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**MEMORANDUM FOR DISTRIBUTION**

**SUBJECT:** Further Thoughts on Future Net Assessments

Late last summer I circulated a memorandum to open a discussion on the character of future net assessments. I asked for inputs from a number of people who had worked in the office or closely with the office. Also a two-day offsite was held with the people currently serving in the office to discuss this topic. I want to return to the question of the character of future net assessments to stimulate further thinking and discussion. The purpose of this memo is to put before you two ideas that have occurred to me that might be a useful way to focus further discussion. The two ideas are:

- It may help us to step back from the issue of the character of further assessments to review what it is the office is trying to do: that is, to assist the top managers in the Defense Department. For example, to help them think about the directions in which U.S. military programs, forces might evolve; to raise strategic management issues they should think about and address in some way, etc. In the context of the current national security situation of the United States we may come to feel that there are some new ways in which this office can be helpful.
- If the United States, and the Defense Department in particular, had an adequately formulated strategy, which I think it seldom does, the sort we were trying to develop in the 1999 summer study, then net assessments could focus on the basis of that strategy. One way to think about the development of future net assessments might be to assume, or try to develop a strategy that seemed both appropriate and attractive, and then to focus assessments on various aspects of that assumed strategy.

Let me then develop an elaboration of these two ideas.

**How Can We Be Most Helpful to the Department of Defense Top Managers?**

How have we done so in the past? We focused on the extended military-economic-political competition with the Soviet Union. We partitioned that overall

competition in a variety of ways to examine the competition in more detail. We looked somewhat further into the future than most other analyses done in the Defense Department, which was appropriate for the perspective of top managers. While it was very difficult to develop an exact assessment of the current military balance in a particular area it was sufficient to provide an understanding of whether our position in that particular area was getting better or getting worse to draw attention to major emerging problems that out to be attended to, or opportunities that might be exploited. One of our biggest contributions was in providing a better way of thinking about the military balance in particular areas providing an analysis of the long term trends and asymmetries that impacted the military balance, as well as an intelligent choice in how to measure ourselves against the Soviet Union. In order to do this we often had to make assumptions about plausible U.S. strategic goals in order to understand better, or propose convincing ways of measuring ourselves in that competition. We also provided data and analyses for these assessments, mainly through our ability to invest in contract research efforts, since these data and analyses were unavailable from the intelligence community or other sources. One example was the analysis of the Soviet general staff assessment of military balances, which was central to the assessment of the primary American goal of deterring the Soviets from a wide variety of actions.

Of course the competitive situation is very different now. Then we were engaged in a very active, direct competition with the Soviet Union in a number of military areas. Now, because of the Chapter 11 of the Soviet Union, we dominate for the moment the military capabilities of other nations. This is not a situation that we sought, but one which we are reluctant to give up.<sup>1</sup> So it seems plausible that a basic focus of our assessments in the future should be on the question of how can we maintain a significant

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<sup>1</sup> This pattern is not unusual. In general the United States does not seem to have had a strategy for reaching the position it has obtained. We have not aspired to become the dominant power in the world, but have none the less achieved that status. Earlier one of the outcomes of the way we fought World War II was that we established a world wide base system which we continued on into the Cold War and because of its existence adopted a posture of forward basing on the periphery of Eurasia. This led to the U.S. control of the large ocean areas which serve as buffers between ourselves and the Soviet Union. This was a major asymmetry in the situation which gave us a position close to them while they in general had no bases close to us. These buffers of course were not perfect since submarines could transit these ocean areas, although there was still an asymmetry because we had systems like SOSUS that in their eyes represented a big advantage. But having obtained this position we are reluctant to give it up even though it may erode in importance as technology increases the range of strike systems available to a wide set of nations in the world. Moreover the forward bases may become increasingly vulnerable and less useful. None the less we will want to maintain the oceans as a buffer to the extent we can. Admiral Jeremiah gave a very interesting talk a couple of years ago noting the strategic importance of these buffers to us and therefore the likelihood that the United States would provide ballistic missile defenses to allies on the Eurasian periphery. The importance of this pattern of obtaining advantages that were not sought, but once achieved we may no want to give them up, is that because they were not sought they may not be reflected upon enough, especially as to the character of the strategic advantage that they provide us.

level of military advantage, close to the dominant position we now have. One way to do this in our assessments would be to look at the sources of or reasons for our current domination, and focus analysis on the future trends in factors that could impact positively or negatively on those underlying sources of our advantage. This might lead us to look at quite a different range of factors than in the past, including sources of internal changes of the U.S., the officer corps, the military services, etc.

What could we do to help the top managers? This is the key question and one about which I would like ideas from others. Here are a few of mine. For one thing these managers find themselves in a very different competitive situation. They have inherited a very advantageous military position, and therefore should worry about different things than top managers had to worry about during the period 1950-1990. Therefore one of the things that we could focus on is the impact of still further changes in the competitive environment that might affect the military position of the United States. This would mean a bigger role for analyses of the future security environment, or selected aspects of it. For example, the impact of proliferation of weaponry of all sorts, the widespread emergence of new forms of strategic warfare through the use of long range precision strike systems, the creation of anti-access by potential opponents, etc. As a part of this, of course, there is more generally the possibility that other states or even non state actors take the available technology and use it in some very destructive and innovative way. Still other possibilities include special analyses of Russia's continual decline and weakness, Asian energy security strategies, demographic trends, developments in the biological sciences, etc.

Another possibility is that we could focus on defining the key military competitions of the future and then for each one of them look at the potential for maintaining a favorable U.S. position, or though appropriate investment achieving a new competency for competing effectively in those competitions.

In general we would want to evaluate the U.S. position relative to others within the standard long-term competition framework. This would not only provide a good way to think about these competitors, but in particular assessments could over time monitor the U.S. standing relative to others.

An Asian assessment seems very likely to be a good bet in almost any case. China would of course be the central player, at least for the moment, and in addition one might want to look at the Asian situation as a competitive game between China, Japan, Russia, and India, in which the U.S. might have a balancing strategy (which overlaps with the second idea).

Still another kind of assessment might be focused on training. If we assume superior training is one of the important bases of our superior military capabilities we could focus an assessment on the state of training of our forces relative to that of all potential competitors and opponents.

In summary, such an approach proceeding from a review of how it is we really could be of most help to the top level people might end up with a program that focused a good deal of attention on the following:

- An Asian assessment, probably organized into several areas as was the NATO Warsaw Pact assessment in the past.
- A much bigger role for future security environment analyses of specific areas that will be important in the future, but are neglected currently candidates being a much more nuclear proliferated world, the impact of developments in the biological sciences including its wider aspects, the security issues arising from the future energy situation, or conflict for access to fresh water supplies.
- A series of assessments focused on some structured way of measuring ourselves relative to others in military mission areas such as long range precision strike, space or undersea warfare that we believe are of increasing importance. Or assessments organized around key competitions that seem likely to dominate future warfare and differentiate between winners and losers in combat.

### Strategy Based Assessments

Here we have a kind of chicken and egg problem. If we had well formulated strategies of the sort we tried to produce in the recent summer study that strategy could be used to structure assessments. Any strategy has a basis, that is there has to be something in the situation that the strategy is exploiting, some asymmetry in capabilities or position that is the focus of attention of the strategy. Unfortunately it is seldom that the department or an administration actually articulates, in any detail, the strategy it wishes to follow, or in particular does so in form equivalent to a modern business management strategy. For example, in the Asian assessment that was done in the early 80's we found that there was no clear statement of the preferred future situation in Asia and we had to supply our own.

So it seems to me that we could develop a statement of either a broad general strategy or a strategy for specific areas (key competitions or some geographical area), and then proceed with assessments focused on the current and future state of the assessed sources of advantage or asymmetries that the assumed strategy is based on or exploits.

We could focus the assessment on whether future trends in relevant factors are expected to undermine the basis of the strategies, support it, increase its validity, etc.

Let me give a few examples of how this might shape our assessments. At the broadest, highest level we could formulate a strategy of the sort outlined in the summer study under a core competency based strategy. The formulation of that strategy would have to be further developed to state the sources of advantage that a specific core competency was based on. The assessment would focus on the set of core competencies of the strategy and assess their current state, and their future likely sustainability. It would also want to check on trends in the comparative levels of training across a wide range of other militaries, likely future trends, etc.

To the extent that changes in the security environment erode the relevance or the sustainability of a particularly core competency we would want to measure the rate at which this competency was being eroded or becoming irrelevant. What we would do is to look at the whole set of core competencies, measure each one and its likely future evolution, and then form an overall judgment of our likely position relative to others in the future. As in the past we would want to raise strategic management issues for the top-level managers that came from this assessment. Perhaps we would call attention to the accelerated erosion of a particular core competency, or indicate what seemed like a potential for the emergence of a valuable core competency, if only adequate investment or changes in our management processes were made.

At a more specific level we could choose areas that we think of as especially important in our overall judgments of our military position in the future, for example, space, long-range precision strike, undersea warfare, or a geographic area such as Asia; and for each of these carefully develop a strategy to sustain or increase the U.S. military position relative to others. Such a strategy would have to flow from a diagnosis of sources of U.S. advantage. These then would become the focus of the assessment. Is the strategy working? Is the basis still there? How are trends in technology and other factors affecting the U.S. position relative to others?

I have mentioned above my feeling that one of the sources of sustained U.S. advantage is the area of training; this could be a focus of an assessment. Another possible basis is the U.S. advantages in information technology and again one could focus an assessment on the likelihood that our current advantages will be undermined over time. Perhaps those of you reading this memorandum may have your own ideas and can include them in any response you make.

Again let me say I would be very interested in any ideas, reflections, comments that any of you have.

*Andy*

A. W. Marshall