

## **SECTION C**

### **REDUCING OPERATIONAL RISK**

The second element of the Department's formal risk management framework is operational risk. This risk results from factors shaping the ability to achieve military objectives in a near-term conflict or other contingency. As such, the primary area of focus for assessing operational risk is the relationship between the missions of the Armed Forces and the structure of U.S. conventional forces and the U.S. global force posture.

During the past decade, near-term operational risks have been the dominant concern of the Department, crowding out attention given to other sources of risk. This was the result of the primacy in the Department's thinking of the two major theater war (MTW) construct for sizing and planning U.S. forces. Under this construct, operational risk was measured almost exclusively in terms of the ability of the Armed Forces to wage two major theater wars simultaneously in Northeast Asia and Southwest Asia.

Though the two MTW construct dominated the Department's planning, it was decreasingly relevant to the actual demands placed on the Armed Forces. On the one hand, the declining military capabilities of the adversaries targeted in the two MTW construct meant that U.S. forces were in a sense over-prepared for those contingencies. On the other hand, the two MTW construct failed to plan for smaller-scale contingencies. The no-fly zones in Iraq and the extended U.S. deployments in the Balkans, though not large operations, placed stress on the force precisely because such operations were not accounted for under the Department's dominant planning construct.

Section C describes the new thinking of the Department on managing operational risk. It explains the move away from the two MTW construct and the adoption of a new construct that more realistically captures the demands facing the Armed Forces. Furthermore, it describes the current conventional force structure, including the roles and functions of its various force elements. And it presents the Department's conclusions about the level of operational risk inherent in fulfilling current missions with the current force structure and global posture.