



June 18, 2008

### **Letter from Washington**

Since the last letter there have been a number of significant developments in Washington:

Despite fears that she would lash herself to the mast and then sink the ship, Hillary Clinton made a graceful (if overdue) exit from the Democratic race. What became apparent to her finally was that she could not reach the required number of votes for nomination except by waging all-out warfare to peel away Obama-committed delegates. That course of action, while certainly in her playbook, would have been too self-destructive to contemplate for very long. As a result, she has suspended her campaign and could now receive the nomination only in the event of some colossal Obama implosion or physical incapacity.

The only drama left in the process is the Vice Presidential selection by Obama, and it seems unlikely that he would consent to the Clintons on the ticket.

There are 139 days left until the election in November and most Americans traditionally do not get interested in the candidates until after the early September Labor Day bank holiday. Most people, other than the overly committed, will now gratefully allow the campaign to recede into the background noise until autumn.

More interesting even than the Presidential election process has been the decapitation of the US Air Force by Secretary of Defense Gates. In an accountability exercise stunning by its scope and swiftness, he simultaneously fired the uniformed Chief of Staff, General Moseley and the civilian Secretary of the Air Force, Michael Wynne. The dual sacking of both the uniformed and civilian heads of a service is unprecedented, but necessary according to Gates, because he had lost confidence in their ability to recognize the fundamental changes required, much less bring them about.

The Air Force has been in a graveyard spiral since the 90's with the stand down of the nuclear deterrent mission, and the seeming inability (or unwillingness) to adapt to a meaningful role in Iraq and Afghanistan. Gates had gone public several weeks ago with his complaints that the Air Force leadership was not supporting the war adequately with UAV assets. His obvious impatience with Moseley and Wynne was then taken to a new level

with the delivery of a report on the Air Force's nuclear miscues that had occurred in the previous year. Recall that a B-52 with live warheads up loaded had flown from one base to another without either the flight crew realizing that they had live ordnance, or ground personnel providing adequate security and safeguards. In another unbelievable mistake, the Air Force had lost control and accountability of several nuclear components and mistakenly shipped them to Taiwan (the Taiwan Air Force was kind enough to return them).

These incredible foul ups demonstrated how far the Air Force had strayed from the professionalism and strict accountability associated with the nuclear mission in the cold war years. According to Gates, the dismissals were necessitated by Moseley and Wynne failing to address the obvious deficiencies with the right amount of concern and institutional self-awareness.

In these moves, as well as the earlier forced resignation of Admiral Fallon at CENTCOM, Gates has established himself as the conscience of the Pentagon in restoring accountability to the chain of command. While these moves may be seen as momentarily disconcerting, the long term result of publicly holding a service secretary and a service chief to a higher standard will improve morale and effectiveness throughout the chain. "Accountability" as a concept has languished for some time, perhaps going back as far as Vietnam, and this renewal by the civilian chain of command is long overdue.

Gates has also shown himself not afraid to buck the Joint Chiefs on policy issues as well. This past week he signed off on the latest version of the National Defense Strategy, despite the objections of the four service chiefs and the Chairman. The contentious issue involves the structure of the force for the next cycle. Gates believes that for the foreseeable future the military will be involved in conflicts that look like Iraq and Afghanistan, and the emphasis should be on a force that can deal with counter-insurgencies rather than fighting major conventional force actions against China or Russia. The service chiefs disagreed with the de-emphasis on major hardware programs, believing that it will increase the level of risk in the strategy unacceptably. Military strategy and associated procurement programs always carry a certain amount of risk since they are based on a prediction of the future environment. Gates has simply told the chiefs, in a reasoned and respectful way, "I believe in my version of the future more than yours".

In another sign of the times the DoD Comptroller has asked the Congress for permission to reprogram more than US\$500M to account for the eroding value of the dollar. Money budgeted for services in Euro-denominated countries had shrunk by half a billion dollars in relation to local costs. When added to the related increase in fuel costs, the Pentagon will be severely handicapped in FY 08.