FACING THE FUTURE: MEETING THE THREATS AND CHALLENGES OF THE 21ST CENTURY

Highlights of the Priorities, Initiatives, and Accomplishments of the U.S. Department of Defense 2001-2004

Produced by the Office of the Assistant Secretary for Public Affairs
February 2005
When President George W. Bush took office four years ago, the country was still savoring its victory in the Cold War, the culmination of a long struggle that challenged generations of Americans and leaders of both political parties. The Warsaw Pact had dissolved and Communism, as predicted, found its place on the ash heap of history.

From his first days in office, the President understood that the country was entering an era of the unexpected and the unpredictable, and he was concerned that our country was not well prepared. The Soviet Empire was gone, but our American military was still preparing to fight it. The most likely enemies of the future lacked large armies, navies, and air forces, but we were still arranged to defend against the conventional armies, navies, and the last century.

In short, we had won the wars of the past, but were not yet prepared for the asymmetric challenges of the future, for attacks on our homeland, or for the possibility of surprise from threats that could not be foreseen.

Though much has been accomplished, the challenges we confronted four years ago remain today:

- The challenge of having to move forces rapidly across the globe;
- The urgency to transform the U.S. military into one that functions as a truly joint force, rather than merely keeping the individual Services out of each other’s way through “deconfliction” or sequencing;
- The need to move military personnel out of jobs more appropriate for civilians, so Soldiers, Sailors, Airmen, and Marines could be freed for pressing military duties;
- The recognition that the country is engaged in a war for its survival, and yet that war is still being conducted under peacetime constraints, regulations, and requirements against enemies completely unrestrained by regulations and bureaucracies; and

- The need to adjust to a world in which the threat is not from one superpower, but from rogue regimes and extremist cells that can work together, share information, and proliferate lethal weapons.

Addressing these new challenges has been the task of the Department of Defense for the last four years. We have set out to rearrange our forces, question decades-old assumptions, and outline new strategies to prepare our forces for the 21st century.

Since 2001, the Department’s outstanding civilian personnel and America’s dedicated men and women in uniform have accomplished remarkable feats. They are reshaping history and the ways wars will be conducted.

In Afghanistan, Iraq, and other places around the world, some have made the ultimate sacrifice. It is to their courage and commitment that we dedicate ourselves to continue to transform this remarkable institution to meet the challenges of this new century.

Contained within these pages is just part of their story. It is my privilege to bring it to you.
# Facing the Future: Meeting the Threats and Challenges of the 21st Century

## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>iii</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>1</td>
</tr>
<tr>
<td>Prologue</td>
<td>7</td>
</tr>
<tr>
<td>Facing the Future: Meeting the Threats and Challenges of the 21st Century Through Transformation</td>
<td>11</td>
</tr>
<tr>
<td>- A Transformational Vision</td>
<td>11</td>
</tr>
<tr>
<td>- Transformation and the 2001 Quadrennial Defense Review</td>
<td>12</td>
</tr>
<tr>
<td>- New Defense Strategy</td>
<td>13</td>
</tr>
<tr>
<td>- New Force-Sizing Construct</td>
<td>14</td>
</tr>
<tr>
<td>- New Way of Balancing Risk</td>
<td>15</td>
</tr>
<tr>
<td>- New Approach to Force Planning</td>
<td>15</td>
</tr>
<tr>
<td>- Six Transformation Goals</td>
<td>16</td>
</tr>
<tr>
<td>Bureaucracy to Battlefield: Transforming the Department of Defense</td>
<td>19</td>
</tr>
<tr>
<td>- Reducing Waste and Improving Operational Efficiency</td>
<td>21</td>
</tr>
<tr>
<td>- Reducing Excess Base Capacity and Overhead</td>
<td>22</td>
</tr>
<tr>
<td>- Bold Decisions on Programs and Systems</td>
<td>23</td>
</tr>
<tr>
<td>- Planning, Programming and Budgeting</td>
<td>24</td>
</tr>
<tr>
<td>- Realistic Budgeting and Estimates</td>
<td>24</td>
</tr>
<tr>
<td>- Technology and Innovation</td>
<td>24</td>
</tr>
<tr>
<td>- National Security Personnel System</td>
<td>25</td>
</tr>
<tr>
<td>- Capabilities-Based Requirements and Acquisition</td>
<td>27</td>
</tr>
<tr>
<td>September 11 and The Global War on Terror</td>
<td>29</td>
</tr>
<tr>
<td>Highlighting Speed, Agility, Precision, and Lethality</td>
<td>31</td>
</tr>
<tr>
<td>- Operation Enduring Freedom</td>
<td>31</td>
</tr>
<tr>
<td>- Accomplishments in Afghanistan</td>
<td>34</td>
</tr>
<tr>
<td>- Strengthening Alliances and Coalitions</td>
<td>39</td>
</tr>
<tr>
<td>- Global Coalition in the War on Terror</td>
<td>39</td>
</tr>
<tr>
<td>- Transforming the NATO Alliance</td>
<td>41</td>
</tr>
<tr>
<td>- Proliferation Security Initiative</td>
<td>46</td>
</tr>
<tr>
<td>- Transformation Continues Across the Globe</td>
<td>46</td>
</tr>
<tr>
<td>Nuclear Posture Review</td>
<td>46</td>
</tr>
<tr>
<td>Ballistic Missile Defense</td>
<td>48</td>
</tr>
</tbody>
</table>
# CONTENTS

**September 11 and The Global War on Terror (Cont’d)**
- New Working Relationships .............................................. 49
- New Unified Command Plan ............................................ 49
- Operation Iraqi Freedom .................................................. 51
- Accomplishments in Iraq .................................................. 54
- Lessons Learned ............................................................ 55
- Stress on the Force ......................................................... 56

**Improving the Quality of Life of Our Forces** ............................................. 59
- Citizenship ..................................................................... 60
- Family Assistance ............................................................ 60
- Pay ............................................................................... 60
- Housing ......................................................................... 60
- Exchanges and Commissaries ............................................. 61
- Education ....................................................................... 61
- Communications ............................................................. 61
- Child Care ..................................................................... 61
- Spouse Employment ........................................................ 62
- Mobilization, Deployment, and Reunion Support .................. 62
- Supporting the Guard and Reserve ..................................... 62
- Armed Forces Entertainment ............................................. 63
- Rest and Recuperation....................................................... 63

**The Way Ahead** ................................................................. 65
- Adjusting Global Posture ................................................... 65
- Military Transformation .................................................... 66
- Operational Improvement ................................................... 66
- Joint/Combined Operations ............................................... 67
- Training Transformation .................................................... 67
- Missile Defense ............................................................... 67
- Afghanistan and Iraq ......................................................... 67
- Intelligence ................................................................... 68
- Homeland Security .......................................................... 68
- Precision Targeting ........................................................... 68

**Thoughts and Reflections** .......................................................... 71
Looking back over the past four years, an extraordinary amount of change has taken place within the U.S. military establishment. Without doubt, the status quo has been challenged, and a new architecture of American defense, not only envisioned but planned, developed, constructed and, in many areas, employed.

Some of the change was driven by external events, most notably, the Global War on Terror. However, much was undertaken as a result of the Department’s own internal analysis of what was required to prepare the U.S. military and the Department for the threats and challenges of the 21st century. Together, they represent possibly one of the most significant periods of accomplishment in the history of the Department of Defense.

While transformation began well before the attacks on America on September 11, 2001, the Global War on Terror is perhaps the best lens through which to view all that has been achieved since January 2001.

First and foremost, al Qaeda, the global terrorist network responsible for the September 11 attacks, is under severe pressure – its assets seized in more than 160 countries around the world, its financial network exposed and thwarted, its home base and host regime in Afghanistan destroyed, its network fractured, and three-quarters of its top leadership killed or captured.

With the cooperation of some 90 countries, terrorists and terrorist cells continue to be disrupted or destroyed on a daily basis, and 10,000 individuals and approximately 1,500 enemy combatants have been brought under U.S. control. While Osama bin Laden is still alive, he is a harried fugitive, hunted by an international Coalition, with just a fraction of his earlier ability to plan and perpetrate terrorism on a scale previously possible.
Operation Enduring Freedom, the first battle in the first war of the 21st century, ended in the liberation of 25 million people in Afghanistan, the establishment of an interim representative government and, on October 9, 2004, the first free and open election in five millennia of that country’s recorded history. In a heavily contested event, over 8 million Afghans, 40 percent of them women, voted to elect Hamid Karzai president of Afghanistan.

In Iraq, Operation Iraqi Freedom liberated some 27 million people from an excessively brutal and repressive regime which maintained its grip on power through the worst type of corruption and torture, including the massive slaughter of its own people. It also eliminated a decades-old state sponsor and facilitator of terrorism whose drive to develop or acquire weapons of mass destruction threatened the region and the world.

Today, Saddam Hussein, and many of the leaders of the regime that carried out his orders, are in prison and awaiting trial, and his sons – the next generation of despicable dictators – are dead. On January 30, 2005, thousands of courageous Iraqi leaders stood for election, and Iraqi citizens by the millions went to the polls to elect a national assembly that will choose their leaders and generate a constitution that will guarantee their rights and ensure their freedom.

While a violent insurgency continues, its efforts to threaten and intimidate the Iraqi people and prevent the onset of democracy will ultimately be defeated by the determination of the Iraqi people to wrest their country back from the forces of darkness.

Throughout operations in both Afghanistan and Iraq, the U.S. military has adapted quickly to the changing conditions of combat, learned the lessons of current battles, and incorporated them into its techniques, tactics, and procedures.

In Operation Enduring Freedom, the keys to victory were flexibility, speed of deployment and employment, overcoming restricted access to regional bases, integration of ground and air power, and the increased use of precision munitions.

In Operation Iraqi Freedom, the lessons learned in Afghanistan continue to be refined with a focus on advanced joint and combined operations, the importance of intelligence, the need for precision in a cluttered battle space, and how best to train, equip, and employ Iraqi forces in defense of their country.

While Afghanistan and Iraq remain the central fronts in the war on terror, they are not the only places where freedom is being defended against the forces of terror.

Across the globe, the United States is working with like-minded states to combat the threat posed by the spread of weapons of mass destruction (WMD) and, in particular, to prevent terrorists from acquiring such weapons.
In May 2003, President Bush announced the Proliferation Security Initiative (PSI), a global effort to interdict shipments of WMD, their delivery systems, and related materials on the ground, in the air, and at sea to and from states and non-state actors of proliferation concern. More than 60 states actively support PSI efforts.

U.S. Special Forces persist in the search for high-value targets, finding and striking them where they are, and new technologies are constantly being developed to counter everything from Improvised Explosive Devices (IED) to the enemy’s use of the Internet to communicate and execute operational command and control.

We will continue to take the fight to the enemy, engaging him where he lives, operates and hides – before he can threaten our own citizens on our own soil.

Back at home, the Global War on Terror gave new impetus and urgency to transformation efforts already well underway, and a new determination to remake the U.S. military into a more agile, efficient, and expeditionary force, ready to meet the asymmetric challenges of a new and uncertain time.

Four years ago, U.S. forces were still organized, trained and equipped for the Cold War, ready to face large armies, navies and air forces from mostly static positions. Today, smaller, more agile units take the fight to the enemy.

Where once millions of tons of ordnance leveled entire cities, today smart bombs and real-time targeting destroy strongholds while limiting civilian casualties and collateral damage.

Similarly, Cold War programs and weapons systems have been canceled or significantly modified, and lighter, faster systems have been added, as well as new technological advancements such as unmanned vehicles, laser communications, and new satellites for advanced command and control. All are tied together by the concept of Net-Centric Warfare and truly Joint/Combined Operations – absolute necessities for the new era of warfare.

The location of U.S. forces stationed abroad will also reflect the realities of the post-Cold War world. Rather than western Europe and the Korean peninsula, U.S. forces will operate from a variety of more strategically valuable locations.

For the same reasons, we have established new strategic partnerships with the nations of Central and South Asia and the Caucasus, and reached out to non-traditional partners such as Pakistan.

At home, a new Unified Command Plan established a Northern Command to focus on homeland defense; merged the old Space Command and Strategic Command into a new Strategic Command that reflects the relationships that exist between the two;
expanded the capabilities of Special Operations Command, so that it can not only support the missions of other Combatant Commanders but also plan and execute its own; and driven significant changes in NATO, most notably the creation of a new Supreme Commander for Transformation, dual-hatted as the Joint Forces Commander.

One particularly exciting achievement is the progress we've made in fielding an initial missile defense capability.

Organizationally, the Department has stood up needed new organizations and trimmed back in less functional areas. A new Under Secretary for Intelligence was created, as well as new Assistant Secretaries for Homeland Defense, and Networks and Information Integration.

A new National Security Personnel System will allow needed flexibility in managing a 21st century workforce, and we are working with Congress to execute an intelligent, fair, and complete Base Realignment and Closure (BRAC) process, which will shed unneeded infrastructure and allocate resources to more appropriate needs.

Many aspects of the Department's basic program, budget, and acquisition processes have been modernized, streamlined, and consolidated. A two-year budget cycle has been instituted, and procurement safeguards have been strengthened to preclude duplication among the Services.

Intrinsic to this process was the establishment of the Senior Level Review Group, which consists of the Secretary, Deputy Secretary, Chairman and Vice Chairman of the Joint Chiefs of Staff, Under Secretaries, Service Secretaries, and Service Chiefs.

Until this group was created, the Services used to build budgets separately and often competed with one another for programs and funding. Today, this group brings top planners together to generate common concepts of operations and programs for the military, which also strengthens the ethos of joint and combined warfighting operations on the battlefield.

Looking ahead, many challenges remain. In Iraq, a functional Iraqi military and police must be established to secure the environment, defeat the insurgency, and give the nascent government every chance to succeed as a functioning democracy. In Afghanistan, we must ensure that Taliban remnants and the possibility of narco-terrorism do not slow the progress that is clearly underway.

Another challenge will be to focus appropriately on intelligence, working closely with other government agencies to ensure that our warfighters have what they need to prevail in the Global War on Terror. This will require improving all aspects of our ability to collect, analyze, disseminate, integrate and share intelligence to both the battlefield and the boardroom.
Most importantly, we must strike the right balance between the capabilities needed for the war on terror and capabilities needed to manage emerging military competition in other areas. In other words, we should not make the mistake of thinking that the current conflict is the blueprint for all future wars. We must hedge against the emergence of a major military competitor in the decades ahead through the right levels of research and development, as well as intelligent procurement of advanced warfighting and surveillance systems.

The Department of Defense must work with the Department of Homeland Security to ensure we are properly positioned to do our part in preventing, or contending with the aftermath of, a catastrophic attack on the homeland, particularly with regard to terrorism involving weapons of mass destruction.

To take precision targeting to a new level, we must focus resources on persistent surveillance, using both manned and unmanned systems.

All of these – as well as other key issues such as potential changes in roles, missions, and organizations; needed changes in the law; pursuit of key enablers like space, information operations, surveillance systems, and special programs; changes to our strategic nuclear forces; new approaches for developing a 21st century civilian workforce; and improved business practices within the Department of Defense – will be examined in depth in the upcoming Quadrennial Defense Review.

We are cognizant of the responsibilities inherent in managing nearly 18 percent of the federal budget and over 3 percent of the Gross Domestic Product, and even more so of the precious resources loaned to us by a caring Nation – the 2.3 million active duty, Guard, and Reserve members of the U.S. Armed Forces, along with the civilian workforce.

The Department has initiated significant change and accomplished a great deal over the past four years and, with the continuing support of the Congress and, most importantly, the American people, we will continue to improve and accomplish our mission in the years to come. □
Defending the United States has been the number one priority of the U.S. military since the founding of the Republic. Indeed, providing for the common defense was so basic an obligation of government that the Founding Fathers saw fit to place those very words in the U.S. Constitution.

For most of our Nation’s history, our security has benefited from an accident of geography: Two vast oceans on either side, and friendly countries to the north and south. Accordingly, U.S. military forces focused their efforts on engaging enemies abroad. For more than 50 years, defending the Nation entailed the permanent basing and deployment of U.S. forces around the world to deter and defend against attacks on our country, our forces, our friends, and our allies.

During the Cold War, however, it became clear that physical distance from our primary adversary, the Soviet Union, no longer ensured safety at home. To keep pace with the threat, we developed the forces necessary to deter a Soviet attack. NORAD was created to serve as an early-warning system for aerospace attack, including ballistic missiles. Fortunately, because of the determination of the West, the Cold War ended without an attack on our people or our territory.

September 11 taught us that our people and our territory are still vulnerable, albeit a vulnerability different from that of the Cold War. To be sure, we remain vulnerable to missile attack, which is why we are working to develop and deploy defenses against the long-range ballistic missiles. However, September 11 awakened us to new dangers as well. We recognized that, in addition to external attack, our Nation is also vulnerable to hostile forces among us who enter our country easily, remain anonymously, and use the freedom America affords to plan and execute violent deeds.
This dual vulnerability prompted President Bush to take a two-track approach to defending the Nation: first, prosecution of the war on terror abroad; and second, ensuring America’s security at home.

Each depends upon the other. Because a terrorist can attack at any time, at any place, using any technique, it is impossible to defend against every conceivable threat, in every place, at every time. Successfully defending against terrorism and other 21st century threats requires taking the war to the enemy, eliminating their safe havens and sanctuaries, and using every tool at our disposal – political, economic, financial, law enforcement, military, intelligence – to attack and destroy their ability to operate.

Today America’s fighting forces are prosecuting and winning the Global War on Terror in Afghanistan and Iraq, but they are also America’s first and most important line of defense against homeland attack. By going directly to the source and rooting out terrorists and their networks where they are, U.S. forces are helping to prevent and deter terrorist attacks on our soil before they can occur.
FACING THE FUTURE: MEETING THE THREATS AND CHALLENGES OF THE 21ST CENTURY

Highlights of the Priorities, Initiatives, and Accomplishments of the U.S. Department of Defense 2001-2004
Facing the Future:
Meeting the Threats and Challenges
of the 21st Century Through Transformation

“We are witnessing a revolution in the technology of war. Power is increasingly defined not by mass or size but by mobility and swiftness. Influence is measured in information, safety is gained in stealth, and force is projected on the long arc of precision-guided weapons. This revolution perfectly matches the strengths of our country, the skill of our people, and the superiority of our technology. The best way to keep the peace is to redefine war on our terms. We must shape the future with new concepts, new strategies, and new resolve.”

Governor George W. Bush
September 23, 1999

A TRANSFORMATIONAL VISION

In September 1999, in remarks to cadets at The Citadel in Charleston, South Carolina, then-Governor George W. Bush shaped the context, direction and process of what would become the Bush Administration’s vision for the Department of Defense and U.S. military forces at the dawn of the 21st century.

If elected, Governor Bush said he would initiate a comprehensive review of our military, the state of its strategy, the priorities of procurement, conducted by a leadership team under the Secretary of Defense.

“I will give the Secretary a broad mandate,” he said, “to challenge the status quo and envision a new architecture of American defense for decades to come.”
Governor Bush said, “Our forces in the next century must be agile, lethal, readily deployable, and require a minimum of logistical support. We must be able to project … power over long distances, in days or weeks rather than months. Our military must be able to identify targets by a variety of means, from a Marine patrol to a satellite – then be able to destroy those targets almost instantly, with an array of weapons …

“On land, our heavy forces must be lighter. Our light forces must be more lethal. All must be easier to deploy. And these forces must be organized in smaller, more agile formations rather than cumbersome divisions.”

Later at the Pentagon, President Bush spoke of emerging threats and reinforced the need to prepare for the future. “Keeping America safe,” he said, “is a challenge that’s well within our reach – if we work together to shape the budgets, programs, strategies, and force structure necessary to meet the threats we face and those that are emerging.

“I expect the military’s … priorities to match our strategic vision,” he said, “not the particular visions of the Services, but a joint vision for change … I intend to force new thinking and hard choices.”

When Secretary Donald Rumsfeld took over the reins of the Defense Department in 2001, this was his charge and his mission. He wasted no time in beginning the process of carrying it out.

Well before September 11, the Department initiated wide-ranging discussions, careful review, and in-depth planning and analysis of current programs, future capabilities, guiding strategies, and a framework for assessing and balancing risk. The process involved the Department’s senior military and civilian leadership, including the Chairman and Vice Chairman of the Joint Chiefs of Staff, the Service Chiefs, the Service Secretaries, and Under Secretaries of the Department.

The result was a new defense strategy, a new force-sizing construct, and a new way of balancing risk.

**TRANSFORMATION AND THE 2001 QUADRENNIAL DEFENSE REVIEW**

The process began with the 2001 Quadrennial Defense Review (QDR), which reflected the Department’s view that real changes in U.S. defense strategy were needed. The QDR provided a roadmap for the President and Congress to chart a new course for the transformation of America’s military in the years ahead.
In testimony before the Senate Committee on Armed Services on June 21, 2001, Secretary Rumsfeld said, “The world is changing. Unless we change, we will find ourselves facing new and daunting threats we did not expect and will be unprepared to meet.” Like Governor Bush in 1999, little did he know how prescient his words would prove to be.

The Department’s military and civilian leadership believed that the new strategic environment called for a new approach, one that focused more on emerging capabilities rather than specific conflict scenarios. While it is difficult to know precisely who will threaten us, or when and where those threats will materialize, they reasoned, it is possible to anticipate how we will be threatened.

Threats to America’s security then included terrorist attacks on our citizens and society; advanced conventional weapons that could deny U.S. access to distant bases or theaters of operation; missiles and other weapons of mass destruction that could hold populations hostage to blackmail or intimidation; and advanced technologies that could disrupt critical computer-based information networks.

Moreover, the threats were increasing – to include weapons of mass destruction; the threats were evolving – nations were arming themselves with advanced technology systems and integrated capabilities clearly designed to counter current military capabilities; and, if carried out, the threats would be executed within shorter-than-normal time frames because success would depend on achieving objectives before the U.S. or its allies could react.

Countering such threats would require a force capable of defeating an adversary quickly and decisively, and making uncertainty the centerpiece of U.S. defense planning.

A new defense strategy was developed that combined “threat-based planning” to address short-term dangers with “capabilities-based planning” to ensure that our forces are prepared for any longer-term threats that might develop.
Under this approach, a portfolio of U.S. military capabilities would be selected, developed, and sustained to help the U.S. prevail against current threats, to dissuade potential adversaries from developing dangerous new capabilities, and to help the Department accomplish four primary defense policy goals:

1) The ability to respond to unexpected dangers and emerging threats to ourselves or our allies;

2) The ability to dissuade potential adversaries from developing or deploying hostile capabilities;

3) The ability to deter hostile acts or counter coercion; and

4) Should deterrence fail, the ability to defend the United States, our forces and friends, and defeat any adversary on our own terms.

Externally, the Secretary and Department officials, including military leaders, spent months consulting with U.S. friends and allies about how best to move beyond the Cold War and prepare together for the threats all will face in the century ahead.

Within the Department of Defense, an unprecedented process of study and review was initiated to determine how our Armed Forces might best be arranged to meet the threats of the 21st century.

**New Force-Sizing Construct**

Among the new directions set in the QDR, four were perhaps the most important:

**First,** the Department decided to move away from the two Major Theater War (MTW) force-planning construct which called for maintaining forces capable of marching on and occupying the capitals of two regional adversaries, nearly simultaneously, and changing their regimes.

At the end of the Cold War, the MTW approach was an innovation that served as the basis for sizing the military. It provided a guidepost for shaping and resizing the force from one oriented toward global war with one superpower adversary to a smaller force based on regional contingencies. The primary problem with the two-war approach was that it focused military planners on near-term threats to the detriment of preparing for the threats of the future. The dangers of the new century would likely be quite different from those of the last.
The new approach emphasized deterrence in four critical theaters, backed by the ability to swiftly defeat two aggressors in the same timeframe, while preserving the option for one major operation to occupy an aggressor’s capital and replace the regime. It also called for the ability to execute several lesser contingencies. With this adjustment, U.S. defense planners gain increased flexibility in planning for a wider array of contingencies, and greater flexibility in investing for the future.

**New Way of Balancing Risk**

**Second**, senior military and civilian leaders agreed that a new framework for assessing risk was needed – one that addressed not just near-term warfighting risks, but other types of risk as well.

Four specific categories of risk were identified: Force management risks, which pertain to the ways in which we sustain our personnel, equipment and infrastructure; operational risks, which concern the ability of U.S. forces to accomplish the missions called for in near-term military plans; future challenges risks, which address the investments and changes needed today to permit us to meet the military challenges of the mid- to more-distant future; and institutional risk, which involves inefficient processes and excessive support requirements that hinder the ability to use resources efficiently.

A new approach was adopted that avoided extreme solutions that would lower risks in some areas while unknowingly raising other risks to unacceptable levels, and instead balanced the various risks in all of these categories.

**New Approach to Force Planning**

**Third**, to contend with a world of surprise and uncertainty, the Department shifted its planning from the “threat-based” model that guided DoD thinking in the past to a “capabilities-based” model for the future.

Under the threat-based model, planners would look at a threat posed, for example, by North Korea or Iraq or the former Soviet Union, and fashion a force to fit it. Under a capabilities-based model, planners would examine the capabilities that exist to threaten the United States, such as chemical, biological, nuclear, or cyber space capabilities, and fashion a response to contend with those capabilities regardless of where they might originate.
SIX TRANSFORMATIONAL GOALS

Fourth, to support a capabilities-based approach to force planning, the Department worked to focus transformation efforts by defining goals. Historically, successful cases of transformation have occurred in the face of compelling strategic and operational challenges. The questions to be asked and answered were: What are the challenges of the 21st century, and what is the best way to meet them?

Departmental leaders stressed that transformation is not an event, but a process. It involves a mindset, an attitude, a culture – new ways of thinking, new ways of operating, and new ways of doing business. Without doubt, all of those would be needed to transform any bureaucracy, but particularly one as large and complex as the Department of Defense.

Setting specific transformation goals helped focus the Department’s transformation efforts from investments to experimentation and concept development.

The six transformational goals identified in the QDR were:

1) To defend the U.S. homeland and other bases of operations, and defeat nuclear, biological and chemical weapons and their means of delivery;

2) To deny enemies sanctuary;

3) To project and sustain forces in distant theaters in the face of access denial threats;

4) To conduct effective operations in space;

5) To conduct effective information operations; and

6) To leverage information technology to give our joint forces a common operational picture.
In addition, a new Office of Force Transformation (OFT) was created within the Department of Defense to assist the Secretary in the development of DoD’s force transformation strategies in preparing the future military, dissuading competitive entry by adversaries, and leveraging emerging technologies. OFT will also provide independent assessments on the development of operational concepts, transformation implementation strategies, and risk management strategies.

The six transformational goals guided and informed the U.S. military’s effort to transform the force and improve joint capabilities.

Deputy Secretary of Defense Paul Wolfowitz thanks U.S. Marines for providing humanitarian relief in Galle, Sri Lanka.

Chairman of the Joint Chiefs of Staff Gen. Richard B. Myers responds to questions at a Town Hall Meeting at the Pentagon.

Vice Chairman of the Joint Chiefs of Staff Gen. Peter Pace provides reporters with an operational update on Iraq.
In a speech to military and civilian employees of the Department of Defense, Secretary Donald Rumsfeld spoke of the need to build a better Department of Defense.

“Just as we must transform America’s military capability to meet changing threats,” he said, “we must transform the way the Department works, and what it works on … This is not just about money or waste,” Rumsfeld said, “but our responsibility to the men and women in uniform who put their lives at risk to defend our freedom.

“Waste drains resources from training and tanks,” he said, “from infrastructure and intelligence, from helicopters and housing. Outdated systems crush ideas that could save a life. Redundant processes prevent us from adapting to evolving threats with the speed and agility that today’s world demands. Above all, the shift from the bureaucracy to the battlefield is a matter of national security. In this period of limited funds, we need every nickel, every good idea, every innovation, every effort to help modernize and transform the U.S. military.”
What is remarkable is that those remarks were delivered, not on September 12, 2001, but on September 10, one day before the attacks on America that would change forever the way we view, think about, and prepare for war.

The speech was important for other reasons as well. In a Department long-criticized for $300 hammers and worse, the Secretary was not just calling for change but demanding it—and not just budgetary change, but sweeping change, of the Department’s mindset, attitude and culture.

“Today an adversary poses a threat, a serious threat, to the security of the United States of America,” he said. “This adversary is one of the world’s last bastions of central planning. It governs by dictating five-year plans. From a single capital, it attempts to impose its demands across time zones, continents, oceans and beyond. With brutal consistency, it stifles free thought and crushes new ideas. It disrupts the defense of the United States and places the lives of men and women in uniform at risk.

“Our foes are more subtle and implacable today. You may think I am describing one of the last decrepit dictators of the world. But their day, too, is almost past, and they cannot match the strength and size of this adversary.

“This adversary is closer to home. It is the Pentagon bureaucracy. Not the people, but the processes. Not the civilians, but the systems. Not the men and women in uniform, but the uniformity of thought and action that we too often impose on them.

“Money,” Rumsfeld said, “disappears into duplicative duties and bloated bureaucracy—not because of greed, but gridlock. Innovation is stifled—not by ill intent, but by institutional inertia … We must build a Department where dedicated people can apply their immense talents to defend America, where they have the resources, information and freedom to perform.”

The Department moved to develop modern business practices within the behemoth Pentagon bureaucracy. Over the decades, DoD’s business processes and regulations seemed geared more toward preventing mistakes and discouraging risk than promoting efficiency and rewarding innovation. But, as Rumsfeld pointed out, “Risk aversion is not America’s ethic. Those who fear danger,” he said, “do not volunteer to storm beaches and take hills, sail the seas, or conquer the skies.” Rumsfeld wanted to free Pentagon employees to take some of the same thoughtful, reasoned risks in the bureaucracy that the men and women in uniform do in battle.

“One thing is clear,” he said. “We cannot run the military of the future with an organization that is anchored to the past. To meet the threats and challenges of the 21st century, the Department must be as agile, flexible, and adaptable as the forces it fields in battle around the world.”
The Secretary established a Senior Executive Council to oversee a virtual revolution in management, technology and business practices – one that rewards innovation, shares information and, most importantly, shifts both the Pentagon’s focus and resources from the bureaucracy to the battlefield.

**REDUCING WASTE AND IMPROVING OPERATIONAL EFFICIENCY**

One of the first tasks was to attack redundancy and unnecessary waste. Some 31 of the 72 acquisition-related advisory boards were eliminated, and other changes were made as well. For example, the Departments of the Army, the Air Force and the Navy all operated separate but parallel staffs for their civilian and uniformed chiefs who generally worked the same issues and performed the same functions. To slash duplication and encourage cooperation, the Secretaries of the Army and Air Force announced plans to realign their Departments to support information-sharing and speedy decision making, as well as to integrate Reserve and Guard headquarters into Department headquarters. The Secretary of the Navy also initiated a broad agenda of change.

However, the Department of Defense had many layers of redundant bureaucracy. Dozens of offices of general counsel were scattered throughout the Department, one for each Service and agency, as well as one for each of the Joint Chiefs of Staff. In fact there were so many general counsel offices that there was actually another general counsel office whose only job was to coordinate all the others.

The same was true of a variety of other departmental functions from public affairs to legislative affairs to health care. Each branch of Service had its own surgeon general and medical operation. Indeed, at the Department level, four different agencies claimed some degree of control over the delivery of military health care.

The Department began to consolidate health care delivery under the TRICARE management system. A process was initiated to reform the procurement of care from the private sector. Both the Military Departments and the Office of the Under Secretary of Defense for Personnel and Readiness were directed to complete a revamping of the military health system by Fiscal Year 2003.

DoD also had three exchange systems and a separate commissary system, all providing similar goods and services. According to estimates by the Congressional Budget Office, consolidating these entities could save the Department some $300 million.

The Department moved promptly to explore the use of various tools, like consolidation and contracting, to eliminate duplication and ensure the very best services for our uniformed personnel and their families. The staffs of the various headquarters were reduced by at least 15 percent from what they were in 1999.

But reforming DoD’s internal functions was just the beginning. To be truly successful in transforming the bureaucracy, the Pentagon’s external practices must be transformed as well.
The Senior Executive Council was instructed to scour the Department for functions that could be performed better and less expensively through commercial outsourcing. For instance, the Department of Defense is one of the last organizations in operation that still cuts its own checks. In the world outside DoD, an entire industry exists to run warehouses efficiently, yet the Department still owns and operates many of its own. At bases around the world, the military still picks up its own garbage and mops its own floors, rather than contracting out those services.

The same was true of computer services. While a virtual revolution in technology had swept across corporate America and transformed organizations throughout the private sector, the Department of Defense was still, as they say, tangled in its own anchor chain. Its financial systems were decades old. According to some estimates, it could not track over $2 trillion in transactions, or share information from floor to floor because it was stored on dozens of technological systems that were inaccessible or incompatible. Costly and outdated systems, procedures and programs stifled innovation and prevented change. Often, a new idea had to survive a gauntlet of some 17 levels of bureaucracy to make it from a line officer to the Secretary’s desk.

The Department committed over $300 million for financial modernization, and established a Defense Business Board to tap outside expertise to improve the Department’s business practices.

It invested $85 million in public-private partnerships for military housing, looked at privatizing utility services to military installations, tightened the requirements for other government agencies to reimburse the Department for personnel detailed to the Pentagon, and ordered a review to determine whether to suspend assignments where detailees were not fully reimbursed.

**REDUCING EXCESS BASE CAPACITY AND OVERHEAD**

Next on the agenda was developing the analysis and process to begin reducing unneeded infrastructure and the resulting overhead.

Fully half the Department of Defense’s resources go to infrastructure and overhead. Despite Base Closure Commission reviews completed 10 years ago, the Department maintained an estimated 20 to 25 percent more base infrastructure capacity than it needed to support U.S. military forces, a waste to taxpayers of about $3 billion to $4 billion annually.

A comprehensive review of all DoD installations was ordered to enable the U.S. military to match facilities to forces, to meet the threats and challenges of a new century, and to ensure the wisest possible use of limited defense dollars. The result was the Efficient Facilities Initiative (EFI).
The EFI focused on reducing excess infrastructure and restructuring installations to support the force of the future rather than the force of the past. It ensured that military value, not political or other considerations, would be the guiding determination behind base closures and realignments. It facilitated multi-Service missions by creating joint organization and basing solutions that not only reduce waste but maximize military effectiveness. And it is working within existing authorities to harness the strength and creativity of the private sector in ways that will allow the Service Secretaries and local communities to become partners in the ownership, operation or maintenance of military installations.

As a result of the EFI effort, the Department also sought and obtained from Congress the authority to conduct a Base Realignment and Closure round in 2005. Detailed processes were developed to ensure an objective review and a comprehensive, joint analysis of common, business-oriented functions.

Savings from base closures and realignments over the five-year life of the plan would be retained by the military Services and used to support higher priority programs that enhance modernization, readiness, and quality of life improvements for America's Armed Forces.

**BOLD DECISIONS ON PROGRAMS AND SYSTEMS**

To further maximize efficiency and effectiveness, bold decisions were taken on existing programs and systems. Cold War systems such as the Army's Crusader weapon system and Comanche helicopter, the Air Force's Raptor F/A-22 aircraft, and the Navy's total ship strength were cancelled or significantly modified to more accurately reflect the new realities of warfare.

Important programs currently being advanced include the Army's reorganization into modular Brigade Combat Teams and the addition of new lighter, faster Stryker Brigades; the Army and the Air Force's use of unmanned vehicles for surveillance, combat operations and laser communications, and new satellites for advanced command and control; and the Navy's production of Littoral Combat Ships, Battlespace Dominant Land Attack Destroyer, the conversion of Trident Ballistic Missile Submarines to cruise missile-shooting warships, and the initiation of the Sea Swap crewing concept, in which, rather than both crews and ships returning regularly for rotation, the ship remains on station and only the crew is rotated.

All reflect the need to field forces that are lethal, agile, and flexible for both the Global War on Terror and potentially larger levels of combat operations that may emerge.
PLANNING, PROGRAMMING AND BUDGETING

To increase its ability to respond quickly to changing threats, in 2001 the Department of Defense began the process of overhauling the Pentagon’s 40-year-old Planning, Programming, and Budgeting System (PPBS). The PPBS is the annual process of forecasting threats for the next several years, matching those threats to programs, and programs to budgets.

A relic of the Cold War era when it was actually possible to forecast specific threats because we knew who would be threatening us for the next several decades, the PPBS was also one of the last vestiges of central planning on Earth. To bring planning into the 21st century, the Department’s senior leaders combined the programming and budgeting phases of the process to reduce duplicative work and speed decision making.

REALISTIC BUDGETING ESTIMATES

The Department insisted on realistic budgeting, especially for acquisition programs and readiness requirements. Simply put, that means that, unlike past practices, emergency supplemental funding would be used not only to sustain readiness, but to pay for the unknown costs of fighting wars.

It also means properly funding investment programs – based on independent cost estimates. This practice protects future readiness as well as readiness in the near-term, because training and operations funds are no longer simply a bill-payer for underfunded investment programs, as they were throughout most of the last decade.

TECHNOLOGY AND INNOVATION

Nevertheless, harnessing the expertise of the private sector is about more than budgets and practices. Once an engine of technological innovation, by the beginning of the 21st century, the Pentagon was overtaken by the private sector in many areas. Bureaucratic inertia not only made it difficult for the Pentagon to keep up, but also for others to do business with the Department. Indeed, DoD processes and regulations had become so burdensome that many businesses simply decided not to do business with the Department at all.

To keep pace with this rapid change in technology, the Department devised an evolutional approach to acquisition in 2001.

Evolutionary Acquisition responds to the need to rapidly provide capability to the warfighter because it delivers capability in increments, recognizing up front the need for future capability improvements. The objective is to balance needs and available capability with resources, thus putting capability into the hands of the user quickly.

The new approach makes the most of the latest technology, and encourages laboratories to immediately address requirements from the front lines. For example,
the Army utilized small business to field robots capable of searching caves to look for enemy fighters and detonating Improvised Explosive Devices before they could take the lives of our forces on the ground. The Marines fielded Unmanned Aerial Vehicles (UAV) to support tactical operations, and the Air Force fielded UAVs such as Global Hawk and the feared Predator for theater and strategic reconnaissance and strike.

As a result of this new approach to rapidly fielding technology, the Department saw a resurgence in government, laboratory, and industry cooperation.

In addition, the Department moved swiftly to transform how we protect key military technologies without impeding private-sector innovation and market expansion. We overhauled our input to the U.S. export licensing system, focusing on critical enablers for our warfighters, such as advanced night vision gear. Regulatory expertise was oriented toward key national priorities such as the Joint Strike Fighter and the Future Combat Systems.

At the same time the Department streamlined its approach to less-critical exports, radically decreasing the number of conditions imposed on U.S. exporters and increasing the speed of license approvals from 42 days in 1998 to an average of 22 days today.

Also in 2001, the Department stood up the Combating Terrorism Technology Task Force (CTTTF) to identify, assess, develop, test and field selected technologies targeted to specific warfighter capability shortfalls that were mission-critical. For example, in the case of the Thermobaric Weapon, the CTTTF took technology from basic chemistry to the battlefield in 90 days. It filled immediate needs, acted as a bridge to longer-term projects, and spiraled off promising technologies as soon as they became available.

For major systems, a move was made to open systems architectures, which allowed a 12- to 128-month technology cycle. The success of this effort can be seen in the next generation aircraft, such as the V-22 Osprey helicopter and the F-22 Raptor fighter jet. Open systems architecture is also the power behind the Navy’s move to the Littoral Combat Ship, and the Army’s move to their Future Combat Systems.

**NATIONAL SECURITY PERSONNEL SYSTEM**

Personnel was another area that required significant modernization. While U.S. forces operate in the fast-paced world of high-tech weaponry and precision-guided munitions, the men and women who supported them at home still had to slog through red tape and regulations that, in some cases, were decades old.

In 2003, it took, on average, five months to hire a federal employee, 18 months to fire one for cause, and collective bargaining with more than 1,300 separate local unions to implement critically needed reforms – negotiations that, at best, took months and, at worst, years to accomplish.
While the Nation was asking tens of thousands of Reserve personnel to leave their jobs and their families to fight the Global War on Terror, on-duty military personnel were serving in more than 300,000 jobs – at an additional cost to the taxpayers – that could be filled by civilian workers but weren’t because the Department was limited by law in how it could manage its civilian personnel.

During Operation Iraqi Freedom, fully 83 percent of civilians deployed in the theater of operations were contractors. Why? Because a complex web of regulations prevented DoD from moving civilians to new tasks quickly. As a result, managers turned to the military or to contractors to accomplish the mission.

The same situation applied to the hiring of new workers. While industry executives could offer promising applicants a job and a bonus on the spot, all the Department of Defense could offer was a ream of paperwork and a promise to get back to them in three to five months.

In an era when our enemies are moving at the speed of satellites, cell phones, and cyberspace, this was simply not acceptable. The military of the future could not be run with an organization anchored to the past. To meet the threats and challenges of the 21st century, DoD must be as agile, flexible, and adaptable as the forces it fields in battle around the world.

To provide the Department with the kind of agility and flexibility it needed, new legislation, the Defense Transformation Act, was enacted by Congress that allows the Department of Defense to design a 21st-century human resources management system.

Through application of the new legislation, tens of thousands of office jobs held by uniformed military personnel are now being considered for conversion to civilian positions, returning needed military billets to the warfighting force.

Rather than a system burdened by excessive red tape, lengthy hiring processes that discourage government service, and a clear lack of standards for performance and advancement, the new National Security Personnel System reduces red tape, provides the hiring flexibility necessary to attract the best candidates quickly and competitively, and offers all employees a performance-based promotion system that rewards excellence rather than longevity.

Instead of a bargaining process that required negotiations with over 1,300 separate local unions, the new system works with a half-dozen or more national unions, which will retain and protect all the rights of union workers but through a more rational and reasonable process that does not take years to navigate.
The new system protects and ensures the fundamental rights of all civilian employees, provides improved opportunities for advancement, and makes DoD more competitive with the private sector.

**CAPABILITIES-BASED REQUIREMENTS AND ACQUISITION**

To ensure that all of America's fighting forces are able to meet the full range of military challenges in the future, the Department streamlined its requirements and processes to focus on the acquisition, development and fielding of the right capabilities in the shortest time possible. Redesigned requirements focused on the need for capabilities that will work in a joint warfighting environment, assessing all existing and proposed capabilities in light of their contribution to future warfighting concepts.

Acquisition policies were rewritten to align them with the new process, and reduced from over 200 pages to a streamlined 34. All were concentrated on Capabilities-Based Acquisition.

Acquisition roadmaps were also prepared to speed executive review of entire areas of capability, allowing a clear view of the relationships between systems and ensuring that the emphasis on jointness and netcentricity is maintained.

One outgrowth of this effort was the use of Battlefield Contracting, which allowed commanders and the Coalition Provisional Authority to work directly with contractors who were with them in the field, rather than having to go through staff back in the States. It also streamlined the more than 1,800 systems used to run finance and accounting operations. Errors were reduced to tenths of a percent, and savings from penalties alone paid for the system. In addition, a contract closure backlog was reduced, which dramatically freed up current dollars to support the warfighter.

None of these problems could have been addressed without the legislative relief provided by the Defense Transformation Act. The law helped bring not just our forces, but also the entire Department into the 21st century. We are especially grateful for the relief it provided regarding environmental regulations that were impeding the military's ability to realistically train its forces, threatening not only their readiness, but also their lives on the battlefield.

All of these changes were a vast departure from business-as-usual in the Pentagon. However, it was not until September 11, 2001, that the Department of Defense recognized how critically important all its efforts to transform the military and the bureaucracy would prove to be.
September 11 and The Global War on Terror
Highlighting Speed, Agility, Precision, and Lethality

“We have a choice, either to change the way we live, which is unacceptable, or to change the way they live. We have chosen the latter. We intend to put them on the defensive, to disrupt terrorist networks and remove their sanctuaries and their support systems. This requires a distinctly different approach from any war we have fought before.”

Secretary of Defense Donald H. Rumsfeld
DoD Press Briefing, September 18, 2001

In 1999, George W. Bush recognized the dangers of the new age, an age of “terror and missiles and madmen,” and pledged to prepare for it. In 2001, he appointed Donald H. Rumsfeld Secretary of Defense and, immediately upon assuming office, Secretary Rumsfeld began the process of carrying out the President’s vision and readying the military and the Department for whatever the future might hold. Neither man had any idea that the validation of their approach, in the form of September 11 and the Global War on Terror that followed, would come so soon.

On September 11, 2001, American Airlines flight number 77 flew at full throttle into the western wall of the Pentagon. Fifty-nine passengers, five terrorists, and 125 Pentagon employees perished in the attack. Another 63 people were injured, among them several school children visiting the Pentagon on a National Geographic field trip.

Less than an hour earlier, two civilian airliners had crashed into the twin towers of the World Trade Center in New York. A fourth airplane, bound for Washington, was brought down by passengers in a field in Pennsylvania. Nearly 3,000 innocent civilians, and hundreds of first responders working feverishly to save them, perished in the attacks and its aftermath. Not all of them were Americans. Indeed, the citizens of 80 other nations died alongside our own. Among them were dozens of Pakistanis, more than 130 Israelis, over 250 citizens of India, hundreds from Great Britain, and men and women from El Salvador, Iran, Mexico and Japan.
The events of September 11, 2001 were the first attacks on our country since the Japanese bombed Pearl Harbor on December 7, 1941. Like Pearl Harbor, two simple words, “September 11,” would forever be enough to conjure up the full force of events that marked the beginning of a new global struggle, and a new chapter in world history.

September 11 demonstrated, perhaps more vividly than any other single event, the extent to which the world had changed in recent years. Gone are the days when wars take months to launch and years to prosecute. Today, America’s enemies operate not at the speed of armies and navies moving across a battlespace, but at the speed of information moving across cyberspace, cell phones and satellites – making this new era quite possibly the most dangerous America has ever faced.

To be sure, terrorism is not a new phenomenon. However, the nature of the terrorist threat has changed dramatically over time – from regional groups to networks with global reach; from states that covertly supported terrorism to countries and governments that openly harbored and protected them. Add to that mix the growing proliferation of weapons of mass destruction and the determination of both terrorist groups and terrorist regimes to acquire or develop them, coupled with their complete disregard for the taking of innocent human life, and you have a threat of immense, and growing, proportions.

The choice America faced after September 11, as Secretary Rumsfeld so accurately phrased it, was “either to change the way we live, which is unacceptable, or to change the way they live.” He said.

The terrorists responsible for September 11 belonged to a network known as al Qaeda, which means “the base.” Led by a Saudi national named Osama bin Laden, al Qaeda made its home in Afghanistan, a country ruled by Muslim fundamentalist leaders known collectively as the Taliban.

In Afghanistan, bin Laden was the Taliban’s friend and honored guest. In return for its hospitality, bin Laden funneled millions of dollars to the corrupt Taliban regime, made Afghanistan the nerve center of his global terror network, and used the country to train a new generation of extremists in the ideology of terror and hate.

Protected by his safe haven in Afghanistan, bin Laden spread terror around the world, attacking U.S., Western, and other interests, as well as Muslim governments it viewed as corrupt.
Among the many attacks linked to *al Qaeda* from 1993 to the present day were the August 1998 bombings of U.S. embassies in Kenya and Tanzania and the October 2000 attack on the USS Cole as it refueled in a port in Yemen.

In an address to a Joint Session of Congress on September 20, President Bush held *al Qaeda* directly responsible for the September 11 attacks and, among other things, demanded that the Taliban either hand over the leaders of *al Qaeda* or share their fate. Not surprisingly, the Taliban failed to meet the President’s demands.

On October 7, 2001, just 26 days after the attacks on Washington and New York, U.S. warplanes screamed across the mountainous terrain of a country half a world away, pounding the training camps of *al Qaeda* and the military installations of the Taliban regime. This time, bin Laden’s attacks did not go unanswered. The “sleeping giant” feared by Japanese Admiral Yamamoto in 1941 had once again been awakened. America struck back.

**OPERATION ENDURING FREEDOM**

Operation Enduring Freedom (OEF) was the opening round of the first war of the 21st century, the Global War on Terror. It was also the proving ground for transformation in all of its forms.

Before September 11, the Department of Defense had developed a new defense strategy and a new force structure centered around key transformational goals: to protect the homeland and our bases overseas; to project and sustain power in distant theaters; to deny enemies sanctuary, making sure that no corner of the world was remote enough, no mountain high enough, no bunker deep enough to protect them from our reach; to protect our information networks from attack; to use technology to link up different kinds of forces to fight jointly; and to maintain and protect our space capabilities.

Our experience in Afghanistan reinforced the importance of moving the U.S. defense posture in all of these directions.

In Operation Enduring Freedom we employed rapidly deployable, integrated forces, capable of reaching distant theaters quickly and striking our adversaries swiftly and successfully with devastating effect. And that they did.
On October 7, the Taliban controlled more than 80 percent of Afghanistan and al Qaeda was entrenched in safe havens throughout the country. Mere days later, al Qaeda had lost much of its power and leadership, and was already on the run. By October 20, U.S. and Coalition forces had destroyed the Taliban's air defenses, and U.S. Special Forces, working with indigenous forces, had engaged the enemy on multiple fronts. One month after military operations began, the provincial capital of Mazar-e-Sharif fell, followed in rapid succession by the cities of Herat, Kabul, and Jalalabad.

By mid-December, U.S. Marines had secured Kandahar airport, and the capital was in Coalition hands. Within weeks the Taliban and al Qaeda had been reduced to isolated pockets of resistance. By December 22, 78 days after combat operations began, an interim Afghan government, with a new interim president, Hamid Karzai, had been installed in Kabul.

Operation Enduring Freedom was a validation of the President’s vision and the Department’s transformational approach. It is also the story of the remarkable courage, tenacity, and ingenuity of America’s Armed Forces. In particular, U.S. Special Operations Forces were engaged as never before.

From the moment U.S. Special Forces landed in Afghanistan, they began adapting to circumstances on the ground. They sported beards and traditional scarves, and rode horses trained to run into machine gun fire, atop saddles fashioned from wood, with saddlebags crafted from Afghan carpets. They used pack-mules to transport equipment across some of the roughest terrain in the world, riding at night, in full darkness, near minefields and along narrow mountain trails with drops so sheer that, as one soldier put it, “it took me a week to ease the death-grip on my horse.”

As they linked up and trained with anti-Taliban forces, they learned from their new allies about the realities of war on Afghan soil, and taught them about U.S. weapons, tactics, training and know-how. Together, they planned the assault on the strategically important city of Mazar-e-Sharif, a Taliban stronghold and a key point for the movement of aid and materiel along the corridor between Afghanistan and Uzbekistan.

On the appointed day, one of their teams slipped in behind enemy lines, readying for the moment when they would call in U.S. air strikes. The bomb blasts would be the signal for the others to charge. When the moment came, they signaled their targets to
Coalition aircraft, and looked at their watches. “Two minutes.” “Thirty seconds.” “Fifteen seconds.” Then, out of nowhere, a hail of precision-guided bombs began to land on Taliban and *al-Qaeda* positions.

The explosions were deafening, and the timing so precise that, as the soldiers described it, hundreds of horsemen emerged, literally, out of the smoke, riding down on the enemy through clouds of dust and flying shrapnel. A few carried RPGs, some had less than ten rounds of ammunition in their guns, but they rode boldly, Americans and Afghans together, into tank, mortar, artillery and sniper fire. It was the first cavalry charge of the 21st century.

After the battle, one U.S. soldier related how an Afghan fighter motioned for him to come over and began to pull up the leg of his pants. “I thought he was going to show me a wound,” the soldier said. Instead, the fighter showed him a prosthetic limb. He had ridden into battle with only one good leg.

What won the battle for Mazar, and set in motion the Taliban’s fall from power, was a combination of the ingenuity of U.S. Special Forces, the most advanced, precision-guided munitions in the U.S. arsenal, delivered by U.S. Navy, Air Force and Marine Corps crews, and the courage of valiant Afghan fighters on horseback.

That day, on the plains of Afghanistan, the 19th century met the 21st century. So did theory and reality, and the U.S. military would never be the same.

The battle of Mazar demonstrated dramatically – and precisely – what transformation is about. Like the German blitzkrieg in World War II in which small, highly mobile shock forces, supported by air power, pulled off lightning strikes against the enemy, the battle of Mazar demonstrated that a revolution in military affairs is about more than high-tech weapons alone. It is about new ways of thinking and new ways of fighting.

In the battle for Mazar-e-Sharif, Coalition forces took existing military capabilities from the most advanced (laser-guided weapons), to the antique (40-year-old B-52s updated with modern electronics), to the most rudimentary (a man on a horse with a weapon), and used them together in unprecedented ways, demolishing not just enemy positions but enemy morale.
The lesson to be learned from the Afghan experience was not that the Army should begin stockpiling saddles, but rather that preparing for the future requires us to think differently, and to develop the kinds of forces and capabilities that can adapt quickly to new challenges and unexpected circumstances.

Also unlike wars of the past, humanitarian assistance to the Afghan people started on Day One of the war, with 37,000 humanitarian daily rations airdropped while attacks were still underway. By the one-year anniversary of Operation Enduring Freedom, more than 575,000 metric tons of food had already been delivered to the Afghan people; 1.7 million refugees had returned to their homes; schools, hospitals and roads had been rebuilt; civil authority was established under a transitional Afghan government; and a new fledgling democracy, in a land that had never known anything but chaos and war, was on the rise.

Many doubted – and still do – that democracy can take root in a land like Afghanistan, yet on October 9, 2004, the Afghan people, for the first time in the 5,000-year-old history of their country, held elections to choose a President.

**Accomplishments in Afghanistan**

During Operation Enduring Freedom, U.S. and Coalition forces amassed a remarkable record of achievements, not the least of which was the fact that, because Afghanistan is a land-locked country, all of the positioning of forces and supplies had to be accomplished by air. That this was done so swiftly and efficiently is a remarkable tribute to U.S. Transportation Command.

Also unprecedented were the combat fighter missions, the longest in U.S. history. B-2 bomber pilots from Whiteman Air Force Base in Missouri flew sorties lasting more than 40 hours, across oceans and continents, to deliver American justice from the skies above Afghanistan. On September 11, *al Qaeda* terrorists thought they could strike fear in the
American heartland. In an ironic twist, however, through the B-2s, the American heartland struck back. Even more apropos is the fact that Whiteman Air Force Base was named for Lt. George A. Whiteman, a U.S. flier who was shot down while defending Pearl Harbor on December 7, 1941.

Another achievement was the extensive use of unmanned aerial vehicles, which permit around-the-clock surveillance of critical sites, facilities, and enemy force concentrations. Some are even capable of firing on enemy forces. There are several types of UAVs in existence today, and more under development. The Predator, which was first used exclusively for reconnaissance missions, can remain airborne over a particular area for more than 24 hours.

UAVs keep people out of harm’s way and offer a variety of capabilities, including delivering ordnance with pinpoint accuracy in combat zones deemed too “hot” for manned aircraft. In the Global War on Terror, Predators flew combat missions packing Hellfire missiles.

Even unarmed, Predators can provide a camera and a radio to “talk” to other aircraft in the area, or designate targets for pilots of conventional warplanes. They provide eyes in the sky for extended periods and beam real-time images to the ground, providing the constant surveillance necessary to prevent the enemy from amassing forces or assets.

Global Hawk, another type of UAV, is a super-sophisticated, high-altitude Air Force system for long-term surveillance. It employs a high resolution day and night camera, all-weather imaging radar, and an advanced signals collection capability that allows no place for the enemy to run or hide. During Operation Iraqi Freedom, Global Hawk was able – even during sandstorms – to accurately track Iraqi armor movements and provide real-time targeting support to GPS-guided weapons. In a matter of a few hours the pride of the Iraqi army was destroyed without them even knowing who or what hit them.

At the other end of the spectrum, the Marine’s small Dragon Eye UAV system gives squad- or company-level leaders a snapshot of their operating area, then breaks down into pieces that fit in a backpack. The Army’s Raven is a similarly small, hand-held system that provides real-time, over-the-horizon views of trouble spots. The Raven packs into a transit case that fits neatly into the back of a Humvee. Over 400 Ravens are currently supporting combat operations in the Global War on Terror.
One of the most successful of the tactical UAVs, the Army Shadow, is incredibly mobile. It also fits neatly into a Humvee, and can be ready to launch in under one hour. It needs no paved runway and lands automatically. Supporting both day and night operations, the Shadow’s high resolution video can pin-point targets as small as an individual terrorist, and detect hand-held weapons or Improvised Explosive Devices.

Even older UAV systems can find new missions. The Army’s Hunter UAV, a cancelled program from the mid 1990s, has been improved with a new wing, new engines, and a unique vertical attack munition that makes it ideally suited for urban warfare operations.

While different systems are more readily adaptable to different missions, it is the integration of all these capabilities that make UAVs so advantageous. UAVs can do what humans cannot, or should not have to, do. They can operate at long ranges. They do not tire or lose concentration, especially in dangerous or high-stress environments, and they are less expensive to operate than manned platforms. Most importantly, they allow the military to conduct risky missions without risking human lives.

Most impressive of all was the Operation itself and the speed with which it was conducted.

At a press briefing announcing the commencement of Operation Enduring Freedom, Secretary Rumsfeld and Chairman of the Joint Chiefs of Staff Gen. Richard B. Myers clearly stated the Operation’s goals:

■ Convince the Taliban that harboring terrorists is unacceptable and carries a price;
■ Acquire intelligence to facilitate operations against al Qaeda and the Taliban;
■ Develop relationships with Afghan groups that oppose the Taliban and the terrorists they support;
■ Make it difficult for terrorists to use Afghanistan as a base of operations;
■ Alter the military balance in favor of opposing forces; and
■ Provide humanitarian relief to Afghan citizens suffering under the Taliban regime.

All of those goals were accomplished and much more.
On October 7, 2001, the forces of freedom took a stand against the evil of terrorism. It was the opening round in the Global War on Terror and the commencement of Operation Enduring Freedom. But October 7 marked a commencement of another kind — the beginning of Afghanistan's recovery and rejuvenation after years of brutality by an oppressive regime.

Three years ago, Afghanistan was a theocratic police state that banned freedom of expression and worship, treated women inhumanely, and used soccer stadiums to publicly torture and execute any who dared oppose the country’s ruling party, the Taliban. While the Taliban and al Qaeda lived well, average Afghans faced repression and poverty. Hundreds of thousands were in danger of imminent starvation. Another 3.5 million Afghans lived in refugee camps outside the country, and more than 1.3 million were internally displaced.

In Afghanistan, the education of girls over 8 years old was banned, women teachers were prohibited, and Kabul University was closed. Women doctors were not allowed, and men were not allowed to treat women. Freedom of religion was severely restricted, as was the personal freedom to shave, publish, dance, fly a kite, or listen to music. Violation of any of those restrictions would result in austere punishment.

In an effort to escape that brutality and oppression, Afghans by the hundreds of thousands fled the country.

Today, thanks to U.S. and Coalition forces, 25 million Afghans have been freed from tyranny, more than three-quarters of al Qaeda’s key members and associates have been detained or killed, and Afghanistan is a rising democracy. After 23 years of war, five years of Taliban repression, and seven years of drought, the country is literally being rebuilt, politically and economically, from the bottom up.

After liberation, nearly 10 million people were fed and saved from starvation. Two million refugees and over 600,000 internally-displaced persons returned to their homes. More than 3 million children, including girls, returned to schools stocked with new textbooks, supplementary teaching materials and supplies, and 6,000 temporary classrooms. The university was reopened.
Religious freedom was restored; newspapers, radio and television reborn; and individual and political freedoms reestablished. Women doctors returned to work, male doctors are now free to treat women, and many medical professionals have returned from exile.

Also since the liberation of Afghanistan, its people have taken giant steps toward self-governance and self-reliance. Starting in the spring of 2002, interim Afghan President Hamid Karzai appointed 25 new provincial governors and helped energize their governments. By January 2004, with the whole world watching, the Afghan people had debated, discussed, and approved a new constitution that protects the rights of every Afghan citizen. The constitution balances power between a strong president, parliament and an independent judiciary, and is among the most enlightened in the Islamic world.

Topping the list of accomplishments in Afghanistan was the country’s successful voter registration drive and first-ever presidential election. More than 10 million Afghans registered to vote, over 40 percent of them women, and on October 9, 2004, more than 8 million did in fact vote – despite repeated threats of violence and intimidation by remaining Taliban operatives.

Afghanistan is making great strides in providing for its own security. One year after liberation, there were 24 battalions of a new Afghan National Army, trained by the United States, and more than 29,000 police officers, trained with the help of Germany. By the end of 2004, the Afghan National Army (ANA) had established a visible presence in four regions of the country, with regional command centers in the cities of Herat, Mazar-e-Sharif, Gardez, and Kandahar. Twenty-four of the scheduled 35 National Army Volunteer Centers were open and attracting recruits. More than 18,000 well-trained, well-led, disciplined soldiers were serving in 28 “kandaks” or brigades, with the pace expected to accelerate toward the goal of a trained and ready force of 70,000 soldiers by 2007.
As for the remnants of *al Qaeda* and the Taliban regime, Afghan and Coalition forces continue to conduct joint operations against pockets of remaining terrorists, following up immediately with focused reconstruction assistance in areas where terrorists have been rooted out. Terrorists and terrorist cells are being disrupted or destroyed, and the global efforts of law enforcement and intelligence agencies, in cooperation with some 90 countries, have resulted in the arrest of some 10,000 individuals, and approximately 1,500 enemy combatants under U.S. control.

To accelerate Afghanistan’s reconstruction, the United States has provided more than $4.5 billion for reconstruction. Another $1.6 billion will be provided in 2005.

That all of this has been accomplished in so short a time is remarkable, even more so because it has occurred in a country that, for decades, has known only tyranny, occupation, and war. Clearly, the Afghan people are seizing the opportunity to overcome their past and lay the foundations of freedom.

Unlike dictatorship, democracy can be difficult, especially in a country with more than a dozen ethnic groups, a variety of languages, and vast distances between city centers and provincial areas. Yet the Afghan people overcame the potential for failure by rejecting the past and embracing the future.

Already, Afghanistan has gone from being a haven for terrorists to a Coalition ally in the Global War on Terror. With the steadfast commitment of its leaders and citizens, freedom will continue to take root, and Afghanistan will become a model for liberty and moderation in the Muslim world.

**STRENGTHENING ALLIANCES AND COALITIONS**

Operation Enduring Freedom was a war that engaged all elements of U.S. national power, all agencies of the U.S. government, and every branch of the U.S. Armed Forces working together in new ways.

It also involved the contributions of an international Coalition of 90 countries – nearly half the world – who joined the United States in the largest alliance ever assembled in the history of the world.

**Global Coalition in the War on Terror**

Of the 90 nations, 48 countries lent their support to operations in the U.S. Central Command region, which includes Afghanistan; 43 sent representatives to U.S. Central Command headquarters in Tampa, Florida; and 29 stationed military forces in Afghanistan. Nine countries provided forces on the ground, and 21 countries deployed forces to support the International Security Assistance Force in Afghanistan.
Because the Global War on Terror is a new kind of war, a war waged not against nations but networks, the Coalition itself was new and different. Unlike the grand alliance of World War II, in which nations united for the single purpose of defeating an axis of hostile powers, the Coalition in the Global War on Terror was then, and remains, a unique Coalition of countries that play different roles and contribute in different ways, many of which may change and evolve as circumstances require.

Most nations in the Coalition shared intelligence. Many seized terrorist assets or broke up terrorist cells on their territory. Others provided airlift; basing and over-flight rights; refueling support; or contributed air, sea and ground forces, combat air patrols, mine-clearing and special operations forces.

In Afghanistan alone, America’s Coalition partners contributed nearly 8,000 troops to Operation Enduring Freedom and the International Security Assistance Force in Kabul, a number that accounted for over half of the 15,000 non-Afghan forces in Afghanistan.

Planes and ships from Australia, Bahrain, Canada, France, Germany, Greece, Italy, Japan, the Netherlands, Spain, the United Kingdom, and others patrolled the seas and skies in distant corners of the globe, conducting aerial surveillance, leadership interdiction and maritime interception operations. France and Italy deployed carrier battle groups in support of OEF.

Germany took a leadership role with surface naval forces operating around the Horn of Africa. Turkey sent 1,400 troops to Kabul to assume leadership of the International Security Assistance Force. Norway deployed F-16 fighters to Kyrgyzstan for air operations over Afghanistan, as did Denmark and the Netherlands.

Romania deployed to Afghanistan an infantry battalion, an infantry mountain company, a nuclear, biological and chemical response company, and four MIG-21 fighters. Slovakia deployed an engineering unit.

Special Operations Forces from Canada, Germany, Australia and other nations worked with U.S. Special Operations Forces on the ground, combing through caves, searching for Taliban and al Qaeda fugitives, and gathering critical intelligence information.

In addition, intelligence and law enforcement agencies from dozens of countries helped seize terrorist assets, freeze bank accounts, close front companies, and disrupt terrorist cells before they could carry out further attacks. Significant arrests
were made on several continents from Europe to Southeast Asia. Thousands of individuals around the world were detained and interviewed and hundreds of enemy combatants were held and interrogated, yielding information that helped prevent further violence and bloodshed.

For example, with the help of our Pakistani allies, U.S. forces captured Abu Zubaydah, a senior al Qaeda leader, who in turn provided information that led to the capture of others, such as the American al Qaeda operative Jose Padilla.

The Coalition also provided vital humanitarian and civil aid. De-mining teams from Norway, Britain, Poland and Jordan helped clear land mines from hundreds of thousands of square meters of terrain. Jordan built a hospital in Mazar-e-Sharif that, by the end of 2001, had already treated more than 92,000 patients including 22,000 children. Spain also constructed hospital facilities, Japan pledged $500 million for overall reconstruction, and Russia cleared and rebuilt the Salang Tunnel, the main artery linking Kabul with the North, and through which tons of food, medicine and supplies were transported.

In a significant change from previous conflicts, the Coalition did not determine the mission; the mission determined the Coalition. Each country participated in ways best suited to its resources and abilities, some publicly and some in secret.

**Transforming the NATO Alliance**

At its November 2002 Summit in Prague, the North Atlantic Treaty Organization (NATO) made dramatic and historic changes in both the Alliance’s strategic mindset and structure. Indeed, over the next two years, NATO underwent more change than in any 10-year period in its history.

Realizing that the threats to its member states are global rather than regional, NATO moved outside its traditional Treaty area and Europe for the first time, taking responsibility for the International Security Assistance Force in Afghanistan, and providing important logistical and planning support to the multinational division led by Poland in Iraq.
Today, more than 10,000 troops and personnel form all 26 member states serve under the NATO flag, or participate as members of the Coalition, in Afghanistan. As of January 2005, 19 NATO nations have sent forces to Iraq since the start of Operation Iraqi Freedom.

NATO’s accomplishments in the area of transformation have been remarkable:

- **Streamlined Command Structure**
  Led jointly by the United States and the Netherlands, NATO streamlined and modernized its command structure, reducing the number of major command headquarters from 20 to 11. The new command structure moves NATO from a land-centric territorial defense structure to one that is more joint, more mobile, and better able to lead military operations anywhere around the globe.

- **Allied Command Transformation**
  As part of its command structure reform, NATO established a new command in the United States. In June 2003, the Allied Command Transformation (ACT) was stood up in Norfolk, Virginia. ACT is linked closely to U.S. Joint Forces Command (JFCOM), also in Norfolk, and is coordinating U.S. and NATO efforts to make Allied forces more deployable, sustainable, and capable across all missions.

  Already, ACT is driving much of the innovation, planning and strategy behind NATO’s ongoing reform and modernization, and will be the intellectual backbone behind efforts to better integrate the organizations and capabilities of different NATO members into a unified military force.

- **Chemical, Biological, Radiological, and Nuclear Defense Battalion**
  Increasingly, NATO members will fill more specialized roles within the Alliance. One example of just such a specialized capability is the multinational Chemical, Biological, Radiological, and Nuclear Defense Battalion led by The Czech Republic. This is one area in which the Department of Defense led the Alliance in addressing its under-preparedness for chemical and biological attack. DoD drove the establishment of the Chemical, Biological, Radiological, and Nuclear Defense Battalion with contributions from across the Alliance.

  The new force became operational on June 30, 2004, and elements of the battalion have already demonstrated their utility, deploying successfully to both the NATO Summit in Istanbul and the 2004 Summer Olympics in Greece.
- **NATO Response Force**

Another important accomplishment of NATO was the establishment of the NATO Response Force (NRF), a joint, combined force of some 21,000 personnel capable of moving to conduct the full spectrum of conventional operations anywhere in the globe on just five days notice. In October 2004, the NRF demonstrated its potential when NRF elements provided security to the Afghan presidential elections.

Significantly, the NATO Response Force has proven to be one of the Alliance’s most transformational initiatives, driving changes throughout the NATO establishment:

- At the tactical level, the NRF is forcing the Alliance to generate more demanding certification procedures, to ensure that the multi-national forces assigned to NRF commanders are properly prepared to respond immediately to North Atlantic Council (NAC) taskings;
- The NRF is driving NATO commanders to generate more rigorous and realistic logistical doctrines, to ensure that the force is properly sustained during deployments;
- The NRF is causing the Alliance to rethink how it delegates authorities to NATO commanders, to ensure they are better able to respond immediately to NAC taskings; and
- The NRF has led some Allied governments to amend their decision making procedures regarding the deployment of their forces to the NRF. Whereas previously these governments required parliamentary approval before their forces could embark on a specific NRF mission, those governments have now pre-delegated that authority.

- **The Global War on Terror**

In addition to undertaking significant transformation activities, NATO has simultaneously played a key role in the Global War on Terror, beginning with the attacks on America on September 11, 2001. The very next day, Article 5 of Treaty, which states that an attack on any member will be considered an attack on all, was invoked for the first time in the history of the Alliance. Under that invocation, NATO initiated Operation Eagle Assist, flying NATO AWACS planes to defend American skies against further terrorist attack.
Today, NATO continues to implement Operation Active Endeavor (OAE), in which NATO ships and aircraft patrol the Mediterranean Sea as part of the war on terror. Launched in October 2001 as part of NATO’s Article 5 response to September 11, OAE uses ships, submarines, and aircraft from NATO’s Standing Naval Forces for maritime surveillance and compliant boarding operations. To date, OAE forces have hailed approximately 55,000 vessels and conducted complaint boardings of 70 suspect ships in the Mediterranean.

- The Balkans

NATO also continues to perform stability operations in Kosovo. While the Alliance terminated its successful SFOR mission in Bosnia in December 2004, NATO retains a headquarters in Sarajevo that is responsible for helping the Bosnia Government with defense reform, apprehending war criminals, and countering terrorists. NATO has provided assistance to the European Union (EU) under the “Berlin Plus” agreements that enabled the EU to launch a new operation in Bosnia.

- Afghanistan

In August of 2003, NATO assumed command of the International Security Assistance Force (ISAF) in Afghanistan. This was NATO’s first mission outside Europe and North America. When NATO took command of the ISAF, that mission focused on providing security to Kabul. Today, NATO is responsible for five Provincial Reconstruction Teams in Northern Afghanistan and has committed to expanding the zone of its stability operations into Western, and eventually, southern Afghanistan. NATO helped provide a secure environment for the Afghan Presidential elections in October 2004, and will provide similar support for parliamentary elections in the Spring of 2005.

- Iraq

NATO is also playing an important role in Iraq. The Coalition’s highest priority is creating Iraqi Security Forces (ISF) that can take over from the Coalition. Despite attacks and threats, Iraqis are volunteering for these forces at a high rate. Coalition members are training, equipping, and operating alongside them.

Since June 2003, NATO has assisted the Polish-led multinational battalion in Iraq, providing assistance with force generation, communication, planning. At the request of the Iraqi government at the Istanbul Summit in June 2004, NATO began assisting with the training and equipping of Iraqi Security Forces.

In August 2004, NATO deployed a Training and Implementation Mission (NIMI) to Iraq. Today, that NATO team today is conducting training at the Iraqi Ministries of Defense and Interior, as well as at the joint staff military headquarters in Baghdad.
As part of this effort, NATO will establish a Training, Education, and Doctrine Center at Ar Rustamiyah in Baghdad to help train senior-level ISF officers on infantry tactics, logistics, and other areas critical to helping the ISF reconstitutes its capabilities as soon as possible.

Selected ISF officers will also be invited to participate at the various NATO schools. Twenty senior-level Iraqi military officers and civilians attended a “Key Leaders” training at NATO’s Joint Warfare Center in Stavanger, Norway.

In Brussels, Allied Command Transformation has established a NATO Training and Equipment Coordination Group to coordinate Allied equipment donations for the ISF.

- Greater Middle East

As NATO expands its roles in Iraq and Afghanistan, it is also developing a wider set of relationships in the Greater Middle East through the Mediterranean Dialogue and the Istanbul Cooperation Initiative (ICI).

At Istanbul, NATO leaders agreed to enhance NATO’s Mediterranean Dialogue (currently Algeria, Egypt, Israel, Jordan, Mauritania, Morocco, and Tunisia), and created wider relationships with select Middle Eastern nations in areas like counterterrorism, defense reform, counter-WMD, disaster consequence management, and stability operations.

 Though its ICI relationships, NATO intends to enhance its own security and that of Middle Eastern countries by helping them fight terrorism, control their own borders, and be better prepared to aid the victims of disaster.

- NATO Enlargement

Despite its increased responsibilities, NATO remains true to one of its core visions: The creation of Europe that is undivided, whole and free. On March 29, 2004, the Alliance welcomed seven new members – Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia – the largest round of NATO expansion in history. Still, the door to NATO membership remains open. Three nations – Albania, Croatia, and Macedonia – are participating in the Membership Action Plan, a framework within which nations who wish to join NATO prepare themselves to be acceptable candidates for membership.

 Simply stated, NATO is the most important and most successful military alliance in history. It is, and will remain, the anchor of America’s relationship with Europe, and the embodiment of the Free World’s determination to resist aggression and defend freedom.
Proliferation Security Initiative

The Proliferation Security Initiative (PSI) is a global effort to enhance and expand efforts to interdict air, sea, and land shipments of WMD, their delivery systems, and related materials to and from states and non-state actors of proliferation concern.

Since President Bush announced the PSI in May 2003, more than 60 countries across the globe have begun actively supporting the Initiative. Indeed, PSI – which has been described as more of an activity than an organization – has become a new model for multinational cooperation, and a framework for cooperative national actions by like-minded governments.

This new model has yielded results. PSI participants have conducted actual interdictions, such as the October 2003 German-Italian operation (based on UK and U.S. information) against centrifuge parts bound for Libya. Thirteen multinational interdiction training exercises along key air, sea, and land proliferation routes have been conducted in Asia, the Middle East and Europe to improve national operational capabilities. Plans for a robust 2005-2006 exercise program are underway.

The United States has signed bilateral boarding agreements with Panama, Liberia, and the United States to stop, board and search suspect vessels flying their flags.

As chair of the U.S. delegation to the PSI Operational Experts Group, the Department of Defense has played a key role in such efforts by working with PSI partners to develop the PSI exercise program, increase cooperation between U.S. military, law enforcement, diplomatic, and intelligence agencies on interdictions, strengthen related national and international legal authorities, and reach out to key industry segments for their help on stopping proliferation-related shipments. The Department is also taking multiple internal steps to improve the operational capabilities of the United States to perform interdictions.

TRANSFORMATION CONTINUES ACROSS THE GLOBE

Nuclear Posture Review

Back in Washington, transformation of the military and the Department continued. In a significant change to our approach to offensive nuclear weapons, the December 2001 Nuclear Posture Review (NPR) articulated a new strategy for U.S. strategic nuclear forces that responds to the unpredictable security environment of the 21st century and its dangers while, at the same time, reducing the number of operationally deployed strategic nuclear weapons to the lowest number consistent with our security and that of our allies and friends.

Conducted in parallel with the Quadrennial Defense Review (QDR), the December 2001 NPR reflected and reinforced the strategic premises of the QDR.
Mandated by the National Defense Authorization Act for FY 2001, the NPR was the first comprehensive review of U.S. nuclear and conventional forces since the original NPR was completed in 1994. It was also broader in scope than required by law. The NPR not only conducted an in-depth review of U.S. nuclear posture, but developed a long-range plan to sustain and modernize the reduced number of U.S. strategic nuclear and conventional forces both to counter emerging threats and to satisfy evolving deterrence requirements.

Like the QDR, the NPR employed a flexible, capabilities-based approach to defense planning that applied not just to nuclear forces but to all U.S. strategic military capabilities. Replacing the traditional threat-based approach to planning with a capabilities-based approach allows the United States to unilaterally reduce its operationally deployed strategic nuclear warheads to a level of between 1,700 to 2,200 operationally deployed strategic nuclear warheads by 2012. It also enabled the President to direct reduction of our nuclear stockpile to almost half its previous level.

Such a level still provides a credible deterrent, but at the lowest possible number consistent with national security requirements and alliance obligations. It also preserves America’s ability to respond to negative developments in the international security environment if necessary.

In a major break from Cold war thinking, the NPR also defined a New Triad of strategic capabilities better suited to the environment in which we live. Today the United States faces not one ideological opponent and military peer who behaves in a relatively familiar and predictable manner, but an increasingly complex security environment in which surprise is the dominant strategic consideration. Such an environment requires flexibility and adaptability to respond appropriately to unexpected events.

Accordingly, the New Triad offers a mix of strategic offensive and defensive capabilities that include nuclear and non-nuclear strike capabilities, active and passive defenses, and a robust research, development, and industrial infrastructure to develop, build, and maintain offensive forces and defensive systems.

Supported by enhanced intelligence, command and control, and adaptive planning capabilities, the New Triad is a mix suited to the emerging threat environment. It incorporates post-Cold War advances in defensive and non-nuclear capabilities and provides additional military options that are credible to enemies, reassuring to allies, and appropriate to Americans. The New Triad was designed to provide National Command Authorities with a broad array of options to address a wide range of possible contingencies, and supports the four primary defense policy goals defined in the QDR.
The NPR summarized the Department’s plans to sustain and modernize our existing nuclear force structure, outlined estimated dates by which replacement weapons systems would be needed, and initiated studies on the next generation of nuclear systems. Most importantly, the NPR fulfilled the need for a new post-Cold War approach to nuclear forces planning. It will enable the United States to meet the many and varied threats and challenges of a new strategic environment in which surprise is commonplace but with less reliance on our nuclear capabilities.

The NPR is a roadmap that not only outlines the future of U.S. nuclear capabilities, but puts forward a new framework for national security in the 21st century.

**Ballistic Missile Defense**

One of the challenges of the post-Cold War world is the proliferation of nuclear, chemical, and biological weapons and the means to deliver them, including ballistic missiles.

Today, roughly two dozen countries, including some of the world’s least responsible states, possess ballistic missiles of increasing range and complexity. As these missile programs advance and systems are improved, so does their capacity to damage the United States, its deployed forces, and its friends and allies around the world.

The threat is significant. North Korea continues to develop missiles capable of reaching not just its neighbors but also the United States. The same can be said of Iran, and a number of countries are sharing these dangerous technologies with one another. Add to that list the threat of an unauthorized or accidental launch, and the need for missile defense is undeniably apparent.

Moreover, because a number of the states pursuing missile programs are also state sponsors of terrorism, the danger exists that these weapons could be used by terrorists who abide by no international laws or standards of conduct and have absolutely no regard for innocent human life. Indeed, civilian casualties on a grand scale have long been one of the primary objectives of terrorists.

Clearly, it would have been irresponsible for the United States to leave its citizens, its deployed forces, and its friends and allies vulnerable to this very real threat.

Today, 21 years after President Ronald Reagan shared with the world his vision of a defense that would render ballistic missiles impotent and obsolete, and two years after President George W. Bush directed the Department of Defense to field an initial missile defense capability, the first interceptor missiles were installed at Fort Greely, Alaska and Vandenberg Air Force Base, California, along with sensors and a command-and-control network. More capabilities will be fielded over the coming year.
While the robust research, development, testing and evaluation program continues, the United States now has a nascent operational defense against incoming ballistic missiles – not a fixed and final architecture, but rather an initial set of capabilities that will evolve to meet the changing threat by taking advantage of technological developments as they become available, and continually improve over time.

**New Working Relationships**

Other changes were undertaken that created new working relationships both within the Department and between DoD and other agencies of the federal government.

Working with Congress, the President proposed and established a new Cabinet-level Department of Homeland Security. Within the Department of Defense, a new Office of Homeland Defense was established to work with Homeland Security to deter, prevent or defeat any new attack on our territory.

A joint, multi-agency venture in the form of a new Terrorist Threat Intelligence Center (TTIC) (now the National Counterterrorism Center) was designed to integrate terrorist threat-related information and analysis more efficiently among the intelligence, law enforcement and defense communities. DoD assigned additional military personnel to the CIA’s Counterterrorism Center (CTC) to strengthen collaboration between the CTC and the military, and a new Under Secretary of Defense of Intelligence was established to help manage DoD intelligence assets, support the Global War on Terror, and work with the Director of Central Intelligence.

**New Unified Command Plan**

The Unified Command Plan (UCP) establishes the missions, responsibilities, and geographic areas of each combatant command within the U.S. Armed Forces, and provides guidance to combatant commanders. Under law, the Chairman of the Joint Chiefs of Staff is required to review the UCP every two years and recommend changes if necessary.

The attacks on America on September 11, 2001 and the subsequent commencement of the Global War on Terror, as well as the new defense strategy articulated in the 2001 Quadrennial Defense Review, highlighted the need to modernize the UCP.

In early 2002, a new UCP was announced with three important changes:
First, it established a combatant command for homeland defense, U.S. Northern Command (NORTHCOM). NORTHCOM took all of the disparate homeland security missions being performed by various combatant commanders and placed them under a single new combatant command devoted to defending the people and territory of the United States against external threats, and to coordinating the provision of U.S. military forces to support civil authorities in the event of civil or other disasters.

NORTHCOM's geographic area includes the continental United States, Alaska, Canada, Mexico, portions of the Caribbean, and the contiguous waters of the Atlantic and Pacific Oceans to a distance of 500 nautical miles from the East and West coasts of North America. The commander of NORTHCOM is also the commander of the North American Aerospace Defense Command (NORAD). NORAD's mission to deter, detect, and defend against aerospace threats to North America did not change.

Second, the UCP continued the advancement of the military's transformation efforts. Under the new UCP, U.S. Joint Forces Command's (JFCOM) changed from a combatant command with both a geographic and a functional area of responsibility to a functional combatant command responsible for the critical missions of transformation, joint training, and experimentation.

JFCOM's geographic area of responsibility was transferred to Northern and European Commands. European Command (EUCOM) was expanded to include responsibility for the remainder of the Atlantic Ocean area from 500 miles off the east coast of the United States to the shores of the European continent. EUCOM also picked up responsibility for Russia and the Caspian Sea. Previously, Russia was not assigned.

Pacific Command (PACOM) was assigned the responsibility for assisting EUCOM with Russian issues that concern the Far East Military District. Antarctica was included in PACOM's area of responsibility.

U.S. Central Command (CENTCOM) did not change its geographic area of responsibility, nor did U.S. Southern Command (SOUTHCOM) except in those areas of the Caribbean that shifted from SOUTHCOM to NORTHCOM.
The UCP also created a new U.S. Strategic Command (STRATCOM) by merging U.S. Space Command and U.S. Strategic Command into a single command responsible for both early warning of, and defense against, missile attack and long-range conventional attacks.

In addition, a new Office of Homeland Defense was created within the Department of Defense.

**Third,** the new UCP paved the way to the future by assigning every area of the globe to a specific combatant command. The various commands are also responsible for security cooperation and military coordination with countries in their regions, thus streamlining America’s military relationships with friends and allies around the world.

**OPERATION IRAQI FREEDOM**

When President Bush addressed the Congress and the world after the September 11 attacks, he made it clear that the war on terror would not be a single battle against the perpetrators of 9-11, but a lengthy campaign that would continue until “every terrorist group of global reach has been found, stopped and defeated.”

He also made it clear that the United States would pursue nations that provide aid or safe haven to terrorists. “Every nation, in every region, now has a decision to make,” the President said. “Either you are with us, or you are with the terrorists. From this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.”

Later, in an address to the United Nations on November 11, 2001, the President reinforced his message and put the world on notice: “The leaders of all nations must now carefully consider their responsibilities and their future . . . For every regime that sponsors terror, there is a price to be paid. And it will be paid. The allies of terror are equally guilty of murder, and equally accountable to justice.”

One such ally and terrorist sponsor of long-standing was Iraq. For decades, Iraq’s leader, Saddam Hussein, played host to terrorist networks and directly ordered acts of terror on foreign soil. He openly praised the September 11 attacks, calling them “God’s punishment,” and repeatedly threatened the United States and its allies, saying “Every Iraqi [can] become a missile.” The Iraqi regime actively pursued weapons of mass destruction, amassed large clandestine stockpiles of biological and chemical weapons, and had an active program to develop nuclear weapons.
In a world of terrorism, weapons of mass destruction, and states that sponsor the former and pursue the latter, defending freedom means that America must confront dangers before it is too late. For 12 years, through 17 United Nations Security Council resolutions, the world gave Saddam Hussein every opportunity to avoid war. He was being held to a simple standard: Live up to your agreement at the end of the 1991 Persian Gulf war, disarm, and prove you have done so.

Instead of disarming, as Kazakhstan, South Africa and Ukraine did, and as Libya is doing today, Saddam Hussein chose deception and defiance. He repeatedly rejected the U.N. Security Council resolutions and systematically deceived United Nations inspectors about his weapons and his intent.

The world knew his record: Saddam used chemical weapons against Iran in 1980, and against his own citizens, in one case killing 5,000 innocent civilians in a single day.

In northern Iraq in 1988, Saddam ordered the extermination of between 50,000 and 100,000 people and the destruction of more than 4,000 villages. His attacks on the Kurds drove 2 million refugees into Turkey, Syria and Iran.

In addition to the invasion of Iran in 1980, Saddam invaded Kuwait in 1990, torturing, raping and murdering thousands of Kuwaiti civilians during his occupation. After the Gulf War, he brought the Marsh Arabs in southern Iraq to the point of extinction, drying up the Iraqi marshlands in one of the worst environmental crimes ever committed. In another environmental disaster, Saddam set fire to more than 1,100 Kuwaiti oil wells during the invasion of Kuwait. In 1991, Saddam was poised to march on and occupy other nations, and would have done so but for U.S.-led Coalition forces.

Saddam launched ballistic missiles at four of his neighbors: Iran, Israel, Saudi Arabia and Bahrain. After the first Gulf War, his forces repeatedly fired on American and British aircraft legitimately patrolling the no-flight zones, the only place in the world where U.S. forces were shot at with impunity. He regularly assassinated his opponents, including members of his Cabinet, and personally shot and killed the Iraqi Minister of Health.

The Iraqi regime beat and tortured American POWs during the 1991 Gulf War, and has still failed to account for hundreds of Kuwaiti, Saudi, Indian, Syrian, Lebanese, Iranian, Egyptian, Bahraini and Omani nationals, as well as an American pilot shot down over Iraq during the first Gulf War.
The regime subjected tens of thousands of political prisoners and ordinary Iraqis to arbitrary arrest and imprisonment, summary execution, torture, beatings, burnings, electric shocks, starvation, and mutilations. He ordered doctors to surgically remove the ears of military deserters, and the gang rape of Iraqi women, including the wives and daughters of opponents and members of the regime suspected of disloyalty.

Recognizing the threat posed by Iraq’s pursuit of weapons of mass destruction and ties to terrorists, President Bush went to the United Nations in September 2002. The U.N. gave Iraq yet another “final opportunity” to disarm and to prove it had done so. The next month President Bush went to Congress, which voted to support the use of force if Iraq did not comply.

When Saddam Hussein passed up that final opportunity, he was given another “last” chance to avoid war: 48 hours to leave the country. Only then, after every peaceful option had been exhausted, did the President and America’s Coalition partners order the liberation of Iraq.

The defeat of Saddam Hussein’s regime was, by any measure, a military success, carried out with unparalleled speed and precision. In Afghanistan, U.S. and Coalition forces defeated the Taliban and routed al Qaeda in just three months. In Iraq, major combat operations were concluded, not in three months, but three weeks, with, as President Bush put it, “a boldness the enemy did not expect, and the world had not seen before.”

From distant bases and ships at sea, U.S. forces fired weapons that could destroy a division or single out a solitary bunker with pinpoint accuracy. In the march to Baghdad, U.S. soldiers and Marines charged across 350 miles of hostile territory in one of the swiftest advances of heavy arms in the history of warfare.
ACCOMPLISHMENTS IN IRAQ

In a matter of months, Coalition forces went from major combat operations, to the restoration of basic services, to the reconstruction of the country and its civil institutions, to readying the Iraqi people to take responsibility for their own sovereignty, stability and security. While changes and challenges persist, U.S. and Coalition forces, including Iraqi Security Forces, are putting pressure on terrorists who oppose Iraq's growth toward self-reliance.

In just over one year, Iraq was transformed from an outlaw state with zero political freedoms to a nation with an Interim National Council, an interim Constitution that includes a Bill of Rights, an independent Judiciary, 24 Cabinet Ministers who contributed to the day-to-day running of the government, and municipal councils in nearly every major city and most towns and villages. An Iraqi stock exchange was up and running. More than 170 newspapers were already in print, Iraqi television was broadcasting 20 hours a day, and more than 130,000 Iraqis were providing security for their fellow citizens.

Considering the fact that it took our own country 11 years to produce a Constitution, what was accomplished in Iraq is nothing short of astounding. The same process in post-war Germany took a period of time ranging from 14 months to establish a cabinet of ministers to 10 years to build a new national army – tasks that were accomplished in as little as two to five months in post-war Iraq.

Today, nearly every town and city in Iraq has a locally-elected government council. The new nation has a representative Governing National Council, a new national currency, an independent Central Bank, and newly trained security forces numbering over 136,000. The Iraqi justice system, including some 400 courts, is up and running. All 240 Iraqi hospitals and 95 percent of the country’s medical clinics are open. Electricity has surpassed pre-war levels, and today 5.1 million students are back in the classroom, with 51 million new textbooks. Nearly 100,000 Iraqis have applied for college.

Most importantly, in September 2004, the Iraqi Governing Council signed a new interim Constitution with a Bill of Rights that guarantees essential freedoms for every Iraqi citizen. Those rights include freedom of religion, worship and expression; the right to assemble, to demonstrate, and to organize political parties; the right to vote; the right to a fair and speedy trial; and prohibitions against discrimination based on gender, nationality and religion; and arbitrary arrest and detention.
When Operation Iraqi Freedom began, none of those rights and protections could possibly have been imagined. Today they are real. It is an historic moment in history that demonstrates the power of freedom.

LESSONS LEARNED

One significant accomplishment of the Department of Defense over the past four years has been the ability to adapt quickly to the changing conditions of combat. Throughout the Global War on Terror, the Department sought to rapidly learn the lessons of current battles and incorporate them into military techniques, tactics, and procedures.

In Operation Enduring Freedom, the keys to victory were flexibility, speed of deployment and employment, overcoming restricted access to regional bases, integration of ground and air power, and the increased use of precision. For example, during Operation Desert Storm in the early 1990s, over 80 percent of the bombs dropped were on pre-determined targets. During Operation Enduring Freedom, over 80 percent of the targeting information was provided to attack aircraft in the air—a perfect example of the speed of technology and networking information from sensors on the ground to shooters in flight.

In Operation Iraqi Freedom, we continued to refine the lessons learned with a focus on advanced joint and combined operations, the importance of intelligence, and the need for precision in a cluttered battle space.

We also continued to learn daily how best to train, equip, and effectively employ the brave Iraqi security forces in combating the insurgency. The most important aspects of that process were finding and elevating the best leaders, providing continuing mentoring, integrating Iraqi forces with U.S. forces for successful missions, and fighting intimidation directed against U.S. troops.

Using these lessons learned quickly, and providing them to the entire joint force, helps save lives and makes U.S. forces more lethal in ongoing operations.
STRESS ON THE FORCE

Perhaps never before in the history of the world has the value of freedom been more apparent, or the forces of freedom more heroic in its defense, than has been the case over the few years.

Since the terrorist attack on America 40 months ago, we have learned not only the depth of our enemies’ dedication to freedom’s destruction, but the skill and courage of the forces arrayed against them.

In just 29 months, U.S. forces, together with our Coalition allies, overthrew two terrorist regimes, liberated two nations, captured or killed thousands of terrorist leaders and operatives in Afghanistan and Iraq, disrupted terrorist cells on virtually every continent, and undoubtedly prevented any number of additional terrorist attacks.

Yet the Global War on Terror is not the only area where freedom is being defended. In addition to U.S. forces currently deployed against terrorists in Iraq, Afghanistan and elsewhere, the United States continues to honor its Cold War security commitments in Europe, Japan and South Korea, as well as its peacekeeping obligations in Bosnia, Kosovo and the Sinai – all with an overall force smaller than it was when the Cold War ended.

Obviously, this has created a good amount of stress on the force. The question is what to do about it. To many, the answer to that question is simple: Increase “end strength” – that is, the overall number of military personnel. However, the challenge is considerably more complicated than numbers alone.

For example, U.S. Armed Forces currently total about 2.6 million men and women; 1.4 million in the regular component; 800,000 Guard and Reserves in the Selected Reserve; and 400,000 Individual Ready Reserves. That’s a lot of people. Yet despite these large numbers, the deployment of 125,000 troops to Iraq stressed the force to such an extent that, to fight the war on terror, the Department of Defense – using the special power granted it by Congress – increased the active end strength number by another 36,000.

That should tell us something about how our forces are organized, and it does. It tells us that the real problem is not size, per se, but rather how our forces are managed, and the mix of capabilities at our disposal.
In Operation Iraqi Freedom, Coalition forces defeated an adversary larger in numbers than ourselves. We did it, not by bringing more forces to the fight, although we could have done so, but by outmatching the enemy with superior speed, power, precision and agility. That would seem to indicate that what is critical to success is not necessarily mass as much as it is capability – and that is the driving force behind defense transformation.

For example, if the Navy were to reduce its number of ships by half, it would have 50 percent fewer ships. However if the remaining ships had double the capability of those removed, there would be no loss in capability even though the numbers had been reduced.

The same is true of the Army. If, for example, rather than adding more divisions, \textit{a la} the Napoleonic structure designed in the 19th century, the Army focused instead on creating a 21st century “modular army” with self-contained, and largely self-sustaining, interchangeable brigades, available to work for any division commander, the Army could significantly increase deployable combat power without substantially increasing end strength.

Under a new plan put forward by the Army, that’s precisely what they propose. The size of the active Army increased by about 6 percent. But because of the way forces would be arrayed, combat power would increase, not by 6 percent, but by about 30 percent – not bigger, but definitely smarter. Moreover, because of the flexibility this approach provides, in the event that stress on the force declines in the years ahead, the numbers of forces could be reduced – without any commensurate loss of combat capability, and without the substantial cost of supporting a larger force that is no longer needed.

In short, like transformation, alleviating stress on the forces is not an event, but a journey, comprised of many steps along the way: Rebalancing Reserve, Guard and active-duty components – determining which skill sets are needed the most, or the least, and creating the right mix of forces to accomplish our missions; realigning forces from where they are now in the world to where they need to be to better defend peace and freedom; and deciding which functions currently performed by military personnel could be carried out by non-military personnel, freeing up our forces for other duty.

All of these things we are doing, and will continue to do, to ensure that our forces have what they need to fight and win the Global War on Terror today, and to defend ourselves, our forces, and our allies against whatever may threaten us in the years ahead.
Improving the Quality of Life of Our Forces

“You are the sharp sword of Freedom. You fight without pause, and without complaint, on foreign seas, and in dangerous skies. You sacrifice a life of ease and the comfort of your families to secure for others the blessings and benefits of liberty.”

Secretary of Defense Donald H. Rumsfeld
2001 Holiday Message to the Troops

The men and women of America’s Armed Forces stand in the best tradition of the citizen soldier. For more than two centuries, they have kept our country safe and free. All are volunteers. All willingly accept the dangers and sacrifices of service. And all, as President Bush has defined them, are “men and women who love their country more than their comfort; men and women who have never failed us, wherever there is honor to be earned or interests defended.”

To each of them, America owes a debt of gratitude that can never be repaid. Anything the Department of Defense can do to improve their lives or their circumstances is enormously important.

The Department recognizes that of all the resources central to accomplishing its mission, people are the most important. Only by attracting, retaining, and motivating a high-quality, diverse and sufficiently sized work force, can the Department accomplish its mission. The key to achieving that goal is fostering and promoting the highest possible quality of life for the total force across the full human resource lifecycle.

In February 2001, President Bush issued a National Security Presidential Directive that required the Secretary of Defense to “undertake a review of measures for improving the quality of life for our military personnel and provide recommendations for their implementation.”

With this mandate, the Department undertook a thorough and aggressive review of DoD programs and policies to ensure that all embody the President’s and the Secretary’s commitment to our fighting forces and their families.
**CITIZENSHIP**

For example, the President’s emphasis on citizenship has resulted in authorization for troops to apply for citizenship immediately upon entering active duty, as well as a shortening of processing time from an average of 189 days in 2001 to 50 days in 2004. More than 16,000 military personnel became citizens using the expedited process.

**FAMILY ASSISTANCE**

Recognizing that the families of forces who perform tough duty in austere locations must cope with the stress that comes from extended separations, DoD implemented *Military OneSource*, a 24-hour, seven-day-a-week, toll-free family assistance service. This service is particularly important to young families who need help with every day problems such as child care, education, relocation, or more in-depth support during deployments. In addition, $87 million was dedicated for counseling families who require special assistance navigating the complex issues associated with the military lifestyle.

**PAY**

All members of the U.S. military serving in Iraq and Afghanistan receive special pay and benefits, and all pay and allowances for personnel serving in those theaters of operation are tax-free. In addition, the President has requested that the ceiling on Hardship Duty Pay be at least doubled from its current level of $300 per person per month.

Since September 11, average military pay overall increased by 17 percent, compared to an average increase of 12 percent in private sector wages and salaries as measured by the Employment Cost Index. The basic allowance for housing has increased 26 percent since 2001.

**HOUSING**

The Department of Defense provides housing to military families at installations where adequate and affordable private housing is not available. A DoD initiative to privatize military housing has generated the revitalization or new construction of more than 70,000 houses, and is on schedule to eliminate the remaining inventory of inadequate housing in the continental United States by 2007 – three years earlier then previously predicted.
EXCHANGES AND COMMISSARIES

More than 52 Tactical Field Exchanges, 69 AAFES-supplied and unit-run exchanges, and 15 ships’ stores in the OEF/OIF theaters provide quality goods at a savings, as well as quality services necessary for day-to-day living.

The benefit includes phones and Internet access, videos, laundry, health and beauty products, barber and beauty shops, vending and amusement machines, food and beverages, and name-brand fast food operations. The DoD commissary benefit maintains a savings of approximately 30 percent over commercial providers, which significantly helps stretch the budget of military families.

EDUCATION

Out-of-pocket costs for military personnel attending college in their off-duty time has been reduced. The percentage of assistance Service members may receive has increased from 80 to 100 percent or about $250 per semester hour of credit, whichever is less.

The Department of Defense Dependent Schools are recognized as a model for the Nation. The President’s funding request for FY 2005 will enable DoD K-12 schools to reduce the pupil/teacher ratio in grades 1 to 3, currently at 23-to-1 to 18-to-1.

For the children of deployed Service members, DoD has created a customized summer school, as well as video-streaming of high school graduations for personnel deployed in Iraq. DoD schools have also embraced the President’s “No Child Left Behind” initiative, and students continue to perform well above the national average on standardized tests in all subjects.

COMMUNICATIONS

An average of 55,000 Health, Morale, and Welfare calls are made each day using the Defense Switched Network at no cost to members serving in OEF and OIF. An equal volume of calls are made over “unofficial lines,” and these rates have dropped from $.37 to $.32 per minute in call centers, and from $.90 to $.76 on satellite phones. The ability to phone home is a high morale priority.

CHILD CARE

The Department of Defense increased funding for child care by $36.6 million to provide extended services to cover non-traditional work shifts and deployments. By opening centers for extended hours, subsidizing in-home care, and creating “satellite homes” in which centers and homes share care, another 400,000 hours of care were added annually. Like dependent schools, DoD child care is heralded as a model for the Nation.
SPouse Employment

The frequent moves necessitated by the military lifestyle often preclude military spouses from achieving career advancement. To overcome this disadvantage, the Department of Defense has partnered with the private sector and other government agencies to enhance spouse employment and career opportunities.

The President’s new Spouse to Teachers program, which is similar to the successful Troops to Teachers program, helps military spouses achieve their career goals. The Department is also helping to overcome teacher shortages by working with states to expand reciprocity for credentialing requirements and in-state tuition.

Mobilization, Deployment, and Reunion Support

Most of the stress faced by military families prior to and during deployment revolved around pre-deployment preparation for short-notice deployments. To better prepare our Service members, the deployment process has been extensively reworked.

For example, over 95 percent of future rotation requirements are identified over a year in advance, and quickly emerging theater requests for forces are approved in less than two weeks. Both initiatives give our Service members greater time to plan and prepare for deployment.

To address their unique deployment issues, the Services have developed Web sites, provided information materials, and reached out to families through family center staff, chaplains, and unit-based volunteers. This information helps ensure that Service members and their families are better informed on the impending separation and, more importantly, how and where to receive support throughout the Service member’s absence.

Supporting the Guard and Reserve

For the National Guard, more than 400 National Guard family assistance centers support those geographically separated from their home installation. TRICARE coverage for the Reservists and eligible family members now begins up to 60 days before Service members report to active duty and extends for 180 days after deactivation.
**ARMED FORCES ENTERTAINMENT**

Armed Forces Entertainment, both independently and in conjunction with the USO, continues to bring much-welcomed entertainment and a taste of home to deployed forces. Among the celebrities who have traveled to entertain the troops are: Robin Williams, Robert DeNiro, Conan O’Brien, David Letterman, Drew Carey, Gary Senise, Paul Rodriguez, Kid Rock, Lee Ann Womack, Miss Universe 2004, NASCAR and wrestling stars, and the cheerleading squads of the NFL.

**REST AND RECUPERATION**

The R&R Program for active, Reserve, and civilians on one-year rotations in support of OEF and OIF, includes transportation to the airport nearest the member’s leave destination. As of June 30, 2004, more than 70,000 Service members have participated in the R&R Program.
FACING THE FUTURE:
As history is wont to remind us, peace is often fleeting, and freedom a prize that must be won again and again. The truth of those two facts was brought home to us on September 11, 2001, when the peace was shattered by terrorists who, in an unprovoked attack, took the lives of nearly 3,000 innocent citizens of the United States and 80 other nations. Thus began a new era and a new war, the Global War on Terror.

Since that watershed event in September 2001, terrorists have suffered crushing defeats in Afghanistan, Iraq, and other places around the world. Two terrorist regimes have been overthrown, 50 million people have been liberated from oppression and fear, thousands of terrorist operatives and leaders have been killed or captured, their assets seized, and great progress achieved in advancing freedom and democracy in the Middle East.

Yet it takes more than victory over present enemies to ensure the future security of our Nation, and the Department of Defense has been active on many fronts.

The first of these is Adjusting Global Posture. During the Cold War, the United States maintained large, garrisoned forces on the front lines of freedom – to act as a deterrent, to signal our commitment to allies, and to respond immediately in the event of hostile action. While the size of the force was significantly reduced after the Cold War ended, our posture remained premised on the idea that forces would fight in place, that is, where they were stationed.

Clearly, this logic no longer applies. Today our forces must be flexible to contend with uncertainty; rapidly deployable to counter threats whenever and wherever they occur; agile to respond to changing circumstances; and possessed of a superiority derived from capability, not mass.

The Way Ahead

“Where do we go from here? We will continue to establish military-to-military relationships with countries that want to join the war against terror. We will transform our own forces to better deal with the new threats of the 21st century. We will defend America against the threat of ballistic missiles and other weapons of mass destruction. And we will continue to condemn terrorism in the strongest possible terms.”

Donald H. Rumsfeld
Secretary of Defense
To that end, the Department is working to shift forces stationed overseas to locations that more accurately reflect the realities of the new strategic environment. We will rely relatively less on large, permanent U.S. military bases overseas, and relatively more on rotational presence in smaller facilities that impose less of a footprint on the host nation yet still maintain a forward presence sufficient to the challenges of the future.

The key to our new Global Posture is simple: U.S. forces should be located in places where they are wanted and needed, in environments that are hospitable to their movements, that allow greater usability and flexibility for both the Global War on Terror and threats that may emerge in the future.

In related efforts, the United States is working within, as well as across, regions to strengthen existing alliances and cultivate new ones, making all more effective, affordable, and thus sustainable over the longer-term.

We have reached out to non-traditional partners, such as Pakistan, with greatly enhanced levels of cooperation in the Global War on Terror, and we are looking at the logical next steps with India, the world’s largest democracy.

We are working to develop strong relations with the republics of Central Asia and the Caucasus region and, at the same time, to improve military-to-military relations with our Latin American friends and partners to defeat narco-terrorism in our Hemisphere. Within our own training establishment, we are working to teach military operators the right languages for this new world, moving on from traditional and less useful regional and language skill sets to those more functional for the struggles ahead.

Military Transformation works hand-in-hand with global posture. Where before we were organized to fight large armies, navies, and air forces, we must now be prepared to conduct manhunts, unravel small terrorist networks, and move quickly from one locale to the next. Rather than unwieldy divisions, we need small, modular brigades, advanced communications, and a joint interdependence among the Services that will allow a faster and more efficient coordination of effort as we take the fight to the enemy.

To that end, we have undertaken a wide variety of Operational Improvement initiatives and changes that reflect both the Global War on Terror and the new realities of the 21st century, and we will continue to pursue important procurement programs that accurately reflect the new realities of warfare.
Tying together the many changes and initiatives is the concept of Net-Centric Warfare and truly **Joint/Combined Operations** – absolute necessities for the new era of warfare.

It is crucial that our forces are smoothly integrated for combat through a network that can be used at virtually all levels in the chain of command; that we have increased situational awareness through information sharing; and that we achieve the speed of command necessary to enable us to operate within our enemy’s decision cycles.

One lesson of the Global War on Terror is that effectiveness in combat depends heavily on jointness – how well the Military Services communicate and coordinate their efforts on the battlefield. Achieving jointness in wartime requires building it in peacetime. As military leaders like to phrase it, “We must train like we fight, and fight like we train.”

To prepare America’s Armed Forces to learn, improvise, and adapt to constantly changing threats, the Department has implemented a systematic and ongoing process for **Training Transformation** across the full spectrum of Service, joint, interagency, intergovernmental, and multinational operations.

The Training Transformation Program is designed to provide dynamic, capabilities-based training that will strengthen joint operations by preparing forces for new warfighting concepts; continuously improving joint readiness by aligning joint education and training capabilities and resources with combatant command needs; developing individuals and organizations that can improvise and adapt to emerging crises and intuitively think jointly; and achieving unity of effort from a diversity of means.

The progress the Department of Defense has made in the Nation’s **Missile Defense** Program – fielding a nascent capability to defend the United States in the event of a ballistic missile launch – will continue.

Looking ahead, there are other challenges the Department of Defense will continue to tackle.

Clearly we must maintain our focus in both **Afghanistan and Iraq**. In Afghanistan, we must ensure that the remnants of the Taliban, and the possibility of narco-terrorism, do not slow the progress that is clearly underway.
In Iraq, the need for fair and honest elections, as well as the concomitant requirement for a more secure environment, demand improvement in the Iraqi Security Forces. The full resources of the Department of Defense will be brought to bear on this challenge, and the prospects for establishing a functional military and police force under an Iraqi government in the time ahead are good.

At the end of the day, Iraq's future lies in the hands of the Iraqis. Given the appropriate level of support from the United States and the international Coalition, Iraq has every chance of succeeding as a functioning democracy and defeating the insurgency intent on preventing that from occurring.

Perhaps the greatest challenge facing the Department in the Global War on Terror will be to focus appropriately on Intelligence, working closely with other government agencies to ensure we provide our warfighters, at home and abroad, what they need to prevail. This will require improving all aspects of the Department's ability to collect, analyze, disseminate, integrate and share intelligence for the battlefield and the boardroom.

We must also strike the right balance between capabilities needed for the war on terror and those needed to manage emerging military competition in other parts of the globe. In short, we must not make the mistake of thinking that the current war is the blueprint for all future wars.

In the decades ahead, we must hedge against the emergence of a major military competitor through the right levels of research and development, as well as through intelligent procurement of advanced warfighting and surveillance systems.

Likewise, the Department of Defense must work with the Department of Homeland Security to ensure we are properly positioned to do our part in preventing, or contending with the aftermath of, a catastrophic attack on the United States, especially with regard to terrorism involving weapons of mass destruction.

To take Precision Targeting to a new level, we must focus resources on persistent surveillance, using both manned and unmanned systems.

These are but a few of the tasks ahead. Many more could be mentioned and, without a doubt, there will be others not yet known. In the unpredictable era in which we live, we must pursue innovative strategies that will help prepare us for the unexpected, the uncertain, and the unknown.
The Global War on Terror, like the Cold War before it, will be the work of a generation. The task of defending freedom has now fallen to us and, like every generation of Americans that has gone before, we do not shrink from this responsibility, but in fact embrace it.

When historians recall the events of these times, they will be remembered as some of the great years of our history, a time when Americans, on the home front as well as the battlefront, rose to the challenge of their time and not only kept Liberty alive, but carried its light to millions of others around the world.
FACING THE FUTURE:
As we have seen in Afghanistan and Iraq, democracy is not a hopeless dream, but rather the real and tangible result of will, determination and courage that, like freedom, can triumph over even the harshest oppression.

In Afghanistan, more than 8 million citizens, 40 percent of them women, turned out to vote in the first direct election of a president in that country’s 5,000 year-old history.

In Iraq, about the same number cast their ballots despite direct threats of violence and death, some walking more than 20 miles to exercise their new-found freedom.

In some places, the sound of mortar rounds could be heard exploding in the distance. Yet Iraqis of every generation walked together – husbands with wives, families with friends, Sunni with Shia, Kurds with Christians, then stood in line, often for hours, without complaint, grateful for the opportunity to participate. One grandson carried his elderly grandmother on his back for more than 25 kilometers, just so she wouldn’t miss her chance to help decide the future of her country.

Such is the power of freedom, and it is precisely that freedom that our terrorist enemies fear most.

Yet Afghanistan and Iraq are not the only places where freedom is flourishing. In Kiev, Ukrainian voters took to the streets to ensure that democracy would not by hijacked by fraud and corruption. In the Palestinian territories, a new leader, freely chosen, rose to the post of president, and with him new hope for a peaceful future after decades of war.

Still, there are those who question whether these, and other nations, are “ready for democracy,” whether defending freedom is worth the risk, whether the battles in Afghanistan and Iraq, and the greater Global War on Terror of which they are one part, is ours to wage.
Those questions have been answered by Americans of both political parties throughout the long history of our country – and the answer is always the same.

In the early days of our Nation, Thomas Jefferson observed that “Timid men prefer the calm of despotism to the tempestuous sea of liberty.”

During the fight for freedom in Korea, Douglas MacArthur declared, “There is no security on Earth, only opportunity.”

President John F. Kennedy, in a statement immortalized in stone on the wall near his gravesite at Arlington, said, “In the long history of the world, only a few generations have been granted the role of defending freedom in its hour of maximum danger. I do not shrink from this responsibility – I welcome it.”

In another hour of maximum danger for the future of freedom, President Bush took the same stand. “Now is the time, and Iraq is the place,” he said, “in which the enemies of the civilized world are testing the will of the civilized world. We must not waiver.”

Where will the current freedom tide end? We can’t know for certain, but we do know this: Because we acted, two nations and some 50 million people have achieved their freedom, and “as hope kindles hope,” as the President said, “millions more will find it.

“We have lit a fire,” he said, “in the minds of men. It warms those who feel its power, burns those who fight its progress, and one day this untamed fire of freedom will reach the darkest corners of our world.”

To be sure, freedom still has its enemies. Yet, across the world, its momentum is great and growing.

Americans can be proud of the role our nation has played in turning the tide toward freedom. Most of all, we are proud of the strength and character of our military men and women who willingly place themselves in harm’s way to ensure that freedom endures.

Because of them history has taken a different turn. They have taken the fight to the enemy and rolled back the terrorist threat, not on the fringes of its influence, but at the heart of its power.

We honor all who fight, and mourn every life lost in performance of duty. Each was a hero who took up the highest calling of history – defending our Nation, protecting their fellow citizens, and not just preserving the light of liberty, but bringing it to those who, for years, have lived in darkness and despair.
The 20th century chronicled America’s victory over Nazism and fascism in World War II, its rise to superpower status and victory over communism in the Cold War, its un-matched economic and military might. Many have termed those years the “American Century.”

On September 3, 2004, President Bush named the new century we had entered. He called it “Liberty’s Century.”

“To everything, we know, there is a season – a time for sadness, a time for struggle, a time for rebuilding. And now,” he said, “we have reached a time for hope.

“This young century,” President Bush said, “will be Liberty’s Century. By promoting liberty abroad, we will build a safer world. By encouraging liberty at home, we will build a more hopeful America.

“Like generations before us, we have a calling from beyond the stars to stand for freedom. This is the everlasting dream of America, and tonight,” he said, “that dream is renewed.”

While the Global War on Terror continues, and security remains a great concern, people who once lived under the world’s worst regimes are now embracing a democratic future, choosing democracy over dictatorship, and freedom over fear.

The fact that terrorists are so opposed to elections only serves to validate the fact that democracy is the surest way to defeat the forces of fear and terror – and the terrorists know it.

That is why we must, and we will, continue. We will not waiver, we will not tire, we will not falter, and we will not fail. Freedom will prevail.
FACING THE FUTURE: