

Beyond Goldwater-Nichols:
U.S. Government and Defense Reform
for a New Strategic Era

Phase 2 Report

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July 2005



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Acknowledgements

Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era – Phase 2 Report is the result of an enormous effort by many dedicated, talented, and knowledgeable professionals whose incalculable contributions led to the success of this project. All are owed significant praise and appreciation for their commitment to research, counsel, funding, and production of this report.

This study, which began in May 2004 and was conducted by the International Security Program at the Center for Strategic and International Studies, involved a large Beyond Goldwater-Nichols (BG-N) study team and was supported by seven BG-N working groups consisting of over 220 current and former civilian and military officials. Clark Murdock and Michèle Flournoy, CSIS senior advisers, served as the lead investigators and, between them, co-chaired all of the working groups; Ms. Flournoy led the work on interagency reform, and Dr. Murdock led the work on DoD reform. The other co-chairs included Christine Wormuth and Christopher Williams (WG 1), Kurt Campbell (WG 2), Julianne Smith and Anne Witkowsky (WG 3), Pierre Chao (WG 4), Adam Marks (WG 5), Richard Stark (WG 6), and Celeste Johnson Ward and Noah Richmond (WG 7).

The year-long study benefited from the vital contributions of a number of individuals, which included providing research and analytical support, participating in the numerous working group sessions, and drafting portions of this report. In this category, we would like to thank David Scruggs, Jeremiah Gertler, Mike Donohue, Michael Venn, Richard Weitz, and Jacqueline Greaney. Josiane Gabel and Zachary Jacobson, research assistants, were also important members of the team in providing administrative support.

The CSIS Military Fellows provided invaluable research, knowledge, and expertise. During the first half of 2004, the Military Fellows included Michael Coss, Lance Leshner, and John Love. During the 2004-2005 academic year, Captain Mac Bollman and Colonel John Strain supported both the mechanics and substance of this endeavor extensively, and are owed special gratitude. The expertise and professionalism of the Military Fellows were outstanding and contributed greatly to the substance of *Beyond Goldwater-Nichols*.

The seven working groups were composed of deeply experienced former U.S. military, defense and government officials, current and former congressional staff members, and policy experts from both the academic and think-tank communities. These working groups met five or six times each during 2004 to review CSIS materials (See Appendix 1 for the list of BG-N Phase 2 working group members). Many also participated in February-March 2005 sessions to review the draft results for the Phase 2 study. Discussion in the BG-N working group sessions was frank, open, often heated, and tremendously helpful in guiding and improving the CSIS effort. CSIS is grateful to all those who participated. Special thanks should go to the following working group members who provided detailed comments on BG-N study team drafts: Dave Berteau, Dave McIntyre, Gordon Adams, Hans Binnendijk, Frank Kendall, and Tom Hone.

In addition to the working group members, the Phase 2 study benefited from several representatives from the Departments of Defense and State attending many of the working group

meetings as observers. In this regard, special mention is owed to Jay Rouse, our liaison with J-5 on the Joint Staff, Tom Kiss and Bob Larsen from J-8, James Bacchus from NORTHCOM, James Fondren of PACOM, and Steven Derganc of JFCOM. (See Appendix 1 for the list of BG-N Phase 2 working group observers).

The initial funding for Phase 1 of *Beyond Goldwater-Nichols* came from the Smith-Richardson Foundation. In the FY 2004 appropriations bill for the Defense Department, the U.S. Congress provided the funding for the Phase 2 effort. U.S. government oversight of the study was provided by the Office of Program Analysis & Evaluation (PA&E) in the Office of the Secretary of Defense (OSD). CSIS expresses its appreciation that OSD let the BG-N study team proceed with the same freedom and independence that it did during Phase 1. The BG-N study team is particularly grateful to Preston Dunlap, who served as the BG-N task monitor for PA&E.

Dr. John Hamre, president and CEO of CSIS, provided key intellectual leadership and policy guidance to the BG-N project. He met frequently with the BG-N study team and engaged in lively brainstorming sessions as the study team identified potential problems, analyzed them, and developed recommendations. Dr. Hamre also led the BG-N team in their discussions with the most senior officials in DoD and elsewhere. During the March vetting process of the Phase 2 results, Dr. Hamre hosted four “murder board” sessions of senior-level former officials (See Appendix 2 for the list of participants). The sessions provided invaluable feedback and critical end-of-the-runway adjustments, and CSIS wishes to thank the participants.

The BG-N study team is extremely grateful for the extensive support they have received from the policy community. The scarcest commodity in Washington is the time of senior officials, and the willingness of so many to make themselves available and share their expertise and judgment was extremely impressive. It is not likely that any of the working group members or senior-level officials share all of the recommendations made here, and some may not accept the bulk of them. But their insights were critical in shaping our analysis and we are very appreciative.

Finally, the BG-N project chairs are particularly grateful for the superb editing provided by Vinca LaFleur and Jeremiah Gertler. Many thanks are owed for not only their masterful red pens but also their patience and professionalism.

Executive Summary

The world has changed substantially since the Goldwater-Nichols defense reforms of 1986, and even since the issuance of CSIS' first *Beyond Goldwater-Nichols* report in early 2004. In preparing for Phase 2 of its *Beyond Goldwater-Nichols* effort, it was evident to the study team that the goals of Goldwater-Nichols could not be achieved by focusing exclusively on the Department of Defense or its implementation of BG-N Phase 1 recommendations. Those changes required a broader view of national security and in some cases a re-evaluation of Goldwater-Nichols itself.

This report brings the BG-N approach to bear on the entire U.S. national security structure. It proceeds from a number of overarching principles, but perhaps the most relevant is that in an era of fast-moving, unpredictable challenges, government should be more agile – that facilitating action is preferable to incentivizing inaction. Toward that end, the BG-N study team sought to eliminate redundancies that produce inefficiency and conflict, while assuring maximum alignment of authority and accountability, including clear political accountability to the public through the President and Congress.

Functionally, the report is divided into two parts. Chapters 2-5 address ways to improve national security policymaking and execution on an interagency basis, while chapters 6-12 focus on the Department of Defense.

The interagency recommendations share a broad theme: They aim to get the many disparate parts of the U.S. national security structure to row together, in both planning and execution. The study team's challenge was to identify ways to better integrate efforts while retaining the goodness inherent in agencies' distinctive knowledge and approaches to issues.

Creating a More Integrated and Effective National Security Apparatus

Interagency operations are no longer rare. Yet crises are still managed largely on a case by case basis, with interagency coordination mechanisms reinvented each time. While such *ad hoc* processes are agile, they are neither coherent nor durable. Since there is no reason to believe that today's crisis will be the last, it makes sense to plan for the next one. So increasing the effectiveness of national security efforts begins by institutionalizing strategic planning for national security.

The BG-N study team recommends the first step be a Quadrennial National Security Review to develop U.S. national security strategy and determine the capabilities required to implement the strategy. That this seems familiar from DoD practice is no accident; DoD currently has the most robust planning process, and the issues it faces are shared by the entire national security structure.

Unified effort requires unified guidance, and the report advocates creation of a classified National Security Planning Guidance to be signed by the President in the first year of a new administration and updated biannually. The development and refinement of this guidance would be informed by semi-annual "over the horizon" reviews for agency deputies to anticipate

potential future national security challenges and stimulate proactive policy development, and an annual table-top exercise program for senior national security officials to practice managing such challenges and identify those capability shortfalls that need to be addressed. This entire process would be overseen and coordinated by an NSC Senior Director and office dedicated to strategic planning.

When the same words and ideas mean different things to different agencies, coordination and cooperation are difficult at best. The BG-N study team identified a number of opportunities to eliminate barriers preventing effective interagency operations in key mission areas, including codifying common terminologies, interagency concepts of operations, and an agreed set of interagency roles and responsibilities in a series of National Security Presidential Directives, with those that are likely to be enduring also embodied in legislation.

In order to ensure that budgets reflect national security priorities, the study team recommends joint NSC/OMB mission area reviews for national security priorities that require interagency implementation. And interagency “concepts of operation” for each mission area would be a key element in strengthening the links between policy, resource allocation, and execution.

As Goldwater-Nichols-inspired joint assignments in DoD have shown, one of the best ways to create greater jointness is to establish incentives for people to gain education and experience outside their home organization. Therefore, the BG-N study team recommends that, working with the Office of Personnel Management and Congress, national security agencies develop a national security career path that would give career professionals incentives to seek out interagency experience, education, and training.

The study team also recommends ways to integrate day to day policy execution around the world. These include developing a common U.S. government template for dividing the world into regions in order to reduce friction and unnecessary seams between agencies, and enhancing information sharing and collaboration among agencies working on shared missions. The study also recommends conducting regular NSC-chaired interagency “summits” in each region to de-conflict the efforts of various agencies, identify opportunities to shape the environment and prevent crises.

Unifying Effort in Interagency Operations

As unity of effort requires coordination from the top, the BG-N study team recast the NSC from its traditional role of preparing decisions for the President to more active involvement in ensuring that Presidential intent is realized through USG actions. A stronger NSC role in providing policy oversight during planning and execution, however, does not mean that the NSC staff should be involved in the conduct of operations. Rather, the study team recommends that the NSC establish a new NSC Senior Director and office responsible for developing the Presidential guidance for complex contingency operations and ensuring that interagency planning for these operations is fully integrated. One of the most important initial responsibilities of this new office would be to develop and codify a standard approach to interagency planning at the strategic level.

The study team also recommends enhancing planning capacity for complex contingency operations in civilian agencies and creating rapidly deployable Interagency Crisis Planning Teams, comprised of regional and functional experts from all of the participating agencies, charged with developing truly interagency campaign plans.

Because early integration can forestall subsequent problems, the report also recommends that for any operation involving security, stability, transition and reconstruction operations, the COCOM and his CJTF should fully integrate these elements into their campaign plan. The COCOM should also designate a subordinate commander to lead the military's participation in the interagency planning process. A standing Interagency Task Force headquarters core element would be ready to deploy to an operation on short notice, and once on the ground would integrate the day to day efforts of all USG agencies. The IATF would be lead by a senior civilian appointed by the President and the CJTF, supported by a fully integrated civil-military staff.

These efforts would be supported financially through more flexible contracting authorities responsive to the operational environment, and by amending Titles 10 and 22 to permit DoD to directly fund training and equipping indigenous security forces.

Building Operational Capacity Outside the Department of Defense

It is a simple fact that today, U.S. operational capability rests almost entirely in the Department of Defense. Enhanced coordination, planning, and outreach among non-DoD agencies are of little use until they can be translated into operations – yet that capability exists in very few agencies today, and even then in little quantity.

The establishment of the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) in the State Department was an important first step, and this report makes a number of recommendations to build on this effort, including fully funding the recommendations outlined in the Lugar-Biden Initiative to create rapidly-deployable civilian capabilities. The study team also recommends strengthening existing operational capacities at the U.S. Agency for International Development (USAID). These capabilities could be further enhanced through creation of a new Training Center for Interagency and Coalition Operations, which could be part of the National Security University recommended later in the report.

Elevating and Strengthening Homeland Security Policy

While “national” security and “homeland” security tasks, forces, and authorities differ, they are both part of the government's Constitutional duty to secure Americans' life, liberty, and property. Given the seamless nature of the threat, our policy approaches to national and homeland security should be seamless as well. Therefore, the BG-N study team sought to eliminate artificial divisions between them and increase efficiency.

In this area, the team's most significant recommendation would unify government efforts from the top by merging the Homeland Security Council into the National Security Council. The

NSC would then take on a much greater role in coordinating national security policy and overseeing its execution, regardless of what U.S. government agency was responsible for action.

Other reforms aimed at unifying homeland security policy across the U.S. Government follow the recommendations for national security, such as developing common terminology and an interagency concept of operations for homeland security, based on a comprehensive risk assessment and including clear interagency roles and responsibilities. As the Department of Defense has the most robust strategic planning process in government, the study team recommends leveraging that expertise to assist NSC and DHS in developing a concept of operations and associated requirements.

Despite many official statements proclaiming the importance of defending the homeland and DoD's integral involvement in a wide range of important homeland security initiatives, DoD has been slow to develop an overarching strategy and programming priorities to guide its homeland defense and civil support activities. The study team recommends that an agreed set of DoD requirements for homeland defense and civil support be formalized, and forces allocated accordingly through the Global Force Management process. A significant part of that process will include defining the role of the National Guard and Reserves in these missions, to include guidance on required capabilities and desired organizational relationships.

Taken separately, many of the study team's recommendations regarding the interagency process may seem innocuous or obvious. But taken together, they create a unified U.S. Government national security approach where none now exists. By planning together, training together, and operating together, the U.S. agencies involved in national security could for the first time bring to bear coherent capabilities far greater than the sum of their parts.

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The challenges facing the Department of Defense are broadly similar, yet differ in almost every detail.

DoD faces massive pressure posed by tightening budget constraints. The squeeze between expenses for continuous operations and soaring personnel costs require efficiency at every level, from streamlined headquarters operations to maximizing the return on the cost of training each individual in uniform. (This is particularly challenging when expanding on Goldwater-Nichols, because cost control was not an original G-N design issue.)

The BG-N study team chose to look at how to maximize the effectiveness of what DoD already has in place instead of creating big and expensive new structures. To reduce duplication of effort, the recommendations consciously shift technology and business practices to enterprise-wide solutions. While many past reform efforts have focused on changes to DoD planning and programming processes, the BG-N study team paid especial attention to how those policies are executed, maximizing efficiency of the "E" in PPBES.

The study team also paid attention to reducing redundant efforts between the military and civilian sides of DoD. For example, this report recommends retaining the Joint Staff elements

that support the Chairman in his role as principal military advisor to the Secretary, but consolidating its operational functions like logistics – where duplication serves no functional purpose – with their civilian counterpart agencies.

Determining Joint Capability Requirements

A core principle of BG-N Phase 2 is that the structures of advocacy in government must be clear. In the DoD context, this means that those charged with executing missions should set the requirements for the capabilities they need. As Goldwater-Nichols gave the Combatant Commanders responsibility for operations, the study team recommends that the process for identifying and advocating joint capability requirements be restructured around the COCOMs, with Services competing to supply the capabilities that the COCOMs determine are necessary. This would entail a more “joint” JROC, on which Service Vices are replaced by COCOM Deputies, and adding civilians responsible for requirements policy. Long-term capability needs should be the responsibility of the functional commands, with JFCOM taking on the role of a Joint Capabilities Command.

Reforming Defense Acquisition for the 21st Century

While the “21st Century” is often cited as a new era in defense, that is particularly true in acquisition. Thanks to budgetary pressures and the emergence of lower-tech adversaries, the number of major procurements has been significantly reduced. Today's challenge for the acquisition system is not how to manage a plethora of programs, but how to efficiently oversee those that remain.

This Phase 2 report begins by restoring strategic direction to acquisition. Fundamentally, the task of managing yesterday's acquisitions has been allowed to take over the time and attention of those who should be focusing on what to buy next. Determining future requirements and envisioning optimal ways to meet them require vision and creativity. Managing the process of acquisition does not. The nation has historically done best when bright minds were free to seek out the next goal.

Toward that end, the study team borrows a page from the past in restructuring the office of the Undersecretary for Acquisition, Technology and Logistics (AT&L) to put technology first, as in the days when the Director of Defense Research & Engineering was the chief architect of future capabilities. The new Undersecretary for Technology, Logistics, and Acquisition Policy, with the DDR&E becoming Principal Deputy Undersecretary, would focus on how technology could be used to address future challenges, and how it should be procured – but not manage the procurement. Concomitantly, authority over executing acquisition programs would be returned to the Service Chiefs, who are legally responsible for supplying capabilities and who have a proven ability to execute programs efficiently.

The study team also observed the changes in procurement processes brought about by the need to meet urgent warfighter requirements. In order to bring the benefits of that experience to mainstream procurements, the report recommends expanding and rationalizing rapid acquisition processes.

Together, refocusing USD(Technology, Logistics, and Acquisition) to recapture the “big picture” technology planning of DDR&E days, moving procurement management to the Services, and expanding rapid acquisition should result in better, more effective capabilities acquired more efficiently and in the hands of warfighters sooner.

Organizing for Logistics Support

Proceeding from the observation that rapid and efficient movement of materiel is an asymmetrical American advantage, and in keeping with the study goal of reducing duplicative effort, the BG-N study team recommends fusing logistics and transportation functions into an integrated U.S. Logistics Command, and merging much of J-4 with its OSD counterpart, the Deputy Undersecretary of Defense (Logistics & Material Readiness) into a unified office reporting to the Undersecretary(TL&A).

Improving the Governance of Defense Agencies

The BG-N study team believes this framework for leading and supervising the commercial-like defense agencies is inherently flawed, and that the agencies suffer from a lack of sufficient accountability and focus on policy execution and program execution. The Office of the Secretary of Defense still is not structured to provide effective oversight of these agencies, as the Assistant- and Undersecretaries are principally policy advocates, not line managers. The BG-N study team does not make specific recommendations for each of the commercial-like defense agencies, in part because it did not have the time or resources for a task of this magnitude.

However, the team does recommend putting these agencies under professional management by establishing an Undersecretary of Defense for Management (USD(M)) who would manage all the commercial-like agencies, as well as any programs currently being managed by OSD, and be responsible for OSD management and administrative activities, including the consolidated DoD property book.

Transferring governance of the commercial-like defense agencies and all OSD-managed programs to a USD(M) should enhance accountability and improve performance in the Agencies and DoD-wide programs. Establishing this position should also allow the assistant and undersecretaries to focus on their policy roles.

Updating the Officer Management System

Personnel issues have evolved significantly even in the year since the BG-N Phase 1 report was issued. The rapidly rising cost of military manpower and a more difficult recruiting environment have made retention of skilled personnel more urgent. As personnel costs will grow significantly faster than other components of defense spending, it is plainly necessary for DoD to maximize its return on the investment made in each Service member.

Yet, due largely to legislation and policies aimed at optimizing a Cold War-era military, the systems for both officer management and professional military education are “one-size-fits-all,” requiring the same path to command for each officer, rather than maximizing their skills and career paths for the benefit of the nation. The study team sought opportunities to increase flexibility in the system, both to allow officers to gain greater expertise and increase the retention of those personnel whose skills are most needed today. This report advocates moving to longer careers with more careful selection of those the military wishes to keep, while training and educating them more efficiently and individually. This approach also addresses recruiting shortfalls by making the best use of each individual.

The recommended approach begins with a comprehensive human resources strategy that anticipates the looming manpower crisis. It includes modifying the “one-size-fits-all” personnel system to ensure retention of critical front-line operators and key specialists, including incentives based on changes in compensation and retirement benefits and eliminating the “up or out” promotion system.

The study team also addressed shortcomings in the management of joint officers, recommending broader and more equitable standards for awarding joint credit and integrated assignment and education paths for joint careers in critical MOSs. The report advocates a system for tracking joint service and further study of the implications of both joint promotion boards and what functions might be best served by a “purple” uniform.

Modernizing Professional Military Education

The study team was encouraged to find real progress in making professional military education (PME) relevant to today’s challenges – so much so, in fact, that its principal recommendation is to endorse the Chairman’s vision for PME and develop a comprehensive strategy to meet it. As part of that strategy, the team recommends that DoD establish a “Joint Virtual University” able to deliver education to increasingly-deployed forces wherever they may be. Smaller, reinvigorated senior Service schools will focus their efforts on those officers most able to benefit from their curricula and committed to continued service. And the study team advocates creation of more outside educational opportunities, particularly as careers lengthen.

A final recommendation is relevant to both DoD and other agencies. By converting the National Defense University into a National Security University, representatives from all the national security agencies can study common curricula and develop common approaches to issues while imparting unique agency perspectives. Much of the BG-N process aims to create a unified U.S. government national security team, and this means training together as you want to operate together.

Organizing for Space and Cyberspace

While the study team found both the theory and organization of space and network operations insufficiently developed to make concrete recommendations, it is clear that DoD will increasingly require capabilities to operate in these new domains of warfare, as adversaries are

already doing. It is necessary to transition fully from treating these domains as support functions to treating them as essential elements in the joint war-fight.

The Quest for Reform

Finally, a review of previous defense reform efforts and their results offers readers a view of not only how the Department evolved to the present day, but the key elements that lead to successful and sustained reform. These lessons – including the important roles of Congress, selected critical individuals, and, unfortunately, calamities in ensuring lasting reform – are instructive to anyone interested in implementing the reforms suggested in this report or any that may follow.

Much of the United States' national security structure was built in an era of predictable, relatively static threats. Today we face adaptive, highly-agile opponents with flexible doctrine, short chains of command, and rapid internal processes.

Coherence and agility are natural enemies, and it is no small trick to make any structure the size of the U.S. government either coherent or agile. This report offers ways to increase both at once, because in an age of continuous threat, nothing less will suffice.

Chapter 1 Introduction

In the mid-1980s, a series of operational failures in the field – the botched attempt to rescue the American hostages in Iran, the bombing of the U.S. embassy and Marine Corps barracks in Beirut, and the interoperability problems during the invasion of Grenada – convinced Congress that the Department of Defense (DoD) was broken and that something had to be done. Despite intense resistance from DoD, more than four years of Congressional hearings, investigation, and analysis culminated in the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Goldwater-Nichols or G-N) – a landmark of U.S. defense reform.¹

The Center for Strategic and International Studies (CSIS) played a critical role in the laborious and often contentious process that led to the passage of Goldwater-Nichols by helping to build the analytic and political foundation for Congressional action.² In early 2002, CSIS concluded that the end of the Cold War and the changing nature of 21st-century security challenges necessitated another look at defense reform.

CSIS recognized quickly that the scope of its effort had to go beyond DoD reform. The U.S. military now fights as an integrated joint team, in large part due to Goldwater-Nichols, but the multidimensional nature of 21st-century missions, such as combating terrorism and homeland security, make it necessary to examine the Defense Department in the context of the broader United States Government (USG) team. Thus, CSIS adopted the title “Beyond Goldwater-Nichols” (BG-N) to indicate the expanded focus of its analytic effort.

Since the study effort was formally launched in November 2002, the BG-N study team has intensely engaged a wide range of current and former government officials, as well as the broader policy community, in identifying critical challenges facing DoD and the USG and developing a set of actionable recommendations for addressing them. In March 2004, CSIS released *Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era: Phase I Report*, which addressed the following subject areas:

- Rationalizing organizational structures in DoD
- Toward a more effective resource allocation process
- Procuring joint capabilities
- Strengthening civilian professionals in defense security
- Improving interagency and coalition operations
- Strengthening Congressional oversight

¹ For an assessment of its impact, see Chapter 2, “A Goldwater-Nichols Scorecard,” in *Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era: Phase I Report*, CSIS, Washington, DC (March 2004), Principal Authors: Clark A. Murdock, Michèle A. Flournoy, Christopher A. Williams and Kurt M. Campbell.

² Among many other activities, CSIS convened a blue-ribbon commission to help promote the importance of military reform and published its path-breaking report in 1985, *Toward a More Effective Defense: The Final Report of the Defense Organization Project* (Principal Authors: Barry M. Blechman and William J. Lynn).

Even as it continued to push for the implementation of its Phase 1 recommendations, the BG-N study team turned to a second set of issues, with an expanded level of effort and a heavier focus on interagency issues:

- Institutionalize strategic planning for national security
- Increase USG unity of effort in interagency operations
- Enhance “jointness” among interagency personnel
- Build operational capacity in non-DoD personnel
- Elevate homeland security and integrate it with national security
- Strengthen advocacy of joint capability requirements
- Restore Service Chiefs’ authority over acquisition management
- Restore strategic direction to OSD acquisition
- Expand and fund rapid acquisition process
- Integrate logistics support to military operations
- Improve OSD management of the defense agencies
- Update the Officer Management System (OMS)
- Reinvigorate Professional Military Education (PME)
- Assess organizational structures for space and cyberspace

The analysis and recommendations in this Phase 2 report incorporate and add to the recommendations made in Phase 1. In several instances, the Phase 2 report revisits subjects addressed in Phase 1 to assess whether changes under way a year ago have achieved their intended effect. In addition, while the Phase 1 recommendations on improving interagency operations received wide support, many readers expressed interest in additional analysis and more far-reaching recommendations. Some Phase 1 recommendations were updated during Phase 2, and those changes are noted in this report. In other instances, recommendations developed during Phase 2 deliberations were adopted before the report was completed.³ All Phase 1 and 2 recommendations are summarized in Chapter 13.

Chapter 14 reviews previous efforts to promote broad institutional changes and suggests some implications for possible implementation of the Phase 2 BG-N recommendations. The implementation issue is extremely important. The Phase 1 recommendations were widely briefed to the most senior-level civilian and military officials, who reacted very positively. However, to date, few, if any, actions have been taken to implement the BG-N Phase 1 change agenda. In part, of course, this reflects the crowded policy agenda of national leaders when the country is at war during what was an election year. But it also reflects how hard it is to change a massive bureaucracy like DoD.

In its Phase 1 report, the BG-N study team outlined the underlying assumptions and guiding principles of its approach to defense reform.⁴ Given the intensity of its engagement on

³ As noted in the *Acknowledgements*, observers from DoD, particularly from the Joint Staff, the Army, Navy, and several Combatant Commands, attended many (if not most) of the Phase 2 working group meetings. Their active participation ensured that working group discussions were based on the most recent information. It also ensured that ideas migrated from these CSIS forums back into internal arenas, where they were sometimes incorporated into ongoing reform efforts.

⁴ See Phase 1 Report, Chapter 3, “The CSIS Approach to Defense Reform.”

these issues, it should be no surprise that the team's thinking has evolved significantly on both how to conceptualize the way in which the American political system works and the broad architectural features for the United States Government and the Department of Defense. Before turning to the substance of the Phase 2 issues, it is important to detail the principles that underlie this analysis.

First Principles

- ***The enduring strengths of the American political system should not be challenged.***

The freedom and opportunity available to every American citizen are the world's envy, as are U.S. political, economic, military and cultural power and influence.

Yet, while undeniably strong over the span of centuries, the basic nature of our divided system of government – with checks and balances constraining the power of all institutions, including the President – creates enormous friction and wasted energy in daily operations. Decentralized government structures create complex, duplicative, excessively bureaucratic processes that can choke initiative and cause unneeded inertia. Legions of staffers engage in furious competitions that yield tiny victories that matter only to the participants.⁵ The net result is a government (and its component agencies) unable to adapt quickly to profound changes in the security environment, such as the end of the Cold War, increasing globalization and the emergence of global terrorism.

A major goal of BG-N is to suggest ways to reduce that friction and wasted energy without undermining the strengths of the system.

- ***Civilian control over the military is a paramount value in the American political system.***

The formal authority given to the Secretary of Defense exceeds that given to the head of any other USG department and reflects the unique, but traditional, role of the military in the American system. Before the Department of Defense was established, the Service Secretaries helped the President to maintain civilian control of the U.S. military. The President now relies on the Secretary of Defense to perform this function, subject to the consent of the President and the laws of the U.S. Congress. Although the Secretary's formal authority is unquestioned, the actual degree of control and influence of any particular Secretary over the Pentagon has varied widely, depending on the Secretary, his most senior military interlocutors, and the issues at stake.

- ***Facilitating action is preferable to incentivizing inaction.***

The challenge for any leader at any level of government is how to get anything done. Over time, the government has created checks on action in order to reduce the risk of error. Some of those checks may have been justified at the time of implementation, but may no longer be relevant. The BG-N study team believes that increasing transparency and accountability are

⁵ A senior study participant often refers to the inside-the-Beltway world of frenetic, petty competition as the "Mouse Olympics."

better ways to detect and reduce errors than hobbling government's ability to respond to changing circumstances. In a static world, the costs of inaction or slow action were largely predictable. In a world of constantly shifting challenges, the balance that government must strike between the risks of erroneous actions and the cost of inaction has changed, because the risks of inaction or tardy action have increased.

- ***Unity of effort in interagency operations is a necessity.***

When success requires the collective actions of separate entities with their own cultures, interests, and sources of power, the challenge (as expressed in military terms) is how to produce unity of effort absent unity of command. Goldwater-Nichols solved this problem for the uniformed military by giving the regional commander absolute authority over military forces in his area of operation (AOR).⁶ Creating a direct chain of command from the President through the Secretary of Defense to the regional commander (once known as "CINC" for commander-in-chief), with its clear delineation of "supported" vice "supporting" commanders, has helped make the U.S. military by far the world's finest.

The same cannot be said of other USG agencies. While Title 10 of the U.S. Code⁷ gives the Secretary of Defense "authority, direction and control" over the Department subject to the direction of the President, Congress has not given the President the same authority over the USG agencies, except when he invokes his temporary emergency powers. There is no "national security command and control" system giving the President command authority over the national security agencies similar to that given to the Secretary over the Military Services. Today's security challenges require solutions that more effectively integrate the diplomatic, military, economic, informational, and other dimensions of national power, but this must be accomplished within the constraints of the American political system – that is, in the absence of unity of command.

Although some have expressed the belief that "we need a Goldwater-Nichols for the interagency," the analogy fails because there is no integrated USG chain of command. It also fails in another respect. In 1986, no one questioned whether the U.S. military had the ability to conduct superior military operations, and Goldwater-Nichols' enhancement of joint operations has made it function even better. By contrast, many, if not most, of today's non-Defense agencies lack the operational cultures and capacities to conduct effective interagency operations. Bringing "jointness" to the interagency is therefore an even more daunting task that will also take decades.

- ***In the executive branch, big changes in the policies and operations of the Departments must be made by the political representatives of the President.***

⁶ This report uses the masculine pronoun for the major DoD institutional actors purely for convenience, not as an expression of support for current practice. The BG-N study team believes that opportunities for women in DoD should be expanded and expects that more women will be appointed or promoted to the most senior levels as part of that process.

⁷ Title 10, U.S. Code, the body of law governing the military, will be referred to as "Title 10" throughout this report.

The decentralized nature of the American political system was consciously designed by the Founding Fathers after passionate debate on the tension between fragmented power structures on one hand, and governmental efficiency and effectiveness on the other. The American system is also intensely political, creating significant upheaval and change as Administrations change every four to eight years. Unlike European ministries, the ranks of political appointees reach deep into USG departments and agencies and the constant turnover in these leadership positions – the average senior political appointee stays less than two and a half years⁸ – has many adverse effects on organizational performance.

Bureaucracies do not invent new ideas – as one BG-N study team member is fond of saying, “candle makers do not invent electricity.” Bureaucracies elaborate the implementation of old ideas. New ideas in the American political system primarily come in through the political layer on top of the bureaucracies.

- ***The USG must ensure that any individual or organization given new roles or responsibilities has the ability to execute them.***

As first noted in the BG-N Phase 1 report, recommending that an organization, with its current structure and capacities, take on expanded responsibilities in a new process is an empty mandate. In particular, asking civilian professionals, both inside and outside of DoD, to do more without investing in them (through rotational assignments, training and education) is unlikely to produce results. Similarly, telling an existing organization to “Do better” or “Act differently” without providing it with capacities consistent with its new responsibilities will not work. The USG must provide not only incentives but also additional resources to promote jointness among national security professionals at the interagency level. The USG must also realign agency authorities and resources to match agency roles and responsibilities in mission areas ranging from homeland security and combating terrorism to stability operations and combating WMD.

- ***Advocacy and competition of ideas are integral to the process, but must be structured and managed.***

Free competition of ideas is one of the strengths of the American system. It is particularly important in government, where – in the absence of market forces – rational analysis of merit must decide which ideas prevail. Therefore, the BG-N study team proceeded from the principle that government structures should allow for competition in open and transparent processes.

Government runs more efficiently if the structure of advocacy is “clean” – if both sides of an issue have strong advocates, those advocates do not have conflicting roles in the process, competition is limited to the issues at hand, and both the identity of the decision authority and content of the decision are unambiguous. Systems should not offer incentives to continuously re-compete settled decisions. Only with such clarity can entities within an agency achieve unity of effort, and only then can roles and responsibilities be assigned in interagency processes.

⁸ From 1969-2001, the average tenure was 29 months. Kelly Chang, David Lewis, and Nolan McCarty, *The Tenure of Political Appointees*. Paper prepared for the Annual Meetings of the Midwest Political Science Association, 2001.

As seen in the global failure of command economies, processes do not run effectively when the entity defining demand is also responsible for the supply to meet it. If advocacy is not structured to clearly separate those functions, it is only human nature to tailor the demand to fit something already in the supply pipeline, when that may not be the best solution. By the same token, the visionary role of looking into the future to determine actual needs requires a very different set of skills from the detail-oriented mindset needed to manage the activities or programs required to meet that vision.

Therefore, the BG-N study team sought, wherever possible, to keep demanders separate from suppliers in order to assure an honest process that meets legitimate U.S. long-term national security needs.

Effects of this principle on the Department of Defense will be discussed in more detail in the section on DoD design principles.

- ***Effectiveness is a function of efficiency, not effort.***

In bureaucracies as in economies, growth is often seen as a sign of success. A large staff implies that an office has a lot to do, and is successful enough to merit expansion.

The BG-N study team observes that staff size is a poor metric for success. Power comes from the ability to decide and execute, not the process used to support those functions. Indeed, staffs often inhibit execution. Staffs crave details, believing they are critical to oversight; the larger the headquarters staffs, the greater the amount of attention paid to oversight (vs. policy formation) and the lower the level of detail subjected to oversight. Consequently, almost inexorably over time, staffs become larger and larger and are consumed by meeting each other's bureaucratic imperative for interacting with other staffs. This violates the BG-N principle that facilitating action is preferable to incentivizing inaction. Large staffs incentivize inaction and hinder agility.

Similarly, the BG-N study team believes that the leader who gets the most done with the least staff is the most efficient, and should receive preference when assigning new missions. These principles were used to evaluate and reward organizational effectiveness when formulating the team's recommendations.

Despite the predilection of government reform efforts (of which this is one) to advocate organizational design solutions, the BG-N study team offers an upfront caveat:

- ***Personalities do matter. Ultimately, the success of any proposed change to organizational structures, processes, or incentives depends on the people serving in key positions.***

To overcome the obstacles to collective action imposed by the American way of government, strong and effective leadership in the departments and agencies is critical. Organizations don't learn and make decisions and implement policy – the men and women occupying positions in the organization do.

Leadership is needed at all levels of government. While few are born with true leadership qualities, the U.S. military has demonstrated that these qualities can be learned and forged in the crucible of combat. Dealing with the multi-faceted challenges of the 21st century will require much more leadership at all levels of government.

Interagency Design Principles

Achieving greater unity of effort across the U.S. government is critical in a post-Cold war, post-9/11 security environment. But, as discussed above, greater effectiveness and efficiency in interagency operations must be achieved in a manner consistent with the American political system.

- ***Strategic and operational planning should be done on an interagency basis.***

This emerges from the general principle that unity of effort is a requirement. The BG-N study team believes that unity of effort cannot be achieved on an ad-hoc basis once operations have begun. Instead, it must be planned and prepared for. Therefore, the study team began its work with the goal of strengthening interagency planning and coordination, while adding an important corollary:

- ***In the planning and conduct of interagency operations, the U.S. government should seek to centrally coordinate planning and decentralize execution.***

In an increasingly complex security environment, centrally coordinated planning is critical to ensuring unity of effort among the diverse array of agencies involved in the execution of a given policy or operation. At the same time, decentralized execution is essential given the complex and non-linear nature of most interagency operations.

The BG-N study team and the relevant working groups spent a great deal of time debating this issue, and weighing two principal models – the lead-agency model and the NSC-centric approach. In the former, one agency is assigned the lead in coordinating others in planning and conducting of interagency operations. In the latter approach, the President or National Security Adviser designates a representative (who reports back to the President through the NSC adviser) to lead interagency coordination.

In the judgment of the BG-N study team, the lead-agency approach is usually not sufficient, as agencies generally resist taking direction from one another, particularly with regard to allocating resources. As demonstrated most recently in the planning for post-conflict stabilization and reconstruction in Iraq, taking a lead-agency approach can result in actions that fall well short of what is needed and what the USG is capable of achieving. While the lead-agency model may work at the tactical level, where the capabilities of a single agency are most appropriate to the task at hand, only the NSC can play the role of the honest broker in coordinating the planning and oversight of interagency operations at the strategic level.

Centralized planning for complex contingencies does not mean planning by headquarters elements. Pre-Goldwater-Nichols planning for military operations demonstrates the risks associated with doing operational planning in Washington, because the turf fights and bureaucratic struggles manifested during policy debates too often bled over into the operational plans. In 1986, Goldwater-Nichols made the regional commands the center of gravity for deliberate and contingency planning. The benefits of co-locating the Military Services at regional command headquarters where they could plan and train together were demonstrated in 1991 in the Persian Gulf. Over time, this model should be emulated at the interagency level. Specifically, achieving greater unity of effort in complex interagency operations requires moving beyond the current process of “interagency-izing” military campaign plans. It requires a truly interagency campaign planning process in which agency planners can be brought together to develop integrated plans to meet common objectives, as articulated by the President and the NSC.

As mentioned earlier, building a more “joint” interagency team will take time. Changing agency incentive structures is central to changing the behavior of individuals and the culture of organizations. Creating incentives for civilian and military personnel to gain interagency experience will lay the foundation for achieving greater “jointness” across the U.S. government over time.

Finally, achieving greater unity of effort across the USG requires institutionalizing standard ways of doing business, particularly in planning and conducting interagency operations. The American political system creates significant change every four to eight years. This is healthy and helps to foster the innovation that sets the United States apart. But it also risks damning the United States to reinventing the wheel every time administrations change. Therefore, the BG-N study team believes that:

- ***Lasting integration of interagency operations can only be achieved through institutional mechanisms and procedures.***

Ad hoc or relationship-based practices, although sometimes temporarily effective, do not hold up over time. Indeed, they often blur chains of command and responsibility. Instead, institutional solutions should be based on best practices and lessons learned, and should provide the basis for training personnel from across the national security agencies. They should also be passed from administration to administration to be used (or not) as the President sees fit.

- ***Policy development must be connected to resource allocation and execution.***

It seems easy to recommend better-coordinated policy development, but that alone is not enough to assure success in achieving America’s goals. Policy is ineffective unless turned into programs, and programs cannot succeed without adequate resources. Therefore, the study team started work with the belief that stronger mechanisms are needed to ensure that resources are allocated in accordance with policy priorities, and that programs are executed as intended. This not only means placing more emphasis on all forms of execution, but also strengthening policy oversight and follow through.

Department of Defense Design Principles

- ***The institutional vitality of the Military Services must be maintained.***

The key to the Defense Department's success is its people, and the people are loyal to their Military Service before the Department as a whole. The Military Services build and sustain the profession of arms in their respective domains of warfare. The identity of the Military Services also is critical to motivating young men and women to withstand the rigors of combat. The Military Services are the most enduring institutions in DoD and maintaining their health is a paramount concern.

While loyalty to the Military Services is a good thing and must be preserved, it does bring a parochialism that must be managed. This is the inherent challenge of "jointness." In their role as force providers to the Combatant Commands, the Military Services are responsible for developing long-range visions for their respective services, 6-year resource plans that balance near-term and long-term needs and annual budgets for implementing these plans. The increasingly integrated use of forces in the field, however, makes it more difficult to cope with the lack of jointness in how the Military Services equip their forces. It is therefore both an observation and a principle of this study that:

- ***Only the Combatant Commanders have operational requirements.***

And a corollary:

- ***Resources should be organized, managed, and budgeted largely along Service lines, but in those instances where joint capability needs are not being met with Service-centric processes, the Secretary must turn to joint processes and entities for their realization.***

The Secretary of Defense is responsible to see that the systems being acquired by the Military Services meet the needs of the joint team. Each of the Military Services has robust requirements determination processes, and the tension between service-centric requirements, acquisition and resource allocation processes, and joint capability needs or requirements will endure. But, as will be discussed later, the Department has no authoritative process for defining near- and long-term joint capability needs. The tension between joint needs and service-centric processes has already led some functions, such as special forces and missile defense, to migrate to department-wide entities.

In those instances where the Military Services clearly fail to meet the needs of current and future Combatant Commanders, the Secretary must be prepared to find non-Service entities that will. For example, in its Phase 1 report, the BG-N study team recommended that budgetary and acquisition authority for joint command and control (C2) should go to a new joint task force, because the Military Services had failed to produce truly interoperable joint C2.

- ***The Secretary of Defense must ensure a healthy competition on critical issues, but constrain that competition to the strategic choices facing him.***

Despite its size and complexity, the Department of Defense is an effective department. It is not democratic. Everyone works for the Secretary of Defense and there is a coherent chain of command down to the lowest civilian and military individual. The Department, however, is too vast to manage in a single process. It is not like a corporation where vastly dissimilar units can be managed through a relatively simple set of measures such as operating revenue, gross margins, return on investment and so on.

The basic structure of DoD decisionmaking is sound. DoD is managed through an inherently political process, where the advocates for various perspectives bring problems, requirements, and opportunities to the Secretary for resolution. Most often, the forcing function behind any decision is the budget, as advocates vie for scarce dollars and other resources. The budget cycle also defines necessary calendar endpoints by which advocates must have their say and decisions must be made.

Arguments on either side of those decisions are made by counterpoised advocacies grounded in the roles of DoD's separate institutions and organizations:

- Secretary of Defense (and Deputy) – makes decisions for the entire Department and is held accountable by the President for all Department activities; through the Office of the Secretary of Defense, formulates policy and provides oversight of non-combatant organizations of DoD;
- Chairman of the Joint Chiefs (and Vice Chairman) – serves as the primary military adviser to the President and the Secretary; through the Joint Staff, serves as the Secretary's staff element for oversight of military operations; acts as the primary advocate for jointness;
- Service Secretaries and Chiefs – serve as line managers for the Military Departments that provide (with their Title 10 responsibility to “organize, train and equip the force”) forces to the Combatant Commanders;
- Combatant Commanders – regional commanders are responsible for operational control and direction of military forces assigned to their area of responsibility; functional commanders both supply capabilities and issue requirements to Services and defense agencies.
- Directors, Defense Agencies – line management of business, intelligence and other functions on behalf of the entire department.

Between these organizations lie the great strategic questions facing the Department: the demand for capabilities vs. the supply of them; today's needs vs. tomorrow's; paying for operations vs. equipment; compensating people vs. buying things. In such a structure, it is essential that each side of every issue have clearly-designated advocates. This goal is reflected in the BG-N study team's recommendations.

The Secretary is the ultimate decision authority. The other entities have both an advocacy and a management function – as advocates, they propose alternatives for the Secretary's decision; as managers, they then execute that decision. Each of these advocates brings a valid perspective to the table and should be heard.

The study team recognizes that some friction is inevitable when constructing clean and transparent competitions, as no DoD organization is purely a demander or supplier. To be truly effective, an advocacy process must take into account the hybrid nature of these entities, and be structured to make clear whether each player is wearing its advocacy or management hat at each point in the process.

Excessive competition and bureaucratic friction create their own pathologies and cause unneeded bureaucratic inertia. Currently, excessive competition – particularly competition after a decision has been rendered – is encouraged by the concurrence process and unclear assignment of responsibilities. Goldwater-Nichols’ focus on jointness – especially in the requirements process – has been interpreted as requiring concurrence of all the players. But when the players are advocates of different viewpoints, giving each a veto guarantees either lowest-common-denominator decisions so inoffensive as to garner no opposition, or a trading of support on one decision for support on another, removing the intended institutional check. Requiring advocates to concur in decisions emasculates the decision authority.

Preserving the benefits of competition while fighting excessive bureaucratic friction, staff-centric processes, and bureaucratic inertia will always be a challenge for any Secretary of Defense. The vast size and diversity of DoD breeds its own pathologies. The BG-N study team, however, believes that smaller, streamlined staffs that “stay in their own lanes” are part of the solution, as is a Secretary who keeps himself and his principal advisers at the strategic level.

The Secretary of Defense’s oversight of operations of a military nature is exercised through the Chairman of the Joint Chiefs’ (CJCS) Joint Staff, and his oversight of operations of a management nature through OSD. As a rule, the JS should not function as an operational general staff and OSD should not manage programs. As staffs supporting the Secretary of Defense and the CJCS, OSD and the Joint Staff should focus on policy formation, representation, and oversight in their respective areas of responsibility.⁹

A major source of friction is the duplication of headquarters staffs. Redundancies among OSD, JS, Service secretariats, Service staffs, the headquarters elements of many operating agencies and more can lead to staffs arm-wrestling with each other over what is essentially the same function: overseeing the line elements of the Department. It can also lead to too much “staff” dominance over “line” activities, because of the inherent tension between where oversight ends and operations begin.

As noted earlier, efficient execution by a small staff is more to be admired than the same result from a larger staff. Management staffs may need to be larger in order to deal with details. But for the advocates within DoD that offer policy choices to the Secretary and execute them in his name – the organizations described above – large staffs do not add value.

Further, reducing staff will also help reduce excessive micro-management by OSD staff in the Title 10 functions for which the Military Departments are responsible.

⁹ A useful corollary is the BG-N Phase 1 recommendation that Department secretariats and Service staffs be integrated and reduced in size.

Operational Approach

The BG-N study team took a problem-centric approach to reform issues – guided by the mantra, “If it ain’t broke, don’t fix it” – and relied heavily on actual experience for both identifying problems and recommending solutions. The evidentiary basis for this report comprises the personal experiences of its interviewees and working group members, case studies, and real-life lessons learned. During *Beyond Goldwater-Nichols Phase 2*, more than 220 former and current officials participated in the seven working groups that analyzed problems and developed solutions (See Appendix 1). Draft Phase 2 results were also vetted in four senior-level review sessions by former senior government leaders who had not been previously involved in BG-N (See Appendix 2).¹⁰

Beyond Goldwater-Nichols Phase 3

CSIS started its Phase 3 effort in January 2005. It focuses primarily on the future role of the Reserve Components.¹¹ It will also address in more detail defense procurement and organization of the regional commands.

Conclusion

The BG-N study team’s approach to defense reform was, above all, pragmatic. It first identified problems and then developed actionable recommendations to address them. The pragmatism of the BG-N approach may have led, in the eyes of some, to a lack of boldness in its recommendations, but the team believes a degree of caution is warranted. Organizational reforms are rife with unintended consequences. With the national security of our country on the line, the first principle must be to do no harm.

The Department of Defense is now in the midst of its 2005 Quadrennial Defense Review. CSIS hopes that the senior leadership in DoD and throughout the government will find its BG-N reports both timely and useful as they make decisions on how best to change to meet 21st-century security challenges.

¹⁰ Clark A. Murdock, as lead investigator for the chapters on DoD reform, and Michèle A. Flournoy, as lead investigator for the chapters on interagency reform, take sole responsibility for the analysis and recommendations contained in this report. We sought feedback, but not consent, from the BG-N participants. It is quite likely that no external BG-N participant agrees with every BG-N recommendation.

¹¹ Congress provided funding for the Phase 3 effort in the conference report of the FY05 defense appropriations bill.

Chapter 2

Creating a More Integrated and Effective National Security Apparatus

Introduction

For well over a decade, the United States has faced a security environment far more complex than that of the Cold War. Today's challenges – such as winning the global war on terror and slowing the proliferation of weapons of mass destruction – require multifaceted security strategies that take advantage of capabilities from across the full spectrum of national security agencies.

Yet, while today's challenges are vastly different from those of the Cold War, the structures and mechanisms the United States uses to develop and implement national security policy remain largely unchanged. Cabinet agencies continue to be the principal organizational element of national security policy, and each agency has its own strategies, capabilities, budget, culture, and institutional prerogatives to emphasize and protect.

The United States has entered an era in which cooperation and coordination among Cabinet agencies can make the difference between success and failure. The national security agencies can bring a wealth of experience, vision, and tools to bear on security challenges, but more often than not, the mechanisms to integrate the various dimensions of U.S. national security policy and to translate that policy into integrated programs and actions are extremely weak, if they exist at all.

Experts constantly point out that America's adversaries operate on a strategic timeline of years, if not decades, while senior U.S. officials find it almost impossible to break the tyranny of the inbox and find time for strategic planning. Because the budget process remains largely focused at the Cabinet agency level, even policies that do result from strategic planning in one agency can founder because their objectives may not be reflected in critical resource decisions in another. Similarly, attempts to coordinate related activities across departments to maximize their effects can falter because agencies do not define geographic regions and functional issues the same way, and lack the time, resources, or inclination to work closely with interagency counterparts.

Even at the highest level, the executive branch does not take a holistic approach to the most pressing security problems. For example, two different Cabinet level councils – the National Security Council and Homeland Security Council – have responsibility for problems that are fundamentally inseparable.¹²

Greater unity of effort in U.S. national security policy will not happen on its own. Senior officials in the White House, the Defense Department, the State Department, and other agencies need a stronger architecture for policy development, implementation, and oversight. This architecture should take a “cradle to grave” approach, enabling development of strategic policy

¹² This situation will be addressed in more detail in Chapter 5.

objectives that are translated into executable policy initiatives resourced according to their strategic priority – and whose implementation is overseen with sufficient rigor to ensure they have a chance to succeed.

Building this architecture will require reshaping national security organizations to emphasize integration across agency boundaries and budgets and make a long-term investment in the career professionals who make up these agencies.

Institutionalizing Strategic Planning for National Security

Every President, every National Security Adviser, and every Cabinet secretary faces a vexing challenge from the moment they take office until the moment they step down: how to keep the urgent from crowding out the important. In the national security arena, “the tyranny of the inbox” often becomes “the tyranny of managing today’s crises.” For reasons both practical and political, the day’s headlines, meetings with counterparts, actions about to occur on Capitol Hill, and crises at home and abroad often set the day to day agenda for senior leaders in government. This understandable focus on today, however, often precludes strategic thinking about tomorrow.

In a highly complex and uncertain international security environment, this near-term focus brings some substantial risks. Perhaps most importantly, it can force the United States into a predominantly reactive posture in which its options are, by definition, more limited. When the United States fails to anticipate crises or problems before they occur, it forfeits potential opportunities to prevent them or to minimize their consequences, and consequently incurs higher costs associated with responding to them after the fact. When U.S. leaders fail to look over the horizon, they also can miss opportunities to shape the international environment in ways favorable to U.S. interests and to hedge against developments detrimental to those interests. Finally, without a long-term perspective, policymakers lack the bigger picture they need to set the nation’s priorities wisely and make tough choices about where to place emphasis and where to accept or manage a degree of risk.

The U.S. government currently lacks both the incentives and the capacity necessary to support strategic thinking and long-range planning in the national security arena. As mentioned, it is extremely difficult to divert the attention of national security officials beyond the crises and demands of the day. In addition, while individuals on the National Security Council (NSC) staff may develop planning documents for their respective issues, the NSC staff lacks adequate capacity to conduct integrated long-range planning for the President.

While some capacity for strategic planning exists in the Department of Defense, no other department devotes substantial resources to planning for the long-term future. Although the State Department’s policy planning office develops a “big picture” approach in specific policy areas, like NATO enlargement or U.S. relations with China, it tends (with some exceptions) to focus on issues already on the policy agenda rather than challenges that might loom over the

horizon. Nor does it address the types of capabilities the United States should seek to develop to deal with future challenges.¹³

Recognizing this gap, Congress sought to force strategic planning on the executive branch by requiring in law that the President submit a National Security Strategy along with the annual budget request.¹⁴ Unfortunately, this requirement has not always produced the intended strategic thinking on national security. Rather, each administration from President Reagan on has chosen to treat this statute primarily as a requirement to publicly explain and sell its policies rather than an opportunity to undertake a rigorous internal strategic planning process. The result has consistently been a glossy document that serves a public affairs function, but does little to guide U.S. national security policymaking and resource allocation. Consequently, there is no national security analogue to DoD's Quadrennial Defense Review – no established process for delineating the nation's security strategy and the capabilities required to implement it.

The absence of an institutionalized process for long-range national security planning puts the United States at strategic disadvantage. If the United States wants to defeat global terrorism, keep weapons of mass destruction (WMD) out of the wrong hands, and deal with other threats to its vital interests, it needs to have a proactive national security policy that is sustainable over the long term. Achieving this requires building more capacity for long-range planning at the highest levels of the U.S. government and creating incentives for harried decisionmakers to participate in the process.

Recommendations

A robust strategic planning process for national security should include the following elements:

- ***Conduct a Quadrennial National Security Review (QNSR) to develop U.S. national security strategy and determine the capabilities required to implement the strategy.***

¹³ Similarly, a number of agencies now develop “strategic plans” to comply with the Government Performance and Results Act of 1993, but these plans tend not to have significant impact on the policy-making and program implementation of their respective Departments.

¹⁴ Congress amended the 1947 National Security Act in 1986 as part of the Goldwater-Nichols Department of Defense Reorganization Act to require the President to transmit to Congress each year, with the submission of the budget, a comprehensive report on the national security strategy of the United States. See Sec. 108 [50 U.S.C. 404a]. When a new President takes office, he or she must submit a national security strategy report within 150 days of taking office. Each national security strategy report shall set forth the national security strategy of the United States and shall include a comprehensive description and discussion of the following: (1) The worldwide interests, goals, and objectives of the United States that are vital to the national security of the United States; (2) The foreign policy, worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the United States; (3) The proposed short-term and long-term uses of the political, economic, military, and other elements of the national power of the United States to protect or promote the interests and achieve the goals and objectives referred to in paragraph (1); (4) The adequacy of the capabilities of the United States to carry out the national security strategy of the United States, including an evaluation of the balance among the capabilities of all elements of the national power of the United States to support the implementation of the national security strategy; (5) Such other information as may be necessary to help inform Congress on matters relating to the national security strategy of the United States.

Every four years, at the outset of his or her term, the President should designate a senior national security official (most likely the National Security Adviser) to lead an interagency process to develop a U.S. national security strategy and identify the capabilities required – economic, diplomatic, military, informational, and so on – to implement the strategy. The review would engage all of the national security agencies in an effort to produce both the National Security Planning Guidance described below and the unclassified National Security Strategy already mandated by Congress.¹⁵ The review would begin with an assessment of the future security environment and the development of national security objectives. The heart of the exercise would be devising a national security strategy for achieving these objectives, identifying the capabilities required to implement the strategy, and delineating agency roles and responsibilities. Such a process would provide every administration with an opportunity to conduct a strategic review of U.S. national security policies and capability requirements and to define a way forward for the future. The QNSR should logically precede and provide the conceptual basis for agency reviews like DoD’s Quadrennial Defense Review.¹⁶

- ***Create a classified National Security Planning Guidance to be reviewed by the NSC, signed by the President in the first year of a new administration, and updated on a biannual basis.***

The President’s National Security Planning Guidance would articulate his or her national security objectives and the strategy and capabilities required to achieve them. It would provide planning guidance, directing the National Security Adviser and Cabinet Secretaries to develop particular courses of action and undertake specific activities in support of the strategy, as well as capabilities guidance – developed in conjunction with OMB – identifying baseline capability requirements in priority areas. This document would provide the conceptual basis for the unclassified National Security Strategy, the development of interagency concepts of operation, and the conduct of interagency mission area reviews as described below. It would also be the starting point for all of the national security departments to develop their own implementing strategies, such as DoD’s defense strategy. To be effective, the development of this National Security Planning Guidance would have to be a top-down, rather than bottom-up, effort that would engage the President and the national security principals.¹⁷

- ***Establish semi-annual “Over the Horizon” reviews for agency deputies to anticipate potential future crises and challenges, and to stimulate proactive policy development.***

¹⁵ The study team believes the Congressional requirement for the President to submit a National Security Strategy each year should be amended to require a Quadrennial National Security Review instead.

¹⁶ This would likely require delaying the start of the QDR and other agency reviews until the basic conclusions of the QNSR are known. Consequently, agency reviews would not likely be completed until the second year of a President’s term.

¹⁷ Perhaps the best historical analogue for this process was President Eisenhower’s Solarium Project as described in Nottberg, Tyler, “Once and Future Policy Planning: Solarium for Today,” in *Living History*. The Eisenhower Institute. Available at <http://www.eisenhowerinstitute.org/programs/livinghistory/solarium.htm>; and in Bowie, Robert. “President Eisenhower Establishes His National Security Process,” in *Triumphs and Tragedies of the Modern Presidency: Seventy-Six Case Studies in Presidential Leadership*, David Abshire, ed. Westport: Praeger, 2001, pp. 152-154.

In these meetings, the Director of National Intelligence would present the Deputies – representing NSC, OMB and all of the agencies involved in national security – with an “over the horizon look” at possible developments in the international security environment one year, five years, and ten years or more in the future. This material would be developed in concert with the broader intelligence community and would aim to highlight not only points of consensus but also areas of uncertainty and debate that should inform national decision-making. This review would increase the visibility of longer-term trends, plausible developments, and “wild cards” in order to stimulate more proactive consideration of ways the United States could shape the international environment.¹⁸ This review process could also stimulate interagency planning efforts and provide scenarios for the exercise program described below.

- ***Establish an annual table-top exercise program for senior national security officials to practice managing future national security challenges and identify capability shortfalls that need to be addressed.***

This exercise program would serve several functions. First, it would allow senior national security officials an opportunity to experience managing a crisis or complex operation, without the costs and risks involved in a real-world situation. Second, each exercise would enable these officials to identify courses of action that might prevent or deter a crisis and responses the United States should explore and develop further.¹⁹ Finally, these simulations would enable the participants to identify critical gaps in U.S. capabilities and task development of action plans to address them. Progress in implementing these action plans could be reviewed in subsequent exercises or as part of the biannual National Security Planning Guidance process.

- ***Create an NSC Senior Director and office dedicated to strategic planning.***

In support of the above recommendations, the NSC requires a small but empowered staff devoted to strategic planning. The proposed Senior Director for Strategic Planning would be responsible for drafting and staffing the President’s National Security Planning Guidance, working with the Director of National Intelligence to prepare the semi-annual “over the horizon” reviews, and overseeing the annual national security exercise program.²⁰

Strengthening the Links Between Policy, Resource Allocation and Execution

In administration after administration, senior national security officials have lamented that policy decisions taken in Washington are not always reflected in the programs and activities of agencies in the field. Whether the challenge is implementing a complex program, like biodefense, across multiple departments of government or integrating the efforts of various U.S. agencies in a given region of the world, the gap between setting policy priorities and effectively

¹⁸ Such reviews would build on but be broader in scope than the existing interagency reviews of the NIC watch list, which aims to identify countries on the brink of instability or failure.

¹⁹ Identified courses of action could be more fully developed and explored in the wake of the exercise, possibly for presentation at the next such session.

²⁰ The recent reorganization of the NSC staff includes a new “Senior Adviser for Strategic Planning,” but the responsibilities of this position do not appear to be as expansive as what is proposed here.

executing them is one of the hardest and most frustrating perennials in our system of government.

This section examines three different aspects of this problem: the lack of an agreed interagency approach or “concept of operation” for a number of high priority mission areas; the inadequacy of current processes to ensure that agency budgets reflect the President’s highest national security priorities; and the absence of adequate mechanisms to coordinate the policy implementation of diverse U.S. actors within various regions of the world. In each case, the BG-N team recommends specific measures to strengthen the link between stated policy priorities and their execution.

Interagency “Concepts of Operation”

The U.S. government’s level of experience with and capabilities to execute important missions such as stability operations, homeland security, counterterrorism, and combating WMD vary widely. The study team’s analysis focused on these four mission areas, but these are only representative cases, and our recommendations could be applied to other mission areas as well.²¹

While the United States has conducted a wide range of stability operations in the last ten to fifteen years, it still tends to conduct each operation on a rather *ad hoc* basis. Past operations have suffered from poor interagency planning, slow response time, insufficient resources, and little unity of effort among agencies, as well as infighting and competition among organizations in the field. Because sufficient capacity to respond to complex contingencies does not exist elsewhere in government, the Department of Defense often finds itself with the lead role in stability operations – despite the fact that it has no comparative advantage in many of the tasks these operations require.

Fighting terrorism, while certainly an important mission over the last two decades, has become a mission of vital interest since the September 11 attacks, and the scale of counterterrorist operations has expanded dramatically as a result. In the past, U.S. policy toward terrorism tended to be relatively reactive; the United States sought generally to deter terrorism, and if it was attacked, tried to punish state sponsors and bring the terrorists themselves to justice through the legal system, if possible. Since September 11, not only is the United States working much more aggressively to defeat terrorists and deny them sanctuary, it is also more focused on the need to address the societal conditions that provide fertile ground for terrorism. This broader approach to counterterrorism requires the application and integration of a much wider range of instruments of national power than has been used in the past.

As a mission, homeland security has come to the forefront since September 11, 2001. The mission of combating weapons of mass destruction has roots in previous nonproliferation and counterproliferation efforts, but has grown to encompass new areas, such as proactively

²¹ The BG-N study team focused on these four mission areas because each of them will likely play a prominent role in how the United States manages the challenges posed by the future security environment, yet to date they have generally been treated as lesser included cases of more traditional missions like warfighting. The study team did not view these four cases as the definitive set of important missions relevant to the future, but did feel they would present a potentially rich set of missions through which to explore the issue of unity of effort.

interdicting potential WMD shipments and identifying, securing and eliminating WMD. Of the four mission areas the BG-N study team examined, these two have the least developed intellectual framework to guide the policy development process.

Among the four mission areas, there is little agreement on how to define the challenges and major issues. Various Cabinet agencies define the missions differently and use different terms to discuss the critical issues. As a result, agency representatives, subject matter experts, and stakeholders outside the federal government, such as state and local governments or non-governmental organizations, frequently talk past each other.

The lack of common terminology for these four mission areas indicates the absence of comprehensive, integrated interagency approaches to them. For example, the complexity of securing the homeland and combating WMD in a resource-constrained environment virtually demands that policies be developed based on risk assessments, to ensure efficient use of limited resources. But to date there are no common risk assessments guiding policies in these areas.

Finally and tellingly, in most instances there are still considerable debates about which Cabinet agencies have lead responsibilities in what areas, what constitutes effective coordination, and what programs should reside in which Department budgets. For example, National Security Presidential Directive 17, signed on September 17, 2002, lays out a broad strategy for combating weapons of mass destruction, but it does not include a significant discussion of roles and responsibilities within the federal government. The National Response Plan²² outlines roles and responsibilities in the event of disaster or attack within the United States, but applies only to the response portion of the homeland security mission. The National Strategy for Homeland Security delineates roles and responsibilities to a degree, but is not sufficiently specific to resolve many important debates in this area. And in some areas, such as intelligence and information analysis, the roles and responsibilities outlined in this national security document have been overtaken by changes to the organizational landscape that have emerged from the intelligence reform effort.

Recommendations

- *Develop common terminologies for each interagency mission area, using NSC-led interagency working groups.*

These working groups should focus initially on developing common definitions of the mission in each of the four areas, and then identify and define key terms in each mission area. Over time, this effort should include all priority mission areas identified in the President's National Security Planning Guidance. Common terminology would enable interagency and other relevant stakeholders to discuss these mission areas in the same language, which would greatly facilitate efforts to build the intellectual framework for them. The goal of such an effort would not be a comprehensive dictionary of terms, but basic agreement on the key terms used to define a mission area and its critical tasks.

²² U.S. Department of Homeland Security, National Response Plan, (Washington, DC: Department of Homeland Security, December 2004).

- ***Develop common interagency concepts of operation for each mission area, using NSC-led interagency working groups.***

Once a common terminology for each of the key mission areas exists, the working groups should focus on developing a basic interagency concept of operation for each mission area. In the context of these four mission areas, the NSC-led interagency working groups would develop an overall description or picture of how the U.S. federal government envisions accomplishing each mission. These concepts of operation would outline major assumptions about the challenges inherent in the mission areas, including risk assessments that would help prioritize efforts. They would also describe *how* the federal government will apply the full range of capabilities at its disposal to achieve its desired objectives or effects.

Put another way, if securing the homeland or combating WMD is the policy “end” and the range of capabilities resident in DHS, DoD, and other agencies are the “means,” the concept of operation for these missions articulates the “ways” capabilities will be applied to achieve the policy objectives.

In some instances, individual Cabinet agencies and sub-components have already developed CONOPS outlining specific approaches to particular missions. While agencies should be encouraged to develop subordinate concepts describing how their specific capabilities could contribute to the overall concept of operations, this should not be seen as a substitute for developing the interagency concepts of operation that are so critical to achieving true unity of effort across the U.S. government.

When finished, the interagency CONOPS can become the basis for developing requirements in each mission area. Formal requirements will make it easier to determine whether existing U.S. capabilities are adequate, and where gaps in existing capabilities may exist. Each agency can use those requirements and assessments of necessary capabilities as essential inputs to its programming and budgeting process.

- ***Develop an agreed set of interagency roles and responsibilities for key mission areas using an NSC-led interagency working group; codify the roles and responsibilities in a series of National Security Presidential Directives; and embody in legislation those roles and responsibilities in each mission area that are enduring.***

After developing concepts of operation for each key mission area, the interagency working groups could use them to help develop clear, agreed sets of roles and responsibilities for all relevant stakeholders.

In some areas, roles and responsibilities have already been defined. For example, NSPD-33 outlines the division of labor for biodefense in the 21st century. But NSPD-33 was written in the absence of agreed, overarching concepts of operation for combating WMD or for homeland security, and focuses on only a portion of the broader mission area. As a result, it may need to be updated.

Similarly, several Homeland Security Presidential Directives (HSPD) outline aspects of the homeland security challenge, and discuss roles and responsibilities related to those specific elements, but no HSPD consolidates a discussion of roles and responsibilities into one document or is based on a comprehensive, agreed interagency approach to the mission.

Because these missions are evolving, it may be desirable to initially define roles and responsibilities through a series of presidential directives that would provide the President with the flexibility to adjust and adapt them to reflect significant changes in the strategic environment.

But limiting codification of roles and responsibilities to presidential directives would mean that with each new administration, progress in the area of interagency roles and responsibilities could be eroded or lost entirely. Turnover at senior levels can result in loss of institutional memory, and old bureaucratic battles being re-fought. New policy objectives might demand that old agreements be revisited. For the aspects of these missions that seem least prone to significant change in the next five to ten years, passing legislation to codify agreed roles and responsibilities is the best way to preserve hard-won advances in creating greater unity of effort across the interagency. Such legislation could also provide the basis for realigning agency authorities and resources to ensure that each agency has the capabilities it needs to execute its assigned tasks.

Ensuring Budgets Reflect National Security Priorities

In addition to the challenge of creating integrated interagency approaches to critical mission areas, every administration grapples with the problem of translating its strategic priorities into actual programs and budgets. Funding is a critical tool for ensuring that policy decisions are carried out in programming decisions.

But today's budgeting processes are largely unchanged from the Cold War era. Agencies for the most part prepare their own budgets in "stovepipes." These budgets are keyed to OMB-issued top-line fiscal guidance and to individual agency priorities, but not always to common strategic priorities as they may be articulated at the national level across agencies. Furthermore, no consistent process exists for developing budgets across agencies against these policy priorities.²³ Without a set of articulated priorities against which agency budgets can be examined on an interagency basis, the government has little means of assuring that the hard choices on funding national security missions are being considered within the context of a particular mission and/or against the full range of the President's top goals and objectives.

Today, nearly all national security priorities have a multi-agency dimension in both policy development and execution. That is certainly the case for the 21st-century mission areas discussed above – stability operations, counterterrorism, homeland security, and combating WMD. Homeland security has particularly complicated policymaking by adding a number of new players to the traditional State/Defense/CIA national security policy process. As noted in the section above, these mission areas lack comprehensive, integrated interagency approaches.

²³ See also discussion in *Road Map for National Security: Imperative for Change*, The U.S. Commission on National Security/21st Century, pp. 366-367.

Without common concepts of operation, it is not possible to comprehensively review the programs required to execute them.

Beyond that, *within* these mission areas, core programs are commonly interagency in nature. To cite one example in the homeland security area, the national biodefense program requires cross-cutting functions such as information management and communications, research development and acquisition, and maintenance of biodefense infrastructure. Multiple cabinet agencies have responsibilities for implementing this program, including, among others, the Secretary of Homeland Security (domestic incident management), the Secretary of State (international terrorist incidents outside U.S. territory), and the Department of Defense (support for foreign consequence management operations).²⁴

Yet, for the most part, the procedures for examining budget priorities have not kept pace with the way the government designs and implements policy priorities. Current processes for tying policies to budget priorities and looking at cross-agency trade-offs are far from systematic. At its core, the problem has been insufficient coordination between defense and non-defense budgets, and across non-defense budgets, during their development within the executive branch.

At the White House level, neither the National Security Council nor National Economic Council staffs have an institutionalized role in coordinating resources across national security agencies. Some individuals at senior levels within the NSC have taken a particular interest in budget matters and supported the OMB budget process, but that interest has tended to ebb and flow with personalities. More frequently, NSC offices with specific regional or functional responsibilities have worked closely with OMB to track or support specific initiatives. While this is useful, the process lacks a senior NSC policy official designated to look across national security priorities and work with OMB on budget trade-off decisions across those priorities and across agencies.

OMB – the main driver of the budget process – is viewed as a dependable, often unbiased, White House player with expertise about how programs work and how to pay for them. On the other hand, it is principally concerned with the fiscal dimension of the overall budget. This primary task of fiscal control means OMB does not have the tools to develop, evaluate, and endorse robust and resource-intensive policy options. While it is excellent at finding resources to support Presidential priorities, the OMB process alone does not necessarily result in a realignment of resources to reflect policy priorities – either within any budget function or across functions.

The budget cycle begins when OMB provides top-line fiscal guidance to agencies. Agencies then prepare budgets over the spring and summer (with varying degrees of OMB involvement), and submit them to OMB for review in the fall, prior to submission of the formal President's Budget to Congress in early February of the following year. OMB considers the agencies' budget requests and sets funding levels, meeting separately with agencies on specific

²⁴ *Biodefense for the 21st Century*; www.whitehouse.gov/homeland/20040430.html.

program requests in “hearings” before final budget numbers are set.²⁵ The NSC staff is invited to participate in the OMB-led “hearings” on the national security portion of the budget in autumn, but with the exception of the DoD budget, the NSC is rarely involved prior to that time.

Examining the budget from a cross-cutting perspective should affect not only this deliberate annual budget planning, but also requirements that may emerge throughout the year, such as post-conflict reconstruction, humanitarian assistance, and disaster relief. The security environment is not static, and to be responsive to the changing environment, the process must be designed accordingly.

Recommendation

- ***Conduct NSC/OMB mission area reviews for top national security priorities that require interagency implementation.***

Mission area reviews should help to more systematically identify gaps, duplication, or misalignment among agencies. Recognizing the challenges inherent in the budget process, the study team believes this strengthened review process – with NSC providing the policy focus and OMB the fiscal focus – should be confined to very specific mission areas that are among the most critical Presidential priorities and require implementation across multiple USG agencies.

Specifically, these mission area reviews would include the following elements:

- First, the NSC Senior Director for Strategic Planning, in coordination with other NSC senior directors and key agencies, would develop capabilities guidance as part of the President’s National Security Planning Guidance described above. This guidance would articulate the baseline capabilities and programs in key mission areas and would be issued in the spring, prior to development of the agencies’ respective budgets.
- Second, once the President’s National Security Planning Guidance is issued, OMB should be the lead in tracking planned resource allocation against Presidentially-mandated priorities, before agencies submit their budgets to OMB.
- Third, OMB and the NSC should co-chair interagency mission area reviews before agency budgets are finalized. These would build on the “hearing” process in place today, but would be broader in scope and participation and would be held on a regular basis. They might be conducted in two phases: in the early summer, before agency submissions to OMB; and in the fall, as part of the process of finalizing the President’s budget submission to Congress. Extra reviews would be held as needed for crisis issues not foreseen in the budget.

²⁵ This section describing the current process draws heavily from an unpublished working paper developed for the BG-N project by Anne Richard, entitled “Interagency Resource Allocations: Understanding and Reforming How Resources Are Allocated,” November 2003.

- Finally, significant unresolved issues would be raised to the President for decision, as is the case today.

For specific high priority mission areas, budgets would be presented to Congress not only in the traditional form, but also as a cross-cut. Such a presentation would enhance the executive branch ability to defend its submissions in these areas based on the rationale with which they were developed.²⁶

The proposed process argues for not only strengthening OMB's partnership with the NSC but also raising the level of "budgetary literacy" among senior national security policy officials through targeted training and hands-on experience.²⁷

Integrating Day to Day Policy Execution in Regions

In any given region of the world, from East Asia to Latin America, U.S. national security policy is implemented daily by a multiplicity of actors: U.S. ambassadors, in-country representatives from agencies ranging from USAID to the FBI, regional and functional Combatant Commanders and their subordinate military commanders, and so on.

Although regional COCOMs are charged with integrating the activities of the U.S. military in their areas of responsibility, there is no standing mechanism for integrating the activities of all U.S. government players in a given region. Moreover, each of the key national security departments defines the regions differently, creating sometimes troublesome seams and overlaps in the policy implementation process.²⁸ As a result, U.S. government programs and actions in a region are often uncoordinated (as in the right hand not knowing what the left is doing) or entirely incoherent (as in one agency's actions contradicting or conflicting with another's). Strengthening the link between policy made in Washington and its execution in the field requires greater integration of U.S. government programs and activities on a regional basis.

²⁶ There is some precedent for this approach. In the 1990s, OMB developed budget "cross cuts" for several priority mission areas, such as combating terrorism, counter-narcotics, and counter-proliferation. More recently, it has developed cross-cuts for homeland security and combating terrorism. For another proposal to strengthen NSC and OMB planning and coordination to build capabilities to meet new threats, see John Deutch, Arnold Kantor, and Brent Scowcroft with Chris Hornbarger, "Strengthening the National Security Interagency Process," in Ashton B. Carter and John P. White, eds., *Keeping the Edge: Managing Defense for the Future* (Cambridge, Mass.: MIT Press, 2001), pp. 265-284.

²⁷ This recommendation was suggested by Gordon Adams, former Associate Director for National Security and International Affairs at OMB.

²⁸ For example, the State Department divides the world into six regions: Africa, Europe and Eurasia, Near East, Western Hemisphere, East Asia and Pacific, and South Asia. The Office of the Secretary of Defense divides the world into four regions: Africa, Asia and Pacific, Near East and South Asia, and Western Hemisphere. Within the CIA's Directorate of Intelligence, the world is divided into the following regions: Asia Pacific, Latin America, Africa, Near East and South Asia, and Russia and Europe. The Unified Command Plan divides the world into 5 AoRs that differ from OSD(P) ISA's breakdown. NORTHCOM has the US, Canada and Mexico, SOUTHCOM has Central and South America, CENTCOM has the Middle East and the Newly Independent States of former USSR, EUCOM has Greenland, Europe, Russia and Africa, and PACOM has India, China, the rest of the Pacific, Australia and Antarctica.

Recommendations

- ***Establish a common USG-wide framework for defining the regions of the world.***

The NSC should lead an interagency review of how various agencies divide the world into regions for the purposes of policy execution, with the aim of creating a common regional framework that could be used across the U.S. government. The resulting framework should be reviewed and updated on a regular basis to ensure it adapts to changes in the international security environment.

- ***Conduct regular NSC-chaired interagency “summits” in each region.***

The NSC Senior Director for a given region should convene on a regular basis, on behalf of the National Security Adviser and the President, a “summit” of the senior USG officials with policy execution responsibilities in the region, including (but not limited to) the relevant ambassadors and COCOM. These summits would review current and planned activities in the region in light of the President’s priorities, policies, and planning guidance. They should also identify ways to improve unity of effort and develop strategies by which the United States could shape the environment and possibly prevent crises. These summits might also provide useful bottom-up input into interagency processes for crisis action planning, as described in the next chapter.

In the longer term, the U.S. government should consider establishing standing Regional Security Councils, composed of senior representatives from all of the national security departments, that would coordinate U.S. policy execution on a day-to-day basis and seek approaches to shape the regional environment in favorable ways.

- ***Enhance opportunities and networks for information sharing and collaboration across agency lines and with coalition partners.***

Information flow among agencies of the U.S. government operating around the world remains remarkably constricted. The barriers to information sharing and collaboration on an interagency basis stem from a combination of policy constraints, cultural barriers, and technological inadequacies. Similar obstacles hamper information sharing with U.S. partners and allies. Achieving greater unity of effort in day to day policy execution requires improving how the U.S. government manages and shares information internally and with its partners.

Building on initiatives such as the Joint Interagency Coordination Groups at the regional Commands and proposals to make DoD’s regional centers more interagency in character is a useful starting point. Beyond that, the NSC should establish an interagency working group to conduct a review of current national and agency policies on information sharing with the aim of removing counterproductive constraints. It should also seek to accelerate the efforts of the Department of Defense and the intelligence community to build networked information technology architectures that would enhance information sharing and collaboration among the

national security agencies of the U.S. government. Solutions identified for the U.S. government might also provide a basis for improving information sharing with key allies and partners.

Developing the Human Resources to Support a More Integrated National Security Approach

Perhaps the most essential requirement to implement the above recommendations is a true national security career path across government – one that produces an educated and trained workforce with the skills and experience to integrate all the instruments of national power into effective national security policies, plans, and operations. Although there are many talented career professionals within government, such a workforce does not exist today.

Despite multiple and repeated calls for significant reform by a wide range of blue ribbon panels and commissions, little progress has been made across the U.S. government toward revitalizing the federal workforce.²⁹ Put simply, the national security agencies of the federal government lack the tools and resources to recruit and retain sufficient top-notch talent.³⁰

Not only is the federal government poorly positioned to recruit and retain enough of the best and the brightest, the Cabinet agencies with significant responsibilities for national security³¹ do not have career paths for their civilian professionals that encourage them to develop the types of skills the government needs most. They are not encouraged to serve outside of their home agencies, nor are they provided significant interagency training or education. In fact, rotations outside of one's home agency can be very difficult to arrange, and often even damage prospects for promotion. While the strategic environment increasingly demands integrated approaches and interagency operations, very few professional development structures are in place to develop "jointness" at the interagency level.

²⁹ A sample of the recent literature on civilian resource management includes the following:

- (i) U.S. Commission on National Security/21st Century, *Roadmap for National Security: Imperative for Change*, Phase III Report (February 2001);
- (ii) Defense Science Board Task Force, *Human Resources Strategy* (February 2000);
- (iii) The National Commission on the Public Service, *Urgent Business for America: Revitalizing the Federal Government for the 21st Century* (January 2003)
- (iv) GAO Report, *Senior Executive Service: Enhanced Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over* (October 2003);
- (v) GAO Report, *DoD Personnel: DoD Actions Needed to Strengthen Civilian Human Capital Strategic Planning and Integration with Military Personnel and Sourcing Decisions* (March 2003); and
- (vi) GAO Report, *Human Capital: DoD's Civilian Personnel Strategic Management and the Proposed National Security Personnel System* (May 2003).

³⁰ As noted in the Phase 1 Report of the Beyond Goldwater-Nichols project, "the problem stems from multiple sources: competition from private sector opportunities with often superior pay and fewer bureaucratic frustrations; complex and rigid hiring and security clearance procedures that can take months to complete; perceptions of government as a plodding bureaucracy where young talent lies increasingly fallow; and a changing labor market that increasingly views the notion of a single-employer career as undesirable and anachronistic." (Beyond Goldwater-Nichols Phase 1 Report, page 52.)

³¹ While many federal agencies today have roles in national security, for the purposes of this section of the report, the BG-N study team focused on the Departments of Defense, State, Homeland Security, the Central Intelligence Agency, the Justice Department and parts of the Departments of Treasury, Commerce and Energy.

Recommendation

- ***Working with Congress and the national security agencies, the Office of Personnel Management (OPM) should develop a national security career path that would give career professionals incentives to seek out interagency experience, education, and training. Congress should approve a 10% personnel float for key civilian agencies to enable interagency education, training, and rotations.***

One of the most important changes made in the original Goldwater-Nichols legislation was the creation of the Joint Service Officer designation and associated incentives for officers to seek joint service as a way of advancing their careers. Once joint service became essentially a requirement for promotion to General or Flag Officer, the best talent in each of the Services began to seek out joint assignments.

Building on this model, OPM should work with Congress and the Cabinet agencies involved in national security to develop a national security career path for civilian professionals.³² Like the Joint Service Officer model, this system would create incentives for civilian national security professionals to rotate to assignments outside their home organizations, thereby broadening the experience of individual careerists and creating a pool of civilian professionals with experience in interagency policy development, programs, and operations.³³

To develop and oversee implementation of a national security career path, the Office of Personnel Management should chair an interagency oversight board composed of representatives from each of the participating agencies. This board would identify the positions in the federal government that would be designated as “interagency duty assignments” (IDA) and determine the prerequisites for each. The board would also monitor the development of participating careerists to encourage home agencies to ensure that when individuals return from rotational assignments, they are placed in positions in their home agencies that leverage their joint experience.³⁴

Creating a pool of interagency duty assignments across government is a central component of developing a national security career path, but equally important is linking these rotational assignments to increased upward mobility for those who participate. Making promotion to the Senior Foreign Service or Senior Executive Service (SES) for national security related positions contingent on completing a rotational assignment would radically alter the

³² This system is very similar in approach to the National Security Service Corps proposed in the Phase III report of the U.S. Commission on National Security/21st Century (i.e. the Hart-Rudman Commission). See *Road Map for National Security: Imperative for Change*, The Phase III Report of the U.S. Commission on National Security/21st Century (February 15, 2001), p. 118. The Phase 1 Report of the Beyond-Goldwater Nichols project recommended creation of a Defense Professional Corps that would apply to DoD career civilians; in Phase 2, the BG-N study team realized that in order to build the needed capacity for interagency operations in the federal government, expansion of the Defense Professional Corps concept to the broader set of national security agencies would be essential.

³³ Members of the Foreign Service, while often perceived as different from individuals serving in GS positions, are also civil servants. The BG-N study team views the Foreign Service as an important component of the larger pool of career civil servants that would participate in this national security career path.

³⁴ If OPM and the agencies do not act in a timely fashion, Congress should step in to create the necessary legislation.

prevailing view in government that outside assignments virtually guarantee stepping off the promotion track.

Linking rotational assignments to accelerated promotion consideration for career civil servants at lower GS-levels (for example, those in Grades 13 and 14) would push the incentives further down into the career ranks and speed up the culture change needed to move from stove-piping to interagency integration. Home agencies, not the OPM-chaired interagency oversight board, would retain control over the promotion process for their employees in this proposed system. All agencies participating in the system, however, would need to comply with the OPM mandated requirements that, to be eligible for SES, candidates must have completed an IDA rotation, and that GS-13s and GS-14s who complete an IDA will be immediately eligible for step increases and considered for promotion under accelerated timelines.

Interagency education and training also will be central to the creation of a national security career path that develops real interagency professionals. Just as national security career professionals who want to join the Senior Executive Service or Senior Foreign Service will be required to complete an IDA assignment, they also should be required to complete some amount of interagency education or training before being promoted. In addition to existing billets for civilians at the National War College and the Foreign Service Institute Senior Seminar, Congress should create a new Center for Interagency and Coalition Operations³⁵ that would focus on training national security professionals in planning, managing, and overseeing complex contingencies and on preparing for deployments to specific operations. Should the Department of Homeland Security establish an educational center for its senior professionals, participation in that program might also fulfill the education and training requirements associated with the national security career path.

Critical to making a national security career path work is creating a “personnel float” for participating agencies that will enable rotations, education, and training as careerists move through the ranks. Congress allows the Military Services 10-15 percent additional end strength to create a float sufficient to ensure the joint service officer process can work. A similar approach is needed for national security agencies, beginning at the GS-13 level and above, to enable them to meet the professional development requirements of the national security career path.

Such a float would not be cost-free, but the return on investment in terms of the enhanced performance of government operations would be considerable. Creating a pool of career professionals with significant experience in interagency policy development and operations could help to break down the cultural barriers between agencies that too often hamper effective U.S. government action. Over time, enhancing the number of career professionals with substantial interagency experience could establish the human foundation for greater jointness at the interagency level, and could also appreciably reduce the current burden on the U.S. military by providing the leadership element of the civilian capacity needed for complex operations in the field, as will be discussed in greater detail in Chapter 4.

³⁵ This center is described in more detail in Chapter 4 and could be part of the National Security University discussed in Chapter 11.

Conclusion

Since the September 11 attacks, there has been much emphasis on the need for the federal government to “connect the dots.” Even in the best of circumstances – when multiple agencies are focused on the same threats, when efforts to address critical problems are well-resourced, when technology enables a wealth of information to be integrated and accessible to multiple actors – connecting the dots in today’s security environment is extremely challenging. And unfortunately, ideal circumstances are not the norm. The United States needs a new national security architecture, one that will make integration, shared focus, consistency of approach and unity of effort the defining characteristics of U.S. national security policy.

Process and organizational structures are not substitutes for good policy, but they can enable its formulation and execution. The United States needs a national security process built on interagency strategic planning, programming, and budgeting. A more integrated national security approach will not guarantee all the dots are connected every time, but it will greatly increase the chance that many of the dots are connected more often, and in so doing help us see and respond to the whole picture more quickly and clearly.

Chapter 3 **Unifying Effort in Interagency Operations**

In the last decade and a half, the United States has experienced some truly stellar military victories: rolling back Saddam Hussein's aggression against Kuwait in the 1991 Persian Gulf War, establishing a secure environment for the implementation of peace accords in the Balkans, driving the Taliban from power in Afghanistan in the wake of the September 11, 2001 terrorist attacks, and toppling Saddam Hussein's brutal regime in a matter of weeks.

During the same period, however, the United States has also experienced some profound operational failures: from the unsuccessful effort to stabilize and rebuild war-torn Somalia to the failure to quell the insurgency and jump-start reconstruction early on in post-conflict Iraq. In such cases, the United States, and the international community more broadly, has had great difficulty translating military successes into the achievement of broader strategic objectives.³⁶ Winning the peace has proven to be much more difficult than winning wars.

While some of these operational failures may have stemmed from misguided policy or mistaken judgment, others have resulted from poor policy execution. In numerous operations, the United States has been unable to bring to bear all of its instruments of national power – political, economic, military, and informational – in a coherent and effective campaign. In some cases, inadequate vertical integration meant that policy decisions made in Washington did not translate into intended actions on the ground. In other cases, poor horizontal integration meant that the various agencies involved in execution operated independently of one another rather than as a team, yielding an uncoordinated and ineffective campaign. Sometimes, unresponsive oversight meant that decisionmakers in Washington were not providing policy direction in a sufficiently timely fashion to meet the needs of those who were executing policy in the field. And in all of these cases, the U.S. government simply lacked the unity of effort necessary to achieve its strategic goals and objectives.

These problems have several sources. First, unlike the U.S. military, which has doctrine and a standard approach to planning its operations, the U.S. government as a whole lacks established procedures for planning and conducting interagency operations. Each new administration tends to reinvent this wheel, either issuing new Presidential guidance – which too often overlooks the lessons learned and best practices of its predecessors – or ignoring the issue entirely until it faces an actual crisis. This *ad hoc* approach has kept the United States from learning from its mistakes and improving its performance in complex contingencies over time. It is no wonder that U.S. personnel who have served in multiple operations over the last 10-15 years lament feeling a bit like Sisyphus.

In addition, and reflecting the policy and budget issues discussed in the previous chapter, the U.S. government lacks the mechanisms necessary to coordinate and integrate the actions of its various agencies at all levels – in Washington, within regions, and in the field. For example,

³⁶ Due to time and resource constraints, the BG-N study team was not able to undertake in-depth analysis on the broader and equally important question of how to achieve greater unity of effort in coalition operations. Our focus in this report was on improving U.S. performance. That said, some of the recommendations made in this chapter might be expanded and adapted to include allies, coalition partners, and other partners involved in a given operation.

the NSC does not currently have adequate staff dedicated to coordinating the development of integrated interagency plans for complex operations and providing effective policy oversight of operations under way. Nor are there established mechanisms to enable the various U.S. government actors who will be involved in a given operation to develop a truly integrated, interagency campaign plan. And when the United States actually conducts an operation, there is no standard approach to fully integrating the activities of military forces and civilian agencies on the ground. To the contrary, an examination of the coordination mechanisms used in operations ranging from Haiti and Bosnia during the Clinton administration to Afghanistan and Iraq during the Bush administration suggests that U.S. civilian and military leaders tend to develop new approaches in each operation. These *ad hoc*, often personality-driven approaches too often ignore the experience gleaned from previous operations.

Finally, the civilian agencies of the United States government simply lack the capacity to rapidly deploy personnel to conduct operations on the ground. In practical terms, this lack of operational capacity in the agencies other than DoD has had two profound effects on the U.S. military in operation after operation. First, it has expanded the military's mission substantially, as men and women in uniform have been forced to take on tasks (such as economic reconstruction and judicial reform) that might be more appropriately or better performed by civilian experts. Second, it has extended the duration of the military's mission, as milestones central to its exit strategy, such as the reconstitution of local police forces or the holding of elections, are delayed. This critical issue will be examined and addressed in detail in the next chapter.

At the end of the day, unity of effort across the U.S. government is not just about being more efficient or even more effective in operations. It can determine whether the United States succeeds or fails in a given intervention. It can also determine whether the ultimate costs of success – both dollars spent and lives lost or forever changed – are as low as possible or higher than necessary. In this sense, unity of effort is not just something that is nice to have; it is imperative.

Achieving Greater Unity of Effort

The demand for the United States and the international community to conduct complex contingency operations of one sort or another is likely to remain quite high. Whether aimed at denying terrorists safe haven, spreading free-market democracy, stopping genocide, restoring stability, or keeping weapons of mass destruction out of hostile hands, complex contingency operations will be a defining feature of the early 21st century. Because these operations are fundamentally interagency in character – requiring contributions from multiple agencies – achieving unity of effort in their execution will be critical to reducing both the risks of failure and the costs of success.

Over the last decade, several efforts have been made to improve U.S. effectiveness in complex operations. In 1997, the Clinton administration's PDD 56³⁷ articulated a standard approach to managing complex contingency operations based on lessons learned from Somalia

³⁷ Presidential Decision Directive 56, "Managing Complex Contingency Operations," (Washington, DC: The White House/National Security Council, May 1997). <http://www.fas.org/irp/offdocs/pdd56.htm>

and Haiti. Throughout the 1990s, a number of “pol-mil plans” were written and rehearsed at the strategic level, adding greater coherence to USG preparations for international interventions ranging from Bosnia to Sierra Leone. During the same period, interagency gaming and simulations explored the requirements of complex operations and identified both process and capability shortfalls.

More recently, Combatant Commanders have formed Joint Interagency Coordination Groups to bring interagency perspectives into their planning and operations. In the field, Civil-Military Operations Centers, Civilian-Military Centers, Humanitarian Assistance Coordination Centers, and other arrangements have been used in various interventions to coordinate civil-military operations on the ground. These innovations have had varying degrees of success. But fundamentally, they have all been piecemeal approaches, and none has solved the larger integration problem.

In light of this mixed track record, the BG-N team sought to develop a more comprehensive and integrated set of initiatives to improve unity of effort at and between all levels of the U.S. government. What follows is a vision of how these initiatives could work together to improve interagency planning for and conduct of a complex contingency operation, as well as recommendations to create a new system of interagency integration mechanisms at the strategic, operational and tactical levels.

The Vision: Integrated Planning and Execution of Complex Operations

Strengthening integration requires thinking through how the USG is likely to approach different types of operations long before planning for a specific operation begins. As described in the previous chapter, the NSC staff would work with agency counterparts to develop interagency “concepts of operation” for critical mission areas, from combating terrorism and homeland security to stability operations and combating WMD. Interagency concepts of operation would articulate the United States’ overarching objectives in a given mission area, identify critical tasks that need to be undertaken, lay out an overall approach to how these tasks would be performed, and assign responsibility for specific areas to specific agencies.

These concepts of operation would provide the basis for codifying an interagency division of labor in various mission areas and for better aligning agency authorities and resources with their operational responsibilities. They would also provide a basis for assessing agency capabilities to execute their assigned tasks, and developing action plans to remedy critical shortfalls. If fully implemented, this approach would significantly enhance the USG’s preparedness to deal with specific interagency operations when they arise.

The process of interagency planning for a specific complex contingency operation would begin with a decision by the President or by the Principals or Deputies Committee of the National Security Council. Following that decision, the Deputy National Security Adviser would be charged with guiding the development of planning guidance for the operation, overseeing interagency planning and rehearsals for the operation, and ensuring the President remains fully briefed on plans for the operation as they evolve and events on the ground as the operation unfolds. The Deputies Committee would be designated as the primary interagency decision-

making body responsible for overseeing the planning and conduct of complex contingency operations.³⁸

Each operation would be overseen on a day to day basis by an Executive Committee composed of senior Presidential appointees (Undersecretaries or Assistant Secretaries) from the relevant regional and functional offices of all agencies participating in the operation. It would be chaired by the NSC Senior Director for the relevant region or a senior civilian appointed by the President for this purpose, and supported by a new NSC office for Complex Contingency Planning, which would provide functional expertise on the interagency planning process. A governing principle of this group should be the accountability of its members as Presidential appointees.

The Executive Committee's first task would be assisting its chair in drafting the planning guidance for the operation. This guidance would define the mission, its overall objectives, the desired end state, the roles and responsibilities of various agencies, and the mechanisms to be used to achieve unity of effort across USG operations. The Deputies Committee would review the Guidance before its implementation.

While the guidance was under development, members of the Executive Committee would also help identify personnel from their respective agencies to serve on an Interagency Crisis Planning Team (ICPT) that would work intensively with military campaign planners from the relevant Combatant Command. Chaired by the NSC Senior Adviser for Complex Contingency Planning or his or her designee, the ICPT would comprise regional and functional experts from all of the agencies with responsibilities in the operation.³⁹ The ICPT would also have extensive reachback capabilities, such as secure means of communications like video teleconferencing and collaborative web-based tools, to enable its members to engage experts in regional and functional offices of their home agencies in developing specific aspects of the plan. The ICPT's purpose would be to develop a truly integrated interagency campaign plan for all aspects of the operation, to be approved by the Deputies Committee and ultimately the President. Based on the planning guidance, the ICPT would integrate the development of various plans to implement that guidance, de-conflicting component planning and seeking to create synergies wherever possible.

Ideally, interagency planning would be organized not according to the traditional phases of conflict but by parallel streams of activity. An ICPT preparing for a post-conflict reconstruction operation might, for example, include multiple interagency planning teams, each of which would plan for a given area of activity, such as security, governance, justice/rule of law, or social and economic well-being. This would enable interagency integration at a much lower level while ensuring that planning for winning the peace also received priority and attention from

³⁸ This approach draws on elements of both the Clinton administration's PDD-56 and the Bush Administration's draft NSPD-"XX". (The NSPD was given the designation "XX" because it was not signed.)

³⁹ The proposed ICPT model builds on a similar model proposed by State S/CRS, but with two important differences. First, it would be chaired by NSC rather than State, empowering the chair with a direct line to the National Security Adviser and enabling him or her to play more of an "honest broker" role in resolving agency disputes. Second, it would ultimately work for the President, not the combatant commander, making the latter a supporting rather than the supported player in the planning process. U.S. Department of State, *Office of the Coordinator for Reconstruction and Stabilization Fact Sheet*, (Washington, DC: Department of State, 11 March 2005), <http://www.state.gov/s/crs/rls/43327.htm>

the start. The ICPT should also plan “backwards” from the desired end state to the point of intervention in order to ensure that the United States’ ultimate objectives in the operation drive how the intervention is conducted rather than vice versa.

Much of the value of this exercise would lie not in the plans themselves, but in the planning process, as underlying assumptions are brought to light, information is shared across agency stovepipes, different interpretations of the planning guidance are aired and addressed, and critical working relationships are forged. Were the interagency planning team unable to resolve a dispute between agencies, they could seek further guidance from the Executive Committee, which would either resolve the issue and clarify the guidance or refer the issue to the Deputies Committee for decision. In this sense, the normal NSC process would remain the “court of appeals” for resolving issues that arise in the course of the planning process.

The relationship between interagency planning and military planning is critical and would require careful management. In the past, the regional Combatant Commanders have been the U.S. government’s center of gravity for operational planning. Little campaign planning for complex contingencies has been done elsewhere (given the lack of planning culture, experts and resources in most civilian agencies), and few outside DoD have been given access to military planning due to DoD’s concerns about operational security. In addition, the traditional COCOM focus on winning wars has often eclipsed planning and preparation for winning the peace, making the latter an oft-neglected stepchild in the planning process.

Under the proposed approach, several aspects of current practice would change. First, for any operation involving security, stability, transition and reconstruction operations, the COCOM and his CJTF would need to give the highest priority to fully integrating these elements into their military plans. The COCOM should also designate a subordinate commander to lead the military’s participation in interagency campaign planning for the mission.⁴⁰ Working with the ICPT, this commander would be responsible for ensuring that military planning reflects the interagency planning guidance, exposing any conflicts or disconnects between DoD planning and that of other agencies, reinforcing the efforts of other agencies where possible, and clarifying what DoD needs from and can offer to other agencies over the course of the operation.

Although operational security concerns might preclude military planners from sharing the most sensitive aspects of planning for major combat operations, the military’s planning for stability operations should be completely transparent and conducted collaboratively with interagency partners. From the outset of this process, particular attention should be paid to how indigenous security forces will be vetted, reconstituted, and trained, as this is a difficulty faced in almost every stability operation.

Prior to formal approval, the Deputy National Security Adviser would host a rehearsal of the interagency campaign plan for the Deputies. This rehearsal would review the interagency planning guidance, the interagency campaign plan, and supporting plans developed by agencies

⁴⁰ A similar recommendation to designate a subordinate joint commander for this purpose is reflected in the draft DoD Directive on DoD Capabilities for Stability Operations, February 28, 2005. The term “security, stability, transition and reconstruction operations” has been proposed by Joint Forces Command as a more accurate description than the more general “stability operations.”

or teams. The primary aim of this table top exercise would be to ensure that the plans reflect the guidance as intended, to reveal any disconnects between agency plans, identify issues or possible events that plans have not adequately addressed, and identify ways in which U.S. efforts could be made more effective. Conducting this rehearsal before the first U.S. boot hits the ground offers an invaluable opportunity to further integrate U.S. efforts before lives are on the line.

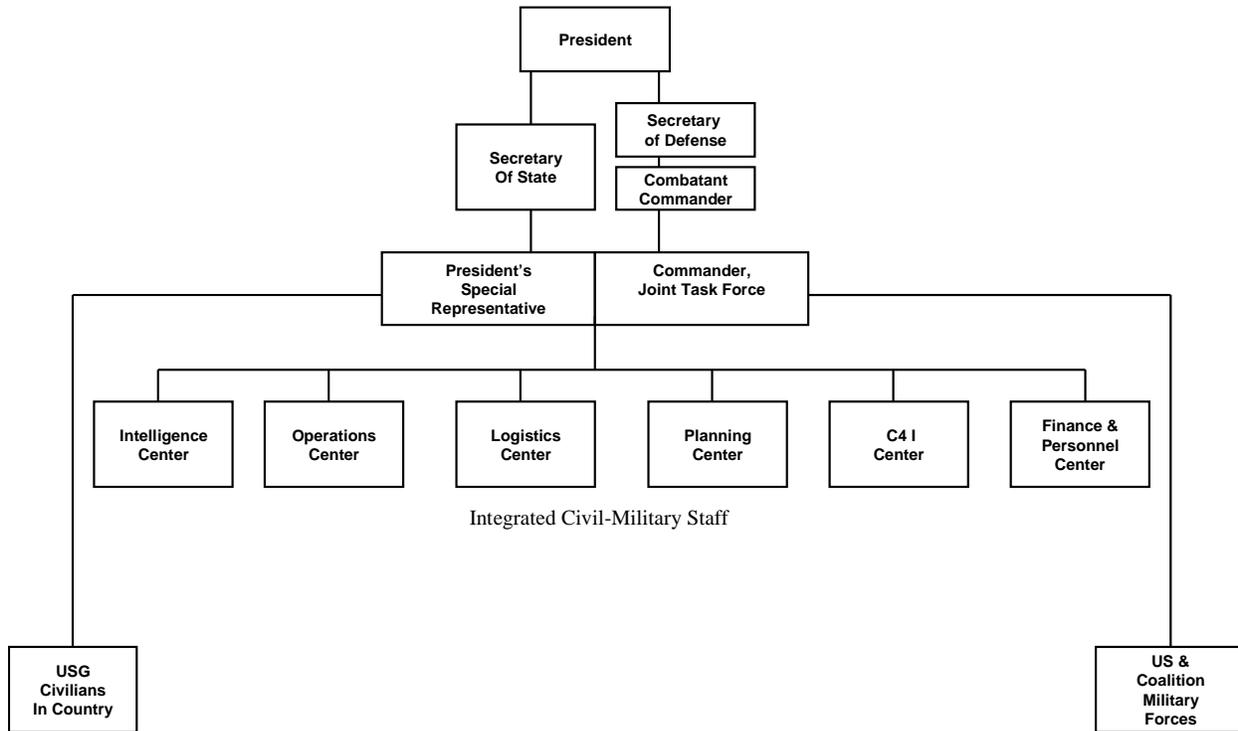
At some point in this planning process, the President would appoint a senior civilian to serve as his Special Representative, responsible for achieving the intervention's strategic objectives and accountable for the success of the overall campaign.⁴¹ Together, the Special Representative and the Commander, Joint Task Force, who is responsible for all military operations in the campaign, would lead an Interagency Task Force charged with integrating U.S. interagency operations in the field. The principal purpose of the IATF would be to enhance the unity of effort among all the U.S. government actors involved – civilian and military – and, ultimately, improve the chances of success on the ground.⁴² The Special Representative would report to the President through the Secretary of State and would have directive authority over all U.S. government civilians deployed to the field. The Commander of the Joint Task Force would report to the Combatant Commander in charge of the operation and would retain operational control of all U.S. military forces in the theater, leaving the customary military chain of command unbroken. While the Special Representative would not have directive authority over the CJTF, he or she would have the authority to raise any disagreements to the National Security Council, and ultimately the President, for resolution. The Special Representative and the CJTF would be supported by a fully integrated civil-military staff, organized along functional lines (e.g. with staffs for intelligence, planning, operations, logistics, administrative matters, etc.).⁴³ Both civilian and military representatives of coalition partners could also be integrated into the task force as appropriate.

⁴¹ This could be the U.S. Ambassador to a given country or another senior civilian of comparable stature. It should be noted that in many cases the United States may not have an Ambassador in the affected country at the time of the intervention. A proposal to create a roster of experienced senior civilians who could fill this role as well as a deployable cadre of civilian experts who could, among other things, serve on the IATF staff is presented in the next chapter.

⁴² In order to develop such an approach, we examined a range of models that the United States has used in recent operations, including the Civil Military Operations Center (as used in Somalia, Haiti, and Bosnia), the Joint Interagency Task Force (used in counter-drug operations), coordination between the U.S. Embassy and the Commander, Joint Task Force (CJTF) in Afghanistan, and coordination between the Coalition Provisional Authority and the CJTF in Iraq.

⁴³ The majority of the IATF staff would be military personnel under the command of the CJTF and civilian personnel detailed from their home agencies to work for the senior civilian. In those cases in which a U.S. embassy exists, this integrated staff should incorporate and expand on the existing country team. Private contractors and NGOs might also be included. While providing the expertise and perspectives of their home agencies, the civilian USG personnel would be expected to take direction from the President's Special Representative and the CJTF. One interesting historical precedent for such a model is the interagency delegations that supported various U.S. arms control negotiators during the Cold War. If a significant disagreement were to arise over a given decision or direction, the NSC process would remain the ultimate court of appeals – that is, a staff member could raise the issue via his or her home agency to be addressed by the Executive Committee in Washington.

Figure 1 – Interagency Task Force



Ideally, for each complex contingency operation undertaken, the United States would establish a core IATF staff early on, outside the area of operations, to participate in the interagency planning and preparation for the operation. The IATF would deploy to the field with the CJTF, relying primarily on the U.S. military to provide the security, communications, logistics, and other support it would need to function.

Admittedly, the IATF would require some profound changes in the way that various U.S. agencies are used to doing business. Agency representatives would have to share intelligence and information more readily with their counterparts from other agencies. They would also have to develop new ways of operating alongside each other – as members of an integrated team rather than in their agency stovepipes. They would also have to develop a deeper understanding of (and perhaps appreciation for) the capabilities each agency can – and cannot – bring to an operation. This may sound like a tall order, but it is not so different from what the nation has asked of members of the U.S. Army, Air Force, Navy, and Marine Corps over the last two decades in developing the capacity to conduct truly joint military operations.

The bottom line is this: Interagency operations are the next frontier of jointness and one that the United States cannot afford to neglect.

Recommendations

A number of specific recommendations arise from this vision of a truly integrated approach to the planning and conduct of interagency operations. They would reshape how the U.S. government operates and is organized at the strategic, operational, and tactical levels.

At the Strategic Level:

- ***The NSC needs to move beyond its traditional and well-accepted role of preparing decisions for the President and take a more active oversight role to ensure that Presidential intent (as reflected in those decisions) is realized through USG actions.***

A stronger NSC role in providing policy oversight during planning and execution, however, does not mean that the NSC staff should be involved in the conduct of operations. The NSC staff is neither equipped for an operational role, nor is it subject to the same level of Congressional accountability as the national security agencies. In particular, no NSC staffer should have directive authority; in those cases in which an NSC staffer may believe that Presidential guidance is being ignored, he or she can use the NSC process to raise the issue to higher levels for resolution.

- ***Establish a new NSC Senior Director and office dedicated to integrating interagency planning for complex contingency operations.***

The BG-N Phase 1 report recommended establishing a new Deputy Assistant to the President for Stability Operations. In light of the new, integrated NSC-HSC structure being recommended in Chapter 5, the study team revises this recommendation to call for a new Senior Director instead. The proposed office would be responsible for chairing the Interagency Crisis Planning Teams described below and providing planning expertise to the Executive Committee for a specific operation. It would also be responsible for developing standard operating procedures for interagency planning. This office should be given the staff and resources necessary to support at least three simultaneous planning efforts. Ideally, a core staff of civilian and military planners would remain in place as administrations change to provide continuity.

- ***Establish planning capacity for complex contingency operations in civilian agencies.***

As argued in BG-N Phase 1, effective interagency planning for operations requires agencies other than DoD need to increase their capacity to participate in and contribute to the planning process. The establishment of the Office of the Coordinator for Stabilization and Reconstruction in the State Department is a first step in this direction. Other agencies that regularly participate in complex contingency operations, such as Treasury, Justice, and Commerce, should create staffs with operational planning expertise as well. This will be no small challenge in organizations that lack a planning culture, expertise, and resources. Congress should provide the necessary authorities and resources for the personnel required. Given its planning culture and expertise, DoD should offer to detail some of its planners to help jump-start and support new planning offices in other agencies.

- ***Establish a standard, NSC-led approach to interagency planning at the strategic level for complex contingency operations, as described above.***

This approach, recommended in BG-N Phase 1, should be codified in a national security directive signed by the President and should build to the greatest extent possible on the best

practices of the current and previous administrations, such as the Clinton administration's PDD-56 on Managing Complex Contingency Operations, the Bush administration's NSPD-"XX", and the State S/CRS essential task list planning template.

At the Operational Level:

- ***Create rapidly deployable Interagency Crisis Planning Teams for interagency campaign planning.***

Chaired by the NSC Senior Director for Complex Contingency Planning, the ICPT for a given operation would be responsible for developing a truly integrated interagency campaign plan, based on the President's planning guidance for the operation, to be approved by the Deputies Committee and ultimately the President. Each ICPT would be composed of regional and functional experts from all of the agencies involved, and should have "reachback" capabilities to draw on the broader expertise resident in these agencies.

- ***For any operation involving security, stability, transition and reconstruction operations, the COCOM and his CJTF should fully integrate these elements into their campaign plan. The COCOM should designate a subordinate commander to lead the military's participation in the interagency planning process.***

This commander would participate in all aspects of military planning as well as the interagency planning process described above. Working with the ICPT, this commander would ensure that military planning is responsive to interagency planning guidance, seek to identify and resolve conflicts or disconnects between DoD planning and that of other agencies, increase synergy, and clarify what DoD needs from and can offer to other agencies during the operation.

- ***Enhance USG capacities for training and equipping indigenous security forces by amending Titles 10 and 22 to permit direct DoD funding of these activities.***

Training, and in some cases reconstituting, the indigenous security forces of a country is a critical challenge in any stability operation. The sooner the affected country has the capacity to provide for its own security, the sooner the United States and its international partners can reduce and ultimately withdraw coalition military forces. Given the frequency of this type of mission and the importance of a rapid response, the Department of Defense needs the authorities to help jump-start broader interagency and international efforts to train and equip foreign security forces in peacetime and in the wake of state failure or conflict. The United States should also give priority to initiatives aimed at increasing international support and capacity for training indigenous security forces.

At the Field Level:

- ***For each complex contingency operation, establish an Interagency Task Force in the field to integrate the day to day efforts of all USG agencies and achieve greater unity of effort on the ground.***

Each IATF would be led by a senior civilian appointed by the President⁴⁴ and the commander of the military's joint task force for the operation. The President's Special Representative would be responsible for achieving the intervention's strategic objectives and accountable for the success of the overall campaign, and the Commander, Joint Task Force, would be responsible for all military operations in the campaign. The Special Representative would report to the President through the Secretary of State and would have directive authority over all U.S. government civilians deployed to the field. The Commander of the Joint Task Force would report to the Combatant Commander in charge of the operation and would retain operational control of all U.S. military forces in the theater, leaving the customary military chain of command unbroken. While the Special Representative would not have directive authority over the CJTF, he or she would have the authority to raise any disagreements to the National Security Council, and ultimately the President, for resolution. Together, they would be supported by a fully integrated staff of civilian and military professionals organized along functional lines. The IATF structure should be flexible enough to include representatives of coalition partners and be adapted to operational circumstances.

- ***Establish a standing IATF headquarters core element that is ready to deploy to an operation on short notice.***

This standing headquarters core element (and its associated logistics and C2 backbone) would be the foundation for building the rest of an IATF once an operation was anticipated. Creating such a standing capacity is critical to reducing the response time to crises and to enabling the development of standard operating procedures, the training of personnel, and the forging of interagency relationships that will be put to the test in real-world operations. This core IATF staff would participate in interagency planning for the operation, increasing the likelihood that operations on the ground would reflect the President's intent and guidance, and would deploy to the theater to begin operations as soon as possible. The ideal initial home for this core element would be Joint Forces Command, where the construct could be fleshed out and refined through experimentation and exercises. If this organization proves its value in future operations, Congress should provide the additional resources necessary to establish a standing IATF headquarters core element for each region of the world.

- ***Provide DoD with more flexible contracting authorities and vehicles more responsive to the operational environment.***

DoD's primary contract and acquisition vehicles were designed for buying goods and services over extended periods in peacetime. But in fast moving operations, where the ability to respond rapidly and adapt to changing circumstances can mean the difference between success and failure – and lives saved or lost – cumbersome acquisition processes and oversight mechanisms hamper the military's ability to gain timely access to needed goods and services from the private sector. Whether it is acquiring off-the-shelf equipment to protect U.S. forces rapidly fielding countermeasures to Improvised Explosive Devices, or providing equipment to indigenous security forces, DoD needs more flexible acquisition authorities and contracting

⁴⁴ The Special Representative could be the U.S. Ambassador to the country, if one was in place, or another senior civilian named by the President. In the former case, the IATF staff would build on and significantly expand the existing country team.

vehicles tailored to meeting warfighter needs in the operational environment. It also needs acquisition professionals trained in using available authorities to meet the urgent operational needs of commanders in the field.

Requirements and Caveats

The integrated approach to the planning and conduct of interagency operations described in this chapter depends on capacities that do not currently exist in the U.S. government. These recommendations simply cannot be adequately implemented with current levels of funding and personnel, particularly in the civilian agencies. State, Justice, Treasury, and other agencies lack the capacity to provide the people and resources required to implement these integration mechanisms at present. Collectively, they would require a modest increase in both personnel and funding levels.

In addition, preparing civilian and military personnel to participate effectively in the various integration mechanisms proposed above would require interagency education and training. Whether it is developing an interagency campaign plan or preparing to deploy and serve on an Interagency Task Force in the field, enhanced integration will place new demands on personnel. Achieving greater unity of effort and success in complex contingency operations requires the USG to invest more in preparing its personnel for these challenging and high-stakes tasks.

Furthermore, achieving greater “jointness” at the interagency level requires putting incentives in place to encourage national security personnel to acquire interagency experience over the course of their careers. These associated requirements are discussed in other chapters.

Finally, two caveats must be kept in mind. First, it will take time to build the capacities necessary to fully implement these recommendations. The vision offered in this chapter cannot be realized overnight. Consequently, in the short term, the U.S. military, as the only part of the U.S. government that has both operational planning expertise and rapidly deployable capabilities in substantial quantities, will continue to bear a disproportionate share of responsibility in the planning and conduct of complex, interagency operations. It will not be able to hand off responsibility in certain task areas until others in the U.S. government have the capacity to assume such responsibility.

Second, it must be recognized that when planning for rapid response to a crisis, the perfect can be the enemy of the good. The interagency planning process described herein has the potential to substantially increase U.S. unity of effort. But it also has the potential to slow down the planning process. This may present an unacceptable level of risk in situations where time is of the essence and the rapidity of America’s ability to respond is a critical determinant of our ultimate success. In such cases, a more abbreviated interagency planning process may have to suffice.

Conclusion

Unity of effort must start at the top with clear guidance from the President on how to manage complex contingency operations. But it cannot stop there. Improving U.S. performance in complex contingency operations requires creating a robust and interconnected set of integration mechanisms at the strategic, operational, and tactical levels of the U.S. government. It also requires developing a more sophisticated and standardized approach to interagency planning for and oversight of these operations. Although this will require many in the U.S. government to change old ways of doing business, the potential payoffs cannot be overstated: greater success in achieving U.S. objectives, faster, at less cost, and with fewer lives lost. Given the high likelihood of U.S. involvement in complex contingency operations for the foreseeable future, achieving greater jointness and success in interagency operations must be one of our highest national security priorities.

Chapter 4

Building Operational Capacity Outside the Department of Defense

Since the fall of the Berlin Wall, the United States has been involved in 17 stabilization and reconstruction operations around the world.⁴⁵ While these operations have varied in size and scope, all of them, from Bosnia to East Timor to Iraq, have exposed shortcomings in the U.S. government's and the international community's ability to respond effectively. As highlighted in the previous chapter, U.S. responses to complex emergencies to date have been largely *ad hoc* and plagued by poor planning, slow response time, insufficient resources, and little unity of effort among agencies. This continuous cycle – in which the U.S. government cobbles together plans, people, and resources for stabilization and reconstruction efforts before, during or after major combat operations – puts unnecessary strains on the U.S. military, undermines success, and must be broken. The United States must have the right structures, capabilities, people, and resources in place *before* an emergency occurs in order to mount a speedy, efficient, and successful response.

This chapter outlines current U.S. approaches to stability operations, efforts to correct the problem, and concrete recommendations for building and improving the U.S. government's operational capacity outside of the Department of Defense.⁴⁶

The Problem

While the U.S. military is unmatched in terms of its effectiveness, capabilities, and reach, the U.S. government lacks a standing, deployable capacity for stability operations in non-DoD agencies.⁴⁷ During the Cold War, this capability gap was neither obvious nor problematic because, with the exception of the occupations of Germany and Japan, U.S. and allied operations overseas usually centered on policing ceasefires or restoring the status quo.⁴⁸

Today, U.S. interventions tend to be more frequent, longer in duration, and more ambitious. They also often require shorter response times. While the United States averaged one major military operation every ten years during the Cold War, the average today is close to one every two years.⁴⁹ In addition, the response time of the U.S. military has been compressed. The United States no longer spends several months building up forces in a theater of operation. Troops are sent in rapidly for decisive and quick operations against the enemy, which in turn can

⁴⁵ <http://www.state.gov/s/crs/rls/rm/42329.htm>

⁴⁶ Since these operations invariably involve not only the United States but also international partners and institutions, the question of building the capacity of others in the international community to conduct effective stability operations is also critical. However, given the time and resource constraints of this study, this important question was simply beyond our scope of inquiry.

⁴⁷ One exception is the U.S. Agency for International Development, which does possess some operational capacity to deploy civilian experts through the Office of Foreign Disaster Assistance, the Office of Transition Initiatives and other offices. However, as mentioned later in this chapter, those capacities are insufficiently resourced and understaffed.

⁴⁸ Hans Binnendijk and Stuart E. Johnson, eds. *Transforming for Stabilization and Reconstruction Efforts*, Center for Technology and National Security Policy, NDU (2004), p. 5.

⁴⁹ *Ibid.*, p. 17.

reduce the planning time for post-conflict operations. This combination of rapid military success followed by a large-scale and lengthy rebuilding effort appears to be the trend, not the exception. In fact, almost every U.S. intervention since 1989 has been more ambitious in its objectives than its predecessor.⁵⁰

These recent changes in U.S. interventions – increased operational tempo, rapid success on the battlefield, and an ever-expanding list of post-conflict objectives – have dramatically increased the need for rapid civilian deployments. Unfortunately, very little has been done in recent years to create this kind of capability – despite U.S. failures from Somalia to Iraq that have highlighted this operational shortcoming. President Bush and the Congress have been unwilling to build a standing capacity that would enable the United States to begin the reconstruction process rapidly. It is important to note, though, that the Bush administration did recently create the Office of the Coordinator for Reconstruction and Stabilization (covered later in this chapter), but that office has not been given the resources and authorities to build a civilian operational capacity.⁵¹

As a result, U.S. responses to post-conflict stabilization efforts remain largely *ad hoc*, poorly planned and coordinated, and hampered by the lack of rapidly deployable civilian experts and teams – reducing the likelihood of operational success.

Impact

Because other agencies lack the ability to mobilize and deploy sufficient personnel and resources, the Department of Defense is often given the *de facto* lead in undertaking and managing the full range of tasks associated with stability operations. This trend is problematic for a number of reasons.

First, despite the best intentions and tireless efforts to learn from each mission, the U.S. military has little or no comparative advantage in many of the tasks associated with such operations, particularly those that fall outside the security sector. With the exception of civil affairs units that are specifically trained for reconstruction work, the U.S. military is not adequately trained or equipped to build civil administrations, act as mayors of villages, establish national financial systems, rebuild health and sanitation infrastructures, instigate judicial reform, hold elections, and so on.

Second, with few USG agencies able to take over when major combat operations end, the U.S. military frequently falls prey to what is commonly described as “mission creep.” Before

⁵⁰ *Ibid.*, p. 19. “Somalia started as a humanitarian operation and expanded to an attempt to expand democracy. In Haiti, forces restored democratically elected president and built security institutions. The mission in Bosnia was the creation of a multiethnic state. In Kosovo the international community has worked toward the establishment of a democratic polity and market economy. In Afghanistan, the United States and its allies focused on the removal of the Taliban and the establishment of a democratic government. The operation in Iraq has taken on a scope comparable to the transformational attempts still underway in Bosnia and Kosovo and on a scale comparable to the occupations of Germany and Japan.”

⁵¹ The Stabilization and Reconstruction Civilian Management Act of 2004 (commonly referred to as the Lugar-Biden Initiative) served as the catalyst for the creation of the Office of the Coordinator for Reconstruction and Stabilization, but the bill was not passed into law.

U.S. troops are deployed, military planners take great pains to design a limited and clearly defined mission. However, that well-defined mission often blurs when the U.S. military is forced to remain in country to undertake non-security related tasks. What might have started as a finite, well-defined mission suddenly expands indefinitely as the USG struggles to identify and deploy civilians who can take over as stabilization and reconstruction operations begin. The resulting mission creep stretches military resources and can put great strains on the force. The lack of rapidly deployable civilians can also prevent exit strategy milestones from being met. And, as seen by the recent missions in Iraq and Afghanistan, extending operational timelines even by a few weeks can be extremely costly. For example, keeping an Army division on the ground one additional month can cost up to \$1 billion, highlighting the savings that could be achieved with a proper reconstruction response.⁵²

Third, in cases where civilians are deployed but not in sufficient numbers to allow U.S. military personnel to forego reconstruction tasks, there can be a tremendous amount of uncertainty regarding who is in charge. An agreed division of labor is rarely sketched out in adequate detail. This leadership vacuum, combined with the sometimes conflicting priorities and strategies of civilian and military organizations, often proves confusing both for those operating in the field and for the local population. Again, the end result, more often than not, is an *ad hoc* response, wasted resources, needless duplication, and even counterproductive strategies.

Options

The United States has four options for coping with the current lack of operational capabilities outside the Department of Defense. The first is to create rapidly deployable capabilities in non-DoD agencies, a move that has been widely championed in recent years by senior U.S. policymakers, members of Congress (most notably Senators Richard Lugar, Joseph Biden, and Chuck Hagel), and leading U.S. think tanks.⁵³ In fact, Beyond Goldwater-Nichols Phase 1 recommended the creation of new U.S. government agency for stability operations, with a Civilian Stability Operations Corps and Reserve charged with assessing and preparing for stability operations, organizing and training civilian capabilities, and rapidly deploying civilian experts to the field.⁵⁴

The second option is to continue to give the U.S. military the *de facto* lead. In this scenario, the U.S. military would build on past and current experience in undertaking stability operations and improve existing capabilities under the assumption that it will continue to be tasked with these types of missions for the foreseeable future. While this option might be necessary for the short term, until core non-DoD capabilities can be built, many, including senior

⁵² <http://www.state.gov/s/crs/rls/rm/42329.htm>

⁵³ For example, see *Winning the Peace, An American Strategy for Post-Conflict Reconstruction* by Robert Orr, Scott Feil, Michèle Flournoy, and Johanna Mendelson Forman (The CSIS Press, 2004); *Transforming for Stabilization and Reconstruction Operations*, edited by Hans Binnendijk and Stuart Johnson (Center for Technology and National Security Policy, National Defense University, 2003); and *America's Role in Nation-Building: From Germany to Iraq* by James Dobbins, John G. McGinn, Keith Crane, Seth G. Jones, Rollie Lal, Andrew Rathmell, Rachel Swanger, and Anga Timilsina (RAND MR-1753-RC, 2003).

⁵⁴ *Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era*, p. 64.

military personnel, have argued against this strategy for the long term.⁵⁵ Certain tasks, especially those that fall outside of the security realm, are better served by a civilian response.

Another proposal would create a deployable civilian cadre inside the Department of Defense. Supporters of this option are skeptical that a truly operational culture can be created in civilian agencies like the Department of State and the Agency for International Development. As a result, they argue, the U.S. government should take advantage of DoD's existing operational culture and support assets while keeping stabilization and reconstruction tasks in civilian hands. This option would seem to duplicate the expertise already resident in other agencies (but not yet deployable) and further exacerbate the current capability and resource imbalance between the Department of Defense and civilian agencies. In addition, one could expect negative reactions to this idea from NGOs and international partners with whom the United States must work closely in the field.

A fourth option would be to rely more on allies for tasks associated with stabilization and reconstruction. Some U.S. allies, especially those in Western Europe, possess a number of key capabilities well-suited for policing, training security forces, constructing civil administrations, establishing financial systems, and undertaking public health tasks. For example, the European Union recently created a European Gendarmerie Force by pooling assets from member states' national police forces.⁵⁶ To be sure, this kind of capability has already been and will continue to be critical in a number of stability operations.

As the current reconstruction efforts in Iraq demonstrate, however, the United States cannot always rely on allied support for stabilization and reconstruction efforts, especially in cases where allies disagree with the overarching aim or approach of the mission. Also, allies do not possess necessary quantities of key reconstruction capabilities. There is no doubt that allies can augment U.S. efforts, but they often cannot replace them entirely. And even in cases where allies possess both core reconstruction capabilities *and* a willingness to deploy them, difficulties can arise in getting those capabilities to the theater, due mainly to the lack of strategic lift in a number of allied countries. For that reason, this option is not a panacea.⁵⁷

The only other option is to avoid undertaking missions of this kind altogether. Unfortunately, ignoring the threats that failed states or failing states pose to U.S. national security is not a viable course, especially considering the frequent link between terrorist activity and regions prone to instability, lawlessness, and widespread corruption. For that reason,

⁵⁵ "The military cannot be stuck with the whole mission as has happened in the past." General Anthony C. Zinni to the Committee on Senate Foreign Relations, February 11, 2003.

⁵⁶ In September, 2004, France, Italy, Spain, Portugal and the Netherlands agreed to create the European Gendarmerie Force (EGF), a multinational police force with military status that will be made available to the EU, NATO, the OSCE, and the UN. Although the EGF can conduct tasks throughout the spectrum of police missions, it is also designed for deployment during or immediately after a military operation for maintaining public order and safety and in situations where local police forces are not (sufficiently) deployable. It should also be possible for the rapidly deployable EGF to conduct operations in support of the fight against organized crime and the protection of participants in civil missions. The plan is for the EGF to become operational at the end of 2005.

⁵⁷ U.S. policymakers, however, should not underestimate the value of international cooperation, especially with European allies, when it comes to stability and reconstruction missions. International cooperation remains a key component of any successful mission on the ground.

stability operations are likely to remain a central component of U.S. foreign policy in the years to come.

Given these realities – that the U.S. military cannot carry most of the stabilization and reconstruction burden, that our friends’ and allies’ capabilities are valuable but sometimes inadequate, and that stability operations will continue to play a major role in U.S. foreign policy – the U.S. government should create additional operational capacity beyond DoD.

Progress to Date

Since the publication of the *Beyond Goldwater-Nichols Phase 1* report in 2004, some important steps have been taken to improve U.S. stabilization and reconstruction capacities. In February 2004, Senators Richard Lugar, Joseph Biden, and Chuck Hagel introduced the Stabilization and Reconstruction Civilian Management Act (commonly referred to as the Lugar-Biden Initiative) to establish a more robust civilian capability to respond quickly and effectively to post-conflict situations and complex international emergencies.⁵⁸

The Lugar-Biden Initiative outlined a number of recommendations aimed at building U.S. government capacity, fostering better planning, and improving interagency cooperation for stability operations – a handful of which are now on their way to being realized. Most notably, the legislation called for the creation of an Office of International Stabilization and Reconstruction at the Department of State that would monitor political and economic instability worldwide, assess stabilization/reconstruction crises, outline the necessary requirements, coordinate with relevant agencies, identify and train personnel for a rapid response corps, and coordinate plans and procedures.

Office of the Coordinator for Reconstruction and Stabilization (S/CRS)

Less than six months after the introduction of the Lugar-Biden Initiative, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) was created in the Department of State. Although that office is currently working to meet five core objectives,⁵⁹ the fact that significant new resources have not been made available has limited much of its work to improving planning and coordination.⁶⁰

⁵⁸ The bill was inspired in part by the good work of longstanding reconstruction experts like Rick Barton, Hans Binnendijk, Sheba Crocker, James Dobbins, Scott Feil, Johanna Mendelson Forman, and Robert Orr, among many others.

⁵⁹ Defined on the S/CRS website (<http://www.state.gov/s/crs/c12936.htm>) as monitoring and planning; mobilizing and deploying; preparing skills and resources; learning from experience; and coordinating with international partners.

⁶⁰ S. 2127 and its twin in the 109th Congress called for \$100 million in funds that could be used to provide assistance to respond to a crisis and authorize the export of goods and services needed to respond to the crisis. These funds would be replenished each fiscal year. The bills also included a call for \$80 million in funding for personnel, education and training, equipment, and travel costs associated with S/CRS. H.R. 1268, the Emergency Supplemental Appropriations Act for Defense, GWOT, and Tsunami Relief, did grant \$17.2 million to S/CRS.

S. 600, the Foreign Affairs Authorization Act, FY 2006-2007, designates \$24 million for S/CRS in the CJS appropriation as well as \$100 million in the Foreign Operations appropriation for a conflict response fund with “notwithstanding” flexibility.” These bills and others have exhibited Presidential and Congressional support, but have failed to provide S/CRS with the resources it needs

In the area of planning, S/CRS has asked the National Intelligence Council to provide it every six months with a list of countries at risk of instability. Based on this list, the Secretary of State would then decide on three or four countries around which to focus a planning effort. The aim of this new mechanism is to avert future crises and prepare for possible contingencies by stimulating more proactive interagency policy development and planning. S/CRS is also creating a database of all USG capabilities relevant to stabilization and reconstruction to support this planning effort. In addition, a Policy Coordinating Committee on stabilization and reconstruction has been established to improve the level of communication between civilian experts and military personnel in the area of contingency planning.

S/CRS has also spent much of its first year of operation working with non-government agencies and institutions such as the Foreign Service Institute and the National Defense University to develop and test planning scenarios, conduct gaming exercises, and foster a dialogue between regional and technical experts. Outreach has been conducted internationally as well – with the UN, regional organizations like the European Union and U.S. allies.

Moving From Enhanced Coordination, Planning, and Outreach to Operational Capability

While the developments listed above are important, additional resources are needed to create the rapidly deployable civilian response capabilities the U.S. government needs. The Lugar-Biden Initiative envisioned a Rapid Response Corps consisting of 250 salaried, full-time U.S. government personnel at the Department of State and USAID and 500 “reserve” civilian experts who can be rapidly deployed to conflict regions. Recent experience in Iraq and Afghanistan suggests the need for even larger numbers of rapidly deployable civilian personnel – perhaps a few thousand rather than hundreds.

S/CRS has spent recent months conceptualizing different models for meeting the needs for civilian response capabilities and outlining requirements through feasibility studies and workshops. At least three key components are envisioned. The first element is an Active Response Corps that could be deployed to quickly establish or increase a diplomatic presence on the ground. Members of this corps would be based inside the State Department and have a mix of political, economic, and administrative skills. Teams would participate in regular training exercises and be available for deployments on short notice.⁶¹

The second element envisioned is a Technical Corps, which would assist in designing and managing stabilization and reconstruction programs in the field, particularly in the areas of transitional security and governance. Like the Active Response Corps, members of the Technical Corps would be drawn from U.S. government agencies (e.g., Department of Justice, the State Department Bureau for International Narcotics and Law Enforcement, USAID) and would be tapped quickly to undertake specific activities for which they have already trained as a unit.

The third element is a number of Advance Civilian Teams – integrated interagency teams that would be deployed to the field (with military forces if there is a military effort) to provide

⁶¹ <http://www.state.gov/s/crs/rls/rm/42329.htm>

guidance on programming resources for immediate humanitarian and stabilization efforts. These 20-person program delivery teams would “reach back” to Washington, providing policymakers with first-hand accounts of the needs on the ground. S/CRS estimates that sustaining five Advance Civilian Teams in two countries could cost upwards of \$70 million.⁶²

All three of these elements could also provide trained and ready civilian personnel to form Interagency Crisis Planning Teams and Interagency Task Forces in the field, as described in the previous chapter. Creating a reserve cadre of civilians, as a fourth element, could be particularly valuable in identifying senior civilians with prior operational and/or management experience to serve in critical leadership positions.

Creating these critical capabilities will require Congress to make a clear and substantial financial commitment to building civilian operational capacity in the U.S. government for overseas operations. At first blush, this may seem an anathema to legislators who typically reject anything that smacks of increasing the size of the federal government. But what has become all too clear in recent years is that America pays a very dear price for not having such capacity: mission creep for the military, longer deployments without obvious exit strategies, and ultimately higher levels of cost – not only in taxpayer dollars spent in prolonged operations but also in American lives lost. At the end of the day, the cost of building meaningful civilian response capabilities would be far less than the costs associated with not having them.

Recommendations

- ***Congress should refine and fully fund the recommendations outlined in the Lugar-Biden Initiative.***

If the State Department’s new Office of the Coordinator for Stabilization and Reconstruction is going to succeed in creating real operational capabilities, it needs the proper authorities and must be sufficiently resourced. Therefore, Congress should complete the unfinished business associated with the Lugar-Biden Initiative by rewriting and passing that legislation. Three specific areas merit immediate attention: authorities, resources, and personnel.

Authorities

Realigning agency authorities to match assigned roles and responsibilities would involve broadening non-DoD agencies’ legal authorities for a variety of reconstruction and stabilization tasks. For example, Congress should grant the State Department contracting authority that would allow it to identify experts and consultants in advance of crises through “indefinite quantity contracts.” Such contracts, which already exist in agencies like USAID, shorten response time by allowing agencies to enter into a contract before a conflict arises or money is in hand. This avoids the frequent inflexibility and slowness of traditional contracting procedures.⁶³

⁶² *Ibid.*

⁶³ While it is sometimes critical to avoid lengthy contracting procedures in order to guarantee a swift and effective response, it is also important to note that bypassing competition completely carries risks. The U.S. government will need to find the right balance between ensuring a rapid response and avoiding situations where a single organization repeatedly secures uncontested contracts.

Resources

Creating an account specifically to jumpstart stabilization and reconstruction programs as a complement to existing accounts is key to improving the speed and impact of initial U.S. reconstruction efforts in the field. Such a fund should be targeted on initiatives that can yield quick, tangible results and convey real progress during the early days or “golden hour” of the operation, when positive momentum is critical to winning the support and participation of the indigenous population. Such support can also substantially enhance force protection for U.S. forces in country.

The Lugar-Biden Initiative called for \$100 million for a “Conflict Response Fund,” but the BG-N study team believes this sum is insufficient to meet the wide range of needs associated with jumpstarting reconstruction. The BG-N study team recommends appropriating \$350 - \$400 million annually for such a fund.⁶⁴ The new account could be modeled on the Emergency Refugee and Migration Assistance account (ERMA), a small but successful account with a number of mechanisms ideal for managing funds associated with emergency operations.⁶⁵ ERMA is used on authorization of the President, has “notwithstanding authority” (which allows for immediate spending in response to a crisis), and is to be maintained at a consistent funding level. Monies remain available until expended. The proposed fund would be funds appropriated to the President, who would then delegate authorization to disburse the monies to either his Special Representative for a given operation or another agency, as he sees fit. Such flexibility is key to being responsive to needs on the ground in the opening weeks and months of an operation, before more substantial reconstruction funds from supplemental appropriations or other accounts may be available.

Commander’s Emergency Response Program (CERP) funds are another flexible funding instrument that has provided military commanders the ability to meet urgent needs in their areas of operations, win over indigenous populations, and stabilize the local security environment, thereby increasing force protection. They can be spent at the discretion of the military commanders on the ground for small-scale humanitarian relief and reconstruction projects. Post-conflict Iraq provides ample evidence to suggest a direct correlation between the availability of CERP funds and the degree of public security at the local level. Congress authorized \$854 million of CERP to USCENTCOM for its operations in Iraq and Afghanistan in FY 05. This authority for USCENTCOM should be renewed as needed, and CERP should be established in Title 10 to enable institutional training of commanders and their staffs on effective uses of the funds and on how to plan an execute CERP projects, decreasing the lead time necessary to make an impact in the opening hours and days of a contingency operations. CERP should also be made available as a matter of course to commanders undertaking security, stability, transition and reconstruction operations outside of Iraq and Afghanistan.

⁶⁴ The Canadian government established such a fund in early 2005, with an annual budget of C\$100 million.

⁶⁵ This recommendation is made in *The Commission on Post-Conflict Reconstruction, Play to Win*, January 2003, available at <http://www.csis.org/isp/pcr/playtowin.pdf> and *Winning the Peace*, Bob Orr, ed., CSIS Press, 2004, p. 148.

In addition, S/CRS should be provided the resources necessary to build both the internal capacity to fulfill its statutory mandate and the four civilian rapid response corps described above (i.e., three active and one reserve). The original Lugar-Biden bill requested \$80 million for managing the S/CRS office (salaries, training, and exercises) and this should be approved. The costs of developing and maintaining the four cadres of trained, ready and deployable civilian personnel has yet to be determined, but building this operational capacity is critical and should be fully resourced by Congress.

Personnel

Creating rapid civilian response capabilities will require some new personnel management measures. These should include: creating an on-call database of trained experts both in and outside of government that can be easily accessed when a conflict emerges; establishing the incentives (e.g. hazard pay, extra benefits, insurance packages, accelerated promotion) that will likely be required to encourage civilians to join one of the deployable civilian cadres; and establishing operational guidelines to clarify who can be sent involuntarily and who can be sent on a volunteer basis only. It is also important that the President and his or her Cabinet Secretaries be granted the authorities they need to send selected civilian personnel to operations on a non-volunteer basis.

In addition, ensuring that deployed civilians pursue common strategies, utilize a shared set of approaches or procedures, and draw on lessons learned from past operations will require developing a reconstruction and stabilization education programs and curricula. This curriculum could be used in U.S. government educational institutions as well as the Training Center for Interagency and Coalition Operations, as recommended below.

In the near term, the focus should be on making S/CRS successful in fulfilling its ambitious mandate. In the longer term, however, Congress may want to consider consolidating S/CRS and parts of USAID into a new agency for Stability and Reconstruction Operations reporting to the Secretary of State. Establishing a new independent agency under the Secretary of State would facilitate the creation of the operations-oriented culture so critical to the success of any civilian rapid response capability – a culture that is largely absent from mainstream State Department and mainstream USAID. It would also create an institutional home and a more viable set of career paths for civilian professionals who want to become true experts in planning and conducting various aspects of interagency operations. Currently, such activities are generally seen as a diversion from the types of experience one needs to be promoted within either the Foreign Service or the Civil Service in the State Department. In short, the current structure of incentives and disincentives within the State Department actually tends to discourage civilian professionals from gaining exactly the type of experience and expertise that is urgently needed to improve U.S. performance in interagency operations. Creating a new agency with its own culture, career paths, and incentive structures would likely create a more hospitable environment for growing the civilian operational capabilities the United States needs than trying to do so within the prevailing cultures of the State Department and USAID.

- ***Strengthen existing operational capacities at USAID.***

The U.S. Agency for International Development is one of the few agencies other than the Department of Defense possessing a “surge capacity” that can be deployed within 24 hours of a crisis. However, a number of policymakers in and out of USAID claim that these operational capabilities are both under-resourced and lack the necessary interagency training and education given the expectations placed upon them.

A number of steps could be taken to bolster USAID’s existing operational capacities. First, the Office of Transition Initiatives, the USAID office tasked with filling the gap between emergency relief and long-term development, should be enlarged and strengthened. Currently operating in more than 25 countries with a staff of less than 75 people and a budget of \$55 million, OTI finds it hard to respond to all of the requests it receives for transition assistance. Were its budget doubled, OTI would be able to increase the size of its staff and expand its programming for revitalizing basic infrastructure and laying the foundation for democratic institutions and processes.

Second, “notwithstanding authority” privileges should be expanded beyond OTI and the Office for Foreign Disaster Assistance (OFDA) to the entire Democracy, Conflict, and Humanitarian Assistance Bureau. As mentioned earlier in this chapter, the ability to respond quickly increases operational success and often saves resources in the long term.

Third, USAID’s operational offices such as OTI should include more “direct hires” (career civil service and foreign service officers). Currently, offices like OTI are heavily staffed with innovative and risk-taking personal service contractors. However, because contractors do not receive the same training as direct hires, they sometimes lack an in-depth understanding of USAID capabilities that are brought in after the initial surge capacity hits the ground. As a result, it is common for initial promises to differ from what is eventually delivered, wasting precious time and resources and potentially creating disappointment or ill will in the affected population. USAID’s operational teams would benefit from a healthier mix of young, dynamic contractors and seasoned experts familiar with USAID’s long-term strategies and tools.

Finally, USAID needs to improve its collaboration both internally and externally. Internally, USAID needs to develop a clearer delineation of tasks among its offices (especially OTI, OFDA, and the Office of Conflict Management and Mitigation) and pursue joint training programs aimed at fostering greater transparency, trust, and cooperation. Externally, collaboration in the field between USAID and other agencies must be strengthened. Mission success requires that every agency involved in reconstruction and stabilization efforts be willing to coordinate and consult across military and civilian lines. This is particularly important during the planning and prioritization phases when no agency, civilian or military, can afford to act as an independent operator.

- ***Implement the BG-N Phase 1 recommendation to create a new Training Center for Interagency and Coalition Operations.***

The BG-N Phase 1 report recommended creating an Interagency Training Center. This recommendation bears repeating because the U.S. government still provides very little interagency training. An Interagency Training Center would provide rigorous training in

integrated planning for complex contingency operations for NSC and agency personnel; pre-deployment training for those tapped for specific operations; and new employee (contractors and direct hires) training for those about to assume responsibilities for operational planning, oversight, and coordination.

Furthermore, the Center could identify and train a cadre of senior leaders who could be rapidly inserted into the Interagency Crisis Planning Teams and Interagency Task Forces described in the previous chapter. A reserve of civilian team leaders who have spent months or years training and operating with their military counterparts would be a valuable asset at the outset of an operation when coordinating civilian and military efforts is particularly critical.

The Center could also provide training in cooperation with U.S. allies and partners and develop standard operating procedures with these countries for the planning and conduct of stability operations. Finally, the Center staff could focus on the collection, analysis and dissemination of lessons learned and best practices. In order to assure participation by the civilian and military communities, the Center should be jointly managed by the National Defense University and the State Department's National Foreign Affairs Training Center.⁶⁶

Conclusion

Despite years of experience in rebuilding war-torn societies, the United States remains ill-equipped for stabilization and reconstruction operations. Its military forces might be unmatched when it comes to conventional conflict, but the U.S. government as a whole still lacks the necessary capabilities and training to guarantee operational success in a post-conflict phase. To be sure, the creation of S/CRS has improved interagency coordination and planning for stability operations. Further progress will remain limited, though, until S/CRS and other offices at USAID are provided with both the necessary authorities and resources to begin building a true operational, civilian capacity that can be rapidly deployed overseas. In the longer term, such capacity may warrant the creation of a new agency for stability and reconstruction operations.

Appropriating new funds is never without controversy but the costs of inaction are high. Without creation of greater stabilization and reconstruction capabilities outside of DoD, the U.S. military will continue to be asked to carry most of the burden in these operations, straining military resources and expanding their missions indefinitely. A rapid, efficient, and successful response can only be achieved with an immediate investment in the right structures, capabilities, and people before the next emergency occurs.

⁶⁶ Chapter 11 proposes turning the National Defense University into a more comprehensive National Security University. Were this to occur, the new NSU would be the ideal home for the proposed interagency training center.

Chapter 5 **Elevating and Strengthening Homeland Security Policy**

Introduction

The President and the Secretary of Homeland Security have both underscored that protecting the U.S. homeland is one of the highest priorities of the nation and the administration. The Department of Defense describes defending the nation from all enemies as the highest priority of the U.S. military. The September 11, 2001 attacks prompted creation of the Homeland Security Council, the Department of Homeland Security, new Congressional committees, and multiple senior positions across government, all focused on homeland security issues. Yet, despite progress in many areas, these sweeping organizational changes have not yielded a federal government better able to marshal the full power of its resources to provide innovative and lasting policies and programs that make the United States substantially safer.

There are several reasons why more progress has not been made in the more than four years since the September 11 attacks. First, the federal government's organization for homeland security does not reflect the borderless nature of 21st-century threats. As a result, it is harder to develop a similarly seamless approach to security challenges. As discussed in Chapter 2, because strategic planning rarely occurs on an interagency basis, the U.S. government has yet to develop a comprehensive intellectual framework to guide and unify individual Cabinet agency programs and initiatives. Finally, absent that unifying intellectual framework, uncertainties over roles and responsibilities have complicated specific Departments' abilities to define requirements and formalize policies and programs.

Many of the recommendations outlined in Chapter 2 are directly relevant to the task of elevating and unifying U.S. homeland security policy, but they alone are not sufficient. To better respond to an agile and highly adaptive set of adversaries, national security agencies, led by the White House, need to reshape themselves and their approach to homeland security.

Providing homeland security for the United States is a broad, complex, and multidisciplinary mission. The U.S. government must therefore develop and use a comprehensive, shared concept of operations to guide and integrate the multitude of programs and initiatives designed to protect the U.S. homeland. The Department of Homeland Security plays a leading role in these efforts, and bears the largest responsibility to ensure a unified approach to the mission, but the Department of Defense also has a critical role and should focus greater effort on its responsibilities in this area.

Integrating National Security and Homeland Security

The array of threats facing the United States is seamless, spread across countries, regions, and oceans. An effective strategy to enhance U.S. security at home must reflect careful assessments of both their domestic and international aspects. While the National Strategy for Homeland Security recognizes that policy objectives at home have implications for policy

objectives overseas and vice versa,⁶⁷ the White House staff is not organized to reflect this indivisible approach to American security. Integrated national security policies cannot emerge easily from a bifurcated national security organization.

On October 8, 2001, President Bush signed an executive order establishing the position of Assistant to the President for Homeland Security. The executive order also established the Homeland Security Council, whose mission is to advise and assist the President with respect to all aspects of homeland security, as well as “serve as the mechanism for ensuring coordination of homeland security-related activities of executive departments and agencies and effective development and implementation of homeland security policies.”⁶⁸ The executive order also directed that the Assistant to the President for Homeland Security be given the necessary personnel, funding and administrative support to carry out the Council’s mission.

Like its counterpart, the National Security Council, the Homeland Security Council (HSC) operates out of the Old Executive Office Building, but other than sharing a common mailing address, the two organizations are essentially separate.⁶⁹

The division between the National Security Council and the Homeland Security Council is counterproductive. Even in the best of cases – a close working relationship between the two Assistants to the President, with the two Council staffs collaborating and coordinating – the organizational division of security issues between the NSC and HSC means America’s fundamental approach to security is neither holistic nor comprehensive. Many of today’s complex security issues require analysis, debate, and extensive vetting at the staff level before consideration by the Deputies or Principals. Because of the divided structure, however, critical security issues are addressed by separate organizations with different organizational charts and different organizational cultures. Some HSC and NSC directorates work together on a daily basis, while others have far less interaction. In many cases, effective coordination depends on individuals or relationships between specific staff members.

The current structure creates other problems as well. The existence of two Executive Secretariats, each with its own ability to convene meetings, set formats, and designate lead directorates for certain issues, complicates the coordination process,⁷⁰ as does the fact that the National Security Council Staff conducts most of its business on a classified computer and email

⁶⁷ The National Strategy for Homeland Security states that “In a world where the terrorist threat pays no respect to traditional boundaries, our strategy for homeland security cannot stop at our borders.” The strategy identifies international cooperation as one of the four foundations of the strategy. See *National Strategy for Homeland Security*, Office of Homeland Security, July 2002, p. xii.

⁶⁸ *Executive Order 13228*, 8 October 2001.

⁶⁹ The Homeland Security Council is organized into five directorates. Each directorate is led by a Senior Director who reports to the Assistant to the President, who in turn reports to both the Chief of Staff and the President himself. There is no directorate in the HSC that focuses on terrorism, but in light of the centrality of the terrorist threat to homeland security issues, the Combating Terrorism directorate of the National Security Council reports to both the Assistant to the President for National Security and the Assistant to the President for Homeland Security. The HSC also has a separate Executive Secretariat from that of the National Security Council, and it has its own legislative and public affairs offices.

⁷⁰ As a former staff member from one of the Councils noted, there have been instances where an interagency working group was under way under the auspices of one Council and the other was not even aware of its existence, because all of the meeting notifications went through only one of the Executive Secretariats.

system, while the Homeland Security Council relies primarily on the unclassified system. Each of these challenges makes it more difficult for the two Council staffs to develop integrated, comprehensive approaches to homeland security and foreign policy problems.

While the National Security Adviser reports directly to the President, the Homeland Security Adviser frequently reports to the White House Chief of Staff. In addition, the HSC staff reportedly has a larger number of staff members with political backgrounds than does the NSC, which is made up largely of military officers, career civil servants and subject matter experts – many of whom have previous experience staffing senior officials. As a result, the HSC is often less effective than the NSC at managing the interagency process, and seems to have more difficulty securing senior level participation in meetings, exercises and interagency working groups, or initiating and bringing to conclusion reviews of major policy issues.

Recommendations

- ***Merge the Homeland Security Council into the National Security Council. Integrate the two staffs into a single staff that reports to the Assistant to the President for National Security Affairs through two Deputies: a Deputy to the President for International Affairs and a Deputy to the President for Homeland Security Affairs.***

The BG-N study team considered several possible organizational alternatives to the current bifurcated structure, and while no option is without shortcomings, a single, integrated National Security Council staff with one National Security Adviser and two deputies for international and homeland security issues respectively will elevate the stature and treatment of homeland security issues at the federal level and ensure an integrated approach to problems that demand integrated solutions.

In addition to merging the staffs of the two organizations under a single National Security Adviser, the BG-N study team recommends that the 1947 National Security Act be amended to add the Secretary for Homeland Security as a permanent member of the National Security Council. Continuing current practice, other Cabinet heads could be invited to specific NSC meetings as required by the substantive policy issues under consideration.⁷¹

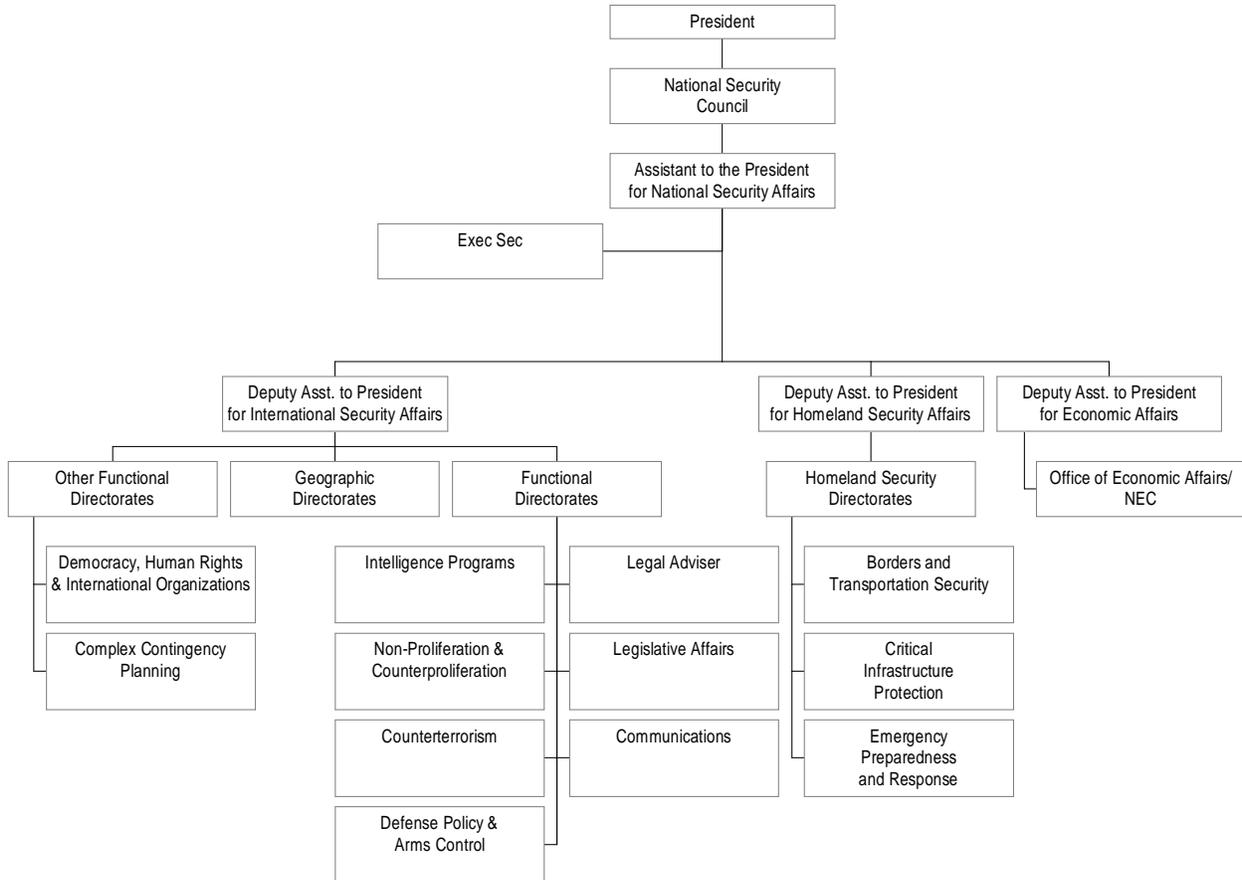
Figure 2 outlines an illustrative organizational chart for a merged and indivisible National Security Council.⁷² Reflecting the considerable overlap and inter-relationships among policy issues, most of the functional directorates in an indivisible NSC would report to both Deputies. The shared functional directorates would form the core of a more integrated approach to security issues by the White House. Recognizing that some issues in this new organization would remain more clearly under one Deputy or the other, the geographic directorates and the directorate for democracy, human rights, and international organizations would continue to report solely to the

⁷¹ In accordance with the recent intelligence reform legislation, the Director for National Intelligence would take the place of the Director for Central Intelligence as adviser to the NSC at NSC meetings.

⁷² Some have suggested that the Borders and Transportation Security directorate should also be a “shared” directorate. The BGN Study team is open to fine tuning of this illustrative organizational chart as long as the resulting organization enables a more integrated approach to national security and homeland security within the White House.

Deputy for International Affairs, coordinating as required with other directorates. Three directorates from the old Homeland Security Council would continue to report solely to the Deputy for Homeland Security Affairs, but would also coordinate with other offices as required.

Figure 1 – Indivisible NSC



One challenge inherent in this unified structure is the scope of issues for which the National Security Adviser would be responsible. The existing portfolio of the National Security Adviser is already formidable; as one working group member said, “If the National Security Adviser isn’t the busiest person in government, then he or she is doing something wrong.” The BG-N study team explored the option of sharing some staff between the two councils while retaining the positions of National Security Adviser and Homeland Security Adviser, but because this option retains two separate councils with two separate advisers, it ultimately does not address today’s core problem – the lack of a truly integrated approach to security problems.

While adding the homeland security portfolio will further enlarge and stress the NSA’s span of control, it is essential that homeland security issues be handled by an adviser in the White House of equal stature to the heads of the different Cabinet Agencies. The most senior person in charge of homeland security issues at the White House must be able to adjudicate disputes between Cabinet heads –especially during a crisis. Unifying international security and homeland security issues under one Assistant to the President also means that if there is a major

policy dispute between two or more Cabinet heads, the National Security Adviser can provide an impartial recommendation on the issue to assist the President in adjudicating the problem. Under the current organizational construct, the President does not have an adviser whose responsibility is to weigh both sets of concerns and make an integrated recommendation; to the extent that trade-offs have to be made, those judgments must today be made exclusively by the President.

To mitigate the challenge of burdening the National Security Adviser with such a large portfolio, the two Deputy Assistants to the President must be individuals with sufficient stature and experience to command respect from very senior government officials, up to and including the Cabinet Secretaries. Currently there are as many as five Deputy Assistants on the NSC; reducing the number of Deputies would consolidate authority in two officials and elevate their stature to be much closer to that of the NSA, rather than the more numerous Senior Directors.

Merging the Homeland Security Council and the National Security Council would strengthen the ability of the federal government to protect the United States. Concern that the American public would perceive the HSC's elimination as a sign of diminished White House attention is misplaced. To the contrary, merging the two organizations would send a strong signal that homeland security issues are now part of mainstream foreign and defense policy and should be addressed in the NSC – the forum President Harry Truman and Congress created to bring together defense, intelligence, and diplomacy almost 60 years ago.

Unifying Homeland Security Policy Across the U.S. Government

As noted in Chapter 2, no agreed interagency concept of operations for homeland security exists today. The White House has published a range of national strategy documents, including the National Strategy for Homeland Security and the National Strategy for Combating Weapons of Mass Destruction. Other official documents describe the national approach to subsets of the homeland security mission, such as biodefense and incident management. The Department of Homeland Security published a strategic plan outlining its approach to its mission, and the Department of Defense has been coordinating an official DoD strategy for homeland defense and civil support, though it is not yet published.

Yet no document or protocol translates the National Strategy for Homeland Security into a more detailed plan for relevant Cabinet agencies. Nor is there a single, comprehensive concept of operation that outlines how the collective capabilities of the various agencies should be applied, which elements of the homeland security mission should receive highest priority, and what organizations within specific agencies should have the lead for particular aspects of the mission.

Recommendations

- *Develop a common terminology and concept of operations for homeland security using an NSC-led interagency working group. Base the concept of operations on a comprehensive risk assessment and develop an associated set of interagency roles and responsibilities for homeland security.*

Chapter 2 outlines in detail the need for a common terminology, concept of operations and statement of roles and responsibilities for a range of important national security missions, including homeland security.⁷³ This section of the report will not repeat those recommendations, but it is important to note that an interagency-agreed risk assessment will be particularly critical to the effort to develop a concept of operations for homeland security.

DHS Secretary Michael Chertoff has articulated the importance of managing risk with regard to homeland security,⁷⁴ but DHS has yet to come forward with a risk assessment that can guide its program efforts and resource allocation decisions. The legislation that established DHS explicitly made the Undersecretariat for Information Analysis and Infrastructure Protection responsible for development of a comprehensive risk assessment for homeland security,⁷⁵ but more than two years later, DHS still has failed to produce such an assessment. Without a risk assessment that is understood at the interagency level, the NSC, OMB and their interagency partners will struggle to develop a concept of operations that is effective and feasible in a resource-constrained environment.

Moving DoD From Strategy to Programming for Homeland Defense and Civil Support

While most of the hard work in homeland security falls to DHS, the Department of Defense also faces some significant challenges in terms of executing its role in this area.⁷⁶ Many of these challenges flow from the fact that DHS is relatively weak, but others stem from institutional concerns about the implications of homeland security for DoD roles and missions.

Despite many official statements proclaiming the importance of defending the homeland, and integral involvement in a wide range of important homeland security initiatives (including development of multiple Homeland Security Presidential Directives, the National Response Plan, and the National Biodefense Plan), DoD has been slow to develop an overarching strategy to guide its homeland defense and civil support activities.

The Department of Defense realized well before September 11, 2001 that homeland defense was an emerging mission in which it would likely have a significant role. The National Defense Panel and the Quadrennial Defense Review in 1997 both identified homeland defense as a mission area deserving of higher priority. In February 2001, the U.S. Commission on National Security/21st Century presciently stated, “a direct attack against American citizens *on American*

⁷³ Indicative of the need for a common terminology in the area of homeland security is the fact that this report uses the term “homeland security” when describing activities undertaken by DHS but uses the terms “homeland defense” and “civil support” when discussing DoD activities. The different terms are necessary at this time to accurately reflect the range of terms currently in use in the Cabinet agencies.

⁷⁴ Secretary Michael Chertoff, Remarks to the George Washington Homeland Security Policy Institute, March 16, 2005.

⁷⁵ See *Homeland Security Act of 2002, H.R. 5005, 23 January 2002, Sec. 201 (d) (2)*.

⁷⁶ Because the Beyond Goldwater-Nichols project is focused on defense reform for a new strategic era, this report’s discussion of homeland security features the Department of Defense prominently. The BG-N study team recognizes, however, that DoD plays a supporting role in homeland security writ large, and has been constrained to some degree in its ability to develop policy in this area by the many challenges facing DHS. While this report does not assess the Department of Homeland Security in detail, see “Rethinking the Department of Homeland Security,” CSIS and The Heritage Foundation, December 2004 for a comprehensive set of recommendations to strengthen DHS.

soil is likely over the next quarter century.”⁷⁷ And the 2001 Department of Defense Quadrennial Defense Review (which was at the printer before the September 11 attacks) noted that geographic distance would provide the United States with diminishing protection and highlighted the need to protect the homeland.⁷⁸ In the immediate wake of September 11, however, official DoD policy and guidance directly related to DoD’s homeland defense and civil support responsibilities was limited to three definitions in the FY04-09 Defense Planning Guidance.

In early 2003, the Secretary of Defense and Congress established a new position, the Assistant Secretary of Defense for Homeland Defense, to be responsible for overall supervision of DoD’s homeland defense activities. The FY06-11 Strategic Planning Guidance tasked this Assistant Secretary with developing a strategy for homeland defense and civil support by June 30, 2004. Although the Office of the Assistant Secretary for Homeland Defense circulated an official draft for coordination in September 2004, and more recently circulated a second coordination draft for comment at the four-star level, the strategy itself has not, as of this writing, been signed by the Secretary of Defense.

A primary reason for the lack of comprehensive, detailed DoD policy guidance in this area is the ongoing concern of certain elements within DoD about their role relative to that of DHS – particularly in the area of providing support to civil authorities. Policy debates within DoD over the requirements associated with homeland defense and civil support have lasted for months, if not years. As a result, moving from strategy and planning to programming in DoD in these areas has been difficult.

To its credit, the Department of Defense has recognized the need to go beyond the status quo in this area and has made protecting the homeland one of the four major focus areas for the 2005 Quadrennial Defense Review (QDR). It is too soon to know how or to what degree DoD’s approach to homeland defense and civil support may evolve as a result of the QDR, but if the QDR addresses even only the handful of recommendations outlined below, it will have advanced DoD policy in this area significantly.

Recommendations

- ***Formalize at the Secretary of Defense level an agreed set of DoD requirements for homeland defense and civil support so that forces can be allocated as appropriate through the Global Force Management process.***

While the Secretary has approved multiple standing execution orders providing forces to protect the homeland, the Department of Defense has not yet defined and validated a set of formal requirements associated with its role in homeland defense and civil support in a manner that ensures that the Services will program appropriately for these missions. This is due in part to the fact that DHS, not DoD, is the lead federal agency for domestic incident management, and DHS has not provided guidance to DoD about what it thinks is required in terms of providing support to civil authorities in the event of an attack. DoD has only recently agreed upon a

⁷⁷ *Road Map for National Security: Imperative for Change: The Phase III Report of the U.S. Commission on National Security/21st Century*, February 15, 2001, p. viii. Italics in original.

⁷⁸ Quadrennial Defense Review Report, September 30, 2001, p. 3.

planning factor representing the number and scope of events for which it believes it may need to prepare. U.S. Northern Command has spent more than a year developing CONPLANs 2002 and 0500, which describe NORTHCOM's understanding of what the DoD roles in homeland defense and civil support will require in terms of military capabilities, but neither CONPLAN has yet been approved by the Chairman of the Joint Chiefs and Secretary of Defense.

The lack of an agreed set of requirements for DoD's contribution to homeland security creates problems across a wide range of areas. Perhaps most importantly, it has slowed the process of translating strategy into actual capabilities relevant to homeland defense and civil support. The CONPLAN process, while not yet finalized, has advanced the requirements definition process, particularly in preventing an attack emanating from the air or sea. While NORTHCOM has very few assigned forces, it does have forces allocated to defend the homeland and respond to possible attacks through a series of standing EXORDs, or execution orders. These EXORDs are classified, but most experts with whom the BG-N study team spoke indicated a general comfort level with the availability of assets to meet requirements associated with preventing attacks from the air or sea. Developing consensus for the requirements associated with providing civil support in the event of attacks involving chemical, biological, radiological, nuclear, or high explosive weapons (CBRNE) has taken longer, but progress is being made in this area.

The question of DoD assets for CBRNE response is particularly complicated. The Department of Defense will provide support to civilian authorities in the event that state and local authorities are overwhelmed, typically at the direction of the President or Secretary of Defense. If the nation needs additional capacity in the area of responding to CBRNE attacks within the United States, many in DoD argue that the Department of Defense should not be the permanent home or bill payer for those assets. Regardless of how that debate is ultimately resolved, it is not clear in the short to medium term whether the United States has the CBRNE response units it needs. While the Department has a wide range of assets for responding to a CBRNE event, they were originally developed to deploy overseas. As such, they are limited in number, and qualify as high demand, low-density assets.

While DHS should develop a plan to provide sufficient CBRNE response units to assist state and local first responders, until that capacity becomes fully operational, the President is likely to task DoD to make up the difference in the event of a catastrophic CBRNE attack. DHS and DoD should develop a roadmap for CBRNE response to navigate this transition period, but without a set of agreed requirements for DoD's role in this area, DoD will have difficulty assessing its own ability to provide support in the near to medium term. Are the force packages available for civil support missions involving CBRNE adequately trained and equipped? What options does NORTHCOM have if a significant portion of DoD's limited CBRNE response assets are deployed overseas when the United States is attacked at home? What should the decision criteria be for adjudicating between domestic and overseas demands for forces and determining how to allocate those limited assets? Is there a threshold number and mix of "U.S.-based CBRNE assets" below which DoD should not go? What mechanisms could be put in place to mitigate shortfalls in the event that most CBRNE assets do have to be deployed overseas? Until DoD defines and formalizes the requirements in this area, NORTHCOM will

have difficulty addressing these questions and debates over requirements will continue, slowing the process of moving from strategies on paper to capabilities in the field.

- ***Leverage DoD’s considerable planning expertise to provide significant assistance to the NSC and DHS in their efforts to develop a concept of operations and associated requirements for homeland security.***

To help its interagency partners, particularly the NSC and the Department of Homeland Security, better define a comprehensive concept of operations for homeland security and develop requirements for this mission, DoD should continue to share, and expand if possible, its planning expertise through a “train the trainers” approach.

The Department of Defense has deep expertise in the strategic planning process. The National Security Act of 1947 required the Joint Chiefs of Staff “to prepare strategic plans and to provide for the strategic direction of the military forces.” By the mid-1950s, the Joint Chiefs of Staff were beginning to develop short-, medium-, and long-range joint strategic plans.⁷⁹ Over time this process has matured into a system of planning processes, including the National Security Council process, DoD’s planning, programming, budgeting and execution system (PPBES, formerly known as PPBS), and the Joint Strategic Planning System. This process continues to evolve today, as illustrated by the shift toward capabilities-based planning and global force management, but even as it adapts its planning approach in fundamental ways, the Department of Defense retains a wealth of experience and expertise that could help build interagency planning capacity.

Military officers and career civilian staff in many offices throughout the Pentagon have considerable experience developing national-level strategies; translating those strategies into tasks; developing the requirements and associated capabilities to execute those tasks; and finally building operational plans based on those requirements. Leveraging that expertise to increase the amount and depth of planning experience in government more broadly is a critical step toward growing the interagency capacity to conduct 21st-century missions like homeland security more effectively.

Building on the support DoD has provided to DHS as part of the Interagency Security Planning process, DoD should detail a number of personnel with expertise in strategic planning to the NSC and DHS to assist those organizations in developing an interagency concept of operation for homeland security as described in this chapter and Chapter 2. These detail assignments would require DoD to loan valuable personnel to other agencies in the short term, but would be a wise investment in the long term because they would directly contribute to growing capacity in those agencies DoD most needs to shoulder more of the national security burden. Personnel detailed to the National Security Council could focus their efforts on the concept development process and return to DoD once the concept of operation was largely completed. Personnel detailed to DHS would ideally stay there for at least a year to ensure that the culture and processes associated with strategic planning begin to be institutionalized in DHS. These detailed assignments also could count as interagency duty assignments as outlined in

⁷⁹ Condit, Kenneth W. “The Joint Chief of Staff and National Policy, 1955-1956.” *History of the Joint Chiefs of Staff*, Vol. VI, Joint Staff Historical Office, 1992.

Chapter 2, which would both increase the chances of recruiting top-notch personnel for these assignments, and enhance “interagency jointness” within DoD.

- ***Define the role of the National Guard and Reserves in homeland defense and civil support, to include guidance on required capabilities and desired organizational relationships.***⁸⁰

Because DoD has not defined and formalized requirements for its role in homeland security, the Department has not been able to provide comprehensive or authoritative guidance to the Reserve Component, particularly the National Guard, concerning what role it should play in this area and how it should organize, train and equip for homeland security missions. In its December 1997 report, the National Defense Panel identified homeland defense as a mission that needed greater emphasis, and specifically recommended that the National Guard and Army Reserve be prepared to provide support to civil authorities for consequence management. Myriad subsequent reports developed inside and outside the Pentagon have explored and expounded on the Reserve Component’s role in this area – to include the draft Strategy for Homeland Defense and Civil Support that is awaiting review by the Secretary of Defense – but DoD has yet to formalize specific roles. As a result, ambiguities remain, competition for resources continues, and real capabilities get to the field more slowly.

Without agreed requirements, the National Guard and the Reserves must constantly debate the merits of their initiatives in the homeland defense and civil support arena. For example, in the absence of defined requirements, the burden lies largely with the National Guard to make the argument that the twelve CBRNE Enhanced Response Force Packages that it is developing are critical capabilities the U.S. military must have to perform its piece of the civil support mission. Without requirements, it is difficult to determine whether the Reserve Component has sufficient homeland defense and civil support capabilities, if more capabilities than are needed, or if significant capability shortfalls exist.

Once DoD defines the requirements for its role in homeland defense and civil support, the Department will be in position to define authoritatively the role of the Guard and Reserves. The Department can then reach consensus on which requirements for homeland security can be met by capabilities in the Reserve Component, particularly in light of the unique culture and characteristics of the different Service reserve components. There has already been considerable work done in this area within the Department, to include outlining the elements of a vision for the role of the Guard in air defense and the role of the Naval Reserve and Marine Corps Reserve in maritime defense. An important part of the vision for the Guard and Reserves in homeland defense and civil support will be guidance on how the Reserve Component role relates to that of the active component, as well as to the larger community of federal, state, local and first responder organizations. Coming to consensus on the vision for the role of the Guard and

⁸⁰ With support from Congress, the Department of Defense, the Smith Richardson Foundation and the McCormick Tribune/Cantigny Foundation, the Center for Strategic and International Studies has begun a study on the future of the Guard and Reserves, as part of the third phase of its Beyond Goldwater-Nichols project. This study will examine the full slate of issues facing the Reserve Component, including the role of the Guard and Reserve in homeland security.

Reserves in homeland defense and civil support will enable the Department to provide more detailed guidance for organizing, training, and equipping the Reserve Component.

Conclusion

Protecting the United States and its people is the most important responsibility of the federal government. While much has been done to improve homeland security since September 11, much more work remains – and time is not on the government’s side. The federal government’s approach to national security must be holistic and based on the understanding that the relationship of foreign to domestic, of threat to vulnerability, is seamless and dynamic. Without an interagency-wide concept of operations for homeland security that is grounded solidly in a comprehensive risk assessment, federal homeland security programs and initiatives risk being a collection of disparate efforts that add up to less than the sum of their parts.

The Department of Homeland Security bears the lion’s share of responsibility for many elements of homeland security, but the Department of Defense has an important role to play. While DoD has primarily responsibility for defending the homeland against external threats, it must not neglect its role at home, particularly in the next few years, as DHS transitions from a new and struggling agency to a department with a clear, coherent mission and significant operational capabilities.

Chapter 6 Determining Joint Capability Requirements

In its Phase 2 work on defense acquisition, the BG-N study team rapidly concluded that DoD acquisition processes cannot be examined in isolation, but are inextricably linked to two other processes – the “front-end” capability requirements determination process that addresses the issue of what to acquire, and the “back-end” resource allocation process that provides funding for acquisition programs. In fact, many of the ills attributed to the defense acquisition system are really caused by these other processes. For example, instability in the definition of requirements, often referred to as “requirements creep,” creates a moving target for acquirers as they struggle to make trade-offs among performance, cost and schedule.⁸¹

Similarly, much, if not most, of the instability in acquisition programs is caused by lack of discipline in the resource allocation process – that is, funding more acquisition programs than the procurements budgets can support – and the chronic tendency of the Military Services and OSD to take procurement dollars to meet operations and maintenance (O&M) bills during the annual POM and budget process. Although the Phase 1 report looked closely at both these processes,⁸² the BG-N study team revisited these issues in its assessment of defense acquisition.

In its Phase 1 report, the BG-N study team established the guiding principle that “Resources should still be organized, managed, and budgeted along Service lines.” In the following chapter, the BG-N study team will recommend restoring authority and accountability for acquisition management to the Chiefs of the Military Services, provided that it is combined with a robust process for determining joint capability needs or requirements.⁸³ How to build that robust “front-end” process is the subject of this chapter.

The risk of relying upon Service-centric resource allocation and acquisition processes is the possibility – some would say likelihood – that the Services will acquire weapons systems and provide capabilities that meet their own parochial visions for how they want to operate, rather than meet the joint capability requirements of the Combatant Commanders. This concern is not new. An October 16, 1985 staff report to the House Committee on Armed Services states:

⁸¹ The Center for Naval Analysis (CNA) analyzed the history of Key Performance Parameters (KPP) changes for all ACAT I programs from 1987-2002 and found, for example, that the Army changed its KPPs on an average of every 2.7 years and actually changed more KPPs than in their initial Acquisition Program Baselines by adding KPPs. CNA, *The Army Acquisition Management Study: Congressional Mandate for Change*, May 2001.

⁸² *Beyond Goldwater-Nichols Phase 1 Report*, March 2004, Chapters 5 and 6.

⁸³ The current DoD leadership prefers not to use the term “requirement” because it implies an overly rigid and too specific need for a particular weapon or weapon system to provide a capability. Nevertheless, the Military Services retain very robust requirements generation processes and the Joint Requirements Oversight Council (JROC) remains the key senior-level forum for validating joint capability documents. “Requirements” could be used to denote near-term capability needs, because it is possible to define how well current capabilities execute current missions and to identify shortfalls in the capabilities “required” for the mission. “Needs” could then be reserved for longer-term requirements for the capabilities needed for future missions. To avoid confusion and ensure clarity, however, the BG-N study team decided to use “requirements” and “needs” interchangeably, but to add “near-term” and long-term” as descriptors, because different processes are needed for addressing them.

The first problem in the acquisition process...is that there is no assured connection between the national military strategy and the formulation of military requirements...The issue is whether the platforms and weapons that are identified as new requirements are the most appropriate platforms and weapons to execute an integrated, unified military approach, not the approach of a single Service.⁸⁴

The BG-N study team fully endorses the judgment made by the Defense Science Board in its 2003 study on *Enabling Joint Capabilities*:

The business of the combatant commands is the Department's core business and the inability to relate resource allocations to its core business should be regarded as a fundamental failure in how DoD understands its own business.⁸⁵

Put plainly, *only the Combatant Commanders have operational requirements; joint capability requirements, both near- and far-term, must drive DoD resource allocation and acquisition policies and decisions.* The U.S. military fights as a joint team. The decisions over what to buy for that joint team must be made from a joint perspective, even though the Military Services remain the primary means for actually "acquiring" the ready, trained, and equipped people that comprise these capabilities.

Although this assertion would undoubtedly be embraced by everyone in senior DoD leadership, the BG-N Phase 1 report noted that the first budgetary documents in the Pentagon's Planning-Programming-Budgeting-Execution System (PPBES) are the Service-prepared Program Objective Memoranda (POMs) and that "there is weak advocacy of the joint perspective in this Service-centric process, as Service-prepared budgets, not surprisingly, reflect Service priorities." The Phase 1 Report also documented that during the Rumsfeld era, both OSD and JS had made many changes to PPBES, including determining joint capability requirements, that "have the potential to strengthen both the strategic direction and the joint perspective in the resource allocation process, provided, of course, that [the] changes work as intended." Consequently, the point of departure for the Phase 2 recommendations is an assessment of how these changes have worked.

Assessment of Developments since BG-N Phase 1 Report (March 2004)

Under the leadership of Joint Chiefs of Staff Chairman General Richard B. Myers and Vice-Chairman General Peter Pace, the Joint Staff, particularly the J-8 (Force Structure, Resources & Assessment), continue to make significant changes to the processes for determining both near-term and far-term joint capability requirements. During the Spring 2004 review of the Integrated Priority Lists (IPLs) submitted by the COCOMs, the new Functional Capabilities Boards (FCBs)⁸⁶ identified 69 capability gaps based on 117 separate COCOM IPL issues and

⁸⁴ Staff Report to the Committee on Armed Services, *Defense Organization: the Need for Change*, 16 October 1985.

⁸⁵ Defense Science Board, *Enabling Joint Force Capabilities*, August 2003, p. 25.

⁸⁶ There are now eight FCBs: Command & Control, Battlespace Awareness, Focused Logistics, Joint Training, Net-Centric Warfare, Force Application, Force Protection, and Force Management.

submitted them to the three-star programmers⁸⁷ and the Joint Requirements Oversight Council (JROC) for comment and action. Of these, 23 issues were recommended for action in the fiscal year (FY) 06 POM and reviewed by the newly established Strategic Planning Council (SPC), chaired by Secretary Rumsfeld and including the most senior level civilian and uniformed heads of OSD, the Military Departments and the Combatant Commands.

The SPC IPL decisions led to incorporation of 19 of these issues into the first-ever Joint Programming Guidance for FY 06-11.⁸⁸ All told, this IPL process involved the movement of \$3 billion in the current year and around \$7 billion in the out years. These are not trivial sums, but pale in comparison to DoD's expenditure of over \$280 billion dollars annually for procurement and operations & maintenance (O&M). The level of resources available to resource near-term joint requirements through this process should be increased by several orders of magnitude.

The lessons learned from the FY 06-11 IPL process have been incorporated into the FY 07-11 process, which started when the COCOMs submitted their IPLs on November 15, 2004. Although many COCOM officers complain that the Pentagon's IPL processing occurs outside their view, the BG-N study team endorsed this maturing process as a means for identifying and resourcing short-term joint capability requirements and believes that DoD should build on its early success.

The process for identifying longer-term joint capability needs, the Joint Capabilities Integration and Development System (JCIDS), is also evolving, but results have not been as promising. As seen in Figure 3, JCIDS generates a hierarchy of joint capabilities documents – an overarching Joint Operations Concept, Joint Operating Concepts, Joint Functional Concepts, and Joint Integrating Concepts (JICs) – that provide the basis for identifying future requirements. These concepts also support capabilities-based assessments that seek to identify capability gaps to be addressed by the future force.

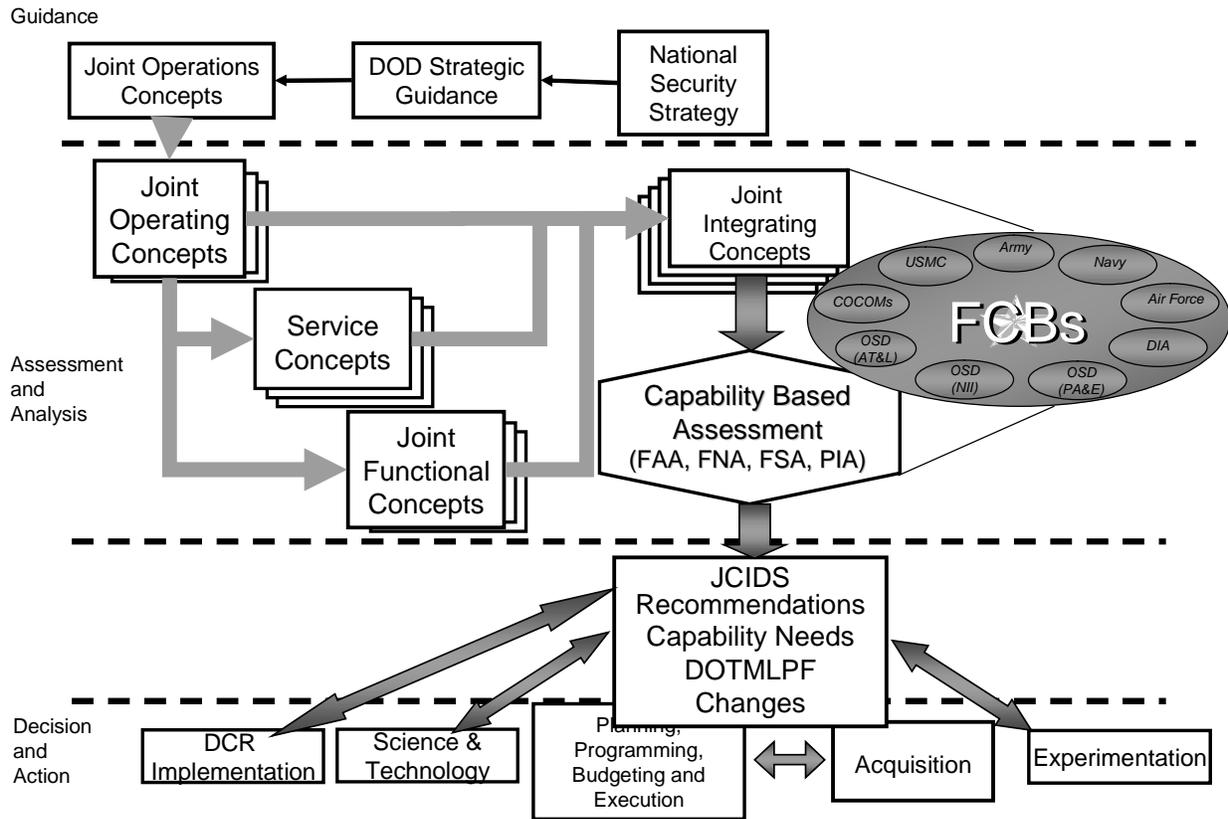
The JCIDS process is very labor-intensive – one COCOM officer estimated that it takes five thousand man-hours to clear a major document through all the wickets – and the results so far have been mixed, at best. The first two JICs on Joint Forcible Entry and Joint Undersea Superiority began development in late 2003 and have yet to achieve the level of detail needed to assess whether the planned capabilities meet the requirements identified in the JICs. According to recent reports, the J-8 is trying to develop a more streamlined capability-based assessment process, but it is far from clear whether shaving weeks of time off an inclusive, elaborate, consensus-based process will produce meaningful results.⁸⁹

⁸⁷ Chaired by PA&E, this critical decision-making body includes the uniformed heads of the Services' POM-building divisions and their civilian counterparts in OSD comptroller and acquisition offices.

⁸⁸ The remaining issues were left to the normal fall program/budget review process.

⁸⁹ Although the JCIDS documents have not yet built the basis for a capability-based assessment of the future force, revision of its foundation document, the Joint Operations Concept or JOpsC, is already underway. Set in the 2020 timeframe, the JOpsC was approved by Secretary Rumsfeld in November 2003. Although some might believe that a vision for how the 2020+ force will operate might last more than 18 months, a draft replacement document, the Capstone Concept for Joint Operations or CCJO, is being coordinated as this report is released.

Figure 2 -- JCIDS Process



In October, 2003, in parallel with the JS-centric JCIDS process, Secretary Rumsfeld also approved an Aldridge study recommendation to create an OSD-centric Enhanced Planning Process (EPP) that would address major issues in an “enhanced, collaborative joint planning process” resulting in “decisions on major issues and metrics and measures of sufficiency for other elements of the Defense Program.”⁹⁰ At the same time, the Secretary replaced the Defense Planning Guidance with a “fiscally-informed” Strategic Planning Guidance (SPG) and a “fiscally-constrained” JPG.

The first SPG was published several months after its December 2003 due date and, according to most reports, was not noticeably more constrained from a fiscal perspective.⁹¹ The SPG, however, did identify areas where DoD could accept more risk or should take action to reduce risk, which is a significant step in the right direction. Although the EPP initially sought to address approximately 14 major issues, none of the issue teams produced an actionable basis for making decisions prior to the May 2004 publication of the JPG, which was intended as the

⁹⁰ “Initiation of a Joint Capabilities Process”, memorandum from Secretary Rumsfeld, 31 October 2003, p. 1. The “Aldridge study” he discussed was Joint Defense Capabilities Study Team, *Joint Defense Capabilities Study: Improving DoD Strategic Planning, Resourcing and Execution to Satisfy Joint Capabilities*. (January 2004).

⁹¹ Aldridge study, *op.cit.*

means for implementing EPP decisions. The EPP was set aside by early preparations for the 2005 Quadrennial Defense Review. If current plans materialize, the QDR should produce decisions by the senior leadership on strategic issues facing DoD, as called for by the EPP.

Although the actionable results of JCIDS and EPP have not met expectations, the BG-N study team believes that these processes may have led to two promising developments:

The emergence of more authoritative DoD-wide forums in the PPBES. As noted in the Phase 1 report, the Functional Capability Boards are not just JS entities, but “departmental” bodies with DoD-wide representation. As their number has grown (from four in 2004 to eight in 2005), the FCBs reportedly have helped forge greater unity of understanding across the department about joint capability requirements and shortfalls. Although debate has occurred in the Joint Staff over having the three-star programmers’ group review actions that have already been considered by the JROC, this body can make decisions that commit resources, and brings a helpful enterprise-wide perspective to the IPL process. In addition, the BG-N study team was told that the Director of OSD Program Analysis & Evaluation (PA&E) and other senior OSD officials have frequently been invited to attend JROC meetings, and have been “very helpful” in raising joint issues.

The emergence of a supporting process to JCIDS. In parallel with JCIDS, the J-8 started in 2003 a recurring series of Operational Availability studies that assessed how well DoD’s planned forces executed the theater campaign plans developed for addressing key defense planning scenarios. During this maturing process, J-8 became convinced that a common taxonomy for assessing joint capabilities was needed and developed a framework of 21 Joint Functional Capability Areas (JFCAs).⁹² The Joint Staff used this framework in Operational Analysis-05 (OA-5), which was conducted in coordination with OSD Policy and PA&E staffs, the Services and the COCOMs. The BG-N study team was told that OA-5, unlike the JCIDS JIC Capabilities Based Assessment process, was detailed enough to identify both joint capability gaps and “overages” – that is, areas in which “overly excessive” capabilities exist relative to future joint requirements. The OA studies are expected to play a major role in the 2005 Quadrennial Defense Review.

In its Phase 1 report, the BG-N study team recommended converting the J-6 into the core of a department-wide, joint task force (with budgetary and acquisition authority) for Joint C3.⁹³ Repeated failures over the past decade to develop common, interoperable C2 for joint operations

⁹² The 21 Tier 1 JFCAs include: Joint Battlespace Awareness, Joint Command and Control, Joint Network Operations, Joint Interagency Coordination, Joint Public Affairs Operations, Joint Information Operations, Joint Protection, Joint Logistics, Joint Force Generation, Joint Force Management, Joint Homeland Defense, Joint Strategic Deterrence, Joint Shaping & Security Cooperation, Joint Stability Operations, Joint Civil Support, Joint Non-Traditional Operations, Joint Access & Access Denial Operations, Joint Land Control Operations, Joint Maritime/Littoral Control Operations, Joint Air Control Operations, and Joint Space Control Operations. Although this capability area framework was approved by the Secretary in May 2005, the BG-N study team believes that a more useable framework lies between JFCOM’s six capability areas and the Joint Staff’s 21 listed here. Nevertheless, the adoption of a common taxonomy of joint capability areas is a critical step.

⁹³ In fact, the Phase 1 report called for a JTF for Joint C2, but has changed the name of the proposed JTF to ensure no separation between command and control and the communications systems that enable it. This approximates the recent decision by the Joint Staff to refer to “C2 and battlefield communications,” rather than only C2.

had led the BG-N study team to make an exception to its general rule that resources should be organized and managed along Service lines. Over the past year, there has been a profusion of efforts to define Joint C3 requirements: Joint Forces Command (JFCOM) and the OSD Undersecretary for Acquisition, Technology & Logistics (USD(AT&L)) published in April 2004 a Joint Battlefield Management Command & Control (JBMC2) roadmap, which is already in revision; the Joint Staff's Command & Control, Communications and Computers (J-6) published in September 2004 a "C4 Campaign Plan" to which it added an Information Assurance annex in February 2005; the Assistant Secretary for Network Information Integration (NII) issued in May 2004 a "checklist" of requirements for network operations; and the Defense Information Systems Agency (DISA) followed suit with a similar product later in 2004. If anything, the trends in this area – which, of course, is central to the net-centric way that U.S. military conducts operations – have gotten worse, not better, since the Phase 1 report was published.

Recommendations

As stated at the outset of this chapter, only the Combatant Commands have operational requirements, and their near- and long-term requirements must drive DoD resource allocation and acquisition decisions and policies. In its Phase 1 report, the BG-N study team recommended building capacities in the COCOMs to enable a stronger role in resource allocation. To some extent, this is already happening – until recently, for example, the Pacific Command assigned this function to J-55, a four-person office headed by a GS-14, but is now building a J-8. At a minimum, the COCOMs – both the regionals and the functionals – must have the organizational capacity to identify near-term capability shortfalls and excesses, since they are the ones conducting operations and developing operational plans for addressing current contingencies.

But relying on the regional Combatant Commands for a more robust role in determining longer-term requirements would be a mistake. The regional commands must not lose focus on their core function, the planning and conduct of military operations today and tomorrow. This near-term preoccupation with today's threats and missions is not consistent with planning how to define and cope with future threats and challenges. Moreover, expanding the time horizon of the regional commands would divert them from their core responsibilities.

The functional commands vary widely in their current ability to determine long-term capability requirements. SOCOM is a "joint force provider" that functions both like a Military Service (as it provides special operations forces to regional COCOMs) and like a regional command (as it conducts operations both as a supporting and supported commander). SOCOM, however, seems to share the relatively short-term perspective of the regional commands, a tendency reinforced by its lead role in the war on terrorism. JFCOM, on the other hand, has responsibilities that are both long-term (e.g., joint experimentation and joint concept development) and near-term (joint training and joint force allocation) in nature. Like JFCOM, Strategic Command (STRATCOM) has many responsibilities, some of which are quite new (e.g., WMD counterproliferation) and require both a near-term (e.g., acting as a force manager for scarce ISR assets) and long-term (e.g., space and global strike).

When vetting earlier drafts of this report and its accompanying summary brief, the BG-N study team explored (and received feedback on) several options for a more authoritative process for determining longer-range joint capability needs:

- Strengthen the ability of the Chairman to advocate joint capability requirements across all relevant DoD processes;
- Rely on the functional commands (with enhanced capacities) to take the lead in determining the long-term joint capability needs in their respective areas;
- Create a “Joint Capabilities Command” (JCC) that is empowered by the Unified Command Plan to serve as the representative for the regional commands in defining and advocating longer-term capability requirements;
- Assign JFCOM the responsibility for advocating the longer-term joint capability needs of the regional combatant commanders.

Many of those consulted by the BG-N study team said that a stronger role for the Chairman (and the VCJCS and J-8) in advocating joint capability requirements would not be sufficient, largely because of the consensual, least-common denominator nature of decision-making in “The Tank” (where the Joint Chiefs of Staff meet) and the JROC.⁹⁴ Frustration with the labor-intensive, low-return JCIDS process also undermined support for this option.

SOCOM and NORTHCOM already have strong requirements and assessment capabilities and STRATCOM is building a strong J-8 to serve as an “advocate” for its joint missions in an effort to shape how the Military Services provide capabilities in relevant areas. Building similar capabilities at TRANSCOM (particularly if, as will be recommended in Chapter 8, it is subsumed into a Logistics Command) and JFCOM should not be difficult. The BG-N study team also considered creating a Joint Capabilities Command to serve as the surrogate advocate of the operational requirements of the Combatant Commands. As with the other COCOMs, this new command, which would be manned, resourced, and located in the Washington, DC area to play an aggressive role in PPBES, would report directly to the Secretary of Defense through channels transparent to the CJCS, and not through the Chairman sitting as a member of the Joint Chiefs of Staff. Although some of those consulted expressed interest in the JCC concept, others believed that JFCOM was intended for this role and favored enhancing its capacity to do so. However, some expressed concern that this might exacerbate JFCOM’s perceived “span of control” problems.

The BG-N study team continues to support the substantial effort that the Office of the Secretary of Defense and the Joint Staff have made to enhance strategic direction and the building of joint capabilities into the resource allocation process. Recent reforms are promising, but more are needed, particularly if the study team’s recommended changes to the acquisition process are adopted. In building on its Phase 1 recommendation to build capacities in the Combatant Commands for a stronger role in the resource allocation process, the BG-N study team recommends:

⁹⁴ One vivid particular illustrates this tendency: in its “tank session” to decide who would draft the JIC on Global Strike, a mission assigned to STRATCOM by the Unified Command Plan (UCP), the Joint Chiefs of Staff assigned responsibility to the Air Force, even though the J-8, who had already been selected as the STRATCOM commander, had recommended that STRATCOM be given the task.

- ***Build a COCOM-centric process for identifying and advocating joint capability requirements that is comprised of the following elements:***
 - ***Identify and prioritize short-term joint capability requirements through an enhanced IPL process;***
 - ***Have the functional commands take the lead on determining long-term capability needs in their respective areas;***
 - ***As an interim step, create a Washington-based, JFCOM capability, headed by a three-star, to determine and advocate the longer-term joint capability needs of the regional commands;***
 - ***Decide after two years whether a separate Joint Capability Command is necessary for this critical function.***

The BG-N study team is confident that a more robust process for determining short-term capability requirements is achievable. Building an “IPL on steroids” process will require stronger COCOM J-8s, a CJCS (and J-8) responsible for aggregating and helping prioritize joint capability requirements, and a Secretary of Defense (advised by the CJCS and supported by OSD PA&E) willing to make and enforce decisions. The BG-N study team also believes that the functional commands can take a much stronger role in determining their long-term joint capability needs and should be resourced to do so. The BG-N study team, however, believes that before deciding to establish a new Joint Capabilities Command, DoD should assign JFCOM the responsibility for determining and advocating, on behalf of the regional commands, their longer-term joint capability needs. In order to execute this critical function, the BG-N study team believes that JFCOM will need the resources to build a robust, Washington-based capability headed by a three-star. After two years, roughly equivalent to one PPBES cycle, DoD should assess how well JFCOM has performed this new mission and decide if further organizational changes are warranted.

Stronger processes for identifying long-term joint capability needs should be accompanied by a more “joint” process for validating those requirements. From the “advocacy” perspective discussed in the Introduction, the Military Services as force providers represent the supply side of the equation, and the COCOMs, as the current and future executors of missions, represent the demand side. As “suppliers” of both current and future capabilities, the Military Services do think about the future, but often in ways that make the future safe for the way they do business today.

By contrast, the demand side is currently represented by the JROC, as it has the responsibility for approving joint capability documents. But the JROC consists of the four Vice Chiefs of Staff with the VCJCS as Chair, so in effect a committee consisting primarily of “suppliers” has approval authority for defining the demand for future capabilities. Given the inherent contradiction between these perspectives, it is not surprising that log-rolling, consensual politics usually characterize JROC decision-making. Accordingly, the BG-N study team recommends:

- ***To build a truly joint, demand-oriented JROC, replace the Service Vices with the COCOM Deputies and add civilian representation.***

The BG-N study team believes that the nature of JROC decision-making has impeded the effective determination of joint capability requirements. To provide a clean division between advocacy of the supply and demand sides of the process, the Deputy Commanders from the Combatant Commands should replace Vice Chiefs of the Military Services as members of the JROC. The Military Services (in their role as force providers) and functional commands would then compete on how best to meet the longer-term joint capability needs of future COCOM commanders as defined by a committee consisting largely of today's COCOMs. Playing this enhanced role would require significantly larger COCOM capacity, but it would de-conflict the advocacy process in DoD and present clearer strategic choices for the Secretary of Defense.

If the previous recommendation were accepted, the uniformed membership of the JROC would consist of the VCJCS, JFCOM, and the other functional commands. If the regional commands retain lead responsibility for determining and advocating longer-term joint capability needs, they would need to be added as JROC members (with JFCOM representing only its functional interests).

In its Phase 1 report, the BG-N study team recommended that the Secretary should have a strong Office of Program Analysis and Evaluation that would both manage a NSC-like process for bringing strategic choices to him and capable of providing independent analysis on the broad strategic choices facing DoD. While the BG-N study team still believes that both the Secretary and CJCS need robust and independent analytic capabilities (PA&E and J-8, respectively) to provide support on major strategic and programmatic issues, a strong, refocused PA&E could be a valuable partner to J-8 in bringing more jointness into processes for determining joint capability requirements. With a few exceptions, PA&E and J-8 should co-chair the Functional Capability Boards, which are emerging as the working-level "engine rooms" for defining joint capability requirements.⁹⁵ PA&E should also become a member of the JROC. In the next chapter, the BG-N study team recommends that the technology function be restored as the top priority in USD(Acquisition, Technology, and Logistics). The Under Secretary for Policy has the responsibility for defining the nature of the future security environment. Adding these two offices and PA&E to the JROC would bring a defense-wide, demand-side and technology-push perspective to JROC deliberations.

- ***Implement the BG-N Phase 1 recommendation to form a JTF with budgetary and acquisition authority for Joint C3, and assign it to either STRATCOM or JFCOM, but not both.***

The continued disarray in both defining joint C3 capability requirements and procuring interoperable C3 systems must be addressed. Net-centric warfare has become the American way of war. Future JTF commanders must have truly seamless joint C3 to ensure positive control of the joint team. JFCOM's Operation Iraqi Freedom Lessons Learned study identified the lack of a common, interoperable computer and communications system as one of the most critical

⁹⁵ For example, OSD (Personnel and Readiness) co-chairs the Joint Training FCB with JFCOM and J-7. Currently, OSD (AT&L) co-chairs five FCBs. This is more a reflection of their capability to man these positions than it is of their appropriateness. The next chapter addresses this issue.

capability shortfalls.⁹⁶ Therefore, the BG-N study team recommends that Title 10 authority for C2 above the tactical level be transferred from the Military Services to a JTF under JFCOM or STRATCOM.

In its Phase 1 report, the BG-N study team recommended that the Joint C3 task force report to an Undersecretary for C3I. Now, however, the study team believes that this task force should report to a military entity, because C3 is central to the conduct of military operations.⁹⁷ There are three principal options: CJCS with his responsibility for joint capability requirements, JFCOM with its assigned responsibility for JBMC2 and STRATCOM with its assigned responsibility for Global C4ISR and its Task Force for Global Network Operations.

- As staff supporting the Chairman, the Joint Staff plays a critical role in policy formulation and should not be given line management responsibilities.
- Although Management Initiative Decision 912 gave JFCOM the responsibility to define JBMC2 operational architectures and standards for interoperability, the command now believes it needs a funding line and the authority to support acquisition by the Military Services.⁹⁸
- STRATCOM, in effect, has divided C4ISR in two and created “joint functional components” for ISR (centered on DIA) and Network Operations (centered on NSA and DISA). In its base realignment and closure plan, DoD proposes to merge STRATCOM’s JTF and the Defense Information Systems Agency and co-locate it with NSA at Ft. Meade, Md.

The BG-N study team believes the new JTF for C3 should report to either the STRATCOM commander or JFCOM commander, but not both, as that would create a horizontal “seam” between STRATCOM’s responsibility for C2 from the strategic to the operational level and JFCOM’s responsibility from the tactical to the operational level. DoD needs to revisit the current division of labor for Joint C2 in the UCP. There is no way of defining where a “strategic Intranet” ends and an “operational Intranet” begins. Replacing the vertical “seams” created by the Military Services with a horizontal “seam” created by assigning responsibility for Joint C2 to two functional commands makes little sense. As a practical matter, however, STRATCOM’s proposed merger of its JTF for Global Network Operations and DISA would create a SOCOM-like entity (with Title 10 authorities) and, if implemented, would accomplish much of what the study team recommends.

Creating a JTF for Joint C3 (with SOCOM-like budgetary and acquisition authorities) is also an experiment in joint acquisition. The funding for a defense-wide budget line for Joint C3 would come out of Service budgets. Initially, the JTF for Joint C3 might use the resources to fund Service-executed programs, although having the authority to acquire systems directly would

⁹⁶ *Joint Lessons Learned: Operation Iraqi Freedom Major Combat Operations*, United States Joint Forces Command, Norfolk, Virginia, 1 Mar 2004.

⁹⁷ The BG-N study team also recognizes that any Secretary of Defense will be reluctant to give up his Undersecretary (Intelligence) after recent changes in the way the USG is organized for intelligence.

⁹⁸ Management Initiative Decision 912, Office of the Deputy Secretary of Defense (January, 2003).

provide more incentives for Service compliance. But a central acquisition authority for these joint capabilities might prove necessary in the end because a decentralized acquisition process may not be able to keep up with a technology that is changing so rapidly. Establishing this JTF for Joint C3 will likely require new Title 10 language allowing Joint organizing, training and equipping. This language should be fairly broad and generic in nature, so the Secretary has the option of creating joint acquisition entities when the Military Services have clearly failed to meet joint capability requirements. The Secretary will also have to devise a means for civilian oversight for functional commands that have acquisition entities like the proposed JTF for Joint C3. This is not a trivial issue, given the mixed record of the Assistant Secretary for Special Operations and Low-Intensity Conflict (SO/LIC) with respect to SOCOM and the relative lack of civilian oversight provided the Missile Defense Agency.

Conclusion

As stated at the beginning of this chapter, providing the Service Chiefs with more line authority over acquisition must be combined with a robust, credible process for determining joint capability requirements and leveraging those requirements in both the acquisition and resource allocation processes. It is joint capability requirements, both near- and far-term, that should drive DoD resource allocation and acquisition policies and decisions. Significant actions have been taken during the Rumsfeld era to improve the advocacy of joint capability requirements, but more is needed. The Combatant Commanders need more capacity and stronger role in building a more joint requirements process. Building a more capable, more strategic PA&E – as called for by the Aldridge study and BG-N Phase 1 – could yield a more effective process for bringing strategic choices to the Secretary and a better analytic basis for senior-level decision making. And in those instances, such as Joint C3, where Service-centric processes have clearly failed to meet joint capability requirements, DoD must begin to experiment with joint acquisition entities.

Chapter 7 **Reforming Defense Acquisition for the 21st Century**

The sheer complexity of the capability requirements, acquisition and resource allocation processes used to equip the U.S. military seemingly condemns the Defense Department to the perpetual task of acquisition reform. Ideally, acquisition is synchronized with requirements generation and resource allocation; organizations are aligned with policy; and the entire system responds adaptively to a changing security environment.

In reality, the uneven pace of reform between the major processes, the fact that policies change faster than organizations, and a changing external landscape all generate friction and lead to an acquisition process that is too slow, not responsive enough to joint needs, too expensive and too complex. Even if the policies, organizations, personnel, and cultures could be perfectly optimized to today's security environment, the reward would likely be a change in the external landscape requiring yet another round of reform. If Sisyphus had a job in the Pentagon, it would be acquisition reform.

Since Goldwater-Nichols almost two decades ago, the strategic focus of acquisition reform has been on the mechanics of acquisition – how to more efficiently buy weapon systems. However, the external environment has changed radically in the post-Cold War, post-September 11 era. Today, the Department of Defense faces a broad set of national security threats and a rapidly changing and globalizing technology landscape while simultaneously undergoing dramatic internal reform.

This environment demands a senior OSD-level acquisition official providing strategic direction by focusing on the “marksmanship” issue of how to leverage technology into future capabilities, rather than the “gunsmithing” issue of how to buy the resulting systems. The BG-N study team believes the time has come to rethink an acquisition process whose strategic focus and organizational structure was established to meet the challenges of the 1980s, whose fundamental processes are optimized for the 1990s, and whose links with a rapidly changing capabilities determination and budget process are under strain.

Goldwater-Nichols, the Packard Commission, and Acquisition Reform of the 1980s

The foundation for the current structure and strategic focus of the Defense Department's acquisition processes was laid down by Goldwater-Nichols, related legislation that implemented the recommendations of the 1985 Blue Ribbon Commission on Defense Management (Packard Commission) and other acquisition reform legislation of the 1980s and 1990s. While Goldwater-Nichols was reacting to a series of operational military failures in the field and interoperability problems, the Packard Commission was established in 1985 to look at Department of Defense management issues, in part because “public confidence in the effectiveness of the defense acquisition system has been shaken by a spate of ‘horror stories’ – overpriced spare parts, test deficiencies, and cost and schedule overruns.”

Like Goldwater-Nichols, the Packard Commission was a product of its environment. The Soviet threat had been the touchstone of U.S. force planning for 40 years. Defense budgets

ramped up dramatically through the mid-1980s. The United States had a large military with 2.2 million active personnel, over one million reservists and a 600-ship navy.⁹⁹ To modernize this force, the U.S. defense-industrial base ran at high production rates – in 1985, the Defense Department procured 32,714 tactical missiles; 2,031 combat vehicles; 535 fixed wing aircraft; 390 helicopters and 24 ships/submarines.¹⁰⁰

In the 1980s, multiple new programs were started in every significant class of equipment – six new types of fixed-wing aircraft, seven new types of combat vehicles, seven new ship/submarine classes, seven new tactical missiles, and seven new battlefield radios.¹⁰¹ In order to manage this rapid buildup, by 1985 the Department employed over 165,000 acquisition personnel.¹⁰² A broad industrial base supported this effort as well; in 1985, 23 companies acted as platform integrators¹⁰³ and the Department of Defense awarded prime contracts to over 18,000 firms.¹⁰⁴

Defense acquisition was decentralized, with the Services controlling initiation and management of programs. Requirements, funding, and acquisition execution were performed by the Services with minimal ongoing oversight by the Office of the Secretary of Defense. At the OSD level, the Director of Defense Research & Engineering (DDR&E) provided strategic direction to the military's leveraging of technology by identifying and investing in promising technologies. The Assistant Secretary of Defense for Acquisition developed and enforced acquisition policy guidance. Although the Service Chiefs had lost their operational role in the 1958 Defense Reorganization Act, they both defined the requirements for future forces and acquired the systems that met these requirements. Furthermore, each branch of every Service had idiosyncratic acquisition policies, procedures, and cultures. Service-centric solutions to joint or multi-Service needs were commonplace (e.g. Service-specific aircraft, communications systems, etc.), a situation neither conducive to joint operations nor cost-efficient for taxpayers.

The challenges in 1980s-era acquisition – including managing numerous program starts; adequately testing weapons systems so they did not enter high-rate production with immature technology; rationalizing the many Service-centric weapon systems; and Service

⁹⁹ Department of Defense, Office of the Undersecretary of Defense (Comptroller). *National Defense Budget Estimates for FY 2005* (Green Book), February 2005, pp. 213; and Frank C. Conahan, *The Navy's Fleet Expansion*. Statement before the House Committee on Armed Services, Subcommittee on Seapower and Strategic and Critical Materials, September 6, 1985.

¹⁰⁰ *Jane's Fighting Ships*, 1988-89 Ed.; Aerospace Industries Association of America Aerospace Facts & Figures 1986-87; Defense & Foreign Affairs Handbook 1985-86

¹⁰¹ DoD Selected Acquisition Reports: Fixed-wing Aircraft new starts include the B-2 (1980), F-20 (1980), ATF/F-22 (1985), Sadler A-22 Recon (1986), A-12 Avenger II (1986), P-7A (1989); Combat Vehicles new starts included Paladin/FAASV (1980), Marines LAV (1981), M88 (1982), M1A1 Remanufacture (1985), Grisly (1986), Wolverine (1988), and Bradley Remanufacture (1988); Ship/Submarine Class new starts included Avenger Mine CM (1980), DDG-51 (1980), LSD-40 (1981), WASP LHD Amphibious Assault (1982), Seawolf Attack Submarine (1985), Fast Supply Ship (1986), MHC-51 (1988); Tactical Missile new starts included AMRAAM (1980), Hellfire (1982), AAAM (1983), AGM-130 (1984), TSSAM (1986), ATACMS (1986), Javelin (1988); Battlefield Radio new starts included Regency Net (1983), HAVEQUICK (1985), PRC-118 LPR (1986), PRC-126 VHF/FM (1986), TSC-122 HF Radio (1987), SINGCARS (1988), and PRC-132 SOFR (1989)

¹⁰² President's Blue Ribbon Commission on Defense Management, June 1986, p. 43

¹⁰³ Directorate for Information Operations and Reports (DIOR) FY1985 Procurement Statistics

¹⁰⁴ DoD DD350 Database abstracts, Defense Information Systems Agency, FY2004

experimentation with new contracting techniques – forced DoD to focus on process. In addition, a system that large and growing so quickly was prone to mistakes, fraud, and scandals. In an atmosphere characterized by embarrassing situations such as the now legendary \$600 toilet seat, “how to buy” issues became very prominent.

The Packard Commission’s key finding was that “The nation’s defense programs lose far more to inefficient procedures than to fraud and dishonesty.”¹⁰⁵ The Commission’s diagnosis of acquisition problems still applies in many respects today. Instability in national security planning and budgeting processes causes numerous hidden program costs; defense procurement processes do not use efficient, successful acquisition management techniques; Federal procurement law is too complex; responsibility for acquisition policy is too fragmented; equipment specifications are too often “gold plated”; Services duplicate each other’s development and testing activities; and acquisition strategies often lack common sense.

The Packard Commission recommendations had multiple goals: to establish civilian control over a fragmented military system (particularly by using civilians with business experience); to provide clear, direct chains of command between program managers and senior officials; to centralize and standardize acquisition procedures; and to create a system that could catch mistakes in order to minimize political embarrassment. The commission’s integrated package of reforms included:

- Create a Level II position of Undersecretary for Acquisition
- Restructure the Joint Requirements Management Board (JRMB) to be co-chaired by the Undersecretary for Acquisition and the Vice-chairman of the Joint Chiefs of Staff as an important early forum for program cost and performance trade-offs
- Establish a comparable senior-level Service Acquisition Executive
- Appoint Program Executive Officers (PEOs), who would oversee specified programs and program managers. This should allow consolidation of acquisition staffs and an overall reduction in the acquisition workforce.
- Consolidate and simplify all federal acquisition statutes
- Move from rigid “military specifications” requirements to encouraging use of off-the-shelf components
- Provide more authority to implement flexible management policies to attract, retain and motivate well-qualified acquisition personnel
- Enhance program stability through increased use of baselining requirements for design, schedule and cost, milestone budgeting, and use of multi-year procurement for high-priority systems

Many of the Packard Commission recommendations – the Undersecretary for Acquisition position, the SAE-PEO-PM structure, a simplified acquisition code, a more professional acquisition corps, baselining requirements – were eventually included in Goldwater-Nichols, other related legislation, and presidential directives. The recommendation to move away from “mil-specs” took until the 1990s to be implemented. Many other recommendations, such as the JRMB and milestone budgeting were either never implemented or attempted but quickly abandoned.

¹⁰⁵ *Ibid.*, p. xxiii

New Era – New Challenges

Today's environment is forcing the acquisition community to respond to a new set of strategic challenges. The United States must plan for everything from the protracted, low-intensity, intelligence and special-operations oriented tasks of the global war on terror; to fighting insurgencies and policing failed states; to deterring regional competitors; to dealing with the rise of a potential global peer competitor – all in an environment of increasingly global and rapidly changing technology trends. In hindsight, the Cold War issues were much simpler.

The major challenge for the acquisition system is no longer how to manage large rates of platform production. In 2005, the Department of Defense will procure 5,702 tactical missiles (one-sixth of the 1985 levels); 190 combat vehicles (one-tenth); 188 fixed wing aircraft (one-third); 79 helicopters (one-fifth) and 8 ships/submarines (one-third).¹⁰⁶ Rather, the strategic issue has now become how to redeploy human, physical and financial assets from the more mature parts of the defense enterprise to the parts that are dealing with new security threats. Furthermore, DoD must develop an entirely new set of technical and management competencies necessary to manage high-growth areas such as information technology, networking, electronics, and services.

Even though there are fewer new programs in platforms and overall systems, defense acquisition is encumbered by a top-heavy, process-oriented acquisition process. USD(AT&L) currently has 1,500 personnel (500 billets and about a thousand contractors) and program managers face a seemingly endless number of Integrated Product Team (IPT) and sub-IPT meetings. A recent DSB Task Force charged with assessing the implications of the illegal actions of former Principal Deputy Assistant Secretary Darleen Druyun concluded that today's acquisition process was "an extremely complex system requiring many inputs from many organizations with many people who can say 'no' but few who can say 'yes.'" In fact, the "diffusion of authority" was so great that it "enables those who master the system to gain power" and, in the case of Ms. Druyun, to abuse it, despite the "excessive amount of resources...devoted to thwarting or uncovering relative rare cases of fraud and abuse."¹⁰⁷ Ironically, in this instance, the complexity of a process driven by a risk-averse culture and too much bureaucracy enabled the very thing it was intended to prevent: the abuse of power by a corrupt official.

The well-intentioned majority of the acquisition corps today faces two significant types of bureaucratic impediments: highly centralized oversight and conflicting guidance. The uniformed military cultures that the acquisition system supports place a premium on delegating authority down to the lowest possible level. The acquisition oversight processes appear to be working in exactly the opposite direction, with monitoring and decision authorities migrating upwards over the last decade. This has resulted in an increasing number of OSD-level reviews including milestone, pre-decision, integrated product team, working integrated product team, and overarching integrated product team reviews.

¹⁰⁶ Department of Defense, *Program Acquisition Costs by Weapon System*, 2005.

¹⁰⁷ *Report of the Defense Science Board Task Force on Management Oversight in Acquisition Organizations* (March 2005), Offices of Under Secretary of Defense for Acquisition, Technology, and Logistics, p. 3.

A comparison of DoD 5000 Series procurement policies from 1996 and 2003 (latest version) indicates a mandatory increase from four to six Defense Acquisition Board (DAB) milestone decision authority program reviews between concept definition and full rate production. More importantly, the preparation process for DAB milestone reviews now takes on average 180 days with up to eight major preparatory meetings with the Cost Analysis Improvement Group, the Joint Requirements Board, the Joint Requirements Oversight Council, Directorate, Operational Test & Evaluation and the Overarching Integrated Product Team.¹⁰⁸ ACAT I level programs can now expect to undergo at least one significant OSD-level review per year with up to 14 reviews over an eleven-year program schedule.¹⁰⁹ These meetings are in addition to Service-level acquisition reviews that typically take place before, and sometimes after, OSD-level meetings. This level of oversight leaves program managers and program executive officers only about 50% or less of their time to actually manage their programs.

Conflicting guidance appears to be another important obstacle to acquisition efficiency. Conflicts occur at three levels: inconsistencies among OSD guidance and the FARs and DFARs; conflicts between OSD and Service-level acquisition guidance; and intra-Service acquisition regulations. In a strictly legal sense, there are very few outright regulatory conflicts as most OSD and Service-level guidance incorporate federal acquisition statutes and regulations by reference. The problems occur at a working level when acquisition managers try to use the combined body of federal, OSD, and Service rules to push program development forward. One example would be the OSD's long-standing guidance on using COTS products and components whenever and wherever possible. When the Army attempted in 2003 to purchase a limited number of commercial utility helicopters for non-combat use and avoid the time and expense of a development program, Army Materiel Command was informed by OT&E that these helicopters must still undergo live-fire testing and pass with acceptable functionality.¹¹⁰ As the commercial helicopters were not expected to pass the cannon-shell portion of the test, the purchase was dropped. In a March 2005 survey of PEO's by the Carnegie Mellon Software Engineering Institute, respondents consistently indicated that contradictions between DoD and Service-level acquisition regulations were endemic and (in this case Army) Service policies were consistently unclear. One PEO even described the process as the "bring me a rock scenario" for PMs repeatedly attempting to comply with all regulations from all sides with as few documents as possible.¹¹¹

A more fluid international security environment and the wide range of security threats also calls for a less monolithic acquisition process, greater agility and speed of execution, and a fundamental reappraisal of what is acceptable risk. While part of the Pentagon focuses on potential peer competitor threats of the future and can rely on existing, methodical processes, another part of DoD is fighting today's wars and trying to create a more flexible system – witness the proliferation of rapid acquisition, accelerated technology development, and technology insertion processes.

¹⁰⁸ John T. Dillard, *Centralized Control of Acquisition Programs: 1987-2003*. (Monterey, CA: U.S. Naval Postgraduate School), p. 8.

¹⁰⁹ *Ibid.*

¹¹⁰ U.S. General Officer, interviews conducted by CSIS between October 2004 and January 2005

¹¹¹ Stephen Blanchette, *U.S. Army Acquisition – The Program Executive Officer Perspective*. Carnegie Mellon Software Engineering Institute, March 2005, pp. 12-13.

Here again, the strategic challenge has moved from Cold War imperatives. Then, the question was how to create an acquisition process that had the luxury of time to ensure technical superiority, adherence to design specifications, and suitability for high-rate production. Now, the goal is to speed up the acquisition system for war and make the traditional peer competitor-oriented system more flexible in order to embrace a net-centric world of rapid technological change and asymmetric threats.

Restoring Strategic Direction to Acquisition

Addressing how to leverage rapidly changing technology trends, what capabilities are needed to meet the wide range of threats, and how to get the industrial base to create those capabilities are the strategic tasks facing the acquisition function. During the Cold War, an enduring source of U.S. comparative advantage was its ability to exploit technology and offset the quantitative superiority of Warsaw Pact conventional forces with the technological superiority of American forces. During this era, the Secretary of Defense was directly supported first by Chairman of the Research and Development Board (established in 1947) and, in 1958, by the Director of Defense Research & Engineering, who functioned essentially as the Secretary's chief technology officer and was primarily responsible for ensuring that the U.S. military maintained its technological edge.

Widely viewed as the third most powerful civilian in the Pentagon, an illustrious list of people served as DDR&E or Chairman of the Research and Development Board – Vannevar Bush, William Webster, Harold Brown, John Foster, and William Perry – many of whom later rose to Cabinet rank. Their job was to identify opportunities unfolding technologies offered for significantly increased military capability and to strategically shape DoD's science, technology, and weapon systems portfolio. When the position of the Undersecretary of Defense for Acquisition (later Undersecretary of Defense for Acquisition, Technology & Logistics) was established, DDR&E was subsumed under it and the office quickly lost cachet and influence. By diminishing the stature of the chief advocate for technology and the "long view," the strategic question of how technology can enable future capabilities – which, along with joint capability needs, determines "what to buy" – was downgraded in favor of the mechanics of acquisition – "how to buy". Arguably, in this prior era, there would have been no need to create a separate Office of Force Transformation because the technological side of transformation had been DDR&E's fundamental role.

Today, the Defense Department again needs its OSD-level acquisition organization to focus on being the strategic architect who identifies and invests in the technologies that result in significantly enhanced capabilities to meet 21st-century challenges. For example, the current USD(AT&L), Michael Wynne, has promoted some noteworthy strategic initiatives, such as the development of DoD systems engineering capabilities. The BG-N study team believes OSD's focus should be on similar issues of strategic direction, rather than on the mechanical and policing elements of acquisition or the actual management of programs.

The way to restore OSD's strategic focus is to remove it from the daily processes of program management. Management and execution of most acquisition programs should be

returned to the Military Services. This restructuring would also clarify issues of accountability and serve several Packard Commission design principles that remain valid today – to create clear, unambiguous command channels, limit reporting requirements, keep staffs small and establish close communication with the end user.

Goldwater-Nichols was predicated on the assumption that the parochial perspective of the Military Departments and Service-centric processes for planning and conducting military operations, defining requirements and acquiring capabilities and allocating resources had detrimental effects. Goldwater-Nichols quite deliberately strengthened the authorities of the Chairman and Vice-Chairman of the Joint Chiefs of Staff and the Commanders in Chief of the unified and specified commands, and weakened the role of the Department Secretaries and Service Chiefs. Furthermore, the Chiefs were deliberately removed from acquisition management by the creation of the DAE-SAE-PEO-PM chain of command.

Today, the Services' restriction to their Title 10 responsibilities as force providers is widely accepted, as is the role of Combatant Commanders on the operational side. But as discussed earlier, the BG-N study team believes that resources should still be organized, managed, and budgeted along Service lines. Removing the Service Chief from a direct role in acquisition management has muddied accountability for acquisition. Congress regularly calls the Service Secretary or Service Chief on the carpet when investigating the latest acquisition foibles, even though they are not in the acquisition management chain of command. Conversely, when the USD(AT&L) is summoned to Congress to account for the same program, he can explain that under current law, he has no authority over requirements or budgeting resources critical to program success.

Although this report recommends that the requirements determination process must be driven by joint, not Service, requirements, the BG-N study team believes that the Service Chiefs should have primary responsibility for acquisition management and the execution of acquisition programs. Holding the Service Chiefs directly responsible for both resource allocation and acquisition should reduce friction between the two processes by clarifying responsibilities and increasing the Chiefs' incentives to reduce program instability. It also serves the central purpose of liberating OSD to focus on strategic rather than process issues.

One Size Does Not Fit All – War and Peace Time Acquisition Processes

The U.S. military relearns the same lesson during every major conflict as it “discovers” that its acquisition processes are optimized for peace and do not respond quickly enough during war. In a peacetime environment, DoD can take time to test a new weapon system, achieve maximum performance, and ensure safety. During wartime, when accomplishing the mission and avoiding unnecessary casualties are paramount, time is of the essence, so greater risk is assumed.

Since 9/11, DoD's operational pace has been relentless. In an effort to more rapidly fill urgent operational requirements, DoD has established a host of rapid acquisition processes that bypass the mainstream, peer-competitor oriented acquisition process. Each Military Service has a rapid acquisition process – for example, the Air Force has a \$25 million-per-year Warfighter

Rapid Acquisition Program; the Navy has a \$19-24 million Rapid Technology Transition process; and the Army has a Rapid Fielding Initiative, its Rapid Equipping Force, and a Warfighting Rapid Acquisition Program.

Congress also established several initiatives for meeting critical wartime needs. In 2003, it provided \$10 million per year for the Technology Transition Initiative and created a \$110 million Quick Reaction Special Projects program. The FY2005 Defense Authorization Act also provided a Rapid Acquisition Authority to Respond to Combat Emergencies, but it is limited to \$100 million and oriented toward accelerating equipment already in the pipeline. Deputy Secretary of Defense Paul Wolfowitz established the OSD Joint Rapid Acquisition Cell in September 2004 to coordinate headquarters response to the immediate warfighting needs of the Combatant Commanders. Each of these initiatives, taken separately, is promising, but they need to be rationalized and put on a stronger financial foundation.

Recommendations

In order to restore a strategic focus on future capabilities within OSD acquisition, improve accountability in a streamlined acquisition process, and strengthen the ability to respond to urgent wartime requirements, the BG-N study team recommends:

- ***Elevate the DDR&E function to primacy in the office of the Undersecretary for Acquisition, Technology and Logistics (AT&L) to create the Undersecretary for Technology, Logistics and Acquisition Policy(TL&A), with the DDR&E as Principal Deputy.***

As the strategic architect that marries technology and future capabilities, the Undersecretary(TL&A) should have the authority and resources to promote transformational investments and should preside over a realigned and consolidated lab structure. To empower this chief technology officer, the Secretary should create a Defense-wide science and technology (S&T) funding line to support strategic direction of DoD S&T investment and enhanced approval authority over the Services' S&T programs.

As recommended in Chapter 6, since technology should be defined broadly, spans the entire life cycle of a weapon system, and has a role to play in almost every aspect of the enterprise, USD(TL&A) should have a seat on the JROC to champion the potential opportunities for significantly increasing military capabilities in an era of rapid technological change (a key unimplemented recommendation of the Packard Commission that remains valid today). This would give USD(TL&A) a stronger role at the “front end” of the process, the determination of joint capability needs, rather than trying to compensate for failure of the Military Services to meet joint capability needs through the ACTD process or by creating “joint acquisition processes.”¹¹²

¹¹² The Advanced Concept Technology Development process explores how largely mature technologies (“off the shelf” technologies) might address current capability shortfalls. Run by the Deputy Under Secretary for Defense (Advanced Systems & Concepts) as “capability gap-filler” for the COCOMs, a portion of the ACTD budget was devoted to Joint ACTDs. While there have been some notable successes (e.g., Predator UAVs), the ACTD program has had difficulty “transitioning” its capabilities into the Military Services. This is not surprising, given the fact that

In the current process of acquisition management, OSD tries to implement policy via an elaborate process of reviews, milestones, and other traps designed to provide opportunities to redirect and shape programs as they are executed. Often, however, a program's fate is largely determined long before these reviews are ever reached, as desirable elements such as jointness and the ability to deliver a program on time, on budget, and within capability requirements are often determined during the requirements process and are based on the realism surrounding the initial assessments of technical maturity and cost. Having OSD focused on and an active participant in the front end of the process, by guiding technology development and enjoying appropriate input into the feasibility of requirements, while leaving the execution of the agreed program to the Services, is a more appropriate division of labor.

A natural consequence of this and the following recommendation should be a review of all acquisition processes. For example, with Services taking responsibility for acquisition management, the opportunity to reduce the multiple layers of reviews, streamline processes, and combine boards, councils and oversight bodies should be seized. The OSD AT&L staff should be sharply reduced and re-focused on the technology function. OSD's remaining responsibilities in acquisition – particularly in acquisition policy oversight – should be invested in an Assistant Secretary of Defense for Acquisition Policy that reports to the new USD(TL&A). As envisioned by the Packard Commission, an OSD staff focused only on strategic issues, policy and oversight should not require the same size staff as one focused on the mechanics of acquisition.

- ***Restore the authority of the Service Chiefs over the execution of acquisition programs.***

A case can be made that Goldwater-Nichols never implemented the Packard Commission principles. Certainly, Packard's prescriptions for clear, unambiguous command channels, empowered program managers, and minimal reporting requirements do not describe today's top heavy, cumbersome, review process for overseeing acquisition management. The BG-N study team believes that the acquisition PMs and PEOs should report to the Service Chiefs,¹¹³ and that the Service Acquisition Executives (SAEs) – usually Assistant Service Secretaries for acquisition – should report to the Service Secretaries, not USD(TL&A). In accord with the Packard recommendations, SAEs should be civilians with “solid industrial background in the management of complex technical programs” who provide expertise at the Service level about best practices from the private sector and serve as the taxpayer's first line of defense. Under this new formulation, the Service Chiefs, as chief operating officers for the Military Department, would have authority commensurate with their responsibility as key integrators in the resource allocation *and* acquisition processes. The Department Secretaries, with support from their SAEs, would still function as the CEOs for the Military Departments.

the Services chose not to provide those capabilities in the first place, but it also reflects the sustainment and life-cycle costs of fielding a capability. Some have advocated creating a single Joint Acquisition Executive (JAE) and reallocating a percentage of DoD TOA (total obligational authority) to it for acquiring Service-neglected joint capability requirements. The BG-N study team, however, concluded that strengthening the joint capability requirements process should be attempted first, before going to a solution predicated on the assumption that the Military Services would fail to meet authoritatively defined short- and long-term joint capability needs.

¹¹³ Some Services have tried to accomplish this objective through ingenious dual-hatting schemes that, if not illegal, are certainly inconsistent with the intent of the G-N era acquisition reform.

The acquisition reforms of the 1980s took the Service Chiefs (and their systems command heads) out of the PM-PEO-SAE-DAE structure. But the Chiefs are now the centers of long-term resource allocation and management and need to be able to integrated acquisition and resource allocation processes as they provide capabilities to meet short- and long-term joint capability requirements. Returning responsibility for acquisition management to the Service Chiefs should enable them to strike a better balance between acquisition program stability and the exigencies of the annual budget process. It also should result in a more streamlined acquisition process. The BG-N study team also believes that focusing responsibility for acquisition management in the Service Chiefs will bring more accountability to the process, in part because the uniformed services have traditionally had a better culture for ensuring accountability – ethically and in terms of executing assigned missions.¹¹⁴

Implementing this recommendation, of course, increases the risk that the Services will acquire weapons systems and provide capabilities that meet their own parochial visions for how they want to operate, rather than meet the joint capability requirements of the COCOMs. Providing the Service Chiefs with more line authority over acquisition must be combined with a robust, credible process for determining near- and long-term joint capability requirements and leveraging them in both the acquisition and resource allocation processes, as described in the previous chapter. While the Service Chiefs have a legitimate supply-side perspective and should be heard, only the Combatant Commanders have operational requirements and it is the joint perspective that must drive DoD processes. Implementing this recommendation, therefore, must be viewed as part of a package that includes the recommendations made in Chapter 6 to strengthen the advocacy of joint capability requirements.

The study team also recommends insurance against Services straying toward the parochial in meeting joint requirements. As mentioned earlier, the BG-N Phase 1 report included a recommendation to create a joint task force for Joint C2 because of the Military Services' inability over two decades to provide genuinely interoperable command and control. In the Introduction to this report, the BG-N study team broadened that exception to cover all instances where the Military Services clearly fail to meet the needs of current and future Combatant Commanders. While the study team believes that procurement belongs in the Services, it can and should be taken away when necessary to ensure that Combatant Commanders' requirements are met; a recent example of this would be the reestablishment of the Joint PEO for the Joint Tactical Radio System (JTRS) at the OSD level.

- ***Expand and rationalize the rapid acquisition processes.***

While the Military Services, SOCOM, and other force providers all need individual processes for responding to Service-specific requests from the Combatant Commander, a DoD-wide rapid acquisition process is needed for addressing urgent needs that cut across Service

¹¹⁴ The DSB Task Force (March 2005) made no structural recommendations, such as those recommended by the BG-N study team, and, instead, encouraged DoD leaders to create a “best in class” high integrity organization in which values and ethics are the foundation for all employee actions. While agreeing that increased leadership attention to ethical issues is important, the BG-N believes that more than a “Do Better” injunction is needed. A more streamlined process with smaller staffs and clearer delineations of roles and responsibilities will enable participants to “stay in their lanes” and perform appropriately.

boundaries. The recently created Joint Rapid Acquisition Cell should establish a common set of policies and criteria for rapid acquisition and be given the necessary set of waivers and exemptions from regulations that impede responsive acquisition. In accordance with the principles set forth above, these common rapid acquisition policies and criteria should then be executed at the Service level with minimal OSD level reporting and approvals. Most importantly, rapid acquisition processes need to be put on a firm financial basis by creating a \$1 billion capital fund initially sourced with unobligated funds. Urgent requirements will be met much faster if they can be resourced without taking funds from existing programs. Congressional oversight would be patterned after the reprogramming process, with Congress notified of all actions and approval from the chairmen and ranking members of the authorizing and appropriating committees required for all actions above \$50M.

Conclusion

Restoring DoD's focus on tomorrow's conflicts will help ensure superior combat capabilities against all adversaries, while empowering the Chiefs as integrators and managers of resources will streamline the process that puts those technologies in operators' hands. Provided that the process for determining joint capability requirements becomes more robust, comprehensive and less Service-centric, the recommendations above would improve the capability of U.S. forces by bringing the best technology to the field efficiently.

Chapter 8

Organizing for Logistics Support

Until very recently, DoD's materiel distribution structure had changed little since it was first put in place during the World War II era. For several decades, forces in the field were supplied by the materiel and mobility commands within each of the Military Services. When the predecessor to the Defense Logistics Agency (DLA) was established in 1961,¹¹⁵ responsibility for supplying many basic commodities passed from the Services to the defense-wide agency, although the Navy and the Air Force still provided transportation. Responsibility for strategic mobility – the “port-to-port” transportation of people and supplies from CONUS to airfields and ports in theater – was centralized when the U.S. Transportation Command (TRANSCOM) was created in 1987,¹¹⁶ although DLA and the Services remained responsible for distribution in CONUS and the Services provide in-theater distribution.

Many logistics experts believe this structural fragmentation, compounded by unclear joint logistics doctrine, has indirectly exacerbated (if not directly led to) repeated logistical failures in the field.¹¹⁷ During the initial phases of Operation Iraqi Freedom, for instance, a number of logistics failures were identified, including critical supply shortages, cannibalization of vehicles for spare parts, supplies lost in theater, duplicate requisition orders, and inadequate force protection for supply convoys, among others.¹¹⁸ A key lesson learned from Iraq and other prolonged U.S. military engagements is that sustaining these operations depends on the ability to deliver logistical support efficiently and effectively to and within the theater of operations.

From a broader perspective, logistics has always been a neglected function in DoD, despite the fact that one of the major factors contributing to the U.S. military's status as the world finest military is its logistical capability. No nation approaches the United States in its ability to project and sustain power. But it does so at a high price and through many *ad hoc* arrangements. Stronger advocacy for logistics is needed inside the Department on the entire range of issues – from weapons sustainment to supplying forward-deployed forces – that depend

¹¹⁵ In 1952, DoD established the joint Army-Navy-Air Force Support Center to control identification of supply items. The Military Services agreed to use a common nomenclature for “consumables” or commodities (that is, supplies that are not repairable or are consumed in normal use). Each commodity was assigned to one service to manage for all the Services. In 1961, Secretary Robert S. McNamara established the Defense Supply Agency (DSA), which operated through eight single-manager agencies, and was renamed the Defense Logistics Agency in 1977. Goldwater-Nichols recognized DLA as a combat support agency in 1986.

¹¹⁶ After a 1979 command post exercise (Nifty Nugget) exposed huge mobilization and transportation failures, DoD created the Joint Deployment Agency (JDA) as the “single manager” for deployment and execution, although the mobility commands of the Military Services also reported directly to the JCS (as well as their own service chiefs). TRANSCOM was created in 1987 after Goldwater-Nichols revoked the law prohibiting consolidation of military transportation functions.

¹¹⁷ Continued logistics failures have been identified in almost every post-operations lessons learned since the first Gulf war. A recent GAO report regarding the recent performance of DoD's logistics system in Operation Iraqi Freedom, for example, found that “current [joint logistics] doctrine prescribes a disjointed distribution management structure that does not support the timely delivery of supplies to the war fighter.” GAO, *Defense Logistics: Actions Need to Improve the Availability of Critical Items during Current and Future Operations*, GAO-05-275 (Washington, D.C.: April 8, 2005), p. 140.

¹¹⁸ *Ibid.*

on logistics. The Department also needs to move in the same direction that industry has pursued for two decades – to remove the artificial barrier between buying things and moving things.

Recent Developments

On September 16, 2003, Secretary Rumsfeld designated the Commander of TRANSCOM the “distribution process owner” to serve “as the single entity to direct and supervise execution of the strategic distribution system” in order to “improve the overall efficiency and interoperability of distribution related activities – deployment, sustainment, and redeployment support during peace and war.” Until that moment, no single agency or command was responsible or accountable for making defense logistics work.

TRANSCOM commander General John W. Handy has used his new authority to take an integrated “factory to foxhole” approach to supply chain management, and has led the effort to create greater unity of effort among TRANSCOM, DLA, and Service logistics agencies that buy, warehouse and transport military materiel. In January 2004, a 63-member Deployment Distribution Operational Center deployed to Kuwait to provide logistics support to CENTCOM. The impact of this forward deployed joint logistics entity has been dramatic; TRANSCOM reports that in its first year, it achieved over \$360 million in cost avoidance and cost savings. More importantly, the rotation and sustainment of over 150,000 troops before the Iraqi election in January 2005 came off without major logistical hitches.

DoD is attempting to build on this operational success by developing new constructs for joint theater logistics and governance of the structurally-fragmented logistics enterprise. From an operational perspective, the current construct envisions forward-deployed elements from all the “strategic feeds” (TRANSCOM, DLA, Military Services, etc.) providing the key functions (distribution, commodity management, medical, services, etc.) This Joint Theater Logistics function, with its directive and coordinative lines of authority, could, at the discretion of the regional commander, report to the headquarters J-4, to a functional component commander (e.g., the land or air commander) or be delegated to a logistics commander.

From a corporate headquarters perspective, the current proposal for rationalizing the fragmented governance of the logistics community envisions a Joint Logistics Board, co-chaired by the Deputy Under Secretary for Logistics and Material Readiness and the Joint Staffs Director of Logistics (J-4), with a core membership of twelve key suppliers across the Services and commands.

Generally speaking, however, these ongoing initiatives to strengthen and integrate DoD’s logistics capability are being accomplished without the benefit of either unity of command or clear doctrinal lines of authority amongst the various logistics stakeholders. In their absence, logistics experts continue to debate whether the department needs a single, integrated organization, with a clear chain of command, to provide defense-wide logistics capabilities. In particular, the Defense Business Board (DBB), in a 2003 study commissioned by Secretary Rumsfeld, addressed the issue of whether the defense transportation and supply functions should be combined. In the end, the DBB report opposed the idea of merging DLA with TRANSCOM, arguing that the roles, missions, and competencies of the two organizations were too diverse to

combine constructively. The report stated that the “problem is not that the organizations are separate, but that the activities are not integrated.”¹¹⁹

Interestingly, however, the DBB’s overall findings tend to undercut, rather than support, its anti-merger recommendation, particularly as it stated that the department must embrace a commercial analog, supply chain management, to achieve transformational improvements in the efficiency and effectiveness of end-to-end logistics processes. Supply chain management, as practiced by commercial industry, is fundamentally based on the full integration of the management of transportation and warehousing functions, often under a single organization.

Nonetheless, the DBB report recommended two organizational changes to DoD’s supply chain management: (1) elevate the leadership for DoD global supplies chain integration; and (2) empower a Global Supply Chain Integrator (GSCI) with the required authority and control to effect integration. In particular, the report proposed that DoD establish a separate Undersecretary for Logistics, who would have these new integration authorities. In response, however, the Deputy Undersecretary of Defense (Logistics & Material Readiness) was given the GSCI role, while the Secretary’s designation of TRANSCOM as the “distribution process owner” of DoD’s global supply chain – not explicitly related to the DBB report’s recommendations – came in a separate move at the end of 2003.

Recommendations

The BG-N study team supports recent steps the leaders of the existing logistics components have taken to strengthen and streamline joint theater logistics and recognizes that stronger coordination authorities have significantly increased the unity of effort in logistical support to ongoing operations. However, much of this reflects the combination of exemplary leadership and the intense operational pull of Operation Iraqi Freedom, and has not been formalized and institutionalized by charter, doctrine, or organizational realignment. The fact that a single distribution process owner was needed to overcome the fragmented structure of DoD’s logistical system underscores the need for fundamental reform.

The BG-N study team agrees with the Defense Business Board that it is necessary to integrate the various functional capabilities that comprise an end-to-end military supply chain. This is not a continuation of the debate about whether to merge DLA into TRANSCOM; they are part of the “as is” fragmented structure that can be made to work (see Operation Iraqi Freedom after two years). To develop the “ought to be” structure for logistics, the BG-N study team recommends:

- ***Fuse the logistics and transportation functions into an integrated U.S. Logistics Command (USLOGCOM).***

DoD should overcome its long-standing bureaucratic inertia and embrace a new business model approach, practiced successfully by major industrial organizations: integrating the management of the transportation and supply warehousing functions under a single organization.

¹¹⁹ Detailed recommendations from the report can be found at www.dod.mil/dbb.

An increasingly joint DoD operating around the world requires a single source for logistical support. A general officer who recently returned from Iraq told the BG-N study team that the JTF commander needed one person, not a committee of several persons, to talk to about logistics. The private sector has long realized that “distribution = transportation + supply” and that the functions should be fused. In 1995, the Commission on Roles and Missions recommended the formation of a Logistics Command; today, a decade later, Beyond Goldwater-Nichols repeats the recommendation, grounded in a design principle from the 1947 National Security Act that true unity of effort requires unity of command.

The new USLOGCOM would aggregate TRANSCOM’s three major transportation components and DLA’s forward supply depots under one functional, four-star command. In particular, this combination would include the three component commands now reporting to TRANSCOM – the Air Force’s Air Mobility Command; the Navy’s Military Sealift Command; and the Army’s Surface Deployment and Distribution Command. These Service components would continue to provide intermodal transportation across the full spectrum of military operations. Likewise, DLA’s global stock positioning assets and forward depots would become integral components of an integrated Logistics Command.

As discussed elsewhere in this report, the burgeoning cost of military benefits may soon confront the department with a looming manpower crisis. As part of its ongoing effort to revamp its human resources strategy, DoD leaders must therefore begin to identify, and perhaps codify through legislation, certain inherently military functions which only uniformed personnel should perform. The BG-N study team believes that, in this case at least, the provision of effective and economically efficient defense logistics should increasingly be civilianized – with uniformed officers in key leadership roles – and outsourced. Integrating logistics under a single command will enable this transition.

- ***Implement the BG-N Phase 1 recommendation to merge much of J-4 with its OSD counterpart, the Deputy Undersecretary of Defense (Logistics & Material Readiness) into an office that reports to both the Undersecretary (TL&A).***

The Secretary needs much stronger support for both policy formation and policy oversight of logistics than has typically been the case. This recommendation would strengthen OSD’s traditionally weak oversight of the logistics function and bring the Joint Staff’s logistics planning expertise closer to the authority of the Secretary of Defense. Integrating much of J-4 (Logistics) with its civilian counterpart under the existing deputy with a 2-star deputy or a three-star deputy (as recommended in Phase 1) would be a major step in ensuring sufficient OSD attention to this critical military support function. The J-4’s current responsibility for operational logistics planning should reside with a two-star deputy to the J-3 (with an appropriate staff), who would serve as the Joint Staff’s senior logistician. His purview should include the Joint Logistics Operations Center, which is already co-located with the J-3 to ensure the integration of logistics with operations.

Implementing this proposal would also require revising joint logistics doctrine to address the critical issue of in-theater delivery. Under current authorities, TRANSCOM’s responsibilities end at the theater port. Although there will be practical difficulties in defining

where in the supply chain USLOGCOM would hand over distribution responsibilities to the regional COCOMs and Service distribution systems, the BG-N study team believes that USLOGCOM's reach must extend beyond the ports into the theater of operations for DoD to achieve needed "factory to foxhole" supply chain management. As an interim step to creating a global Logistics Command, the BG-N study team recommends that each regional COCOM establish a functional component commander for logistics, similar to and of equal status to functional components for air and land operations. Establishing these joint logistics commands would both improve prioritization of logistics requirements in the theater and more seamless distribution of materiel.

Conclusion

As seen most recently in Operations Enduring Freedom and Iraqi Freedom, as well as the tsunami relief efforts in South Asia, the United States derives significant benefits from its sustainment capability. Yet many logistical failures and *ad hoc* solutions, both past and present, are largely attributable to a fragmented structure that divides the management of the military supply chain across many stovepipes.

The existing stakeholders in DoD's global supply chain have made tremendous strides in recent years in responding to operational necessities, especially in taking actions that have improved the availability of critical supply items in current operations. Moreover, making TRANSCOM the distribution process owner for DoD's entire supply chain management yielded great gains, but need to be formalized and institutionalized. Fusing the transportation and logistics functions into a new Logistics Command will enable greater unity of effort in this critical area and greatly enhance the advocacy for logistics.

Chapter 9 Improving the Governance of Defense Agencies

The commercial-like defense agencies (Table 1), whose collective activities form the backbone of DoD’s business infrastructure, are multi-billion dollar enterprises, some with personnel and budgets exceeding those of Fortune 100 industrial giants. Current Secretary Donald Rumsfeld has demonstrated a strong commitment to improving their performance. Despite DoD’s recent efforts, the BG-N study team concluded that the Office of the Secretary of Defense still is not structured to provide effective oversight of these agencies. In addition, the agencies suffer from a lack of sufficient accountability and focus on policy execution and program execution that need to be addressed if they are to perform their tasks efficiently.

Table 1. Commercial-like Defense Agencies

Common Support	Defense Logistics Agency (DLA) Defense Information Systems Agency (DISA) Defense Finance and Accounting Service (DFAS) Defense Security Service (DSS)
Quality of Life	Defense Commissary Agency (DeCA) DoD Education Activity (DoD EA) TRICARE Management Activity (TMA)
Contracting and Audit	Defense Contract Management Agency (DCMA) Defense Contract Audit Agency (DCAA)

OSD’s Governance Structure

Under the current governance framework, each of the agencies (some of which are called Field Activities) reports directly to a different Under- or Assistant Secretary on the OSD staff. Each of these Under- and Assistant Secretaries serves as the Secretary of Defense’s principal secretarial assistant (PSA) in managing these agencies, their budgets and activities. The reporting structure is intended to pair the agency and the appropriate PSA based on overlapping subject matter. Thus, for instance, Defense Logistics Agency reports to the Undersecretary for Acquisition, Technology & Logistics through the Deputy Undersecretary for Logistics & Material Readiness; Defense Finance and Accounting Service (DFAS) reports to the Undersecretary (Comptroller); TRICARE Management Activity reports to the Undersecretary for Personnel & Readiness through the Assistant Secretary for Health Affairs; and so on.

Although the PSA/agency pairings are logical as far as subject matter alignment, the BG-N study team believes this framework for leading and supervising the commercial-like defense agencies is inherently flawed. As stated previously, the role of OSD is to support the Secretary in policy formation and oversight and, consequently, most PSAs view themselves as policy advisers to the Secretary of Defense, and are neither inclined nor technically equipped to manage

effectively what in practical terms are enormous profit-and-loss business enterprises. Another problem is that many PSAs already have excessive spans of control, even without their responsibilities for managing a defense agency. Consequently, agency matters are often delegated by the PSAs to lower-level staffers with even less bureaucratic clout and executive management expertise.¹²⁰

Defense agencies are rarely held accountable by the Secretary or Deputy Secretary for inadequate performance. During the annual budget review, most agency program issues typically receive minimal attention from senior DoD leaders. As part of FY2005 program review, for example, only two agencies briefed their POMs to the Senior Leadership Review Group, and even these were informational briefs, not full-fledged program reviews.¹²¹

Assessment of Recent Studies and Changes

Several OSD initiatives in the past decade aimed at improving the defense agencies' performance. Recent assessments of these efforts by the Institute for Defense Analyses (IDA) and the Government Accountability Office (GAO) reached complimentary and reinforcing findings.

The IDA study, conducted on behalf of PA&E prior to the 2001 QDR, identified some long-standing shortcomings in DoD's management of the defense agencies and proposed some process improvements to address them.¹²² The recommendations covered a number of key management issues, including the need to: 1) integrate DoD support processes and information systems in order to adopt modern business practices; 2) bolster agency-customer relationships by strengthening the resource allocation process (i.e., PPBES); 3) adopt a strategic perspective for decisions on competitive sourcing; and 4) price goods and services more competitively and, thus, more transparently.¹²³ The study identified flaws in the PSA governance model and implied that none of the above proposals would have substantial effect without first addressing OSD's oversight shortcomings.¹²⁴

In an effort to implement many of these recommendations, PA&E adopted a performance-based management approach to the defense agencies, including the development of defense agency performance plans and balanced scorecards.¹²⁵ This initiative was very much in

¹²⁰ In particular, PSA span-of-control issues are not a new feature on the DoD landscape. A Defense Agency review conducted in 1979 after the PSA structure had first been instituted, discovered that "This [delegation of oversight to PSAs] increased the management load of already overburdened Undersecretaries and Assistant Secretaries of Defense. They like the Secretary himself, have broad and demanding responsibilities for policy that do not permit them to devote much time for [Agency] supervision." Defense Agency Review, Theodore Antonelli (MG USA ret.), March 1979, p. 36.

¹²¹ Most agency programs lack visibility in the resource allocation process because the latter is generally geared toward programs in excess of \$1 billion. By and large, most agency programs do not reach that dollar threshold. As a result, agency programs often receive annual appropriations only marginally different from one year to the next.

¹²² Institute for Defense Analyses (IDA), *Next Steps for Managing Defense Agencies, Field Activities, and Support Processes*. December 2001, p. ES-1.

¹²³ *Ibid.*, p. 14.

¹²⁴ *Ibid.*

¹²⁵ Agency performance plans and balanced scorecards are strategic management tools designed to provide managers with a comprehensive view of the financial and operational measures that comprise the mission of the

the tradition of efforts prompted by the Government Performance and Results Act of 1993 (GPRA), and embodied in a series of Defense Reform Initiatives during the Clinton administration and Management Initiative Directives during the Rumsfeld era.¹²⁶ The aim is to provide managers better tools for measuring agency performance, which will lay the basis for holding the agencies accountable for their performance.

As of this writing, all of the commercial-like agencies have, at different levels of maturity, either a plan or a Norton-Kaplan balanced scorecard framework for measuring results and integrating long-range strategies.¹²⁷ In a year-long study, GAO assessed the strengths and weaknesses of these management tools based on a sampling of three agencies: DLA, DISA and DoD EA.¹²⁸ The report, in contrast to some of GAO's other more critical appraisals of DoD business management initiatives, acknowledged that the plans and scorecards were becoming more comprehensive and detailed over time.

Notwithstanding these improvements, the BG-N study team is concerned that most Under- and Assistant Secretaries responsible for agency performance pay little attention to their oversight role, much less use the evolving performance measures in managing their respective defense agencies. In fact, reporting tools such as these, meant to comply with GPRA and the presidential management agenda, often become a means for justifying agency performance, rather than assessing it. Improved tools for measuring performance are a step in the right direction, but they are not a panacea for the defense agencies' inherently flawed governance structure.

Recommendations

With the exception of specific consolidation recommendations made elsewhere in this report that affect a particular agency (e.g., combining elements of DISA into a JTF for C3 and putting DLA under TRANSCOM to establish a Logistics Command), the BG-N study team does not make specific recommendations for each of the commercial-like defense agencies, in part because it did not have the time or resources for a task of this magnitude. The BG-N study team also acknowledges that the current administration has made considerable progress improving the performance of particular agencies (e.g., DLA). Nevertheless, in agreement with IDA's conclusion that an effective OSD framework for the leadership and supervision of the defense agencies is missing, it recommends:

- ***Establish an Undersecretary of Defense for Management [USD(M)] who would manage all the commercial-like agencies, as well as any programs currently being***

organization. The development of these performance plans and balanced scorecards is a central component of OSD's initiative to develop over time a community of performance managers within each of the defense agencies.

¹²⁶ Of particular importance is Management Initiative Decision 901, released in FY2002, which established a framework for executive-level performance goals and tracking results within OSD.

¹²⁷ Agencies have the ability to use either a plan or balanced scorecard to encapsulate measures of performance.

¹²⁸ Government Accountability Office, *Defense Management: Tools for Measuring and Managing Defense Agency Performance Could Be Strengthened*, GAO-040919, September 2004.

managed by OSD, and be responsible for OSD management and administrative activities.¹²⁹

The primary function of OSD is to support the Secretary of Defense in policy formation and oversight. But some management responsibilities inevitably flow to OSD, and managing the commercial-like defense agencies is one of them. To provide effective management of these increasingly important defense entities, OSD should centralize this responsibility in one individual, chosen for the position because he or she has management experience. Distributing management responsibility across the Under- and Assistant Secretaries based on substantive overlaps simply ensures inadequate management of most agencies most of the time.

The Under- and Assistant Secretaries would retain a key role in determining performance standards and metrics for the commercial-like defense agencies, but their “contract” would be with the Undersecretary for Management, not the defense agencies themselves. Under this construct, the USD(M) provides management oversight of the defense agencies and is accountable for how well the defense agencies perform. Having the relevant Under- and Assistant Secretaries involved in setting the key performance goals for the defense agencies would help prevent the growth of a new, non-responsive “stovepipe” around the defense agencies now reporting to the new USD(M).

Ideally, no program should be managed by OSD. Nevertheless, Secretaries will turn to their staffs when a program is being managed poorly by the Services (e.g., environmental restoration) or needs an enterprise-wide perspective (e.g., Base Realignment and Closure or BRAC). All OSD-managed programs thus should migrate to the USD(M), because he, unlike the other Undersecretaries, would have expertise explicitly suited for the job.

In the Phase 1 Report, the BG-N study team stressed that the Secretary “needs a means for determining how well current policy is being implemented or current programs are being executed” and recommended that the Secretary “create an independent, continuous implementation/execution review process that is tied directly to the Secretary.” Although the current Secretary added the “E” for execution in the Planning-Programming-Budgeting-Execution system, no mechanism or organization is in place to ensure a measure of accountability exists within the system for the use of then-year dollars. Implementing the Phase 1 recommendation to create an Office of Implementation & Execution Review (I&ER) under the new USD(M) would address this deficiency.¹³⁰ This feedback mechanism would both promote accountability and organizational learning by ensuring that the Secretary hears the perspective of those charged not with formulating policy, but with executing it.

¹²⁹ Defense agencies (or elements) consolidated with other organizations through implementation of other BG-N recommendations are excepted.

¹³⁰ The *Beyond Goldwater-Nichols* Phase 1 report recommended that the I&ER office be housed in the Comptroller’s office. While the Undersecretaries for the Comptroller and Management, acting in concert, would be the Secretary’s enforcing mechanism to ensure accountability and execution, putting I&ER under the USD(M) would ensure that the Comptroller remained focused on his primary mission, which is orchestrating the annual budget process. Handled appropriately, I&ER would give the Secretary information and insight rather than acting as an Inspector General-like agency coming between the Secretary and the offices implementing his policies or executing his programs.

GAO has urged DoD to create a full-time, executive-level II position for a chief operating officer/chief management official, who would have a term appointment of approximately 7 years with the potential for reappointment.¹³¹ This proposal was debated in several BG-N working group sessions. After careful deliberation, the BG-N study team concluded that creating this type of fixed-term position would undermine the ability of the Deputy Secretary of Defense to serve as the Secretary's chief operating officer. Moreover, no Secretary is likely to delegate that amount of responsibility and power to a subordinate that he could not hire or fire. Therefore, the BG-N study team recommends that the USD(M), like the other Undersecretaries, be a political appointee rather than a fixed-term appointment.

The BG-N Phase 1 report also recommended that the Secretary consolidate all OSD housekeeping functions into one portfolio under an Assistant Secretary of Defense for Administration, responsible for the administration of OSD. The BG-N study team believes that this office should report to the USD(M). In addition, Congress should create legal authority for DoD-wide property management ownership and invest it in the USD(M). In an increasingly joint DoD, it is an anachronism that all real property, including that being used by OSD and the joint commands, must be held only by the Military Departments.

Conclusion

Improving OSD's governance of the defense agencies requires consolidating OSD's management responsibilities into one office and ensuring that office is led and staffed by experienced managers. Having this strong and focused management capability will be increasingly important to future Secretaries of Defense. As discussed elsewhere, more defense functions and responsibilities are likely to migrate to non-uniformed personnel. As part of this trend, the Secretary will rely less on the Military Services as executive agents for many enterprise-wide activities, and have them focus instead on inherently military functions. Establishing an Undersecretary of Defense for Management will help prepare the Secretary for this evolution.

Transferring the governance of the commercial-like defense agencies and all OSD-managed programs to a USD(M) should enhance accountability and improve performance in the Agencies and DoD-wide programs. Establishing this position should also allow the assistant and undersecretaries to focus on their policy roles, which is their natural inclination and strength. Moreover, Deputy Secretaries serving in the role of chief operating officer would now have a second instrument of positive control, in addition to the Comptroller, for ensuring policy implementation and program execution.

DoD, a huge and complex organization with many infrastructures, needs to be properly managed and the Secretary and Deputy Secretary need the focused, day-to-day attention, troubleshooting, and leadership that only an appropriately staffed Undersecretary of Defense for Management can provide.

¹³¹ Government Accountability Office, *Department of Defense: Further Actions Are Needed to Effectively Address Business Management Problems and Overcome Key Business Transformation Challenges*, GAO-05-140T, November 18, 2004, pps. 28-29.

Chapter 10 Updating the Officer Management System

The Officer Management System (OMS) is the set of processes, institutions, and personnel by which the Department of Defense retains and develops the professional military officer corps. Its purpose is to ensure that the current and future officer corps has the right set of skills and leadership qualities to meet 21st-century challenges. The Joint Officer Management Systems (JOMS), established in 1986 as part of Goldwater-Nichols, is the sub-set of OMS responsible for developing joint war-fighting acumen within the officer corps.

Identifying the Problems – OMS

The Officer Management System was designed to meet Cold War needs by producing a large corps of command-oriented generalist officers that could lead a mechanized force that had been mobilized to fight another world war. It is a “one-size-fits-all” system that requires the same command skills for each officer, rather than a distribution of skills across the officer corps as a whole. All officers must meet all “gates,” or requirements. The result is that most tack from one position to the next in order to check the necessary boxes for promotion, but are unable to spend enough time in any one assignment to develop deep expertise. The system favors the command-oriented generalist at the expense of specialists with deep knowledge in a narrow area. While today there is a clear need for both types of officers, OMS only supports one pathway.

The Chiefs of the Military Services have very little flexibility in managing their force. The Defense Officer Personnel Management Act (DOPMA), instituted in 1981, established a rigid promotion system that fixes how long officers can be retained by grade, when they can be promoted, and how much they are paid. Although specialty pays are available, they amount to an average of less than 2 percent of total compensation.¹³² The military cannot attract personnel for short-term service, and is unable to extend terms of service (either up or down) even when in the mutual interest of the Service and Service member.¹³³ Provisions to defend against private sector competition are likewise insufficient to ensure retention.¹³⁴ The system is also out-of-step with modern compensation systems that allow choice in savings and risk preferences for investments. Finally, statutes and policies give Service Chiefs too few authorities to provide longer, more flexible careers, and create perverse incentives to retire soon after vesting for retirement pay.¹³⁵ The provisions that do exist for special pay, early retirement, severance pay, DOPMA exemptions, and retirement benefits adjustments are all the result of limited Congressional exceptions. They are insufficient to manage the increasingly diverse set of manpower needs.

¹³² RAND, *Cash Compensation for Active Duty Military Personnel, 1999*. It should be noted that while total specialty and incentive pay is less than 2 percent of total cash compensation, some specialties receive bonuses that are large compared to the individual officer’s total compensation.

¹³³ Stop-loss measures are an exception, but also an extraordinary and atypical case.

¹³⁴ For an insightful study of the determinants of pilot attrition, see *Modeling the Departure of Military Pilots from the Services*, RAND Corporation, Santa Monica, CA, 2004.

¹³⁵ *FY 2003 DoD Statistical Report on the Military Retirement System*, DoD Office of the Actuary, 30 September 2003.

The final critical problem facing OMS is the rapidly rising cost of military manpower. For FY2004, direct personnel costs totaled 25 percent, or \$115.5 billion, of the \$456.9 billion budget.¹³⁶ Officers account for fully one-quarter of personnel costs, or 5.8 percent of the total budget. Personnel life-cycle costs and demographic trends indicate that these costs will grow significantly faster than other components of defense spending – an officer working for twenty years must be compensated for sixty. The combined effect of lengthening life spans and increasingly expensive health care has the potential to push total personnel costs to 33 percent of the budget.¹³⁷ Unless the total budget is dramatically expanded or reallocated, DoD faces a looming manpower crisis that *will* affect *this* generation of young officers.

Recommendations

To address the growing challenges of sourcing manpower requirements, the BG-N study group recommends that DoD:

- *Develop a comprehensive human resources strategy that anticipates the looming manpower crisis.*

The current OMS is fundamentally unsustainable. Increasing life expectancies,¹³⁸ increasing medical costs,¹³⁹ and the structure of the benefits systems are driving dramatic cost increases. Changes at the margin will not suffice to meet this challenge; the system *will* break unless the issue is addressed. Methods for lowering cost and increasing productivity are essential to the future sustainability of the force. The BG-N study group believes that in preparing its comprehensive human resources strategy, DoD must:

- *Conduct an extensive review of which skills to place in the officer corps, the civil service, and the private sector. An affordable military should limit uniformed officers to either combat officers or specialists with knowledge unique to the art of*

¹³⁶ The FY2000 budget had personnel expenses of \$73.3 billion in current year 2000 dollars. A significant portion of the increase in expenses can be attributed to the increase use of manpower. Nevertheless, personnel costs can realistically be bounded at 20 percent to 25 percent of the DoD budget.

¹³⁷ The Congressional Budget Office estimates that personnel costs will grow from \$114 billion in 2010 to \$141 billion in 2022, an average annual growth rate of 1.7 percent. This figure compares to a 1.3 percent rate for O&M over the same period. *The Long-Term Implications of Current Defense Plans: Detailed Update for Fiscal Year 2005*. (CBO, Washington, November, 2004).

¹³⁸ A non-disabled retiree can expect to draw benefits for about 35 years, and the majority of those have a younger, usually female, survivor who will draw benefits for years beyond that. (Correspondence with Russell Beland, Deputy Assistant Secretary of the Navy (Manpower Analysis and Assessment), 25 May 2005.) Therefore, the retiree could easily receive approximately two years of retirement compensation for every year of active service. Retirement is indexed to the CPI and set at a minimum of half of basic pay received during the officer's final years of active duty.

¹³⁹ CBO estimates that medical costs will increase from \$34 billion to \$60 billion, or 75 percent, from 2005 to 2022. This cost is shared between officers and enlistees, as well as across the active and reserve components. *The Long-Term Implications of Current Defense Plans: Detailed Update for Fiscal Year 2005*. (CBO, Washington, November, 2004).

- warfare. Where civilians can be used effectively, substitutions should be made to free billets for increased manpower in high-demand, military-specific duties.¹⁴⁰
- *Explore alternative retirement systems and incentive structures.* Equitable adjustments to compensation that encourage longer service by desirable personnel, yet are more efficient and cost effective, should be considered.¹⁴¹
 - *Rebalance the tooth-to-tail ratio.* The U.S maintains a 1.4 million man military, but is clearly straining to sustain about 150,000 personnel in Iraq. Over the long term, DoD must improve the ratio of combat to non-combat personnel in the uniformed ranks. Moving support billets into combat billets will increase DoD's ability to maintain the rotational basis for lengthy engagements.
 - *Re-examine force levels by Military Occupational Specialty (MOS),* which may reveal where skill-specific supply and demand mismatches could be eased. Such a study must, however, take care not to confound the immediacy of today's short-term needs with longer-term future demands.
 - *Leverage technologies that lower in-theater manpower requirements,* either through productivity gains or by allowing jobs done in theater to be relocated to CONUS (reach-back).¹⁴²

To ensure that the 21st-century officer corps has the breadth of skills and requisite leadership qualities today's challenges demand, the BG-N study group recommends that DoD:

- ***Modify the “one-size-fits-all” personnel system to ensure retention of critical front-line operators and key specialists***

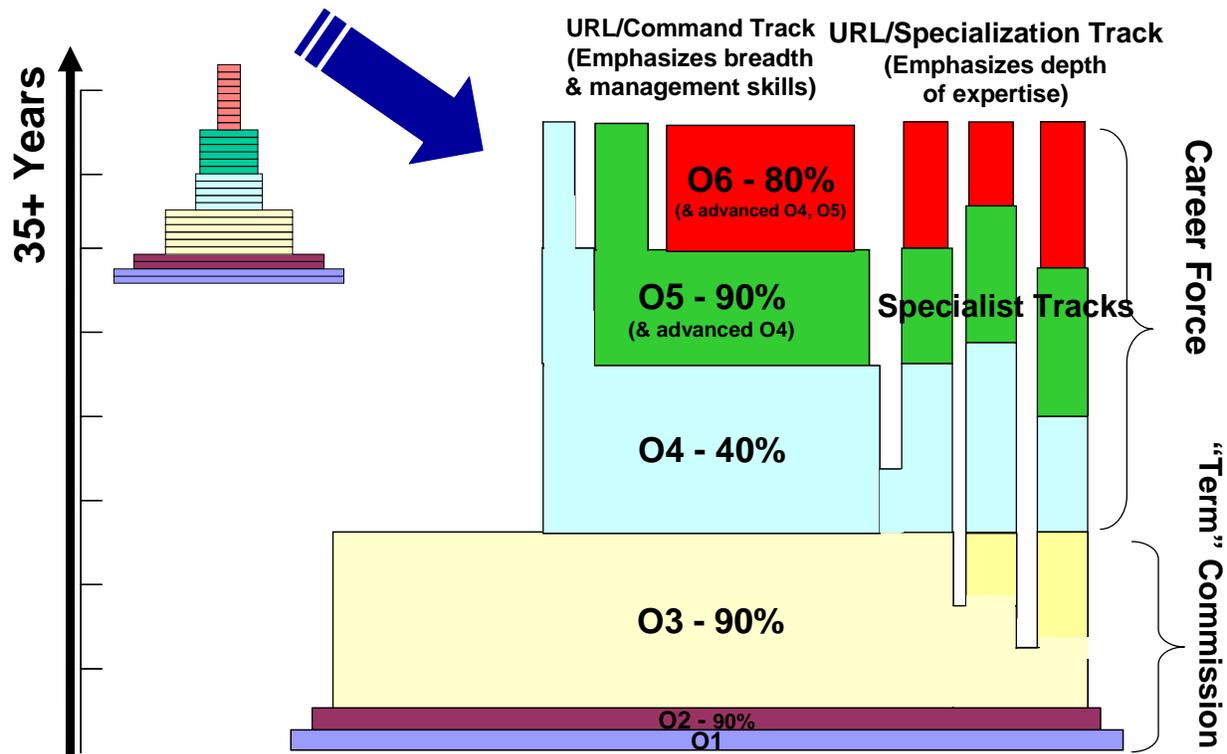
The OMS must proactively promote both command track positions (the pyramid) and specialist tracks (the rectangle). While those future officers seeking command should pursue a career path similar to that prescribed today, non-combat specialists should be able to stay in service longer without being promoted. DoD should replace the current command centered “pyramid” promotional structure – whereby the officers of an entering class are progressively forced out at higher rates as more senior ranks are achieved – to a “pyramid and rectangle” system (see Figure 4) that allows specialists to serve longer and with lower attrition rates by grade. Unique specialists that are expensive to train should not be forced to retire after twenty years of service; alternatives to the “up or out” system, such as “perform or out,” ought to be considered as a path forward.

¹⁴⁰ There are other benefits to using civilians. In many cases the military trains, at great expense, personnel with skills that are readily available in the civilian sector at lower cost. In addition, skills that are needed irregularly or less than full time are good candidates for civilianization.

¹⁴¹ The current retirement accrual system places contributions against future officer retirement systems in low yield (but extremely low risk) bonds. Some analysts have suggested that creation of a 401-k like system could benefit both DoD and officers by lowering costs and increasing wealth generation. Such accounts could also attract individuals wishing to serve less than twenty years.

¹⁴² This final point reinforces the first – reach-back may facilitate additional opportunities to transfer functions to civilians by moving jobs that today are “military” solely or mostly because they are in-theater, rather than because of the type of skill needed (e.g., finance).

Figure 3 – From "Pyramid" to "Shoulder" Model



In the short term, the military should expand on current experiments on extended terms of service (e.g., Army with Foreign Affairs Officers or FAOs), and explore lifting DOPMA limits on “up or out” beginning at the O-4 level. In the medium term, DoD should investigate and institutionalize paths to seniority that do not require command. If necessary, DoD should seek amendments to DOPMA to designate non-combat specialties.¹⁴³ Flexible promotion points, variable pay by occupation, and alternative methods of severance to allow service shorter or longer than twenty years are also necessary. The Service Chiefs must be given the authorities to proactively tailor the force in response to changing needs.

In conjunction, these initiatives could dramatically improve the quality and sustainability of in-theater manpower, and the total effectiveness of the force.

Identifying the Problems—JOMS

The Joint Officer Management System that Goldwater-Nichols created was intended to forge a more joint officer by making joint service a prerequisite for promotion. Although today’s officer corps is undeniably more joint than ever before, problems persist with how JOMS is managed. Congress recognized this in the FY 2005 National Defense Authorization Act, which mandated that the Secretary of Defense submit to Congress by January 15 2006, “...a strategic plan for joint officer management and joint professional military education that links joint officer development to the accomplishment of the overall missions and goals of the Department of

¹⁴³ Non-combat specialties may require different promotion rates. Medical doctors may act as an example: Specialties requiring long-term training and greater levels of investment can reasonably be expected to justify lower turn-over rates and longer tenures.

Defense, as set forth in the most recent national military strategy...” The act specifies a thirteen point plan requiring a top to bottom review of JOMS. The recommendations in this chapter are intended to be useful in responding to that requirement.

Discussions with current and retired military officers, study group panelists, and current policy makers indicated that the officer corps is widely frustrated with inequities in the assessment, awarding, and tracking of joint credit. For example, assignments to JTFs, interagency organizations, and international organizations do not qualify for credit. Furthermore, interrupted tours may not receive pro-rated credit. The problem is pervasive, and DoD routinely grants waivers to Goldwater-Nichols mandates to grant credit to joint assignments that do not technically meet the statute’s specifications. Paradoxically, jobs on the joint duty assignment list (JDAL) consistently go unfilled.¹⁴⁴

JOMS also fails to provide a comprehensive pathway for joint officer development. While requirements for joint credit (JDAL) and education (JPME) have compelled the Services to become more joint, they stop short of providing a joint pathway for career development. Experience and education are not linked with functional expertise. Officers seek assignments on the JDAL and enrollment in JPME for advancement, yet the experiences may not be mutually reinforcing, and are not well aligned with an officer’s subsequent duties. Joint service is often experienced as a disjointed series of requirements, rather than as a consistent and cumulative building of a deeper knowledge and experience base essential to their long-term career development.

Despite repeated injunctions from the CJCS, moreover, the Service personnel systems do not rigorously track and quantify the cumulative joint experience of the officer corps.¹⁴⁵ As a result, it is difficult to locate and leverage an individual officer’s experience, and likewise difficult to match joint skills with requirements. Joint experience is a strategic resource and needs to be managed to maximum effect.

Finally, officers know that putting joint interests before Service-specific interests can harm their careers. Although Goldwater-Nichols tied promotion to joint duty, it did not define joint career paths that identify the sequence of assignments necessary to qualify an officer for the most senior joint billets. Nor is there a joint promotion board that might manage and support the careers of officers choosing to pursue only joint billets. The final word in an officer’s career rests with Service promotion boards, which often put loyalty to the Service first. As one senior officer told the BG-N study team, “Be careful how much responsibility you give to a joint entity, because the man or woman occupying that joint billet always has to go home [to their Service for promotion].”

¹⁴⁴ "Independent Study of Joint Officer Management and Joint Professional Military Education." Booz Allen Hamilton, McLean, VA: 17 March 2003.

¹⁴⁵ Most recently, the Secretary signed on 4 February 2005 a directive calling on the Military Services to develop a common tracking mechanism to track joint skill sets of individual servicepeople. The 2005 Defense Authorization Bill instructs DoD to develop a strategic plan for joint officer management, including DoD-wide assessments of the need for joint officers and the officers available to fill that need. Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, section 531.

Recommendations – JOMS

To update the management of JOMS, the BG-N study group recommends that DoD:

- ***Establish broader and more equitable standards for awarding joint credit, adapting JOMS to the changing needs of the force.***

The BG-N study team supports making the assignment of joint duty credit reflect real-life joint experience. That requires revisions to the Joint Duty Assignment List (JDAL), which has not changed significantly since it was formed soon after passage of Goldwater-Nichols.¹⁴⁶ Although the issue was debated, the BG-N study team concluded that it was too soon to recommend waiving the requirement for joint duty service prior to promotion to O-7.

To address the lack of integration across joint duty, education, and career progression, the BG-N study team recommends:

- ***CJCS should develop integrated assignment and education paths for joint careers in critical MOS (e.g., command, acquisition, Joint C3, etc.) as prescriptive models.***

DoD needs to identify the joint competencies required of today's officer. Defining the desired progression of assignments and education for critical MOSs is a good first step. Officers aspiring to the most demanding joint billets should know what kind of joint expertise is needed to do the job. Groundbreaking initiatives such as the Army's proposal for a joint operations career field should be supported and expanded if successful.

To address the inability of the Services to properly track and leverage joint skills, the BG-N study team recommends:

- ***CJCS should implement a system for tracking joint service and leverage this system in the selection of officers for joint assignments.***

By tracking joint credit and ensuring that the Services can locate officers with joint skills, earning joint credit and developing joint skills becomes a competitive advantage within the officer corps. If officers see developing a deeper expertise as a route to seniority, they will endeavor to develop these skills. Such a system is necessary to enable the military to match qualified officers with positions where they are needed most.

To address the need to ensure the promotion of officers that promote joint interests, the BG-N study team recommends:

- ***DoD should consider what functions might be best served by a "purple" uniform, and study the implications of joint promotion boards.***

¹⁴⁶ While the 2005 defense authorization bill addresses durations of assignments, and the language calls for the Secretary to specify "(a) description of the process for identification of the present and future requirements for joint specialty officers," it does not explicitly state that JDAL must be revised.

The BG-N study team examined the option of creating joint promotion boards for officers at O-6 and above.¹⁴⁷ Today, the U.S. military fights as a joint team, but each man and woman fights wearing the uniform of his or her Service. The identity and institutional culture of the Military Services have been critical to motivating young men and women to risk their lives in combat.

Yet it is also true that the new domains of warfare, like space and cyberspace, may not require putting operators into harm's way. As more and more functions migrate to non-uniformed entities – an inevitable development given demographic and economic trends – new forms of military organizations are likely to emerge, including ones populated by “purple uniforms.” Joint promotion boards are likely to be part of this future, but when and how depends on the comprehensive human capital strategy that DoD has yet to develop. While it is too early to implement such a program, it is now appropriate to study this issue in depth to inform future decisions.

Conclusion

Shaping the future officer corps to meet 21st-century challenges and sustaining it at an affordable cost to the nation are daunting tasks. The OMS must align the shape of the officer corps to meet the evolving requirements of the future force and keep in uniform the people the military needs most. JOMS must be updated as well, to shape a force that is truly joint. Incremental change will not suffice in either case.

¹⁴⁷ The study team recognizes that this option could be perceived as eroding the institutional vitality of the Military Services, in violation of a guiding BG-N principle, but believes that perception alone does not disqualify the idea from consideration.

Chapter 11

Modernizing Professional Military Education

Professional military education (PME) is the process by which military personnel are exposed to a broad base of knowledge in the art and science of war to complement their military skills training. It incorporates instruction in Service and joint doctrine, and fosters critical analysis with the goal of developing innovative thinkers and strategists. A subset, joint professional military education (JPME), focuses on developing military officers' ability to serve within warfighting organizations that synchronize elements of more than one armed Service toward a common mission or strategic military objective.

Any discussion of PME must begin with a basic truth: The U.S. military has a universal need for professional education at all levels. Continuing education is an integral part of maintaining any profession, including the profession of arms. As the U.S. military adapts to changing roles, missions, alliances, and command structures, continuous, targeted learning not only ensures that officers have current and relevant knowledge, but also that they are developing the requisite leadership skills to cope with contemporary and future challenges.

Legislation seeking to foster and strengthen joint operations among U.S. armed forces is the basis of the current two-phased JPME designed to prepare officers for assignment to joint duty positions.¹⁴⁸ But the need to understand jointness is expanding throughout the U.S. military, and the operational reality is that joint responsibilities are evolving rapidly, from the lowest level of directing military forces to interagency and multinational operations.

The need for education is thus even greater to meet 21st-century challenges. The unpredictability of future operations – their scope, location, alliances, and timing – requires flexible and adaptable leaders. Professional military education has proven itself critical to developing those qualities.

Identifying the Problems

To its credit, the current system of PME has given America a generation of commanders successful in battle. However, it should be made more efficient. Today, PME is delivered on a “calorie” model, in which as many students as possible are fed as much learning as possible, rather than a “vitamin” model that identifies each student's needs and delivers content appropriate to those needs. One clear sign of inefficiency is that a large percentage – perhaps as high as 50 percent in the late 1990s – of senior Service school graduates retire within one tour of graduation. This represents a waste of educational effort that might instead have been focused on personnel who will continue to serve and give back to DoD the benefits of their education.

Meeting JPME (and PME) residency requirements is difficult during an era of high OPTEMPO. Frequent and unpredictable deployments of uncertain duration, coupled with Service rotation policies, make attendance at traditional schools difficult. The demands of

¹⁴⁸ This structure is most recently restated in the Fiscal Year 2005 defense authorization bill, Section 532.

operating in that world can impinge on the ability to study, and declining recruitment can make it harder for commanders to detach experienced personnel. As an Air Force paper put it:

(T)he impact and cost (including opportunity cost) of attending in residence will be higher because there will be fewer people to fill in for anyone going TDY or PCS to school. Second, personnel will be at scattered locations in the U.S. and abroad, locations that may be very different from those today. Third, there will be fewer personnel of senior rank, officer and enlisted, at any one location. This means both a higher opportunity cost incurred for those who must leave the unit for education or training and less chance of finding enough people of a given rank to constitute a face-to-face on-location seminar.¹⁴⁹

Even for non-deployed forces, the tempo of training and operations – the focus on immediate tasks – competes with education that provides for a better force in the future.

It is also important to improve joint PME because the nature of “jointness” is changing rapidly. Even after the implementation of Goldwater-Nichols, a military officer’s first experience with the idea of jointness often came through JPME, wherein it was considered an operational level or even strategic level concept. Now, though, the experience of working with other Services is increasingly being pushed down to the tactical level. Today’s soldier, sailor, airman, or Marine exercises joint operations beginning right after boot camp.

That fact directly affects the relevance of JPME content. It is no longer sufficient nor relevant to introduce jointness as an academic or strategic-level concept in Phase I JPME when the student is living with the reality of tactical jointness every day. JPME should recognize the degree of “street smarts” a student may have acquired regarding how jointness functions at the tactical level while providing a context for those joint operations that is not only useful for the future, but is immediately relevant to the student’s daily professional life.

Moreover, today’s real-world jointness goes well beyond the classic definition of operations involving two or more Services. Education that does not equip personnel to operate in a world of multinational and interagency operations (often called “capital J Jointness” or “super-jointness”) does not provide a useful service to its students or the nation.

Recommendations

In order to modernize PME and help produce a 21st-century officer corps with the right skills and necessary leadership qualities, the BG-N study team recommends:

- ***DoD should endorse the Chairman’s vision for PME, and develop a comprehensive strategy to meet it.***

In CJCS Instruction 1800.01B, published August 30, 2004, the Chairman of the Joint Chiefs set out a vision for expanding and improving joint education. That vision states that PME

¹⁴⁹ Air University, *Professional Military Education (PME) in 2020*, Proceedings of SPACECAST 2020, 1994.

“will require a transformation achieved by combining technology, intellect, and cultural changes across the joint community.” It also declares:

Along with technological solutions to improve joint warfighting, the Armed Forces must also examine doctrine, organizations, training systems, material procurement, leadership preparation, personnel programs and facilities to ensure military superiority... For junior officers, incorporating joint education and training earlier in their careers ensures future leaders will more effectively integrate tactical operations with agency and multinational components.¹⁵⁰

The CJCS instruction also revises senior officer training to increase the emphasis on jointness.

The BG-N team endorses the Chairman’s vision, and recognizes that many initiatives are already under way to implement parts of it. The challenge remains to define the role of PME throughout a serviceperson’s career, and to tailor educational resources to the needs of those most likely to ascend to command.

The study team concurs with the Chairman that one element of that strategy should be to start Phase I JPME earlier, at the 0-3 level. This takes into account the reality of personnel being exposed to joint operations earlier in their careers, and would better match education to real-world experiences.

To help make the Chairman’s vision an operational reality:

- ***DoD should establish a “Joint Virtual University.”***

America’s military is engaged in a global mission. Detaching personnel for education is difficult. Therefore, the schoolhouse must also be global. Education should be available anywhere a soldier can lay a cot. The challenge of educating far-flung, high-OPTEMPO forces compels greater reliance on distance learning (DL) to meet basic educational needs, and for all levels of PME. Quite simply, in the 21st century, it is often easier and more efficient to bring the schoolhouse to the soldier than the other way round.

While residential education has a value all its own, the potential for reaching the broadest selection of personnel almost anywhere in the world means that – particularly for early phases of JPME – distance learning is an educational force multiplier.

The Joint Virtual University (JVU) would be an internet-enabled series of courses available to personnel regardless of location, branch, or Service. Reserve component personnel and civilians would have access to the same lessons previously available only through time-consuming residential education.

JVU would come from a new organization, comprising a small full-time staff of faculty leaders and administrative support, and a larger body of part-time researchers and teachers, all

¹⁵⁰ CJCSI 1800.01B, 30 August 2004, para 4(b), 4(c).

faculty or former faculty from existing PME schools. The faculty would be connected electronically, so JVU would require only a small physical “footprint,” with many professors engaged remotely via the worldwide web.

JVU would concentrate on operational issues involved in joint, interagency, and multinational operations. Because they would be drawn from all Service schools and across the USG, JVU faculty would be joint by nature. Curriculum, research, and teaching priorities would come directly from the most senior levels of DoD, and be directly responsive to Congressional oversight and guidance.

Since the educational program would be delivered electronically via the worldwide web, the educational products of JVU could be distributed rapidly to a broad range of potential students, thus relieving Service colleges of the burden of preparing and teaching joint matters. Subject matter evaluations and revisions could be accomplished rapidly.

JVU would allow targeted, just-in-time education for people preparing for or serving in joint assignments, and on their own schedule. Students would be able to take short modules of instruction targeted to their current specific needs, rather than waiting for periodic resident instruction, or trying to remember what they learned in residence several years prior. It could also supply courses or modules to students in residential schools, to expand the offerings beyond those available from on-site faculty.¹⁵¹ During ongoing operations, distance learning would allow the timely integration of real-time lessons and the dissemination of successful adaptations to operational requirements.

This is not an entirely new idea; some Services have already implemented similar courses, but only for certain phases of PME. For example, the Army Command and Staff College, Air War College, and Naval War College (among others) offer accredited Phase I JPME programs through some form of distance education.¹⁵² Similarly, the intelligence community has already established a Joint Intelligence Virtual University, offering intelligence, management, leadership, and information technology courses provided by commercial vendors to anyone with access to JWICS or SIPRnet.

Recognizing that in an era of continuous high OPTEMPO the most valuable joint education is taking place in training exercises and field operations, the BG-N study team recommends that Phase I JPME be available only through distance learning and that JPME instruction start at the 0-3 level.

The act of making education available globally does not ensure all personnel will take advantage of it. Therefore, to emphasize the importance of JPME, promotion should be tied to meeting the JPME requirement for the new grade. As with all education, to ensure quality, distance learning must be accompanied by testing based on competency, not effort; what matters

¹⁵¹ The BG-N team is grateful to Dr. David H. McIntyre, U.S. Army (Ret.), former Dean of Faculty and Academics at the National War College, for allowing this description of JVU to be condensed from his paper, *Exceeding Success: Transforming Successful JPME to Meet the Requirements of the 21st Century*, 31 Dec 2004.

¹⁵² Current distance education offerings include online and correspondence programs, as well as instructor-led seminar programs in areas of high personnel concentration.

in the end is not whether every page was read or essay submitted, but what the student has learned.

Some working group members indicated concern for the ability of busy personnel to make time for distance learning. While that is a problem in today's culture, where distance education is the exception, the BG-N study team observes that ensuring time for study is no less a command responsibility than maintaining physical training standards. Longer career paths (as discussed in the previous chapter) would also place less time pressure on finishing any particular level of DL. And starting JPME earlier could result in smaller individual modules, as the education would be spread out over more years. Distance learning also may not require as much time as conventional learning:

Studies demonstrate as much as 50 percent or more reduction in time needed to learn, compared to conventional delivery⁽¹⁾. Digital Equipment Corporation reported saving 40 percent of training time by using multimedia instead of traditional classroom teaching. IBM marketing education division reported time savings of 40 percent⁽²⁾. Federal Express saved 60 percent of training time⁽³⁾.¹⁵³

Of course, not all professional military education is joint. Services should also deploy comprehensive distance learning programs tied to promotion. Together, distance learning and promotion requirements should yield a better-educated, more professional military at every level, ready for the evolving challenges of an uncertain world.

- ***Create smaller, reinvigorated senior Service schools.***

Residential education, with its face-to-face interaction in small classes facilitated by committed teachers, remains a key tool in developing flexible, adaptable leaders. To that end, senior schools should be modeled on professional graduate schools, and focused on teaching, not research.

The schools can be smaller because their focus should be sharper. The senior Service school student body should consist mostly of those likely to hold leadership positions in the future. Not every officer is destined to become a Service Chief, and it is wasteful to educate them all as if they were. As the military rolls have declined by 1/3 since 1986, enrollments at senior Service schools have increased by 1/3.¹⁵⁴ Greater discretion in selecting students will

¹⁵³ Air University, *Professional Military Education (PME) in 2020*, Proceedings of SPACECAST 2020, 1994. The notes herein referenced are: (1) Larry Armstrong, Dori Jones, and Alice Cuneo, "The Learning Revolution", *Business Week*, 28 February 1994, 80-85; (2) Del Wood, "Instructional Technology in the Business Environment", *Interactive Multimedia '93 Proceedings*, 25-27 August 1993, 52; (3) Caterpillar used interactive media for language training and saw 50-60 percent savings, and expects to save up to \$20 million in U.S. operations alone. Bethlehem Steel uses over 100 interactive courses, including more than 15 as part of their Total Quality Management (TQM) program, and reports 20-40 percent time savings, higher retention, and increased participation in voluntary programs. Ford Motor Credit Company estimates cost savings of 25 percent. Bell South reports one program saved \$5 million and 20,000 days of instruction. They also have condensed a five-day conventional course into a seven-hour interactive course. They report an 80 percent time savings with 40 percent higher retention levels. *Ibid.*, 56.

¹⁵⁴ Eliot Cohen, *The Education of Senior Military Professionals*, 2005. Some of this increase results from greater attendance by Reserve Component and civilian personnel.

better meet the intent of PME, while requiring far fewer resources than upgrading the schools to accommodate the current student overload.

To enable better return on DoD educational resources, assignment to a senior school should be accompanied by a five-year expectation on a student's military Service. This should encourage Services to select only the most promising future leaders, and selectees to carefully consider whether their attendance is in keeping with their career goals.

The BG-N study team also recommends that senior schools have a role in determining whom they admit. The current system provides for schools to be evaluated through accreditation processes, but does not empower them to defend the quality of the student body – which, in residential PME, is an integral part of the education. Furthermore, shrinking enrollment without improving the caliber of students would inhibit the net quality of graduates. While schools should not have absolute power over who attends, they should possess an institutional check to ensure that selection boards really are sending the best and brightest.

The recent authorization to allow senior Service schools to offer JPME Phase II is a step in the right direction, as it substantially increases access to needed JPME. But the program must be monitored carefully to ensure that standards for faculty and class quality are met, and faculty-student ratios remain optimal.

- ***Convert the National Defense University into a National Security University.***

Moving NDU from a DoD-focused institution to one addressing the practice and theory of national security for the entire United States government should make it the premier institution focused on “capital J Jointness” or “Super-Jointness.” The new NSU will then be a unique complement to earlier military schooling focused on Service doctrine and “small j” interservice joint operations.¹⁵⁵

Adopting the BG-N Phase 1 recommendation for a 10 percent personnel float for DoD civilian professionals, and expanding it to include relevant agencies across the U.S. government, would allow non-Defense and DoD civilian agencies to also send their most promising future leaders to NSU. That would allow the NSU to bring the benefits of joint resident education to the entire government, and improve the educational experience for all students.

As with the senior Service schools, limiting NSU attendance to only those personnel likely to assume future leadership positions and willing to commit to serve at least two tours beyond school would maximize the value of the institution to the nation.

- ***The military should create more educational opportunities.***

Particularly if careers are lengthened as proposed in Chapter 10, giving an officer time to acquire advanced education will make him or her a more valuable asset in the remaining years. This need not require significant investment; for example, simply reviving support for personnel

¹⁵⁵ The BG-N team is indebted to Vice-Admiral Arthur K. Cebrowski, USN (Ret.), for first propounding this concept.

to take a rotation to pursue degrees in civilian universities would lead to a better-educated, more useful force. Allowing personnel to pursue education outside the military system is also an appropriate course for those not destined for senior leadership, but who intend to make a career in a specialty useful to the Service, such as information technology, languages, or foreign area studies.

Conclusion

Professional military education enters the post-Goldwater-Nichols era with manifest opportunities for rebirth. The curriculum demanded by modern operations, the audiences served by PME, and educational delivery technologies have all changed significantly since 1986. These realities would encourage a redesign of PME even if officer management policies and career lengths were held constant. With the revised policies envisioned in this study (and, increasingly, in Service personnel planning), the BG-N team finds revision of the PME system is not only opportune, but necessary.

Taken together – or even implemented selectively – these changes will adapt the professional military education process to meet today’s strategic, operational, and tactical realities. The result will be a smarter, better-educated, more adaptable leader suited for command in an era of constant but varied challenges.

Chapter 12

Organizing for Space and Cyberspace

For centuries, the domains of warfare were limited to land and sea. Technological developments over the past century have opened three more – first air, then space and now cyberspace. Successful exploitation of a new domain of warfare can enable new methods of combat, and confer a decisive advantage on the battlefield. Today, space and cyberspace are the new frontiers of the evolving art of war.

The dramatic victory of the United States in the first Gulf War proved the value of information systems in modern warfare. The combination of advanced sensor systems, precision munitions, and the communications systems coordinating them provided the first example of network-centric warfare, and resulted in one of the most lopsided victories in history. Whether the dramatic increase in U.S. military capabilities is a “Revolution in Military Affairs” can be debated. But there is no question that the U.S. military has set a new standard for modern warfare.

The age-old competition between offense and defense will extend into the domains of space and cyberspace as the United States and other nations defend their information-based, network-centric method of warfare. Allies and opponents alike have already moved to counter – and replicate – these innovations. The people, processes, infrastructure, and equipment that enable network-centric warfare will increasingly be subject to attack. To maintain the United States’ asymmetrical advantage in these areas, DoD must therefore prepare for both defensive and offensive missions in these new domains of warfare.

Missions, Functions, Domains, and Force Providers

Network-centric (sometimes abbreviated net-centric) warfare is a war-fighting approach that leverages information channels and decision processes to implement a uniquely different strategy and tactics. Information operations (IO), network operations (NETOPS), and computer network operations (CNO) are *functions* used to attack, defend, and exploit these processes and channels. Specifically, NETOPS and CNO are used to attack, defend, and exploit networks. NETOPS, however, involves many *domains* – places where warfare is conducted – while CNO involves only the domain of cyberspace. *Force providers* create *capabilities* in these domains. The services and some functional joint commands are Force Providers that create capabilities. Combatant Commanders and Joint Task Forces use these capabilities to carry out *missions*. Missions, functions, and capabilities are respectively executed by different organizations within DoD. Success requires competent leadership at each of these levels.

Missions, functions and domains are often confused, because they have historically been very tightly coupled. For example, close air support is a mission that involves many functions (e.g., command and control, logistics, etc.) executed in the domain of airspace, with the Air Force as the force provider. Recently, new missions have required a more careful separation of these definitions. Global strike, for example, is a mission executed in several domains (land, sea, and air). In that area, SOCOM, as a functional command, provides forces (i.e., special operation forces) and conducts missions both as a supported and supporting command. Logistical support

is a support function executed in several domains by TRANSCOM. Similar care is needed in order to understand how well DoD is organized for space and cyberspace in the context of network centric warfare.

Conceptual confusion can lead to identifying force providers solely by the domain in which they operate, which is potentially misleading. For example, while the Air Force has been assigned as the executive agent for the domain of space, it actually provides complementary capabilities in space (e.g., satellites), air (e.g., reconnaissance aircraft) and land (e.g., ground stations for exploiting intelligence provided from space and air). Likewise, DoD has assigned the network operations mission to STRATCOM, and will involve operations in traditional domains as well as the new domains of space and cyberspace.

When discussing the performance of force providers responsible for the domains of space and cyberspace, the force providers' performance must be assessed for the capabilities they provide to the many functions they enable and the missions whose execution they support.

Attributes of a Force Provider

The Military Services are force providers to the Combatant Commanders. Understanding the attributes of a force provider gives a template for determining how the force provider function should be organized in the domains of space and cyberspace.

Above all, force providers create capabilities in their respective domains. A capability consists of a weapon or weapon system, a concept of operations for how that weapon should be used, and men and women who can execute the CONOP for that weapon. The third element – provision of manpower – is essential. Force providers maintain the profession of arms in their respective domains. They train and educate men and women in the application of this knowledge. The force provider also recruits and retains men and women willing to risk their lives in the performance of their mission. This professional corps is grounded in the institutional culture, history, and esprit de corps of the Military Services. Thus from accession until retirement, the force provider is responsible for developing the officers and enlistees needed to execute missions (see also Chapter 10 regarding the officer management system). Finally, the force provider acts as an advocate across all DoD processes, and is vested with the Title 10 authorities necessary to accomplish these objectives. The primary measure of progress in a new domain of warfare is the development of a mature force provider that can successfully execute its mission. The key elements – weapons, CONOPS, and a professional corps – should each be present.

The new domains of space and cyberspace differ qualitatively from the traditional domains of land, sea, and air. At present, the “operators” in these new domains do not need to risk their lives in the performance of their duty. As a result, they might not require the esprit de corps and warrior ethos of traditional military institutions. Indeed, in the future these positions may be civilian rather than military. Furthermore, the skills necessary are resident in populations that the military may not currently recruit from. The implications of these differences are as yet unclear, but at a minimum impact recruiting, training, retention, and career development.

Background–Space

Space is home to many of the military’s most critical information systems. They enable the massive information collection and flow that forms the backbone of network-centric warfare. Many observers fear that these systems form an Achilles heel and are vulnerable to a “Space Pearl Harbor.” The 2001 Space Commission concluded that “the U.S. Government...is not yet arranged or focused to meet the national security space needs of the 21st century. Our growing dependence on space, our vulnerabilities in space, and the burgeoning opportunities from space are simply not reflected in the present institutional arrangements.” Creating a capable force provider is a critical step toward resolving these problems. While progress has been made, considerable challenges remain.

Progress–Space

The Rumsfeld era has brought great changes in how DoD is organized for space. Having served as the Chairman of the Space Commission (which issued its report in early 2001), Secretary Rumsfeld came to office with a well-developed agenda for space, and he implemented it quickly. Most significantly, he separated the U.S. Space Command and Air Force Space Command and put a four-star in charge of the latter, institutionalizing the Air Force as the executive agency for military space. He gave organizational responsibility for space to the Undersecretary of the Air Force by making him the Acquisition Executive for Space and the Director of the National Reconnaissance Organization (NRO). Finally, he developed a human capital strategy (published in February 2004) to foster a cadre of space professionals.

Although some former officials have told the BG-N study group that the implementation of the Space Commission recommendations has been “faint hearted,” both the GAO and the DSB point to significant progress. The GAO’s August 2004 assessment of DoD’s human capital strategy for space documented significant progress by the Air Force and Marine Corps, but concluded that DoD needs a comprehensive management plan for how it would implement its human capital strategy.¹⁵⁶ Although a 2003 DSB study had concluded that systematic problems in space acquisition caused cost increases, delays and increased technical risk, the DSB re-visited the issue in 2004 and found considerable improvement, but said change was still needed in some critical areas.¹⁵⁷

The Air Force is now acting as the force provider for space. In 2002, shortly after this mission was migrated to the Air Force, USSPACECOM stood down and the majority of its remaining missions and components were merged with USSTRATCOM. While the Air Force is the executive agent for military space, the 2002 UCP assigned responsibility to STRATCOM for “developing desired characteristics and capabilities, advocating, planning, and conducting space operations.” STRATCOM has no Title 10 responsibilities, but intends to shape, though its J-8, how the force providers (such as the Air Force) execute their authorities by its own advocacy of

¹⁵⁶ GAO, *Defense Space Activities: Additional Actions Needed to Implement Human Capital Strategy and Develop Space Personnel*. April 11, 2004.

¹⁵⁷ Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, *Report of the Defense Science Board/Air Force Scientific Advisory Board Joint Task Force on Acquisition of National Security Space Programs*, May 2003.

the joint capability requirements for missions (e.g., global strike) and functions (e.g., space) assigned to it.

More generally, STRATCOM is re-organizing itself into “joint functional components” that have multi-service headquarters and are assigned missions and, in some cases, functions. For example, Air Force Space Command was originally STRATCOM’s force provider for space. A reorganization created Air Forces Strategic Command, a joint entity under a an Air Force two-star, with a Navy deputy and an Army J-3, to carry out the global strike and space missions. Similarly, STRATCOM’s Joint Force Component Commander for ISR will manage most day-to-day operations of space-based assets in times of peace and war.

Assessment–Space

The Space Commission put the Air Force squarely in charge of space by giving it executive agency for military space and creating a four-star command. The Space Commission warned, however, that if the Air Force failed to fulfill its roles as a force provider (e.g., not building a cadre of space professionals or providing the space capabilities the nation needs), the next move might be to create a “Space Corps.” If performance still proves inadequate, then DoD might need to establish a “Space Force” that would resemble the other Military Services.

It is difficult to assess the performance of the Air Force as a force provider for military space because space has not yet been militarized. At present, operations in space are mostly restricted to support functions, and are very similar in times of war and peace. From the perspective of evaluating a force provider, this supporting CONOPS meets today’s needs, and the necessary personnel are in place. For now, the BG-N study team concludes that a Space Corps or Space Force is not necessary. However, as space becomes weaponized – an admittedly slow process – this question will need to be revisited.

With regard to acquisition and Title 10 authorities, however, there is room for improvement whether or not space is militarized. The study team doubts whether the expanded role of the Undersecretary of the Air Force is a truly effective means of integrating of “white” and “black” space. Moreover, declining government funding for civilian space projects raises profound questions about how the United States should organize for civil space, national security space and military space. Market-based approaches might not be adequate even for providing the capabilities needed in the civilian sector.

Future Possibilities – Space

For now, DoD should support Air Force Space Command in implementing current programs, ensuring adequate resources, and providing oversight. However, this recommendation may change depending upon the rate at which space becomes militarized.

The high cost of space systems is an essential issue facing both the acquisition and management function and the military space function. The acquisition community must decide what assets to field and when, and the military space community must consider if and when

space will militarize. It is therefore worthwhile to consider how the cost of space systems will evolve over time.

It is possible that costs could fall. Historically, many US satellites are of the order of 500 Kg, and were launched at a cost of \$20,000/Kg for a launch cost of \$10 Million per satellite and total cost of \$25 Million or more. However, satellites are getting smaller and less expensive, and launch costs are falling. The total cost has decreased to as little as \$2M/satellite today, and analysts predict that delivery could decline to as little as \$2,000/Kg in ten years, making a price point of \$250,000 accessible. If the trends in increasing functionality per Kg and falling lift costs continue, both the acquisition community and the military space community can anticipate a greater range of accessible capabilities in the reasonably near future – for the US, and for competitors that would like to acquire net-centric capabilities but currently cannot justify the expense.¹⁵⁸ If indeed the cost of entering space falls in the future, militarization of space will be accelerated, and the department should consider elevating space to a full service function.

Alternatively, if costs remain high, it is axiomatic that the USG cannot afford separate space forces to meet national security and defense needs – the duplication of capabilities and manpower will sap valuable resources that can be usefully retargeted.¹⁵⁹ Under this scenario, the government should consider merging “black” and “white” space into one entity. While this organization could be housed within DoD, it is also possible that consolidation could instead be achieved through an independent organization to which DoD and the national security agencies would be “customers.” This concept can be further extended to civilian space: DoD should examine the possibility of combining military, national security, and civilian space organizations. In this case, the space provider would supply both government programs and subsidized service to meet civilian needs in order to achieve the necessary economies of scale. Even if costs fall, they may be high enough to make it desirable to pool resources and expertise.

Background–Cyberspace

After much discussion and experimentation with alternative approaches, the BG-N study team determined to approach this difficult subject in two ways. First, focusing only on cyberspace would be too limiting, because networks can be attacked from many domains (e.g., electronic warfare, direct attacks of systems administrators, etc.). It was thus important to look at Network Operations (NETOPS), which is best understood as an essential *function*, critical to net-centric warfare. Second, one also has to address cyberspace, a *domain* involving digital communication networks. While there are an infinite number of individual “cyberspaces,” they all operate on one Internet and. In this era of net-centric warfare, having a force provider for

¹⁵⁸ It should be noted that while the cost per kilogram of launches has fallen, many of these figures are for an “average cost” that assumes a large payload. It is not always possible to purchase small payloads – they are frequently added on as part of a larger payload without which the low cost is inaccessible.

¹⁵⁹ According to an article in *The Wall Street Journal* (April 19th, 2005, p. 3), “The Air Force intends to spend more than \$6 billion on its most-advanced rockets through the end of the decade, roughly doubling average payments for launches of government satellites as it covers overhead and other contractor costs in order to maintain both Boeing Co. and Lockheed Martin Corp. as suppliers.” If this is true, the implication is that fixed costs represent a large part of the cost of launches, and that a greater volume of launches may be necessary to make costs economic. In this case, consolidation is the most reasonable path forward.

cyberspace is critical. U.S. computer networks, both civilian and military, must have information assurance.

The objective is to build an organization that can effectively attack, defend, and exploit *networks*. Networks are broadly defined as the entire system of information assets, personnel, and infrastructure needed to support communication in network-centric warfare. NETOPS is therefore a subset of information operations (IO), which includes not only communication channels, but also the decision processes that utilize those channels. Computer networks are a major sub-component, and therefore computer network operations (CNO), which are executed in the domain of cyberspace, are of great importance.

The BG-N study team also found that, in addition to organizing for NETOPS, steps might be needed to ensure that networks meet the operational needs of the military. The acquisition of information systems and their day-to-day maintenance is essential to enable effective net-centric warfare. This support function is also inherently joint because of the need for interoperability.

Progress–Cyberspace

STRATCOM and its Joint Task Force-Global Network Operations (JTF-GNO) have responsibility for the planning and conduct of network operations. The JTF-GNO's mission statement clearly defines its role: "The JTF-GNO protects, defends, and restores the integrity and availability of the essential elements and applications of the Global Information Grid under the full spectrum of conflict in support of the American Warfighter." STRATCOM became the command for NETOPS on Oct 1, 2002, when the Joint Task Force-Computer Network Operations (JTF-CNO) was reassigned to this command. While not directly referenced in the JTF-GNO mission statement, the JTF-CNO explicitly owned the mission for network attack, and it is reasonable to infer that this is where the program remains today.^{160, 161} It should be noted, however, that a new I/O roadmap is under development in DoD, and a significant reorganization of STRATCOM is anticipated.

Assessment– Cyberspace

How well prepared is DoD for NETOPS from a force provider perspective? With regards to the mission of defending networks, there is reason for serious concern. Despite the prevalence of a capabilities-based approach to planning, developments in the domain of cyberspace may well be threat driven. Many BG-N working group members were concerned that threats to DoD

¹⁶⁰ The JTF-CNO mission statement read, "Subject to the authority and direction of the commander, U.S. Strategic Command, JTF-CNO will, in conjunction with the unified commands, services and DoD agencies, coordinate and direct the defense of DoD computer systems and networks; coordinate and, when directed, conduct computer network attack in support of Combatant Commanders' and national objectives."

¹⁶¹ "The US military has assembled the world's most formidable hacker posse: a super-secret, multimillion-dollar weapons program that may be ready to launch bloodless cyberwar against enemy networks – from electric grids to telephone networks...leaders from U.S. Strategic Command, or Stratcom (*sic*), disclosed the existence of a unit called the Joint Functional Component Command for Network Warfare, or JFCCNW." The mission of the unit includes, "...defending all Department of Defense networks. The unit is also responsible for the highly classified, evolving mission of Computer Network Attack, or as some military personnel refer to it, CNA." Wired.com, April 18, 2005.

(and American) networks may be growing faster than our capability to defend them. The successful implementation of network-centric warfare requires that information travel as needed, unimpeded. This concept, information assurance (IA), is essential to our forces' future success on the battlefield. If a "cyber Pearl Harbor" is a credible threat for the future, stronger moves toward a joint force provider for NETOPS capabilities may be needed now.

A close assessment of the CONOPS and leadership reveals significant shortcomings for the offensive mission. With respect to the ability to access and exploit a network, a critical question arises: Should the military "listen" to the network or disrupt its function? In spite of the criticality of this decision, there is currently no integrator of special access tools with operational planning. Such a decision *should* be contained within the strategic concept of operations. This failing also indicates that the force provider has not yet designated or developed the necessary leadership to adjudicate between the functions of intelligence and operations. On a positive note, the BG-N study team believes that recent actions have improved the unity of effort in planning and operations with respect to NETOPS, and thus STRATCOM should retain command with the Offense and Defense missions vested in JTF-GNO. *The development of the professional corps and concept of operations are progressing yet incomplete.*

Finally, similar to force providers supplying capabilities in other domains, acquisition for networks and cyberspace must be improved. More focused management, advocacy, and improved planning are needed (see Chapter 6). In particular, information technology systems suffer complaints common among joint programs that are acquired individually by the Services, including failures of interoperability, weaknesses in multi-service functionality, and an inability to compete for resources. The result is a system with serious deficiencies that threaten effectiveness.

Future Possibilities – Cyberspace

While the BG-N study team affirms that STRATCOM and the JTF-GNO should retain NETOPS at present, the group outlined future alternatives that could evolve from the current force provider structure. With the exception of instituting a JTF-C3, which the group endorses for immediate implementation, these are *not* recommendations for action – they are potentialities that the discussion group decided were worthy of further study.

Of all the Services, the Navy and its three-star NETWAR Command seem to be organized most appropriately for network operations and CNO. It may be that all the Services should emulate the Navy and create two-star or three-star commands that ensure sufficient operational pull for NETOPS. In addition, such a structure would enable the individual services to educate their officers and raise awareness of how their individual actions impact the operation of the network as a whole. Such an initiative could improve both the CONOPS and development of the officer corps.

In order to improve acquisition, the lack of ownership of the network support function must be corrected immediately. The study team reiterates the BG-N Phase 1 recommendation to form a JTF for Joint C3 with budgetary and acquisition authority. Having been "born joint," seamlessly interoperable C3 will both enable net-centric warfare and lead to networks that are

easier to defend. Networks should be built from the ground up to eliminate vulnerabilities and provide for interoperability.

STRATCOM already appears to be moving quickly to form a joint force component for network operation. Under BRAC, DoD proposes to merge its JTF for Global Network operations (JTF-GNO) and DISA and to co-locate this new entity with NSA. Creating this SOCOM-like entity (which would have budgetary and acquisition authority) would accomplish much of what the BG-N study team has intended in recommending establishment of a JTF for Joint C3.

Conclusion

Space and Network Operations must be treated in accordance with their newfound importance. It is necessary to transition fully from treating these domains as support functions to treating them as essential elements in the joint war-fight. Though a great degree of uncertainty surrounds the rate at which these domains will be militarized, the critical role of information in warfare and the observed dependence of U.S. capabilities on these assets *will* drive the war into these domains. The United States must be prepared for that eventuality in order to maintain its current superiority in these new domains of warfare.

Chapter 13 BG-N Recommendations (Phases 1 and 2)

This chapter lists in an integrated fashion the major recommendations for BG-N Phases 1 and 2, grouped according to the area each affects. The President, the Secretary of Defense, or the head of an executive branch department or agency, as appropriate, can implement those noted as requiring executive authority. Implementation of the remainder requires Congressional action, either through providing additional budgetary resources and/or passing new legislation, or a collaborative effort between the executive branch and the Congress.

Enhancing Interagency Capabilities

BG-N Phase/ Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/2	Conduct a Quadrennial National Security Review to develop U.S. national security strategy and determine the capabilities required to implement the strategy.	✓	
2/2	Create a classified National Security Planning Guidance to be reviewed by the NSC and signed by the President in the first year of a new administration and updated on a biannual basis.	✓	
2/2	Establish semi-annual “Over the Horizon” reviews for agency deputies to anticipate potential future crises and challenges, and to stimulate proactive policy development.	✓	
2/2	Establish an annual table-top exercise program for senior national security officials to practice managing future national security challenges and identify capability shortfalls that need to be addressed.	✓	
2/2	Create an NSC Senior Director and office dedicated to strategic planning.	✓	
2/2	Develop common terminologies for each interagency mission area, using NSC-led interagency working groups.	✓	
2/2, 1/8	Develop common concepts of operation for each interagency mission area, using NSC-led interagency working groups.	✓	

BG-N Phase/ Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/2	Develop an agreed set of interagency roles and responsibilities for key mission areas using an NSC-led interagency working group; codify the roles and responsibilities in a series of National Security Presidential Directives; and embody in legislation those roles and responsibilities in each mission area that are enduring.	✓	✓
2/2	Conduct NSC/OMB mission area reviews for top national security priorities that require interagency implementation.	✓	
2/2	Establish a common USG-wide framework for defining the regions of the world.	✓	
2/2	Conduct regular NSC-chaired interagency “summits” in each region.	✓	
2/2	Enhance opportunities and networks for information sharing and collaboration across agency lines and with coalition partners.	✓	
2/2	Working with Congress and the national security agencies, the Office of Personnel Management should develop a National Security Career Path that would give career professionals incentives to seek out interagency experience, education, and training. Congress should approve a 10% personnel float for key civilian agencies to enable interagency education, training, and rotations. <i>The above recommendation replaces the Phase 1 (Chapter 7) proposal to establish a Defense Professional Corps.</i>	✓	✓
2/3	The NSC needs to move beyond its traditional and well-accepted role of preparing decisions for the President and take a more active oversight role to ensure that Presidential intent (as reflected in those decisions) is realized through USG actions.	✓	

BG-N Phase/ Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/3	Establish a new NSC Senior Director and office dedicated to integrating interagency planning for complex contingency operations. <i>The above recommendation replaces the Phase 1 (Chapter 8) recommendation to designate a Deputy Assistant to the President on the NSC with this mandate.</i>	✓	
2/3, 1/8	Establish planning capacity for complex contingency operations in civilian agencies.	✓	
2/3	Establish a standard, NSC-led approach to interagency planning at the strategic level for complex contingency operations.	✓	
2/3	Create rapidly deployable Interagency Crisis Planning Teams for interagency campaign planning.	✓	
2/3	For any operation involving security, stability, transition and reconstruction operations, the COCOM and his CJTF should fully integrate these elements into their military plans. The COCOM should designate a subordinate commander to lead the military's participation in the interagency planning process.	✓	
2/3	Enhance USG capacities for training and equipping indigenous security forces by amending Titles 10 and 22 to permit direct DoD funding of these activities.	✓	✓
2/3, 1/8	For each complex contingency operation, establish an Interagency Task Force in the field to integrate the day to day efforts of all USG agencies and achieve greater unity of effort on the ground.	✓	
2/3	Establish a standing IATF Headquarters core element that is ready to deploy to an operation on short notice. <i>The above recommendation replaces the Phase 1 (Chapter 8) recommendation to establish a new Agency for Stability Operations, with a Civilian Stability Operations Corps and Reserve.</i>	✓	

BG-N Phase/Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/3	Provide DoD with more flexible contracting authorities and vehicles more responsive to the operational environment.		✓
2/4	Congress should rewrite and fully fund the recommendations outlined in the Lugar-Biden Initiative.		✓
2/4	Strengthen existing operational capacities at USAID.	✓	✓
2/4, 1/8	Create a new Training Center for Interagency and Coalition Operations.	✓	✓
1/8	Increase U.S. funding for programs that support building the operational capabilities of allies and partners.	✓	✓
1/8	Enhance peacetime opportunities for civilian planners and operators to work with their counterparts from various countries.	✓	✓
2/5	Merge the Homeland Security Council into the National Security Council. Integrate the two staffs into a single staff that reports to the Assistant to the President for National Security Affairs through two Deputies: a Deputy to the President for International Affairs and a Deputy to the President for Homeland Security Affairs.	✓	✓
2/5	Develop a common terminology and concept of operations for homeland security using an NSC-led interagency working group. Base the concept of operations on a comprehensive risk assessment and develop an associated set of interagency roles and responsibilities for homeland security.	✓	
2/5	Formalize at the Secretary of Defense level an agreed set of DoD requirements for homeland defense and civil support so that forces can be allocated as appropriate through the Global Force Management process.	✓	

BG-N Phase/ Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/5	Leverage DoD’s considerable planning expertise to provide significant assistance to the NSC and DHS in their efforts to develop a concept of operations and associated requirements for homeland security.	✓	
2/5	Define the role of the National Guard and Reserves in homeland defense and civil support, to include guidance on required capabilities and desired organizational relationships.	✓	✓

Enhancing DoD Joint Capabilities

BG-N Phase/ Chapter	Major Recommendation	Executive Authority	Legislative Authority
1/9	Initiate a BRAC-like bipartisan process to consolidate and reshape Congressional committee oversight of DoD.		✓
1/4	Eliminate or consolidate much of the Service Secretariats into the Service Staffs.		✓
1/4	Combine elements of J-1 and the relevant parts of OSD(P&R) under a military deputy to the Undersecretary of Defense (P&R).	✓	
1/4	Disband J-7 and transfer responsibilities to the J-3, J-5, J-8, and the Joint Forces Command.	✓	

2/6	<p>Build a COCOM-centric process for identifying and advocating joint capability requirements that is comprised of the following elements:</p> <ul style="list-style-type: none"> – Identify and prioritize short-term joint capability requirements through an enhanced IPL process; – Have the functional commands take the lead on determining long-term capability needs in their respective areas; – As an interim step, create a Washington-based, JFCOM capability, headed by a three-star, to determine and advocate the longer-term joint capability needs of the regional commands; <ul style="list-style-type: none"> > Decide after two years whether a separate Joint Capability Command is necessary for this critical function. 	✓		
2/6	<p>To build a truly joint, demand-oriented JROC, replace the Service Vices with the COCOM Deputies and add civilian representation.</p>	✓		
1/5	<p>Build a strong PA&E capable of providing independent analysis to the Secretary on broad strategic choices facing DoD.</p>	✓		
2/6, 1/4, 1/6	<p>Implement the BG-N Phase 1 recommendation to form a JTF with budgetary and acquisition authority for Joint C3, and assign it to either STRATCOM or JFCOM, but not both.</p>	✓		✓
1/4	<p>BG-N Phase 2 analysis cancels the Phase 1 (Chapter 4) recommendation to expand the Undersecretary of Intelligence to include C3.</p>			
2/8	<p>Fuse the logistics and transportation functions into an integrated U.S. Logistics Command (USLOGCOM).</p>	✓		
2/8, 1/4	<p>Merge much of J-4 with its OSD counterpart, the Deputy Undersecretary of Defense (Logistics & Material Readiness) into an office that reports to both the USD(TL&A) and the CJCS.</p>	✓		

2/9	Establish an Undersecretary of Defense for Management [USD(M)] that would manage all the commercial-like defense agencies, as well as any programs currently being managed by OSD, and be responsible for OSD management and administrative activities.	✓
2/9, 1/5	Create an Office of Implementation & Execution Review (I&ER) and put it under the new USD(M).	✓
2/9, 1/4	Consolidate all OSD housekeeping functions into one portfolio under an Assistant Secretary of Defense for Administration, reporting to the USD(M) and responsible for the administration of OSD.	✓

DoD Acquisition Reform

BG-N Phase/Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/7	Elevate the DDR&E function to primacy in the office of the Undersecretary for Acquisition, Technology, and Logistics (AT&L) to create the Undersecretary for Technology, Logistics, and Acquisition Policy(TL&A), with the DDR&E as Principal Deputy.	✓	✓
2/7	Restore the authority of the Service Chiefs over the execution of acquisition programs.	✓	✓
2/7	Expand and rationalize the rapid acquisition processes.	✓	✓

DoD Personnel Reform

BG-N Phase/Chapter	Major Recommendation	Executive Authority	Legislative Authority
2/10	Develop a comprehensive DoD human resources strategy that anticipates the looming manpower crisis.	✓	✓
2/10	Modify the “one-size-fits-all” personnel system to ensure retention of front-line operators and key specialists.	✓	✓

2/10	Establish broader and more equitable standards for awarding joint credit, adapting JOMS to the changing needs of the force.	✓	✓
2/10	CJCS should develop integrated assignment and education paths for joint careers in critical MOS (e.g., command, acquisition, Joint C3, etc.) as prescriptive models.	✓	
2/10	CJCS should implement a system for tracking joint service and leverage this system in the selection of officers for joint assignments.	✓	
2/10	DoD should consider what functions might be best served by a “purple” uniform, and study the implications of joint promotion boards.	✓	
2/11	DoD should endorse the Chairman’s vision for Professional Military Education, and develop a comprehensive strategy to meet it.	✓	
2/11	DoD should establish a “Joint Virtual University.”	✓	✓
2/11	DoD should create smaller, reinvigorated senior Service schools.	✓	✓
2/11	DoD should convert the National Defense University into a National Security University.	✓	✓
2/11	DoD should create more opportunities for military personnel to pursue education at civilian universities.	✓	

The BG-N study team notes that some of its recommendations will save money, while others call for more expenditure. The study team has not tried to “balance the books” among its recommendations, as any financial implications will largely depend on the details of an implementation plan. This report’s recommendations are designed to enhance the efficiency and effectiveness of the Defense Department and key parts of the national security apparatus. The study team therefore considers the provision of additional resources, where necessary, to be not costs but investments in first-order national priorities.

Chapter 14 **The Quest for Reform**

One of the unique qualities of the American approach to governance is the persistent pursuit of reform. This spirit is vividly demonstrated in the quest for greater defense effectiveness.

Those efforts span most of the 20th Century, beginning with the early 1900s creation of a professional military establishment from a rag-tag group of state militias. They became more prominent after World War II, when American architects sought to create institutional capacities – both domestic and international – to cope with new and unrelenting global responsibilities.

The 1947 National Security Act still stands as the most consequential example of grand organizational design, but subsequent efforts such as the 1958 Defense Reorganization Act and the 1986 Goldwater-Nichols Defense Reform Act also have profoundly reshaped our system for national defense. In the last decade, defense-related reform has gained greater saliency and urgency due to the changing international circumstances brought about by the demise of the Soviet Union and the 9/11 terrorist attacks. The radically altered security environment now confronting the United States has revealed the many inadequacies in the way the U.S. government organizes for complex contingencies, from nation building in Iraq and Afghanistan to preparing for homeland security challenges to undertaking defense transformation.

Yet, if the stakes of defense-related reform today are higher than ever, the record of reform is not encouraging. Many of the reform efforts spanning the decades have either failed or been only imperfectly adopted.¹⁶² Why did past proposals succeed or fail? What, if any, common factors were associated with the most effective reform initiatives? By reviewing recent defense reform efforts, this chapter aims to gauge the prospects for the Beyond Goldwater-Nichols recommendations.

A Defense Reform Scorecard

The Goldwater-Nichols Act of 1986, the 1995 Commission on Roles and Missions, the National Defense Panel of 1997, the Hart-Rudman Phase III Report of the U.S. Commission on National Security, and the final report of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission) all represent important efforts to redesign government capacities to deal with new security challenges. Although the scope, mandate, context, and rationale for each of these efforts varied widely, a review helps clarify factors that influence the prospects of reform proposals.

¹⁶² There is no one reason for the failure to implement previous reforms. Various initiatives have failed due to an insufficient sense of urgency, Executive branch timidity, Congressional parochialism (or in some instances wisdom), or a general lack of public awareness and urgency.

Goldwater-Nichols Act of 1986¹⁶³

Although not all of its provisions have been effectively implemented, the Goldwater-Nichols Act of 1986 stands as the most consequential and successful example of defense reform of the Cold War era. Goldwater-Nichols was painstakingly developed after extensive private studies and numerous public hearings. The legislation's twin goals were straightforward: to strengthen civilian authority and improve military advice. Operationally, the Act provided regional COCOMs (formerly called Commander in Chief or CINCS) with clear authorities for planning and conducting assigned missions and, more importantly, mandated that their authority be fully commensurate with their enhanced responsibilities. It also contained provisions mandating greater attention to strategy formulation and contingency planning and specific efforts designed to improve joint officer management and education.

After nearly two decades of implementation, Goldwater-Nichols stands as a clear success of ambitious military reform. Overall, the Secretary of Defense's authorities have been enhanced in several important ways, including the ability to provide DoD components with crucial guidance on programs.¹⁶⁴ The quality of military advice has improved measurably, thanks in part to the new powers of the Chairman, the Vice Chief, and the Joint Staff.¹⁶⁵ The COCOMs' warfighting authorities have also been amply demonstrated in a series of major conflicts and minor imbroglios. The Act established a clearer joint perspective in the requirement and acquisition process exemplified by the creation of the Joint Staff Officer (JSO) designation and a more streamlined management mechanism designed to supervise defense agencies.¹⁶⁶

Yet, much of Goldwater-Nichols remains ignored or imperfectly implemented. For instance, as discussed in Chapter 6, the COCOMs' role in the requirements and acquisition process is still insufficient.¹⁶⁷ Furthermore, some ambiguity remains concerning the *de facto* role of the Chairman in the operational chain of command. The National Security Strategy and National Military Strategy documents produced since 1986 generally do not provide a comprehensive assessment of U.S. national security or military strategy.¹⁶⁸ The PPBES continues to exhibit several flaws, including guidance that is not fiscally informed, inadequate development of capabilities to conduct joint military operations, substandard policy execution and too few provisions for program oversight.

¹⁶³ The text of the Act is available at http://www.dtic.mil/jcs/core/title_10.html.

¹⁶⁴ The report accompanying Goldwater-Nichols stated that, "The secretary of defense has sole and ultimate power within the Department of Defense on any matter on which the secretary chooses to act" (House of Representatives, U.S. Congress, Goldwater-Nichols Department of Defense Reorganization Act of 1986: Conference Report, 99th Congress, 2nd session, Report 99-824, p. 101).

¹⁶⁵ James R. Locher, III, "Taking Stock of Goldwater-Nichols," *Joint Forces Quarterly* (Autumn 1996), pp. 10-16. See also "The Chairman as Principal Military Adviser: An Interview with Colin L. Powell," *Joint Forces Quarterly* (Autumn 1996), pp. 29-36.

¹⁶⁶ John M. Shalikhshvili, "Goldwater-Nichols Ten Years from Now," in *The Goldwater-Nichols DOD Reorganization Act: A Ten-Year Retrospective*, edited by Dennis J. Quinn (Washington, D.C.: National Defense University, 1999), pp. 65-75.

¹⁶⁷ William Owens, "Making the Joint Journey," *Joint Forces Quarterly* (Spring 1999), p. 93.

¹⁶⁸ The latest version of the NSS (September 2002) is available at <http://www.whitehouse.gov/nsc/nss.html>; the latest National Military Strategy (2004) can be found at <http://www.defenselink.mil/news/Mar2005/d20050318nms.pdf>.

Furthermore, Goldwater-Nichols did little to adequately clarify the roles of Service Secretaries. Some would argue that a succession of Chairmen underutilized their powers in the arena of defining roles and missions.¹⁶⁹ And Goldwater-Nichols neither adequately anticipated various kinds of complex contingencies like post-conflict stabilization operations, nor appropriately prepared the military to address them.

The Commission on Roles and Missions (1995)

The Commission on Roles and Missions (CORM) was a congressionally mandated committee set up to examine potential changes in the specific duties assigned to the Service components in various war fighting scenarios. It attempted to improve on the results of the 1948 Key West military summit, which hammered out the specific roles and missions assigned to the Services for most of the Cold War.¹⁷⁰ Congress intended the 1995 effort to reduce redundancies and military costs at a time when Cold War military structures were increasingly regarded as outmoded.

The Commission made several key recommendations to help streamline the U.S. military. It called for the NSC to direct an interagency effort to produce a quadrennial review at the beginning of each presidential term to help guide overall military strategy and spending. There was an appeal to improve the PPBES by providing more unified strategic direction, more attention to front-end planning, and fewer late program changes, along with a recommendation to restructure existing DoD planning and budgeting systems to provide for a more orderly treatment of issues, and stronger program and budget direction by the Secretary of Defense.

The Commission's detailed proposals included recommendations to:

- Strengthen the charter of the Joint Requirements Oversight Council (JROC) over joint requirements formulation¹⁷¹
- Expand COCOM influence in DoD decision-making processes that affect weapons systems development and acquisition, and theater support systems such as communications, logistics, and intelligence
- Create a unified command focused on joint training and integration of all U.S.-based forces
- Streamline Military Departments by combining the staffs that support the Service Secretaries and Service Chiefs
- Increase the Joint Staff's technical and analytic capacities

¹⁶⁹ For such an assessment of Colin Powell's efforts in this area as CJCS see Paul Y. Hammond, "Central Organization in the Transition from Bush to Clinton," in *1994 American Defense Annual* (Lexington, Massachusetts: Lexington Books, 1994), p. 175.

¹⁷⁰ Peter D. Feaver and Kurt M. Campbell, "Rethinking Key West: Service Roles and Missions After the Cold War," in *1993 American Defense Annual*, edited by Joseph Kruzel (New York: Lexington Books, 1993), pp. 155-173. The Army's role in close air support and the size of the Marine Corps were the most controversial issues.

¹⁷¹ The Commission members were inspired by the efforts of then JROC head Admiral William A. Owens, Vice-chairman of the Joint Chiefs of Staff; Owens' own vision for the body is laid out in his article, "JROC: Harnessing the Revolution in Military Affairs," *Joint Forces Quarterly* (Summer 1994), pp. 55-57.

- Reduce OSD's functional management responsibilities and concentrate OSD staff on giving the Secretary policy advice and analytic support
- Strengthen DoD's civilian leadership by providing for mandatory rotational assignments, an up-or-out advancement policy, a structured educational system, access to more positions of greater responsibility, more attractive compensation, and by reducing the number of political appointees
- Outsource more support activities to private sector
- Reengineer remaining DoD support agencies
- Change laws and regulations that prevent using proven commercial business processes
- Require the federal government to devote more attention to several emerging mission areas: combating WMD, information warfare, peace operations, and OOTW (Operations Other Than War)
- Restructure Reserve Components to better match operational needs.

The Commission on Roles and Missions made many specific recommendations designed to create a more agile and responsive defense establishment. Its single greatest success has been the Quadrennial Defense Review (QDR) process, although that effort continues to be a DoD-centric exercise and does not extend, as the CORM recommended, to the NSC agencies.¹⁷² In addition, the CJCS has over time developed a comprehensive body of joint doctrine,¹⁷³ and the JROC has better promoted joint perspectives in the requirements and acquisition processes. It helped transform the existing USACOM into a Joint Forces Command (JFCOM) to provide joint training of all U.S.-based forces and the necessary joint capabilities required by the geographic COCOMs. Further, the Joint Staff has continued to develop stronger technical and analytic expertise in critical areas.¹⁷⁴ Many of the business process reforms called for in the Roles and Missions report have been successfully implemented, including more outsourcing, improved oversight of defense agencies, and expanded use of commercial practices.

However, several key recommendations were not effectively implemented. As mentioned, the QDR process remains focused almost entirely on DoD. In addition, these extensive reviews have actually produced few real changes in the overall makeup of U.S. forces. The PPBES remains weak in areas cited by both Goldwater-Nichols and the CORM, including the lack of fiscally constrained planning, inadequate jointness, and ineffective policy execution and program oversight. DoD civilian personnel policies continue to suffer from shortfalls in resources, authority, and training. Finally, the federal government did not devote adequate attention before 9/11 to combating WMD, information warfare, peace operations, and OOTW.

National Defense Panel (1997)

¹⁷² The most recent QDR report (September 30, 2001) can be found at <http://www.defenselink.mil/pubs/qdr2001.pdf>.

¹⁷³ This collection is readily available at <http://www.dtic.mil/doctrine>. For more on this issue see Douglas Lovelace and Thomas-Durell Young, "Joint Doctrine Development: Overcoming a Legacy," *Joint Forces Quarterly* (Winter 1996-97), pp. 94-100; and, for a more recent assessment, Stephen J. Cimbala and James J. Tritton, "Joint Doctrine – Engine of Change?," *Joint Forces Quarterly* (Winter 2002-03), pp. 90-95.

¹⁷⁴ Lawrence B. Wilkerson, "What Exactly is Jointness?," *Joint Forces Quarterly* (Summer 1997), pp. 66-68.

Created by the same legislation that mandated the Quadrennial Defense Review, the National Defense Panel (NDP) was conceived as a review group to ensure the 1997 QDR met its goals. It actually went much farther, making a number of unorthodox and original suggestions to encourage greater flexibility inside DoD to cope with an increasingly uncertain security environment, calling for a comprehensive review to assess the continuing relevance of the 1947 National Security Act, and cataloging the lack of capacities in the interagency process for managing complex contingencies.¹⁷⁵

The panel also urged more experimentation with a variety of military systems, operational concepts, and force structures. Specifically, it advocated setting aside an annual budget wedge of \$5-10 billion to support defense transformation by funding initiatives in intelligence, space, urban warfare, joint experimentation, and information operations. The group unanimously called for an even greater emphasis on jointness in the armed forces. Organizationally, the NDP supported creating an Americas Command to devote greater attention to homeland defense and threats to the Western Hemisphere. The panel members also favored establishing a Joint Forces Command to provide combat-ready forces to the geographic COCOMs, promote standardization among the unified commands, oversee joint training and experimentation, and integrate Service battle labs (to promote experimentation) under a proposed “Joint Battle Lab.” Further, the Panel called for standing up a Logistics Command to better integrate DoD transportation and logistic missions, and recommended that Space Command be assigned the mission of information support.¹⁷⁶

The NDP recommendations are in many ways the most bold and far-reaching in the post-Cold War environment. As a result, few have been adopted. For instance, the 1947 National Security Act and current domestic and international interagency processes remain largely unchanged, except for the post 9/11 intelligence reforms. Americas Command was not created and DoD attention to homeland defense and threats to the Western Hemisphere remain inadequate – problems that were graphically exposed on September 11, 2001.¹⁷⁷ Lacking a unified Logistics Command, DoD continues to treat logistics issues as of secondary importance to acquisition (an issue addressed in Chapter 8 of this report). Organizational roles and responsibilities for DoD information operations remain confused and no formal interagency cadre of professionals has yet emerged. The equivalent of a “fully integrated crisis center” was not created until after 9/11. Problems persist with PPBES, infrastructure management, and cumbersome defense acquisition processes. Current legislation still impedes easily transferring funds within and among national security agencies. Finally, as pointed out in Chapter 2, interagency long-range strategic planning processes remain inadequate.

Phase III Report of the U.S. Commission on National Security/21st Century¹⁷⁸

¹⁷⁵ The Panel’s final report, as well as other supporting documents, can be found at <http://www.dtic.mil/ndp>.

¹⁷⁶ The Defense Information Systems Agency would become one of its subordinate commands.

¹⁷⁷ The 9/11 Commission final report aptly titles its section on how U.S. military and civilian authorities responded to the September 11 attacks as “*Improvising A Homeland Defense*” (p. 14; italics added).

¹⁷⁸ Phase III Report of the U.S. Commission on National Security/21st Century: *Road Map for National Security: Imperative for Change* (February 2001). The text of the report can be found at <http://govinfo.library.unt.edu/nssg/PhaseIIIFR.pdf>.

Believing the 1997 QDR to have taken too limited a view of the future security environment, Congress created the U.S. Commission on National Security/21st Century, more familiarly known as the Hart-Rudman Commission. Hart-Rudman in many ways followed logically on the National Defense Panel review. Their common theme was creating greater operational flexibility in a stove-piped, 1947-era bureaucracy and anticipating future, unconventional security challenges. Most importantly, Hart-Rudman advocated creating an independent National Homeland Security Agency with a single person of Cabinet rank responsible for planning, coordinating, and integrating various U.S. government activities involved in homeland security. It called for the appointment of an OSD Assistant Secretary for Homeland Security who would oversee DoD activities in this area and promote the provision of necessary resources. The Commission endorsed making homeland security a primary mission of the National Guard.

Further, the Commission recommended the President personally guide a top-down strategic planning process linked to resource allocation decisions throughout the government. In this capacity, the President would prepare an overall national security budget, supplementing the budget submissions of the individual national security departments and agencies, which would focus on the country's most critical strategic goals. The members urged that the National Security Adviser and NSC staff return to their traditional role of coordinating national security activities as honest brokers and resist becoming policymakers or high-profile operators. Overall, Hart-Rudman called for the relevant departments and agencies involved in foreign operations to cooperate more in regional planning and in anticipating unconventional security challenges.

Evaluating Hart-Rudman's success is challenging, given that some of the apparent changes have not been legislated but simply implemented in an *ad hoc* manner. For instance, while the National Security Adviser and NSC staff have largely returned to their traditional roles of coordinating national security activities as honest brokers and limited their involvement in policy making or operations, the NSC's role depends greatly on the personalities of both the Adviser and the President. Departments and agencies involved in foreign operations do generally cooperate more in regional planning, but this process is imperfect and broke down badly over the war in Iraq. The Secretary of Defense's policy and planning guidance has become more specific and better at establishing priorities, and DoD has adopted capabilities-based rather than threat-based planning to some extent, but a new Secretary could easily reverse these trends.

Overall, the far-reaching spirit of the Hart-Rudman recommendations was rejected. Indeed, many of the recommendations have a haunting quality in the post-9/11 world. The Department of Homeland Security (DHS) was created only after those terrorist attacks. How the National Guard will participate in homeland security is still being debated and will be addressed in a Beyond Goldwater-Nichols Phase 3 study. The President still does not personally guide a top-down strategic planning process or prepare an overall national security budget. The intelligence community was restructured only after 9/11, and the recommended National Security Service Corps not created at all. Significant problems persist with the Senate confirmation and Civil Service processes of recruitment, retention, promotions, and firing. The personnel systems for members of the military remain largely unchanged. (Recommendations in this report address most of these shortfalls.)

Perhaps most importantly, the Hart-Rudman recommendation for a comprehensive bicameral, bipartisan review of Congress' relationship to national security and foreign policy has not occurred. Congress has only just begun to restructure how it oversees homeland security.

The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States (2004)¹⁷⁹

Empanelled to seek information about the September 11, 2001 attacks and suggest ways similar incidents might be averted, the National Commission on Terrorist Attacks Upon the United States (9/11 Commission) offered a series of recommendations on U.S. foreign policy, homeland security, and intelligence reform. Its members called for creating a National Counterterrorism Center (NCTC) that would consciously draw on the Goldwater-Nichols model and combine a joint intelligence function with joint operational planning: "a civilian-led unified joint command for counterterrorism."¹⁸⁰ The Commission also advocated establishing a Senate-confirmed National Intelligence Director (NID) in order to oversee both the national intelligence agencies and the newly proposed national intelligence centers. These centers would unite experts from different disciplines against common targets such as counterterrorism and nuclear proliferation.¹⁸¹ The Commission also emphasized the importance of strengthening Congressional oversight of intelligence and homeland security.

In December, Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458), which enacted into law many of the Commission's recommendations. Although it is too soon to assess their implementation, problems already have arisen with respect to the NCTC, because the Executive Order President Bush used to establish the center differed in some respects from the provisions of P.L. 108-458, and certain ambiguities persist regarding its director's relationship with the planned NID.¹⁸² At this writing, the Senate has just confirmed John D. Negroponte as the first NID, so it is also too early to evaluate whether his powers will encompass all the authorities the 9/11 Commission wanted to bestow. Specifically, it remains unclear if he will be able to establish common personnel and information technology policies across the intelligence community, or what impact he will have on the intelligence budgets of the agencies nominally under his supervision.

For its part, the Defense Department has yet to delineate the precise roles and missions of its various components in the Global War on Terrorism (GWOT). For example, SOCOM has been assigned the direct action portion of the GWOT mission, but DoD's broader GWOT campaign plan was drafted by J-5, not a global task force. Similarly, there are clearly "seam" problems between NORTHCOM and STRATCOM in operating the emerging national missile defense system. Interagency responsibilities for the homeland defense remain equally confused,

¹⁷⁹ The Commission's final report, as well as much supporting and supplementary material, is available at <http://www.9-11commission.gov>.

¹⁸⁰ *The 9/11 Report*, p. 403.

¹⁸¹ The Commission explicitly drew on DoD experience in describing the centers as "the unified commands of the intelligence world – a long-overdue reform for intelligence comparable to the 1986 Goldwater-Nichols law that reformed the organization of national defense" (p. 22).

¹⁸² Todd M. Masse, "The National Counterterrorism Center: Implementation Challenges and Issues for Congress," *CRS Report for Congress* (March 24, 2005).

especially between DHS and NORTHCOM. DoD is only now completing its strategy for homeland defense.¹⁸³ The March 2005 anthrax false alarms in Washington highlighted persistent underlying differences in how DoD and the rest of the government approach bioterrorist threats.¹⁸⁴

Congressional oversight of intelligence and homeland security still retains those characteristics the Commission report described as “dysfunctional,” including having too many committees exercising partial oversight of security activities and persisting with an unduly lengthy process for confirming senior national security officials at the start of an administration. Neither Congress nor the executive branch has taken steps to reduce the problem of overclassification, make the overall intelligence budget public, or heeded the Commission’s plea to move from a system based on a “need to know” to one reflecting a “need to share.”¹⁸⁵

Essential Elements for Sustained Reform

The Goldwater-Nichols Act, the Commission on Roles and Missions, the National Defense Panel, the Hart-Rudman Commission, and the National Commission on Terrorist Attacks Upon the United States each reflect major, organized efforts to adapt the national security apparatus largely inherited from the landmark 1947 National Security Act. On one level, it is remarkable how little has changed in the way the United States organizes itself for complex security challenges since the onset of the Cold War, nearly sixty years ago. Yet on another level, many reforms have had an enduring impact on the way the United States tackles contemporary challenges. What, then, are the most important ingredients in determining whether reform efforts will succeed in transforming national capabilities?

The Congressional Dimension

The role of Congress in the process is the most crucial determinant of the prospects for a reform effort. The recommendations that flow from congressionally mandated groups, commissions, or blue ribbon panels are more likely to lead to lasting changes than efforts launched exclusively at the executive branch level. While a shared commitment from the Executive and Legislative Branches is the most obvious determinant of success (and the least frequently occurring condition in past reform efforts), in most cases a legislative mandate suffices to effect real change. For instance, both the 1986 Goldwater-Nichols Reform and the

¹⁸³ Joshua Kucera, “Interview: Paul McHale, US Assistant Secretary of Defense for Homeland Defense,” *Jane’s Defence Weekly* (March 23, 2005), p. 34.

¹⁸⁴ Editorial, “False Alarm,” *The Washington Post*, March 17, 2005. A recent joint CSIS–Heritage Foundation study found that, “it is also unclear which [U.S. government] agency would have primary responsibility for responding to a biological attack on the United States” (James Jay Carafano and David Heyman, eds., “DHS 2.0: Rethinking the Department of Homeland Security,” *Heritage Special Report* SR-02 (December 13, 2004), available at <http://www.heritage.org/Research/HomelandDefense/sr02.cfm>).

¹⁸⁵ These recommendations echoed those found in the Task Force on National Security in the Information Age, *Creating a Trusted Network for Homeland Security* (New York City: The Markle Foundation, December 2003), available at http://www.markletaskforce.org/reports/TFNS_Report2_Master.pdf.

9/11 Commission recommendations were enacted and implemented over specific objections from within the executive branch.¹⁸⁶

That said, congressional zeal to reform the workings of the executive branch has rarely extended to their own branch of government. Recommendations that involve even the most modest trimming, curtailment, or consolidation of congressional prerogatives have generally failed, as have efforts designed to create greater budgetary flexibilities in the executive branch at the potential expense of the legislature's power of the purse.

Executive-Driven Reforms Often Lack Staying Power

Since the end of the Cold War, the U.S. government has faced a wide array of mostly unanticipated challenges, ranging from staging large contingency operations to coordinating complex humanitarian relief efforts. To meet these new and sometimes unprecedented tasks, the executive branch in the 1990s often sought to use existing agencies for new purposes through the exercise of executive fiat rather than seeking broad, bipartisan reforms.¹⁸⁷ The result was the "bending" of legacy institutions to new missions, often using Presidential directives and executive findings – for example, the Clinton Administration's Presidential Decision Directive (PDD) No. 25, which sought to create capacity and guidelines for dealing with complex contingency operations of the kind seen in Bosnia, Somalia, Haiti, and East Timor.¹⁸⁸ These executive-driven innovations had their uses, too be sure, but rarely carried over into successive administrations.

Calamities Spur Reform Efforts

Nothing mobilizes action like a national crisis. While several blue-ribbon panels and expert groups called for better preparations to deal with the potential vulnerabilities in the homeland security arena, it took the shock and horror of the September 11, 2001 attacks to create consensus on the urgent need for action. The subsequent 9/11 Commission findings on intelligence reform and government reorganization were rooted in the reality of a terrorist act that had already claimed thousands of American lives. Likewise, consensus on the need to improve military efficiency in the mid-1980s was created largely by a series of military mishaps, including the failed Iranian hostage rescue, the Beirut Marine barracks bombing, and some elements of the invasion of Grenada. Thus, the timing of reform efforts matters enormously. Typically, reform advocates have better prospects in the aftermath of crises or failures than when they attempt to initiate reforms to forestall, deter, or anticipate prospective threats.

¹⁸⁶ For a detailed history of the movement in Congress to promote defense reform in the 1980s see James R. Locher, III, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon* (College Station: Texas A&M University Press, 2002). Media coverage last year highlighted the opposition of senior DOD officials to intelligence reforms that they feared would dilute the military's control over key intelligence assets (especially the three main agencies involved in the technical collection of intelligence: the National Security Agency, the National Geospatial-Intelligence Agency, and the National Reconnaissance Office).

¹⁸⁷ For example, the final report of the 9/11 Commission concludes: "Before 9/11, the United States tried to solve the al Qaeda problem with the capabilities it had used in the last stages of the Cold War and its immediate aftermath. These capabilities were insufficient. Little was done to expand or reform them" (p. 10).

¹⁸⁸ PDD 25, on "United States: Administration Policy On Reforming Multilateral Peace Operations" (May 1994), is available at <http://www.kentlaw.edu/academics/courses/admin-perritt/pdd-25.html>.

Money Matters

The fewer the resources required, the greater the prospects for reform. Reforms that involve changes in reporting parameters, training requirements, or organizational dynamics are often easier to swallow than those that entail significant new expenditures. Reform mandates that arrive unaccompanied by the fiscal resources they require do not succeed. That is also true of changes in who should decide what to do with existing expenditures, regardless of the rationale's validity.

The more that formerly governmental functions are outsourced to the private sector, the greater the likelihood of the reform effort's success. Indeed, the 1995 Commission on Roles and Missions recommendations on outsourcing and the borrowing of various business practices were warmly greeted as an effort to introduce performance metrics and private sector innovations to better run the Pentagon. As stated above, however, attempts to create greater executive branch, and particularly White House, authorities over financial and programmatic matters have often met with failure. Even the very limited authorities that resided for a time in the White House Drug Czar's organization resulted from programmatic priorities and mandates clearly delineated by Congress.

The Breadth of Intended Reform

Incremental attempts at reform have historically had a much better chance of success than sweeping changes to existing institutions and capabilities. While reform architects are likely to find agreement throughout official Washington that the U.S. government is made up largely of 1950s-vintage organizations ill-suited to 21st-century challenges, there is much less agreement on what to do about it. This general preference for known limitations over unknown possibilities profoundly tilts the table toward incrementalism. Likewise, agency-specific reforms such as Goldwater-Nichols (affecting primarily DoD) and the consolidation of formerly autonomous functional agencies (USAID and USIS) back into the Department of State are much easier to explain and sell than efforts that seek to reconfigure the existing balance of power and resources among a number of government bodies.

The Nature of the Public Debate

While defense reform efforts rarely grab public headlines, it is also true that reform is exceedingly difficult in the absence of public awareness or concern. While only Goldwater-Nichols is a true example of a painstaking, iterative, years-long process of public hearings, public commentary, and debate, it serves as a model for effective implementation of reform. The flip side of this example is the highly charged and political atmosphere surrounding the 9/11 Commission, in which many felt that change was sought for change's sake and to meet elevated public expectations for action. On balance, however, a basic level of public knowledge and commentary – at least among defense intellectuals and interested parties – is essential to effect successful reform.

The Role of Critical Individuals

The role of key individuals at various points in the process decisively shaped the ultimate outcome of several reform efforts. General David Jones, the outgoing CJCS, and Senator Sam Nunn each played enormously influential roles in the formulation and execution of Goldwater-Nichols reform legislation.¹⁸⁹ Former Deputy Secretary of Defense John White helped shape some of the core recommendations of the Commission on Roles and Missions. Arguably, the 9/11 victims' families helped drive reform recommendations even over the objections of various interested parties inside the executive and legislative branches. Likewise, Secretary of Defense Rumsfeld has been deeply engaged in recent efforts to reform various departmental practices and capabilities. The essential quality in such individuals seems less their persuasive ability than their understanding of and relentless belief in their goals.

Creating Critical Mass Toward a Tipping Point

Several major efforts at government reform are notable as much for their failure to generate momentum as for their almost prescient predictions about government inadequacies for meeting new challenges. Yet, often it is insufficient to view efforts in isolation; they must be treated as part of a body of work to be considered in its entirety. For instance, the 9/11 Commission recommendations in many areas drew heavily from previous efforts, including Hart-Rudman, which called for greater attention to the challenges of homeland security. Likewise, there were clear synergies between the Hart-Rudman effort and the National Defense Panel suggestions. It is no accident that several of the reform recommendations in this report build on the analysis and vision of earlier efforts.

Beyond Goldwater-Nichols: Prospects for Reform

The Phase 1 and Phase 2 reports of the CSIS Beyond Goldwater-Nichols project have involved a dedicated process of policy research, group discussion with subject area experts, detailed interviews with executive and legislative branch players, and extensive testing of reform propositions and ideas. Since the beginning of CSIS' work 29 months ago, public interest in the subject of security-related government reform has grown steadily. This increasing focus is a consequence of many factors, including the culmination of the public inquiry associated with the 9/11 attacks; increasing anxieties from persistent homeland security vulnerabilities; the obvious lack of U.S. capacities and planning for dealing with phase IV operations in Iraq and to a lesser extent Afghanistan; the coming budget crunch associated with security-related outlays and the corresponding search for greater efficiencies and savings; and the clear signs of stresses on the National Guard and Reserve from their protracted deployments. The combination of these disparate challenges has created an environment where people are much more willing to consider far-reaching alternatives for how to organize, plan, and implement various national security policies.

¹⁸⁹ The crucial role of several individuals in securing the Act's enactment is reviewed in Vincent Davis, "Organization and Management," in *1987-1988 American Defense Annual*, edited by Joseph Kruzal (Lexington, Massachusetts: Lexington Books, 1987), pp. 180-196. For Jones' own view on Goldwater-Nichols see David C. Jones, "Reform: The Beginnings" in *The Goldwater-Nichols DOD Reorganization Act: A Ten-Year Retrospective*, edited by Dennis J. Quinn (Washington, D.C.: National Defense University, 1999), pp. 3-10.

This impetus for reform has created a growing inclination in Congress, the executive branch and among the interested sectors of the public to consider what is possible in terms of improving government functions in the defense and homeland security arenas. While previous efforts attempted to redirect public and official attention onto matters then largely ignored, the BG-N reports offer timely solutions to matters of present – and pressing – concern. Consequently, this report has many advantages over its predecessors when it comes to shaping the debate surrounding necessary government reforms.

The post-9/11 environment continues to shape discussion about the prospects for reducing vulnerabilities. Current challenges in Iraq only add to a sense that the defense establishment can better prepare for and tackle the challenges facing the nation. The BG-N study team believes this report will add to a growing body of literature and national level commentary that shows defense reform is not only necessary, but immediately possible.

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