



# FEDERATED DEFENSE PROJECT

Concept Overview  
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CSIS | CENTER FOR STRATEGIC &  
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## Toward Federated Defense Approaches

The United States has long emphasized the desirability of working with allies and partners to meet pressing security challenges. Indeed, many of our most vexing security challenges—such as terrorism, threats to freedom of the seas and air, and cyber threats—are best met with multilateral action. At a time when the United States and many of its allies and partners are reluctant to increase defense and security investments, working together is of increasing importance. This is perhaps most evident in the Middle East and Asia, where real and potential threats to U.S. and partner security are high and our interests great.

Ensuring stability in the Middle East and Asia, as well as other regions of the world, will require continued attention and investment from the United States and its global allies and partners. Building and sustaining the capacity to deter potential aggression and assure regional states, however, will not be easy. In addition to the resource challenges facing defense efforts, there are a multitude of institutional barriers. The U.S. government has begun to address the systemic underlying constraints to effective partnering in its export control, technology transfer, foreign military sales, and development and acquisition processes. These efforts are immature. In each, the United States will need to balance the needs for oversight and protection of U.S. technology advantage with the desirability of supporting the U.S. defense industrial base and equipping our closest allies and partners for success in taking on larger global security responsibilities—moving from being consumers of U.S. partnership efforts to becoming providers themselves. Informed by 12 years of war, the United States has also made progress in developing new authorities and tools for strengthening the capacity of partners to undertake counterterrorism, stability, and counterinsurgency missions. This is an important foundation, but insufficient to address other likely future challenges, including conducting advanced military operations in denied environments.

It is time to shift our paradigm with key partners from building capacity to federated defense. A federated approach, including forward-thinking strategies for how to develop and share capabilities and even facilities, can knit together a community that understands each other and works more closely and professionally every day. It can build on existing alliances to deepen defense ties, but it is not limited to allies. Indeed, for best effect, federated approaches would connect allies with nonallied partners. It is also distinct from an integrated approach because it does not seek to create interdependencies that would impair autonomous action. By sharing ownership of a larger federated fleet of assets, federated partner countries can be drawn closer to the United States in their training, logistics support, tactics development, and potentially, operational missions. By better leveraging select host nation facilities, the United States can maintain the “low cost, small footprint” approach that is both affordable and suited to the

dynamics of particular regions. This is a strategy that leans forward in a cost-effective way, building on the natural interest of allies and partners to have closer working ties to the United States, while managing the various challenges that the economic and geostrategic environment present.

Designing a federated approach that is politically acceptable to its participants will be challenging. Nations, including the United States, will need assurance that their sovereignty is protected. The like-mindedness of partners in their views of threats, areas of potential cooperation, and where federated approaches may affect the execution of military combat operations, use of force doctrine will be critical to success. Because of these high barriers, federated defense approaches are most likely to begin with individual threads of cooperation. Recent examples include the 2012 agreement between the United Kingdom and United States to cooperate on the use of naval aircraft carriers and the design of future British carriers, the 2011 U.S.-Australia agreement for U.S. forces to rotate through Australian facilities near Darwin, and the myriad efforts to develop common, interoperable capabilities, such as with the Joint Strike Fighter Program. To be credible with its partners, the United States will also need to identify where foreign-developed capabilities constitute the best common investment and promote those for its forces as well. Federated approaches that build on these individual threads of cooperation would likely be the most politically feasible, strengthening and linking cooperation across mission spaces or geographic areas. At the same time, a purely bottom-up approach to federation is likely to leave gaps and redundancies that reduce the efficiency and effectiveness of the model. It will thus be critical to balance bottom-up and strategy-driven top-down approaches to designing federated defenses.

## The Federated Defense Project

CSIS, a leader in bipartisan national security and defense policy research and development, will design a set of practical and actionable recommendations for building federated defense and security architectures with key regional allies and partners. The project will draw on CSIS's deep regional, security, economic, and defense industry expertise. Encompassing an array of linked study efforts, the Federated Defense Project will systematically assess:

- Barriers to federated defense, including consideration of domestic political contexts, laws and directives, institutions and relationships, and relevant U.S. and foreign defense information sharing, export, and sales processes.
- Value chain considerations that affect the security of the United States and its allies and partners.
- Regional approaches to federated defense, including:

- U.S. and common security goals and the strategic environment in which those goals must be met.
- Regional security architectures—including alliance structures—that best support collective security interests.
- Required defense capabilities of the United States and its allies and partners, by region and in some cases by country, taking account of resource considerations.
- U.S. and partnered strategy, posture, operational concepts, training, logistics, and other support elements critical for supporting strategy.
- Concrete initiatives for federating defense capabilities, including shared infrastructure, codevelopment, and cross-national acquisitions.

Below is a description of some of the key issues CSIS scholars will address in each of these three areas.

**The Globalizing Defense Value Chain.** Growing budgetary pressures on governments and defense industries present an opportunity to create a more efficient and globalized defense supply chain. The development of globalized supply chains has reordered national trade and industrial production, disaggregating production processes and expanding opportunities for innovation. Global value chains (GVCs) have provided efficiency gains across industries, including defense. However, the defense industry has been prevented from realizing the full scope of these efficiencies by policies and security regulations that have failed to keep pace with the changing landscape of international trade, typified by the rise of GVCs. Security requirements make the relationship between the defense industrial base and GVCs unique: it is not enough to simply find the lowest cost; suppliers must also be reliable, products must be secure, and supply chains must not expose national defense to threats such as cyber attacks or compromised intellectual property. In short, there needs to be a balance between national security concerns and supply chain cost effectiveness.

CSIS experts will work closely with defense industry and business experts to identify supply chain challenges and opportunities, capitalizing on existing knowledge in both communities. The CSIS study team will seek to make recommendations for constructing a global defense supply chain architecture that both supports and takes best advantage of a more federated approach to defense. The defense industry and value chain assessments in this research stream will be foundational to all other analysis within the Federated Defense Project.

**Institutional Foundations for Federated Approaches.** If the United States and its allies and partners are to implement a more federated system of defense capabilities, they will need to adopt new policies on defense industry cooperation. The first step to identifying key factors and opportunities for cooperation will be to examine the demand and supply signals that guide the

global defense marketplace, including nations' domestic requirements, requirements for interoperable capabilities for international missions, and the capabilities and capacities of defense industry in response to demand signals. CSIS will explore the tools that the United States has historically used to understand other nations' industrial requirements, including those involving diplomatic missions, industrial relationships, and U.S. offices of defense cooperation.

Building on the assessment of the global defense marketplace, CSIS will then assess how the rules governing the U.S. industrial base in general and its relationship to potential international partners in particular could be modified. These recommendations will include identifying potential allied and partner coordination mechanisms and potential revisions to laws and policies that could encourage cooperation. In addition, it would address steps the United States can take to ensure a secure supply chain through the National Industrial Security Program.

**Regional Assessments: Security Goals and Supporting Federated Architectures.** Executing any defense approach—federated or otherwise—requires a strategy. The search for strategy begins with an assessment of interests and the opportunities and threats posed to those interests by the projected environment. A critical next step for defense strategy is to establish a concept for the role defense should play relative to other instruments of national power. Finally, tractable ends (goals), ways to achieve them (concepts of operation and capabilities), and the means to accomplish the ways (specific systems and initiatives) can be developed.

This seemingly straightforward approach is decidedly more complicated for federated defense. Beginning with their work on Federated Defense for Asia, and moving later to assess the Middle East, Europe, and other regions, CSIS scholars will systematically assess the major factors that contribute to the region's projected security environment. At a minimum, this assessment will include technology, military capabilities and operations, demographics, industry and economics, energy, domestic context, and geopolitics. Project analysts will then assess the regional security interests and goals that allies and partners, within the region and beyond, share with the United States. Finally, CSIS scholars will identify the U.S., allied, and partner military concepts, posture, and capabilities that best support a federated approach. This will include an assessment of specific, concrete, and tractable proposals for how to thread cooperation into a deeper federated approach to defense. Where sensible, CSIS will look beyond regional approaches to examine the advisability of global federated defense approaches, such as in the cyber and space domains. In all of its efforts, CSIS will work closely with allies and partners. It will also convene discussions with U.S. experts, including those in the executive branch, the U.S. Congress, the combatant commands, and defense industry.

These discussions will allow CSIS experts to identify areas of agreement and divergence in goals and resulting missions and capabilities. Divergences are inevitable and affect the direction or

even viability of federated approaches. For instance, the United States may conclude that Persian Gulf security requires protecting freedom of commerce, which in turn argues for Gulf partners and extra-regional actors to emphasize growth of their naval capabilities, including minesweeping. Some Gulf partners, however, may believe that their funds are best spent on deterring threats with precision guided munitions and advanced tactical aircraft. Even more basic disconnects are likely, such as a lack of agreement on the best way to ensure stability during territorial crises, such as along the NATO-Russia border or in the South China Sea. Moving to federated defense approaches will require us to bridge such differences. Although nations will always maintain the sovereign right to deploy forces or employ force as they see fit, designing their defense forces in a federated way requires some basic understanding and agreement among the participants as to how their forces might be employed in particular scenarios in support of common interests.

## Conclusion

Federated defense can provide a much needed political-military strategy for securing common U.S., allied, and partner interests amid decreased national investments in defense. From its Beyond-Goldwater Nichols study series to its Commission on Smart Power, CSIS has been a leader in defining the future security environment and developing practical policy recommendations to navigate it. The launch of the Federated Defense Project marks the newest chapter in both the evolution of U.S. and global defense thinking and the contribution that CSIS can make to advancing solutions. CSIS will be convening leading opinion makers from the worlds of diplomacy, defense, economics, and industry to systematically test this strategy's utility and its requirements. In its first year alone, the Federated Defense Project will produce reports on the dynamics of the global defense marketplace and its key value chains, the various institutional barriers to federated defense, and the federated defense approaches most critical for Asia. CSIS intends to continue its work in these areas into 2015, while also adding an assessment of the federated defense concept for the Middle East and evaluating the insights of federated defense for NATO and defense of Europe. In all its efforts, the Federated Defense Project will stay focused on the goal of finding ways to knit together a geopolitically significant defense capability that is demonstrably greater than the United States or its allies and partners can manage individually.