18 teams, OK, and so the Air Force had 18 teams, and we bring our strategists and our subject matter experts, and they participate in these teams to collaborate on these questions and potential answers. And so we’ll do the same here. Once the Office of Secretary of Defense is comfortable and they write the terms of reference and give us that schedule, we will take a look at that structure, and we will marry up to that structure, we will build it, and then we will contribute.

MR. BERTEAU: And as I look at it, the Air Force has a little bit of a different way organizationally and institutionally. Some of the services, their QDR offices are more closely attached to the resources guys or to an existing set of shops. In some ways, you’re a bit more independent of that, aren’t you?

GEN. KWAST: Well, yes and no. I mean, no in the sense that we have the potential of being independent when required, but only when our secretary and chief elect to use it that way. We are – we are married to our entire corporate process. So we plug in – but primarily to our resource, our eight, you know. And that is important, and it’s got to be that way. So – because that eight is our strategist. That eight is our programmer. And that is where this corporate process looks to for its strategic guidance and counsel. So we’re married up to that, but the goal is to uplift the entire corporate process of the Air Force so that there is no stone unturned, when we’re looking at a question, to find the creative, collaborative and harmonized counsel that is true to an Air Force strategy and that contributes the maximum potential to the joint fight.

MR. BERTEAU: Right, and since you all work for the same chief and the same secretary, plenty of collaboration along the way.

Let me move it up a notch now to the kind of the Defense Department-wide perspective, if you will. You’ve got some interesting elements in the process this time around. You had, just a couple of years ago, the strategic planning – or the defense strategic guidance that was issued January of 2012 – had the intense involvement, reportedly, of the president. In fact, he actually went to the Pentagon to deliver the guidance, in an unprecedented event, from the Pentagon’s point of view. And then you had the SCMR, the Strategic Choices and Management Review, just finished up here. So your context is a little bit different from a DOD-wide perspective.
Even in advance of guidance, how do you look at the DOD-wide perspective from where you’re sitting?

GEN. KWAST: Right. Well, I think that we’ve – you know, that that is a fairly clear picture, that that Defense Strategic Guidance is the – is the place where we begin, and that that has been – you know, that that – that is part of our president’s posture and that is where we start the conversation. That’s been clear from day one and that’s been unequivocal.

So – the reality, though, is that, you know, this whole conversation about strategy includes all three elements. You know, it includes what we’re trying to achieve. It includes the resources we need to achieve that, and it includes the methods we go about achieving that. And you have to look at all three.

So that Defense Strategic Guidance, you know, has to be considered in this conversation, and then the consultation with, you know, above my pay grade to the White House, to Congress and to others as we have this iterative conversation, are key.

So the ground rules are clear, and they’re unambiguous, and it’s a great place to begin the conversation.

MR. BERTEAU: So you don’t really assume, for instance, that using the QDR process will actually allow you to raise questions about what’s in that Defense Strategic Guidance. It’s really a way of reinforcing it.

GEN. KWAST: Well, it – what it does is it opens up the conversation to see how we explore the possibilities. You know, are there ways we do this where we can achieve it perfectly?

MR. BERTEAU: Right.

GEN. KWAST: Are there places where we might have to adjust? And if so, that’s not our call; that’s others’ calls. But at least we can have that conversation.

So it’s wide open as far as where you can explore and where you can go. But I’ll tell you, you know, in my humble opinion, there is tremendous room for maneuver here as far as being creative and being innovative. And we, as people who are here defending this nation and using American people as resources to defend it, need to be very creative about going back and questioning our assumptions, you know. Are we doing it this way because it’s worked for the last 70 years and we think it’s going to work again, or is there a new approach we might be able to achieve the same results better, cheaper, faster, smarter? And that’s really where the conversation goes.

MR. BERTEAU: So it does hold open the possibilities of looking at those from a fresh perspective.

GEN. KWAST: Only if the president lets us.
MR. BERTEAU: Right.

Now let me talk about it from the congressional level, because up to now everybody involved in our discussion works for the president, but of course Article II of the Constitution puts the president in charge, as the commander in chief, but Article I puts the Congress in charge of providing the resources and also the rules and regulations under which we operate.

In a way, Congress created this process as a check, if you will, requiring the Pentagon to explain what it is you’re there for, what do you need – why do we need an Air Force, why do we need an Army and a Navy, what do we need them to do, and a way of validating that against the resources that Congress will program.

Part of how they do that is in most of the times we’ve done a QDR, there’s been an independent panel that sort of takes what DOD does and looks at it and then provides their judgment to Congress.

This time they’ve done something a little different. That panel is already in place, ready to go, in parallel with the internal DOD process. How do you incorporate the existence of that panel and its role, whatever that turns out to be, into your process and your thinking?

GEN. KWAST: Right. Well, that is really the call of my bosses on how they mechanize that, or my bosses’ bosses’ boss.

MR. BERTEAU: (Laughs.)

GEN. KWAST: But the reality, though, is that it really gets after the collaborative requirement here. You know, one reason why you hear voices in Congress that are dissatisfied with past QDRs gets after this element; that, you know, it wasn’t just that they were wanting the QDR to grade our homework. It’s that they want to be able help see and shape and understand how the strategy is informing where we are going over the next 20 years. That’s a very important thing.

And so, you know, I am a firm believer in this balance of power where that kind of collaboration, although contentious and sometimes filled with political, you know, drama, is better than not collaborating.

And so however the secretary of defense and the president decide to mechanize this collaborative element of the QDR, it’s got to – the collaboration has to be there, to some degree, and the fuller it is, the better off we get to an end result where Congress doesn’t have regrets, the executive branch doesn’t have regrets, and that’s a good place to be.

So I embrace the collaboration, how it’s mechanized is – there – you know, the call of those above me, but I will work with whatever they give me and make sure that we’re collaborating.
MR. BERTEAU: Well, that gives DOD the opportunity to essentially talk about ways in which we’re smarter today than we were yesterday –

GEN. KWAST: That’s right.

MR. BERTEAU: – because that’s really what this process will let us come out to be.

Of course, when you go to Congress and you say that, their first question is, generally, why didn’t you stop being dumb sooner, and – which is then a harder explanation, if you will.

But I’m kind of monopolizing the conversation here. Let me turn to Ms. Kostro and Mr. Wincup for some of the questions from the floor.

GEN. KWAST: Great. Thank you.

STEPHANIE KOSTRO: Thanks, David. I’d like to piggyback, David, off of what you had just talked about and the congressional role. It’s quite clear in the Title X language requiring QDR that – and in recent years, the added specific language saying it should not be resource-constrained. Yet somewhat inconsistent internally to that same language is that it – the QDR must include budget plans.

And so we have a couple of questions from the audience that talk a little bit about resources. The first one is one that we often hear every time a QDR is due, and that – and that’s talking about, how do you in the QDR office for the Air Force talk about developing a strategy in force structure without first recognizing resource constraints?

And then the other two questions are about resource constraints, not financial ones but when you think about resources, it also includes your people and it includes your equipment.

And so another question is, piggybacking off of the resource question, how does the Air Force think about modern – modernizing – excuse me, I’m woefully undercaffeinated – how does the Air Force think about modernizing an Air Force that is currently, arguably, the smallest and oldest in the service’s history?

And then on the people, if you could talk a little bit about the active component/Reserve component mix. I understand that the SCMR was to have a working group on this very question. That working group never really convened – or came out with much output. That’s just my understanding of it. But if you could talk about those three: one, how are you approaching the question of resources in your office; and the second, modernization; and the third, AC/RC mix. Thank you.

GEN. KWAST: Yeah. Thank you. No, great questions, and I’ll hit each of them in order, starting with the resource question.

You know, all of you that are a part of this work of strategy understand that you have to take excursions intellectually in order to try to find that sweet harmonization point between ends,
ways and means. And so, you know, the unconstrained portion of that are these excursions where you start with, you know, the nature of the world and your place in it. And, you know, in an unconstrained – if I could build anything that is feasible, you know, how would I put that together. And it comes down to having a good strategy and taking those intellectual excursions that are resource-unconstrained and then brushing across it the resource piece, so that you start then looking for opportunities to innovate, opportunities to be creative about your approach, opportunities for the ways in which you try to achieve your end states that are informed by the resource constraints that are your reality.

And this goes back kind of to the same principle. The way we approach it is the same, I think, that most people do, and that is that just as, you know, we do this iterative process of looking at the strategy, looking at our world and looking for alignment, as you do that again and again, you start uncovering opportunities to do things in a different way that allow you to achieve a fuller degree your strategy.

And to – you know, just like cleaning your house, you’ve got to do it every day. You start divesting of things that do not align with your strategy to the same degree or same level as others. So this iterative conversation is how we get after a strategy that is resource-unconstrained but being practical about the fact that resources are a part of the three-legged stool of that end, ways and means, and that it’s only the iterative process that allows you to start getting some synergy there and having something that’s firm and solid and dependable.

With regard to your – you know, your second one and third one, you know, there are a number of interesting, you know, paths you can take with regard to QDR and how you get after the total force, and so I’ll take that last one first.

The reality in any military is that you want to maintain capability for a rainy day. You know, it goes back to that one comment I made where you’ve got to be prepared for the unexpected. And there are creative ways of doing that where you can have capacity that is not quite as expensive to maintain. So this balance is always there.

The fact that the SCMR did not come out with any tangible solutions or suggestions on that, you know, is not a fault of the SCMR. It was just never scoped to do that. But that has to be a part of this calculus because this goes into that conversation I was just talking about. The balance between what you have between active duty, Guard and Reserve makes a difference, and it’s predicated on how you believe you should be shaped in order to be responsive to the world.

So for the Air Force, it’s going to be very different because of our readiness model. You know, we have to be ready to go, but with what capacity? How much could be in the reserve component, and how much could it be in the active duty? So that’s kind of how – that’s why it was not part of SCMR, because that work really goes after the QDR, and then the programmatic part you were talking about – you know, it has to be rooted in the programatics.

So that – those two conversations really kind of answer all three. Did I miss anything that you wanted to hear?
MR. BERTEAU: Could I piggyback on one of those, though, especially on the manpower piece? We’ve done a fair amount of work here at CSIS – and I know the Air Force has gone into this in even greater depth – of the impact on the budget from the rising cost of manpower – even if you capped the number of people, it’s an increasing share of the budget – the health care costs associated with that manpower and the cost growth inside the operation and maintenance, which is both civilian personnel pay and benefits, and day-to-day operations, if you will. Those costs are growing fast enough that absent pretty dramatic action, they squeeze out any future investment over time. Some of those issues were on the table in the SCMR, in the Strategic Choices Review, but some of those were off the table. Are any of these off the table inside your QDR session, or is everything on the table?

GEN. KWAST: Right. Again, the SCMR – everything was on the table in SCMR. It really was. And it continues to be on the table. I haven’t heard any of my leadership or those above me talk about anything being off the table. So my assumption is that everything is still on the table, and it needs to be.

And again, this is – you know, this is really – you know, much of that lies in the hands of Congress, you know, and they’re going to make the decisions as they’re going to make those decisions. Our role in the military is to provide best military advice so that as I’m asked to provide a force that I can recruit, I can train, I can retain and it’s all-volunteer, I have to make sure that the compensation packages allow me to do those things and that the efficiencies are prudent and responsible. So I think that it’s incumbent on us to continue going back to Congress as a Department of Defense, and for me within the Air Force to the – to OSD, proposing suggestions on how compensation can be adjusted that meets up with this requirement to not break the chemistry of recruitment, retention and all-volunteer force.

And it’s very different for each service. You know, the Air Force has a different model for that than the Army, the Navy or the Marine Corps. And so it’s hard to find consensus, but there is consensus. So this will continue in QDR, I am convinced. Now, we haven’t seen what QDR will look like or the terms of reference, but I am convinced that any responsible enterprise to look at strategy and to look at the ends, ways and means has to include efficiencies and compensation.

MR. BERTEAU: Kim?

KIM WINCUP: General, you encouraged – excuse me – contentious questions. I suspect this may qualify. Tell us how the QDR effort’s going to look at changing – there’s been a recent commentary, actually, to this effect, that the QDR needs to wean the Air Force from manned aircraft and move them much more towards an unmanned fleet. Could you tell us how that’s going to be addressed?

GEN. KWAST: You bet. Next question? (Laughter.) No, you know, again, this question gets at those presuppositions and assumptions we all have to go back and ask, and we have to take a look at where technology is at. We have to take a look at the facts, not necessarily our love affair with a certain idea or the Buck Rogers that you see in the movies. This is a sober stare straight in the eye of science and technology of what’s practical, of what’s ready, and
making sure that we do not take any steps to grab onto a branch of the future that is insufficient before we let go of a branch of today.

You know, it comes back to the fact that we can’t fail in this business. If you’re in corporate America, you can take risk as a CEO. You have some authority to take some risk. Now, depending on your stakeholders, you may not have as much authority as people think. And we don’t have – we do not – we do not have the authority to take certain risks. We have to be sufficient for the nation no matter what. And so it means, like, this question and questions just like this are things we have to look at squarely, we have to let the facts guide us and we have to look at those places where we can be more efficient and effective, better return on investment and deliver better bang for the buck for the American people. And we need to let go of any preconceived ideas. We – but we also need to not grasp after a love affair with a certain preconceived idea of what might be in the comic books or in the movies. So this balance of practicality, clear-eyed consideration of the facts and the actual science that’s out there is a key component to this. We’ve got to be creative, but we’ve got to be careful not to be reckless.

MS. KOSTRO: Sir, following up – following up on that question, there is a question from the audience. You mentioned a love affair with technology. Part of that love affair is out of necessity, and that’s very true in the area of energy. And so if you could talk a little bit about how your QDR office will be approaching the issue of renewable fuel standards and other kind of cutting-edge requirements coming down the pike that you can see – I know the QRD requirement is to look out 20 years, particularly where energy is concerned that’s – of all the areas, that’s among the most impossible to predict in terms of the technological leaps. But if you could talk a little bit how you all are looking at that area.

GEN. KWAST: Yeah. Yeah, well, I thank you for that question. And this gets back to kind of the first principles. The first principles of how we approach these questions dovetails into the last answer as well, and that is that because we don’t know what our future is going to look like, we don’t know how the world is going to change, we don’t know what kind of discoveries we might trip upon as human beings that are game-changers, that, you know, this first principle of designing things that are adaptable, flexible and resilient and affordable is key. The affordability part of this gets in with you, you know, the affordability of resources we have, energy. So we’re continually looking at this. But we are also not the only people that have a voice in this conversation. There are many stakeholders with regard to the energy policies of this country well outside the Department of Defense, and we have to be mindful of staying in our place with regard to that. But we are going to be advocates for the efficient capabilities that are affordable, that bring us these agilities that we need in order to be sufficient for the future. Energy plays right into that. To the max extent possible, we want to be the ones that are the smartest about being efficient with energy.

Q: General, the pivot to Asia, so-called, the strategic guidance that came out not that long ago tends to be more focused on the tyranny of distance in terms of the geography that’s involved there. But the requirements that you see now tend to be more shorter in terms of distance quickly on target. How do you balance the needs between both of those requirements as this goes forward?

GEN. KWAST: Yeah, that’s a great question. You know, the – you know, geography does matter, and it always has. It’s kind of the subconversation to many of the things we do.
And the trick is to strike a balance. You know, there are requirements in this world that, you know, are needed in every topography and every place that we go. But no matter where it is in the world, the Air Force’s ability to bring air and space superiority, OK, in a timely manner, to bring the ISR so we can see and understand the environment and provide decision-making information, to move things there with impunity and to act, if needed, with the power to reassure, to deter and then, of course, to command and control all of that – all of those things are required in Asia, where the tyranny of distance requires certain attributes in order to achieve that end state in a timely manner, and in other places where, you know, you need different attributes that may not require the distance or the speed specifically with the Asia-Pacific. So it’s a balance, so that you have a spectrum of capability that can apply to either one.

Now, the trick is to try to make those two problem sets overlap where you have capability that can do more than one thing, that can apply its capacity capability to multiple problem sets. The trick for the Air Force is to make sure that geography and the tyranny of distance is not something that prevents us from providing options to our president, and we need to design those things in an affordable way. So this goes back to our strategy: What does the Air Force look like in the out years, and how are we building to that in light of technology changes as we see them emerge?

MR. BERTEAU: Can I – would you indulge me, Kim, to expand on that question a little bit? With respect to whether it’s Asia-Pacific or Persian Gulf or any of the regions where we’ll have potential deployments, if you will, when we took a hard look at this last year, particularly with respect to the force posture in the Pacific, we looked at a lot of options, this or that. And what you’ve kind of described is a way of trading off the capability you have against all those demands out there. But there are some demands that don’t lend themselves to as clean a trade-off – space, cyberthreats, if you will, both offense, defense and monitoring – to a lesser extent missile defense. How do you fold those into that same kind of an allocation trade-off dynamic?

GEN. KWAST: Right. Well, that’s a great question, but I would propose that sometimes we get anchored into thinking that those are places where you can’t have a symbiotic relationship, but the reality is that’s generally just a limit of your imagination. There are ways of providing effects. And so let me give an example.

You know, we always think of, you know, controlling a certain place with a certain thing, but sometimes you can control that space with different things, different approaches. You know, you look at nature, for example. You know, nature defends its territory, and it controls space in many different ways. The same is true in our business here. You know, we have a certain theology that controls airspace, and then air and space superiority is mechanized in a certain way. Having the creativity of thinking outside the box and exploring ways, as our technology emerges, to do that in more cost-effective ways, you start discovering that these areas are not as definitive as you might think, that this is a continuum of a battle space out there, undersea, sea, land, air, space, cyber. It’s a continuum, OK?

And that’s why the joint fight is so key, with that interdependence and that interoperability, where, whether it’s a coalition nation, another service, an interagency, that we
are all focusing our efforts towards this continuum of the battle space so that this nation has options to control things in unique and clever ways that we may not have designed in the past.

And it reminds us that many of the structures we currently rest upon in order to provide national security were conceived and theologies of that were born out of World War II, and it was a snapshot in time of where we were at with regard to technology and where we were at with regard to our understanding of the world and the physics and then our strategic environment.

All of those things have changed, yet I would propose that we still have work to do at reflecting on what those changes mean and what territory we could go down now in order to build things that are more effective in that continuation – or that continuum of battle space for less money. And so, you know, that question kind of takes you down that journey, and what you find – at least what I find – is they are not clear-cut lines where you have to build a spacecraft in order to do this in air – in space, you don’t necessarily have to build an aircraft to do this in air. There are other ways. And as airmen, we have to be creative and innovative about thinking about those things, to go back to our core missions.

That’s what we do, those core missions. How we do it better change over time, or we’ll be stuck in the past being dogmatic about, you know, a methodology that becomes irrelevant. And if we don’t adapt to this world, then we won’t be achieving what we’re supposed to, and that is be prepared for the unexpected and never fail.

MR. BERTEAU: All right, let’s go back to some more.

Q: Jim Roe (sp). We know it’s early in the QDR process; you don’t even have terms of reference. The SCMR came out recently, but there’s really nothing in writing. There’s been a press conference, nothing in writing. Can you give us some specifics on how your work in terms of your development was changed as a result – in terms of timing or strategy or your management approach – as a result of the SCMR?

GEN. KWAST: Right. I don’t think there was any change. The SCMR was nothing more than a journey to explore where we are at and to take a look at kind of some sensitivity analysis. You know, if you – if you got a little smaller, how much money would you save and what would that mean to your ability to achieve what you’ve been asked to do? But that – that is good insight, you know, to really take a fresh look across every nook and cranny of the Department of Defense to see how the Air Force plays in the joint fight and where those opportunities are.

That was really all the journey provided, and so that journey didn’t fundamentally change our approach or our – you know, the way we’re mechanized, but it did give us deeper insight into how we play and where the money exists and where the points of opportunity are between the services to do this better.

Q: Sir, you just – before answering this immediately prior question, you talked about core missions and what the U.S. military needs to undertake. Over the last several years, there
have been a lot of discussions on the Hill with the Department as a whole about the importance of building partner capacity.

And part of that we explored here at CSIS in our PACOM study last year for the office of the Secretary of Defense, but if you could talk a little bit about what they call BPC – about some of the authorities that have been helpful – the last few QDRs have always had a section on building partnership capacity, but some have trouble with considering that a core mission. So could you talk a little bit about BPC as well as the role of foreign military sales and other elements of engagement?

GEN. KWAST: Well, thank you. I think that the – you know, the alliances we have are an important conversation in the QDR, and I hope that – I hope that that is part of this QDR, as it has been a part of others. What I would say, though, is that – you know, that I would like it to go back and take a look at how those alliances are brought to bear in this global environment where you want – you want a mechanism where the coalition of the willing can come together, and that their capabilities harmonize together at the point of interest for our national common will, whatever it is we’re trying to do, and that any nation that chooses to build capacity can contribute that capacity or capability in a meaningful way that’s not just additive but integrated.

So this journey we take with our partners to build their own capacity and capability is key, and that will never change. What I hope this will do is what other QDRs do, and that is explore other ways of bolstering that so that when we do have an event in this world where multiple nations see a problem and want to bring diplomacy, statesmanship, some kind of force to bear to provide stability, predictability, that we can do so in a way where they bring capacity we don’t have to bring, we bring capability they don’t have to bring and we come together at the point of impact – the point of interest in a way that makes us all stronger and all better.

So we always have room to grow on that, and QDR is a perfect opportunity to refresh that for where we are technically, where we are with our FMS cases, where we are with our approach. You know, how are we approaching this, and how are we bolstering those relationships?

But I want to leave that conversation with one other element, and that is the power of trust, and that you build that over time – you know, that the – it’s not just the stuff we sell and the stuff that they build. It is the relationship that we build, and both operationally, where we exercise together, but also with the leadership so that there is trust, because you can have all the perfectly harmonized capability that comes to the point of interest together at the right moment in time, but if you don’t trust each other, it’s not much use. So that trust factor and the relationships that you build over a lifetime are a key component of that alliance conversation that we need to have.

MR. BERTEAU: Kim, how about one more, and then I have a final question, unless, of course, you ask mine now. (Laughter.)

MR. WINCUP: I’ll try not to, but – and I suspect I won’t, General, because some of your friends in the audience, following up on your request for contentious questions, asked about
whether the JSF – joint strike fighter was a result of a sober look at reality. We’ll go beyond that point, because they had a very – I think, a sensible question that followed – a very sensible question that followed that. Is there a lesson for the future for the QDR – for these huge programs that get started in an ascending budget, but then you have to deal – you have to live with them as the budget begins to decline, as they always inevitably do? Is there a lesson in the QDR for the future of your acquisition program?

GEN. KWAST: Absolutely. I mean, there are – there are so many – you know, there are lessons all across the front with regard to acquisition in all the programs. And that’s for all the services, not just the Air Force. You know, we’re always learning and growing.

And those lessons exist for the department, they exist for Congress, they exist for our interagency partners. I mean, this is about the nation – taking a look at how we structure our – the symbiotic relationship between industry and putting America to work that defend this nation, to the department that uses that industrial base to defend the nation, to our Congress that appropriates sufficient for that job at hand.

And you know, so there are lessons there, but it does not – those lessons are part of a journey where we cannot lose track of what we are trying to achieve here. And what we’re trying to achieve is options for our president that, as technology proliferates that make even the most benign areas into contentious and contested areas in the future as we go along, that America can project power anywhere – contested, highly contested, uncontested – that we can project power anywhere.

So that journey includes a lot of different mechanisms to do that. The joint strike fighter is one of them. So, yes, there are lessons. Yes, we need to learn from them. But we have to be careful not to boomerang, OK, in a way that steals from us the capacity and capability to be able to project power as a constant along this journey of discovery and lessons. So I embrace those lessons and I do look at it sober-eyed. We all do. But we also have to be able to project power in contested environments. And that joint strike fighter is that machine.

MR. BERTEAU: Let me wrap up with one final question, and then we’ll close it out. You mentioned earlier the total force. And of course, the narrow view of the total force is the active duty military and then the Reserve components – the Air Force Reserve and the – and the Air National Guard. You expand that view a little bit and you get the Air Force civilian personnel, which is a pretty substantial contribution, especially in some lines of work where we’re utterly dependent on them.

GEN. KWAST: Yes.

MR. BERTEAU: Expand it a little further and you have the contractor support, which has become more and more essential, really, for not only all operations but maintenance and support and just day-to-day life, if you will. You have an industrial base as well. You mentioned the F-35 and the technology that’s out there. We’re relying on that industrial base. So we rely not from a total force perspective on really military, civilian and contractors. We rely
for our modernization and our engagement with the innovation and the production capacity of industry, both at home and around the world.

GEN. KWAST: Yes, sir.

MR. BERTEAU: How do you take into account those elements – the contractor workforce and the industrial base – as you wrestle with these QDR questions?

GEN. KWAST: Yeah, you have to keep your eye on those things. I mean, that is the lifeblood of this journey of defending the nation. You know, that industrial base is our saving grace. It is the one that comes to the aid of this country when there are problems. So protecting that industrial base, but protecting it smartly and always looking back at these relationships of civilian, total force, you know, contractor, industrial base, and trying to design it so that you are getting the best bang for your buck, so that the tax – any taxpayer could take a look at the entire business plan across the entire spectrum and come away saying: That is money well spent.

OK, now we’re always imperfect at that, but I tell you what, anybody that’s been in this business for any amount of time understands that if you take your eye off the industrial base, you will rue the day that you did that. And we must keep that firmly centered as we go forward because, again, when we get into that unexpected event that will happen in our future, oftentimes it’s that industrial base that is the one that saves our bacon.

And that’s one reason why you want to make sure that the research and development, the science and technology that’s a part of that industrial base is vibrant, especially in times of austerity financially, because where – you know, inevitably we’ll have to take risk here and there. And those above us will make the decisions on where that risk is taken, but something will manifest that takes opportunity of that risk. And it will be the industrial base that will be the one that saves us. So I’ll be keeping my eye on that ball and investing in that sufficiently.

MR. BERTEAU: Well, we’re going to do all we can to help you do that. I want to – I want to express our gratitude. You covered a wide range of issues here today. And in fact, that’s indicative of the whole QDR process because it really does cover almost everything. I’d like to extent thanks to our viewers on the web and on the network. I’d like to thank those of you who are here in the audience with us today. And thank you particularly for your questions. I’d like to extend thanks to our viewers on the Web and on the network. I’d like to thank those of you who are here in the audience with us today, and thank you particularly for your questions. I’d like to thank Rolls-Royce once again for your underwriting support for this ongoing series. But most of all, I’d like to ask you to join me please in thanking General Kwast for your participation.

GEN. KWAST: Well, thank you very much. Thanks. (Applause.) So was there one nagging question out there that I didn’t get to? (Laughter.) OK. Thank you all for being here. I do appreciate this partnership. My door is always open, so take advantage of that.

(END)