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# 2015 NATIONAL MILITARY STRATEGY

WHAT THE DOD'S NEW STRATEGY TELLS INDUSTRY, WHAT IT DOESN'T, AND HOW THIS GUIDANCE MIGHT EVOLVE

2015



**G**eneral Martin Dempsey recently released the 2015 National Military Strategy (NMS). This document supersedes the previous 2011 strategy and is intended to detail how the Pentagon will apply military power to attain specific national objectives. The document does not dramatically alter Department of Defense (DoD) strategy or operations but it does authoritatively break with the military’s trajectory from just four years ago. Fairmont has examined the 2015 NMS, other DoD strategic documents, and Pentagon official testimonies to project how the current threat environment, future military leadership, and evolving national priorities will impact the defense industrial base.

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## STRATEGY'S ENDS, WAYS, AND MEANS

**T**he NMS follows February's National Security Strategy, or "Grand Strategy," release which dictates national security objectives and coordinates all instruments of national power, including diplomatic, economic, and military.

**The NMS then issues military-specific direction that defines how (ways) leadership will use power (means) to achieve control, objectives, or victory (ends).**

The NMS ultimately flows down to operational or theater-level strategies that are ultimately executed by the brave men and women in uniform.



### ENDS

The 2015 NMS defines the objectives, or ends, as:

- Deter, deny, and defeat state adversaries (such as Russia, Iran, North Korea, and China);
- Disrupt, degrade, and defeat violent extremist organizations (such as al-Qaida and ISIL); and,
- Strengthen our global network of allies and partners.

General Dempsey, the Chairman of the Joint Chiefs of Staff (JCOS), provides a foreword to his strategy that says today's global security environment is the "most unpredictable" he has seen in 40 years of service and that the U.S. is "more likely to face prolonged campaigns than conflicts that are resolved quickly." Because of the increasingly challenging threat environment, the military's objectives (which are not entirely dissimilar to those included in the 2011 NMS) will require more resources than they would have just four years ago. For example, the 2011 strategy redirected U.S. focus from "Iraq's internal domestic security to its external national defense"

and today, additional U.S. military advisors continue to be deployed to Iraq to address the internal security threat posed by the Islamic State of Iraq and the Levant (ISIL). Even as recently as one year ago, the U.S. did not consider the ISIL threat to Iraq's internal domestic security to be as serious as it has become.

While adversaries are changing, globalization's spread of new technologies and tactics are also "challenging the competitive advantages long held by the U.S. such as early warning and precision strike." North Korea has continued its pursuit of intercontinental ballistic missiles (ICBM), continued its development of nuclear capabilities, and recently conducted a damaging cyber-attack against Sony. China has aggressively pursued "land reclamation efforts," including the construction of a military facility on a man-made island in international sea lanes. Both Iran and Russia have recently employed forms of "hybrid" warfare to destabilize and terrorize Israel, Lebanon, Syria, Yemen, Ukraine, and others. Simultaneously, violent extremist organizations (VEO) are "dedicated to radicalizing populations, spreading violence, and leverage terror to impose their visions." The 2015 NMS makes it abundantly clear that the world the U.S. operates in today is increasingly challenging and dangerous –

**“the probability of U.S. involvement in interstate war with a major power is assessed to be low but growing.”**

## MEANS

The resources, or means, the NMS mentions to achieve military objectives include technologies and weapons such as a credible nuclear capability, forward-deployed forces, ballistic missile defense (BMD), integrated and resilient ISR, long-range precision strike, special operations forces, undersea systems, remotely-operated technologies, space systems, and cyber capabilities. Immediately apparent is the Pentagon's wish list for future procurements – nuclear modernization ("credible nuclear capability"), Long Range Strike Bomber ("long-range precision strike"), and the *Ohio*-class Replacement submarine ("undersea systems").

## WAYS

The last portion of the NMS discusses how, the ways, to implement the strategy with a particular focus on human investment, development, and resourcing warfighters with all they need to fight and win. Gen. Dempsey's primary focus is on prioritizing leadership development, improving organizational culture to "retain the right people at every echelon," and promoting ethical leadership to address serious issues such as sexual assault and suicide. To resource its warfighters, military leadership will focus on improved joint interoperability ("establishing a Joint Information Environment, advancing globally integrated logistics, and building an integrated Joint ISR Enterprise") and investments in enhanced decisive advantages ("space and terrestrial-based indications and warning systems, ISR, strategic lift").



## MISSING WAYS AND MEANS

**W**hile the recent strategy release does provide meaningful insight into the military’s operating environment, the global threat spectrum, the weapons and systems required, and the conditions under which the country would wage war – it is missing specifics and definitive operational guidance. In fairness, any public Pentagon strategy cannot be expected to provide information and tactics that would also be useful to enemies. Several areas could have been more fully addressed without compromising operational security, in particular the budget to support the plan.

**The strategy acknowledges the current “resource-constrained environment,” but does not fully address how everything in the document would be performed or funded.**

The NMS includes a long list of modernization priorities, all of which cannot possibly be funded with current or projected investment account

funding due to the need for modernization and sustainment. Gen. Dempsey has acknowledged this reality by saying “as we develop new capabilities to counter threats (modernization priorities) along the continuum of conflict, we must also procure sufficient capacity and readiness to sustain (required sustainment) our global responsibility.” The NMS leaves serious budgetary unknowns that will have significant impact on budget trajectories. *What programs and priorities will, or will not, be funded and what level of funding is required? Will President Obama veto legislation that uses budget “gimmicks” to bypass discretionary spending caps imposed by the Budget Control Act (BCA) of 2011 and modified by the Murray-Ryan budget? Will the Iranian nuclear agreement impact budget negotiations?*

## POTENTIAL BUDGET OUTCOMES

- 1. Congress changes mandatory spending caps for both defense and non-defense accounts** and authorizes \$586B in DoD funding, including \$51B for Overseas Contingency Operations (OCO). This level of funding would be 4% above FY2015 levels and *would provide the DoD with adequate funds to execute its strategy*. Unfortunately, Congressional language and current markups would suggest this outcome is unlikely.
- 2. Congress sends the President a bill with \$586B of funding, including \$89B in OCO,** and the President backs away from his previous veto threats and a bill is signed. The President's language would suggest he is serious about not circumventing spending caps and will veto the NDAA. As recently as July 21st, President Obama said that sequestration's "mindless cuts need to end" but also reiterated his pledge to veto a bill that does not lift spending caps on non-defense federal agencies.
- 3. A short-term Continuing Resolution** is increasingly becoming the most likely outcome as Congress and the Obama Administration find a mutually agreeable outcome to OCO, spending caps, Guantanamo Bay closure, and other issues. Senate Armed Services Committee (SASC) Chairman John McCain has long been a proponent of closing Guantanamo and if Congress gives the White House a path to closure, President Obama could concede on the OCO plus-up. However, *even a short-term CR would prevent the military from new program starts that the NMS labels as critical modernization priorities*.

In addition to the budget, the strategy also does not discuss its use of the term "VEO" in lieu of "violent extremism," which was used in 2011's NMS and distracts from the concept that counterterrorism is a fight against ideology and not a specific organization or enemy. It would be interesting to understand what the military plans to do to combat not just VEO forces, but to fight the ideology and message that has been so useful to recruiting men and women from all over the globe to these violent organizations. Fairmont has heard several military leaders emphasize in other venues increased efforts to counter such organizations off the battlefield.



## IMPACTS OF MILITARY LEADERSHIP TRANSITION

The most curious component of the strategy is timing. It has been four years since the Pentagon publically released its last National Military Strategy and it has never been issued by Gen. Dempsey. Gen. Dempsey is retiring in September and the White House selected Marine Corps commandant, Gen. Joseph Dunford, to become the next Chairman of the JCOS. Gen. Dunford was confirmed by a unanimous Senate vote last week and has been described by retired Marine Gen. James Mattis as “superbly accomplished in the operational art” and by others as a pragmatic leader who is deeply experienced in combat.

In his confirmation testimony and advance policy question answers to SASC, Gen. Dunford provided more detailed thoughts on military priorities, funding, threats, force structure, and general strategy than what was included in the 2015 NMS. Gen. Dunford responded candidly to a question regarding the applicability of 2012’s

Defense Strategic Guidance in light of new threats posed by Russia and ISIL by saying that neither 2012’s guidance nor 2014’s Quadrennial Defense Review fully anticipated “growing Russian aggression, the emergence of the ISIL threat, and the increase in cyber intrusions.” The fact that as recently as 17 months ago, the Pentagon did not fully appreciate or predict near-term threats illustrates just how challenging the current threat environment is and how crucial it was that new strategic thought be developed.

Similar to Gen. Dempsey’s strategy, Gen. Dunford stated that he believes sustainment and modernization of nuclear capability is the nation’s “top military priority,” but also mentioned the need for BMD R&D to defeat threats in the boost phase when they are most vulnerable and the need to offset nation-state advances in anti-access/area denial weapons through developments in “robotics, autonomous systems, miniaturization, big data, and additive manufacturing.” His testimony also made it plainly clear that the Pentagon

cannot execute its strategy or mission with any further cuts as a result of the BCA and that the current force structure already reflects “the maximum acceptable risk in executing our defense strategy.” He did not discuss specific future funding requirements, but his language regarding additional cuts was more serious and specific than anything included in the NMS.



Gen. Dunford was not shy about naming and prioritizing threats. In his testimony, he stated that “Russia presents the greatest threat to our national security” and in his policy responses said “sanctions alone are unlikely to deter future Russian aggression.” These candid comments break with language of the current Chairman and even drew a response from the White House Press Secretary, saying Dunford’s views were “personal.” Gen. Dunford also said that

the fight against ISIL “will be a long campaign,” al-Qaida in the Arabian Peninsula (AQAP) “poses a direct threat to the U.S. homeland,” and would recommend that the U.S. remains forward-deployed in the Middle East because any reduction “could leave space for Iran to pursue its hegemonic goals” and a continued presence “deters Iran from employing its large conventional army of ballistic missiles.”

**Breaking even further from the Commander-in-Chief and current Chairman, Gen. Dunford said that as “conditions change on the ground, it may become necessary to adjust how we implement the military campaign” when asked about the mix of U.S. operators and advisors in Iraq.**

New policy regimes will also drive discreet transitions and new imperatives in the strategy of the nation’s military. During July 8 testimony before SASC, Gen. Dempsey said under “no circumstances should we relieve pressure on Iran relative to ballistic missile capabilities and arms trafficking.” However, as a condition of the Joint Comprehensive Plan of Action on Iran’s nuclear program, the U.N. conventional arms embargo on Iran will end in just five years and the ban on ballistic missile technology will end in eight. In Secretary Carter’s words, the reason the military wanted to prevent Iranian ballistic missile development is obvious – the ‘I’ in ICBM “stands for intercontinental, which means having the capability of flying from Iran to the U.S.”





## IMPLICATIONS FOR THE INDUSTRY

**A** new NMS needed to be released, but is incomplete even with additional color from Gen. Dunford. The challenges presented do not impact just the military, however, as they also impact the defense industrial base that directly supports the warfighter with weapons, technologies, and services that are mission critical. Leaving aside the question of procurement and OCO dollars, *what do the NMS objectives mean for industry? What will Gen. Dunford's confirmation mean for defense contractors? What new technologies will soldiers, sailors, marines, and airman need to combat new threats? How will Russia and ISIL impact the number of deployed troops and what services industry will need to provide? How will the Iranian nuclear agreement impact defense exports?*

While there are still policy differences to be solved, there seems to be a strong agreement between Congress and the White House about the need to provide DoD with nearly \$600B in funding, above FY2015 levels.

**The composition of future budgets is still largely unknown, but it is clear the Pentagon is serious about reaching full-rate production for the F-35, modernizing the nuclear triad, combating cyber threats, and developing integrated C4ISR solutions across all branches.**

Gen. Dunford said that the F-35 is a “vital component” of air dominance, but also said that DoD is presently “analyzing whether [the current Approved Acquisition Objective] is the correct number.” The total forecasted fleet will likely have to be slightly reduced if the Navy wants to fully fund the *Ohio*-class Replacement and if the Air Force wants to produce 100 Long Range Strike Bombers. Gen. Dunford commented that additional savings could be realized through headquarter reductions in IT functions within the Pentagon while still improving overall capability.

## OTHER NMS AND JCOS LEADERSHIP IMPLICATIONS FOR THE INDUSTRY WILL INCLUDE:

- **Increased investments in space.** Demand for ISR continues to outpace available supply and Gen. Dunford said that both space situational awareness and protection of space assets are “in need of attention in order to securely and effectively project U.S. military power.”
- **Middle East customers will demand more advanced U.S. defense technologies in missile defense, border security and surveillance, and offensive air power.** Some commentators have suggested that while the Middle East will spend more on defense, dissatisfaction surrounding the U.S.-Iranian nuclear agreement will cause Sunni Arab nations to spend the majority of that money with non-U.S. contractors. Fairmont believes that while that dissatisfaction is real, the threats posed by ISIL and other non-state actors in coordination with rising Iranian influence in the region will cause more money to be spent on sophisticated U.S. precision weaponry, proven missile defense technologies, and superior C4ISR solutions. Secretary of Defense Ash Carter recently said after a visit to Saudi Arabia that Iran’s potential for aggression was a shared concern and moved to bolster already-strong defense ties with Riyadh. Since July 24th, Saudi Arabia has announced the purchase of more than \$5.5B worth of PAC-3 missiles (Lockheed Martin), \$123M worth of JSOW missiles (Raytheon), and nearly \$500M worth of ammunition for its ground forces (various U.S. contractors).
- **Forward-deployed troop levels and OCONUS contract spending will increase.** The seriousness of the threat from ISIL and other non-state actors will require increases in both troops and dollars in Iraq and Afghanistan. Continued delivery of major defense platforms to the Iraqi government (F-16s, MRAPs) will require contractor maintenance and logistics support. The largest and most immediate impact will be to U.S. Special Operations Command (USSOCOM). Fairmont forecasts that USSOCOM contract obligations will increase from \$2.4B in FY2014 to more than \$3.0B in FY2016, with slightly over 60% being spent on services (excluding supplemental obligations from conventional forces).



## FINAL THOUGHTS

The international threat environment will present enormous challenges for U.S. military leadership over the next several years. Iran will continue to assert its hegemonic goals in the Middle East through hybrid warfare while also fighting a common enemy. Turkey recently joined the fight against ISIL and allowed American manned and unmanned attack aircraft to utilize its bases, but also began to bomb U.S. partners in northern Iraq. While Saudi Arabia is striking the Houthis in Yemen, AQAP is simultaneously building its capability to strike the U.S. homeland. Syria, Afghanistan, and Israel all have their own security threats that remain largely unresolved.



**By all accounts, Gen. Dunford is an experienced and proven leader capable of navigating the global threat spectrum.**

He has left open the possibility that additional ground troops deploy to Iraq and Afghanistan, while making clear that some form of military power must be used to deter further Russian aggression.

**Under his leadership, the U.S. military will be utilized in different ways than it has been over the past four years and warfighters will demand new weapon systems and technologies to maintain their combat superiority.**

Careful analysis of documents such as the National Military Strategy and the testimony of Gen. Dunford can help industry understand both the explicit requirements and strategic context of these demands, and ultimately better serve the warfighter.

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