

**Testimony of Michèle A. Flournoy
for the Senate Armed Services Committee
March 1, 2022**

Chairman Reed, Ranking Member Inhofe, members of the Committee, thank you for inviting me to speak with you today. I regret that I am unable to be with you in person due to some unforeseen but urgent travel, but I appreciate the opportunity to share my thoughts on this important and timely topic.

We find ourselves at a critical inflection point in our history, and you are right to pause to take stock of the rapidly changing world around us and consider how best to respond.

Today, we are seeing the confluence of four highly disruptive trends:

First, geopolitically, the rise of a more powerful and assertive China, as well as the resurgence of a far more aggressive Russia (as we are witnessing with Putin's egregious and illegal invasion of Ukraine), is creating a shift in the global balance of power and challenging the post-World War II rules-based order that has been the foundation of international relations for more than 75 years. Authoritarian regimes in Moscow and Beijing are posing new threats to their neighbors and to peace and stability in Europe and the Indo-Pacific. Here in the United States, we are experiencing a profound shift of strategic focus from the post-9/11 wars of the Middle East (Afghanistan, Iraq, and global counterterrorism operations) to the increasingly urgent imperative to deter and defeat aggression by these nuclear-armed strategic competitors.

Looking into the longer-term future, the coming decades will be shaped most profoundly by a multidimensional, strategic competition with China -- one that has political, economic, military, technological and ideological dimensions as well as enormous stakes for the prosperity and security of the United States and our allies and partners.

Second, we are experiencing a period of profound -- perhaps unprecedented -- technological disruption. The accelerating development and adoption of technologies like artificial intelligence, 5G, synthetic biology, quantum computing, hypersonics, robotics and autonomy, among others, will transform not only how we live and work but also how militaries fight in the future. Consequently, U.S. forces cannot rest on their laurels and assume that they will remain the best fighting force in the world if they simply implement the current program and budget. Keeping the U.S. technological edge and military advantage in the future will require adopting new cutting-edge capabilities and new operational concepts with much greater speed and scale. In short, we are in a military-technological race with China, and what we do in next five years will do much to determine whether we can successfully deter and defeat their aggression over the next 50.

Third, we cannot ignore the increasingly urgent existential threat posed by climate change. The international community is running out of time to make major changes to both reduce carbon

emissions and adapt to inevitable changes in temperature and the environment. Addressing this challenge will require unprecedented degrees of international cooperation, including between the two largest emitters of greenhouse gases, the United States and China.

Fourth, all of this is happening at a time when U.S. global leadership has been called into question by events of the past several years. The unpredictability and isolationist tendencies of President Trump created significant uncertainty among allies and partners who depend on the United States as a vital security partner, from Asia to the Middle East to Europe. On top of that, the deep polarization of our society and the January 6 insurrection have shaken confidence in our democracy in some quarters and fueled concerns that we are too internally preoccupied and divided to lead internationally. Just watch the nightly news in Beijing and you will hear a persistent (if erroneous) narrative of irreversible U.S. decline.

In this context, U.S. defense policy must focus first and foremost on deterring aggression by nuclear-armed great powers, focusing on China as the pacing challenge, but not forgetting the importance of deterring further Russian aggression in Europe.

With regard to China, the name of the game is out-competing China *without* spiraling into crisis and armed conflict. This is easier said than done for several reasons. First, Beijing believes its own narrative of U.S. decline, which in turn risks creating overconfidence and more room for miscalculation. Second, Beijing has had a head start. President Xi has been focused on this competition since he came into office, has consistently made strategic investments in key technologies, in the Peoples Liberation Army, and in extending Chinese influence overseas (from the Belt and Road Initiative to dominating multilateral forums on technology standards setting).

In addition, since the first Gulf War, the People's Liberation Army (PLA) has gone to school on the American way of war and developed an expanding set of asymmetric approaches to undermine U.S. military strengths and exploit U.S. vulnerabilities, including robust anti-access/area denial (A2/AD) capabilities designed to disrupt and destroy U.S. networks and thwart U.S. power projection into the Indo-Pacific region. As a result, the U.S. military can no longer assume that it will have the freedom of action that early superiority in the air, space, cyber and maritime domains would allow. U.S. forces will need to fight to gain advantage across these domains—and then to keep it—in the face of continuous PLA efforts to disrupt and degrade U.S. battle management networks. This will require fundamental changes in how we deter and fight.

Overall, I would commend the broad China strategy that the Biden administration has laid out thus far, which emphasizes: 1) investing in the drivers of American competitiveness here at home; and 2) strengthening cooperation with allies and partners abroad who share our interests and, in many cases, our values. The latter can be seen in recent efforts to revitalize and operationalize the Quad (comprised of the United States, Japan, Australia, and India), launch the AUKUS initiative, build a more aligned approach with Europe regarding China,

deepen bilateral ties with key allies and partners in the Indo-Pacific region, and show up arm in arm at key international policy and standards-setting forums.

The administration has also emphasized the important role DoD has to play in deterring Chinese aggression and coercion in the Indo-Pacific. I understand that both the draft National Defense Strategy and the FY23 defense budget request treat this as a top priority.

That said, I remain concerned that we are not acting with the speed and scale required to be successful. As I laid out in a pair of articles in *Foreign Affairs* last year, despite a growing sense of urgency and focus among Pentagon leaders, DoD is still struggling to reorient its concepts of operations, experimentation, training, overseas posture, acquisition, networks, and talent management to meet the demands of being able to confidently deter and, if necessary, defeat aggression by Beijing or Moscow in the coming decades. Nor has Congress fully committed to supporting the key changes required.

To be fair, some progress has been made in stimulating innovation across the Department, just not yet at the pace or magnitude required. The new leadership team in the Pentagon appears to be focused on this problem and has taken some important steps forward in their first year in office. And thanks to the great work of this committee as well as the House Armed Services Committee, in recent years the Department has been granted a number of new authorities that have enabled more technology demonstration, experimentation and innovation. That said, DoD's improved efforts in surveying the technology landscape, identifying potentially promising solutions to priority problems, and then rapidly prototyping new capabilities have not yet meaningfully accelerated the actual adoption of innovative solutions at scale. Too few successful prototypes have been able to cross the so-called "valley of death" between a successful prototype and a procurement program of record. Similarly, in the last few years the services and Joint Staff have belatedly begun serious efforts to develop and experiment with new concepts of operation for dealing with great power rivals, but these are still works in progress. The outcome that DoD so urgently needs—more rapid fielding at scale of critical concepts and capabilities that will enable U.S. operators to deter great power rivals – has remained elusive.

Why this resistance to change? Driving change in large, bureaucratic organizations is notoriously hard. In the Pentagon, it can seem nearly impossible. The prevailing bureaucratic culture remains highly risk averse: avoid making mistakes, don't rock the boat, and stick to existing ways of doing business. What's more, this is just one of many urgent challenges DoD leaders face, from overseeing current operations to dealing with sexual assault in the military. Moreover, these leaders generally rotate every 2-3 years, making it difficult for them to fully realign and incentivize the workforce to embrace the new behaviors required to speed and scale innovation and to hold them accountable for results. Lastly, too often DoD has not brought Congress along as a key partner on this journey, leaving a back door wide open for those who want to oppose change.

But if the Pentagon's own wargames are to be believed, DoD leaders must now take much bigger, bolder steps to keep the U.S. military-technological edge over great power competitors such as China or risk losing that edge within the decade -- with profound strategic implications for the United States, our allies and partners, and the world.

Ensuring that the Department can adapt to meet this challenge with the needed agility, speed and scale will require fundamental changes in how the DoD operates – and how Congress acts to support these changes. But changing ingrained behaviors and cultures in the Pentagon and on Capitol Hill is far harder than revising the defense strategy. It will require a clear and compelling vision, sustained leadership, extensive change management, realigned incentive structures and greater accountability to alter entrenched behaviors that must change.

Going forward, I would like to see a two-pronged effort in the Department:

First, a near-term effort to strengthen deterrence in the next 2-4 years using the capabilities we already have in hand in new ways and undertaking a campaign of activities to demonstrate U.S. resolve and our ability to deny the success of any Chinese aggression and/or make it too costly to contemplate.

And second, a more comprehensive mid- to long-term effort over 5-20 years to transform the U.S. military to be fully prepared to deter and defeat great power aggression in the future. This should include: developing new operational concepts and ramping up wargaming and field experimentation to test them; training to new ways of operating; making some big bets in critical technology areas; accelerating the speed and scale of innovation adoption through changes to DoD's traditional requirements and acquisition approaches; new funding to transition successful prototypes into the program of record; a new sub-cadre of acquisition professionals trained and incentivized to prioritize agility, speed, smart risk-taking, and accountability; and recruiting, developing and retaining a more diverse workforce as well as more tech talent in the national security enterprise. To the extent that the administration's FY23 budget request includes such changes, I would urge this Committee and the Congress to support them; to the extent they are missing or judged inadequate to need, I would encourage the Committee to use the NDAA as a vehicle for further incentivizing and accelerating change.

With regard to Russia, if President Putin's invasion of Ukraine is ultimately successful in changing the government's orientation, he will redraw the map of Europe by force and expand his sphere of influence beyond Russia's borders. This will signal a new moment.

I fully hope and expect that the United States and its European allies will respond with an unprecedentedly severe set of economic and energy sanctions, increased military assistance to Ukraine, and a reinforced military posture in NATO's frontline states. While this crisis has prompted NATO to rediscover its *raison d'être*, its modern-day relevance and value, and its solidarity, our collective inability to deter Russia from invading Ukraine must be seen as a loss for the democratic West and a win for creeping, more muscular authoritarianism. There is no doubt that President Xi is watching these events closely. If Putin is ultimately successful, it

could embolden Xi and others to test the waters of changing the international order by force. It could also pave the way for even closer cooperation between Beijing and Moscow.

Finally, given our global interests, the United States must take care to manage risks in other areas even as it focuses on strategic competition and great power deterrence. For example, though there are fewer groups who can credibly threaten the U.S. homeland, the threat from transnational terrorist groups has not gone away. Our intelligence, law enforcement and Special Operations Forces must continue to work by, with and through coalition partners to disrupt and defeat efforts to attack U.S. interests, personnel, or territory. Similarly, even as we focus on deterring China and imposing costs on Russia, we cannot ignore threats emanating from other states, like Iran and North Korea. Managing these risks while bolstering great power deterrence will be no small order.

The imperative is clear: the U.S. military must reimagine how it fights and must make the technological, conceptual, operational, and human capital investments necessary to secure its edge. Time is no longer on the United States' side in this competition, and the stakes could not be higher. The actions—or inaction— of DoD and the Congress in the next five years will determine whether the United States is able to defend its interests and its allies against great-power threats for many decades.

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