



Center for a New American Security

**Testimony before the House Committee on
Homeland Security**

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“The Quadrennial Defense Review: A Model for the Quadrennial Homeland Security Review”

A Statement by

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Mr. Chairman, members of the Committee, thank you for inviting me to testify this afternoon before this distinguished Committee. I have been asked, based on my experience with four Quadrennial Defense Reviews or QDRs, to address the issue of whether and how a QDR-like process would be useful to the Department of Homeland Security as part of a larger strategic planning process.

Although the Department of Defense and the Department of Homeland Security are different in many ways, they do share some common challenges – challenges that underscore the need for and importance of priority setting and strategic planning. Both departments are:

- charged with missions that are vital to the health and welfare of the nation --protecting the American people and our way of life is a mission in which we cannot fail;
- facing persistent and resourceful enemies;
- large, complex bureaucracies comprised of a number of diverse and (in some cases, previously independent) organizations with their own cultures, traditions, and ways of doing business;
- responsible for spending billions of taxpayer dollars as efficiently and effectively as possible;
- perennially in the position of having more programs to pay for than budget; and
- trying to balance near-term demands against long-term investments.

These challenges make it that much more important for each department to have a unifying vision, a strategy for achieving its objectives, and a clear set of priorities to guide resource allocation and risk management. It is difficult, if not impossible, to create these absent an effective strategic planning process. And a quadrennial review conducted at the outset of a new administration can be a critical first step in that process.

The QDR as a Model for a QHSR

As you know, every four years the Department of Defense is required by law to conduct a Quadrennial Defense Review – a “comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies of the United States.”

The purpose of the QDR is to articulate a defense strategy and define a long-term defense program for the United States. Although each review has been conducted somewhat differently, all have sought to: assess security challenges and opportunities for the United States; set priorities and strategic direction for the Pentagon in an effort to enable tough choices about where to place emphasis and where to accept or manage a degree of risk; articulate a clear and compelling defense strategy for the nation, connecting ends, ways, and means; and provide a basis for determining what kinds of capabilities are needed and “how much is enough.” Ideally, the QDR, which is conducted at the outset of an

administration's term, generates the strategic guidance for resource allocation – that is, programming and budgeting – over multi-year period.

Every administration is required to conduct a QDR at the beginning of a new term. I believe that QDR's are most useful at the outset of a new administration, as a means of helping the new leadership to get their arms around the challenges and opportunities they face, set priorities, and provide strategic direction to the department. In the DoD context, QDRs's have become a critical vehicle for infusing a new team's priorities into a highly complex defense program and budget – a way to begin to steer the proverbial aircraft carrier in a new direction.

Absent paradigm-shifting events (like the September 11th attacks), QDR's are generally far less useful in an administration's second term, as by then strategic priorities and direction should have been well established. While they can yield useful refinements to an administration's approach, they are less likely to yield significant changes or innovations. Given the significant amount of leadership, staff time and energy these reviews require, a second term review may not be highest best use of a Department's limited strategic planning resources. I would, therefore, recommend that you consider changing the proposed legislation to require a QHSR only in first term administrations and begin in 2009 (not in 2007).

Another factor that should influence the timing of a QHSR is its relationship to the development of the National Homeland Security Strategy. Just as the National Defense Strategy keys off the National Security Strategy, so should DHS' strategy key off the National Homeland Security Strategy, as the legislation suggests. In practice, however, this can be challenging, as both the national and departmental reviews are usually launched at the outset of an administration and overlap in time. More often than not in DoD's case, the NSS and the QDR are not sequential but are developed in tandem and inform one another. The same may ultimately be true for the National Homeland Security Strategy and the DHS strategy.

Elements of Success

Having participated in the 1993 Bottom-Up Review, led the strategy development process and report writing for the 1997 QDR, assisted the Chairman of the Joint Chiefs of Staff in preparation for the 2001 review, and been a keen observer of the 2006 QDR, I'd like to offer some observations about what determines the success (or failure) of such reviews in practice.

Strategic focus and limited scope. The best reviews are not soup-to-nuts assessments of everything a department does or buys. That should be left to the annual program review process, assuming one exists. Rather, quadrennial reviews should be focused on a handful of issues or areas that the leadership deems most important. This raises an important question for you as you craft this legislation: How specific do you want to be in delineating the substantive areas the review should cover? Should you err on the side of being exhaustive or should you allow the Secretary of Homeland Security some flexibility to

determine which areas merit the most attention at a given point in time? I would encourage you to favor the latter approach, as what is critical will likely change over time – today’s focus areas may not be right ones 4 or 8 or 12 years hence.

Leadership involvement in and ownership of the process. In order to have “legs” – that is, to have a real chance of being implemented in programs and budgets – the review process must be “owned” by the Secretary and his or her team. That is, the Secretary and/or the Deputy Secretary must be deeply engaged in providing front-end guidance to the process and making key judgments and decisions along the way. He or she must also make clear that the quadrennial review is *the* process for setting the department’s priorities and making critical resource allocation decisions. Such ownership at the top is critical to creating momentum, making tough trade-offs and ensuring that the review’s recommendations are actually implemented.

A senior official empowered to be an honest broker and integrator. Successful reviews cannot be conducted by committee. The Secretary must appoint a single official to be the day to day lead for the review. In the DoD context, this is often the Deputy Secretary of Defense, with assistance from the Undersecretaries and the Joint Staff. This person should act as an honest broker, ensuring that key decisions are framed for the Secretary and that dissenting views are fairly represented in the process, as well as an integrator, ensuring that the various part of the review are brought together in a cohesive whole (e.g., programmatic decisions reflect strategy priorities).

Ensuring the process is strategy-driven and resource-constrained. The strategy that emerges from the review should drive all programmatic and budgetary decisions. But these must be made in the context of real-world resource constraints. A review that does not take resources into account will fail to help decision makers to make tough choices about where to place emphasis and where to accept or manage a degree of risk. In order to be useful and relevant, the review process must consider fiscal guidance as a critical input, though it should also be prepared to highlight areas where resource constraints increase the level of risk associated with achieving a given objective or mission and may need to be revisited.

Engaging internal stakeholders. Any office responsible for implementing the review’s recommendations should have a seat at the table at some point in the process. Key stakeholders can be engaged individually or in working groups to solicit their input and ultimately win their buy in to the review and its results. Such consultations are generally iterative over time and are critical to gaining traction for implementation.

Consultations with outside stakeholders before, during and after the review. The department’s leadership should consult regularly with key committees and members of Congress, key partners in federal, state and local government, experts in the field, and members of the media as the review process unfolds. Although parts of the department’s review may need to be classified, the process should strive for as much transparency as possible. This is crucial to preparing the ground for the review to be well received.

Conclusion

The QDR can be an important and valuable element in the Department of Defense's strategic planning process. Establishing a similar QHSR, taking into account the elements of success I have described above, would be extremely useful in helping DHS to set strategic priorities and develop a strategy-driven program and budget. But a QHSR is only a first step in what needs to be a more fulsome and ongoing strategic planning process in the Department of Homeland Security.