Prepared Statement

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"**Becoming comfortable about being uncomfortable**"

Chairman Smith, Congressman Miller, and distinguished members of the committee, it is an honor to offer the following observations and concepts for consideration and discussion in forging better ways to continuously improve the vision and outcome for our nation's defense.

The fundamental nature of what it means to deliver Defense has already changed, and will continue to evolve in the modern digital age at an accelerating pace. Military strategy has always sought the high ground in any situation to gain and sustain advantage. The only difference today is in the definition of "high ground." The world is now engaged in a new and highly leveraged non-state battle space; one that is increasingly asymmetric and virtual, rather than physical. The paradigm now must account for a "human terrain" versus the traditional "geographic terrain" and needs a new framework to solve this problem. Equally, this can also become a tremendous opportunity as a combat force multiplier. The existential non-state challenges include biological threats, rapid globalization of illegal drugs and smuggling, chemical attacks and cyber disruption – which can manifest in ways using our own infrastructures to disrupt our everyday lives and impact our freedom without firing a single shot.

Concomitantly we have entered an age of the war of ideas, propelled by a globalized ability to digitally connect and reach billions of people in milliseconds without regard to physical boundaries. The electronic subversion events in Estonia, and more recently in the Republic of Georgia are the new rule, not the exception. It is very possible and conceivable that we could wake up one morning and not be able to use or trust the web, email and many of the services we now take for granted. This is a next world war we must prevent.

Defense is only one of a broad spectrum of organizations charged with delivering national security's "public good" promise to our country. It plays an important role within a portfolio of tools and resources that spans beyond the traditional military and includes diplomacy, intelligence, education and global economic enfranchisement. Attention is now focused on post-conflict reconstruction and preventing nations from failing. These are also part of the new Defense paradigm - creating enduring successful outcomes, and preventing destabilizing conflicts.

Success will require developing new, agile and accretive ways to achieve long term holistic outcomes with especial focus on economic and self governance. It also requires efficiently applying a whole-of-government and even a whole-of-nation engagement – not solely Defense. Today's current national security engagement model is seamed; "bright lines" bisect different discrete organs responsible for different elements. The potential for friction, avoidance and divergence frequently arises at these seams between agencies, especially where there is ambiguity in vision, funding, authorities, and skill-sets of how to best deliver the mission. Although much easier to say than accomplish, the national security engagement model must become seamless. Our adversaries are already adept at exploiting these seams and thriving "in between" organizations. These new generation adversaries, who act like small and independent franchises, exploit our present industrial age model which gives them an asymmetric advantage. A prime example of this is the escalating war on illegal drugs – happening now – without regard to borders.

Today's inter-agency coordination efforts, although growing, are still discrete, purpose-driven and episodic. By example, we do not invest in truly combining across Federal (and State/Local) agencies a most important of assets – the human capital. Nor does our government aggressively "train" inter-agency collaboration and skills. Horizontal fusion across these elements is critical: Not getting this right risks our very ability to succeed in meeting this nation's integrated national security missions, both today and tomorrow. Although our government highlights and increasingly encourages interagency dialogue, communities of interest, and stresses coordination, current efforts are still largely "by invitation" and it is a specific and discrete individual management decision to participate. For

tomorrow's missions to succeed, inter-agency collaboration must become fully institutionalized; where natural incentives exist and encourage a collaborative outcome. This Culture of Collaboration must become the norm, not the exception.

Undoubtedly, the synchronization and coordinated execution of a shared vision across multiple entities is a huge and complex task. Today our nation employs millions of dedicated professionals, both directly and indirectly, engaged daily in delivering national security. Executing the mission is however encumbered and made more difficult by an ever-growing excrescence of constraints, policies, conflicting corporate cultures and bureaucratic constructs that overburden the efficiency and efficacy of the efforts. Much time, energy, money and scarce management bandwidth are spent on non-value added, agility-weakening 'industrial age' activities which result in a costly and cumbersome sub-optimal national security outcome incapable of the necessary agility to adapt to the dynamics of an ever-changing environment.

In 1947 our government undertook an encompassing 'reorganization' effort to establish the modern foundation for management and governance which our nation still applies today, 62 years later. The National Security Act of 1947 was designed to improve the agility of our government as a direct result of the 'lessons learned' from prosecuting the Second World War. Defense, along with other agencies, has also undertaken a number of significant actions since 1947, including the Goldwater-Nichols' Reorganization Act of 1986, the establishment of the Department of Homeland Security, and numerous agency and sub-agency efforts to address recognized unmet needs in a constantly changing national security landscape. These changes, however, have all lagged - not led - the strategy, governance and management of our nations' national security.

Our nation's collective approach to national security continually struggles with often dichotomous challenges in how to adequately yet economically prepare and defend against current and forthcoming threats to our nation's, allies' and partner's national successes. Improvement efforts have become largely incremental and 'at the margin'; overcome by immediate requirements. The

result is a tactical not strategic framework, which remains reactive, using stepwise methods to address problems. This results in an increasingly trailing process that cannot move out "ahead of the wave" in addressing our nation's forward enterprise challenges. Simply put, a requirement articulated today has a business cycle of approximately 15 years before it is fully fielded. That means tomorrow's war fighters, still in pre-school, will inherit potentially obsolete capabilities and technologies to combat a challenge that may no longer exist.

Why? The answer lies in the fact that Defense primarily operates and uses metrics and measures calibrated in output versus outcome terms. The enterprise is also designed around a 'bigger is better' approach. This makes outcomes much costlier, risks agility and impacts flexibility. There is a tremendous institutional resistance – including an entrenched Defense industry supply chain – which requires a huge amount of inertia to overcome. The infrastructure and culture cannot accept the rapid introduction of new ideas and innovative processes or methods. Existing programs become entrenched within an enterprise culture which rewards risk-avoidance. In many instances, this country's leadership – including Congress – continually faces a Hobson's choice; conform and work within the current framework or risk having nothing at all. This paradigm needs to be inverted, to create new agile models and frameworks with the right incentives, culture and environment for encouraging continuous outside-the-box innovation and improvement.

Our society has already entered the information age which, by example, provides our military complex computer-based battlefield technologies that deliver unprecedented precision and accuracy onto the battlefield. Our government, however, still largely thinks and operates under an industrial age management model from both a cultural and structural configuration.

Globally, we are already engaged in a war of ideas. The power of perception is enormous and our adversaries are successfully using the information age to exploit our weaknesses to mass effect. Information and media is socially networked and touches everything, impacting what we read, see and hear and influencing how we should interpret it. Our best weapon in this new war is an

ability to deploy knowledge and new ideas more rapidly and precisely. This requires an entirely new Defense model.

Today the Defense enterprise continues to think in an analogue way in an increasingly digital world. The aggressive implementation of modern information technology should not simply create more paper faster, but rather it should be used to enable us to operate more efficiently and effectively in a digital universe. There are many well documented best practices from the corporate world on how to "manage digitally." This can enhance efficiency, cooperation and collaboration. Today, collaboration tools, including portals etc. are sporadic and not widely practiced in government, and especially inter-agency. As an example, it is likely that a huge number of the meetings being held within government today could achieve equal (if not better) results using content-rich and cost-effective digital methods including webinars, wiki's, blogs, and social networking tools to cross-connect within and across agencies in a continuous v. discrete way. Our government could become much more productive and agile, and able meet the presently unmet needs within the existing resources and manpower.

Defense, within a "whole-of-government" vision and strategy, must look to create enduring incentives that encourage a return to an outcome-focused enterprise. We critically need an outcome-based government that supports and accelerates the advancement of an integrated digital-age national security vision in which the sum is greater than the individual parts.

To provide a catalyst, the agencies could be reinforced by Congress, which uniquely has an opportunity to help better synchronize across the whole of government. Asking a single agency such as Defense for an approach/answer will result in a Defense-only outcome; the same for State, Homeland Security, Commerce, Justice, etc. By example, hearings of the future should regularly and equitably engage participants across multiple agencies in collaboration toward solving the common challenges.

Just as members are empanelled across multiple committees that have direct relevance to the whole-of-government, an ability to better see across all of government within the executive branch, not just within a single agency, will

result in a better-coordinated, cooperative culture across agencies. This is an essential step in turning a seamed government into a seamless one.

Achieving this more accretive government offers not only tremendously better tax payer value, but a more effective way to leverage the assets we already have with greater efficiency. In a sentence, the coordination of collective actions can be made to efficiently work in this digital age by applying information-age collaborative tools which will ultimately provide for a better national security outcome.

Further, achieving the correct balance of longer-term strategic requirements with the pressing tactical needs of today is not easy to accomplish. Sending the correct signals, however, is critical and by engaging in broad, encompassing discussions across committees on the very nature of how to better and continuously engage the executive branch as "a whole of government" in delivering on our nation's security is not only directly beneficent, but sends a unified message to the millions of professionals both inside and outside government engaged in delivering this critical mission.

In summary, the unconventional is already the conventional. In an age where information travels at the speed of light, impacts billions of people within minutes, and flows across geographies without regard to traditional sovereign or state-based boundaries, taking the "high ground" in this new virtual battle space is challenging, dynamic, and driven faster than we can currently react.

I humbly suggest as a nation our government needs to begin to think differently: an analogue government in the digital age is becoming rapidly obsolete.

Thank you for inviting me here today, and I welcome your questions.