# Directions for Defense

Report of the
Commission on Roles and Missions
of the Armed Forces

DEPARTMENT OF DEFENSE
COMMISSION ON ROLES AND MISSIONS OF THE ARMED FORCES
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MEMORANDUM FOR CHAIRMAN, SENATE ARMED SERVICES COMMITTEE
CHAIRMAN, HOUSE NATIONAL SECURITY COMMITTEE
SECRETARY OF DEFENSE
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Report of the Commission on Roles and Missions of the Armed Forces

We are pleased to present this report of the Commission on Roles and Missions of the Armed Forces, in accordance with Section 954(b) of the National Defense Authorization Act for Fiscal Year 1994.

The Department of Defense is a remarkably successful institution. The women and men who serve today are better educated, better trained, and more skilled than ever before. But we have concluded that DOD must do more to ensure its ability to conduct effective, unified military operations — the overarching goal of America's National Security Strategy. This means that the Military Services and all other elements of the Department of Defense must focus their energies on supporting the unified Commanders in Chief who plan for and conduct our military operations, as directed by the President and by the Secretary of Defense.

The traditional approach to roles and missions — attempting to allocate them among the Services in the context of the Key West Agreement of 1948 — is no longer appropriate. That approach leads to institutional quarrels (as reported in the press during our deliberations) and unsatisfactory compromises (as discussed in our report). More importantly, it does not lead to achieving the Department's goals.

I cannot stress our message too strongly. It means a change in orientation for many. It means fully implementing the Goldwater-Nichols Defense Reorganization Act of 1986.

You will find many recommendations in the report, grouped in terms of joint military operations, efficient and responsive support, and improved management and direction. All of them are designed to improve joint military operations.

We are convinced that lasting solutions to the problems you asked us to address depend on setting the right directions for the future, not merely adjusting the boundaries — which are increasingly artificial — among the various defense organizations. Redefining those problems makes them no less daunting. Our report, *Directions for Defense*, lays out our contribution to the solution.

John P. White
Chairman

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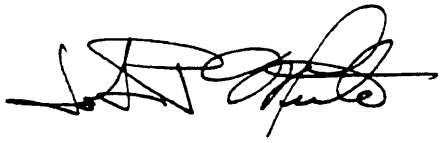

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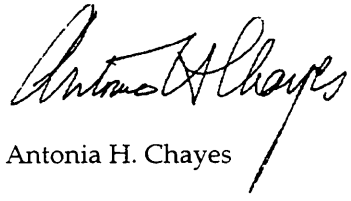

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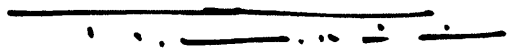

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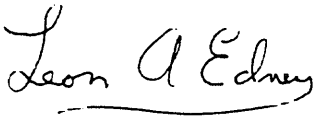

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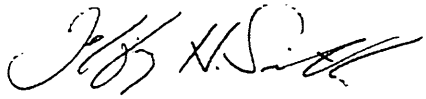

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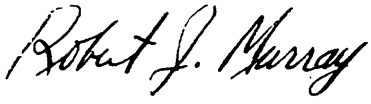

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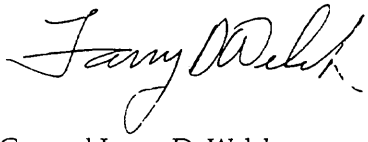

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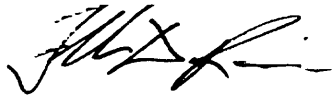

Franklin D. Raines

Les Aspin, *In Memoriam*

*This report is dedicated to the memory of the Honorable Les Aspin, Commissioner and former Secretary of Defense and former Chairman of the House Armed Services Committee, with profound appreciation for his sage counsel and tireless dedication to the national security of the United States.*

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# PREFACE

Almost everyone we talked to during the past year was sure of four things: First, that America has the very best and most capable military forces in the world – the strength of the U.S. Military lies in its ability to provide the right mix of air, land, and naval capabilities to meet any threat. Second, that in the future, the U.S. Military will be called on to perform a broader array of missions in more diverse contingency situations than they did in the past while still maintaining a capability for large-scale regional conflicts. Third, that information technologies, space, stealth, and precision-guided weapons will be increasingly important to military success. And finally, that Defense funding will remain limited.

In this context, three findings are particularly clear: first, that the United States relies on the regional commanders in chief to conduct the Nation's military operations. Second, that America's combat forces are becoming increasingly accustomed to working together, but more needs to be done. And third, that there are opportunities for large-scale savings from adjustments in the Defense infrastructure.

Our most important finding is that traditional approaches to roles and missions issues are no longer appropriate. The context has changed significantly in the years since the 1948 Key West Agreement addressed the question of who should do what in the U.S. Military. Today, it is clear that the emphasis must be on molding DOD into a cohesive set of institutions that work toward a common purpose – effective unified military operations – with the efforts of all organizations, processes, and systems focused on that goal from the very beginning.

The question is no longer "who does what," but how do we ensure that the right set of capabilities is identified, developed, and fielded to meet the needs of unified commanders. The Services, the defense agencies, OSD, and the Joint Staff – who make these decisions and develop these capabilities – are at the forefront of this effort.

What this means to those who read this report is that you are not going to see a listing of roles and missions disputes among the Services, or sharp Commission recommendations on how to resolve those disputes. You are not going to find a series of "put and take" statements that rearrange U.S. forces from one Service to the other. To have addressed our task in that way would have perpetuated the narrow institutional perspectives that inhibit development of a true joint warfighting perspective.

What you are going to read is our view of significant changes that need to be made in order to develop a Department of Defense able to handle the challenges of an uncertain and constantly changing future security environment. There are a few surprises in this report. For example, as I have discussed our findings with many in the defense, academic, and business communities, I found them very surprised by our finding, for example, that while DOD needs to increase jointness throughout the system, it is necessary to place a high value on broad Service competition. To some this is a counter-intuitive finding. But competition among the Services produces innovation in weapon systems, forces,

doctrine, and concepts of operations that yield the dramatically superior military capabilities we need. America must not lose that edge. At the same time, DOD must find ways of reducing the costs of maintaining that competition — through early decisions on which competing ideas should be developed.

As you read this report, I believe you will find it properly focused on the future, with a realistic appreciation of past and current improvements.

I want to express my thanks to Congress for the unique and far-reaching opportunity they gave this Commission. I am especially grateful to Secretary of Defense William J. Perry for the opportunity to chair this Commission and to work with some of our nation's brightest and most capable private citizens, our Commissioners, and a staff of first-rate defense professionals. Finally, thank you to Chairman of the Joint Chiefs of Staff General John M. Shalikashvili and the many members of DOD, the Joint Staff, and the Military Services whose cooperation made our job so much easier.

The unique, informed but different perspectives brought by the ten who joined me on the Commission ensured a deep and penetrating look at the Nation's defense establishment. They also provided the wealth of experience needed to ensure that we resisted traditional approaches to roles and missions questions, and, I believe, allowed us to offer a contribution more enduring than would otherwise have been possible.

We have dedicated this report to the late Secretary Les Aspin. In many ways, Les was a guiding force for our work. Any who know his work will see evidence of his ideas throughout this report. We are all especially grateful for the privilege of serving with him, and for all that he taught us not only on the Commission, but throughout his long and distinguished career of public service. Les was a strong supporter and participant in the Commission's efforts and endorsed our final report. It is our firm hope that this report reflects the spirit of Les Aspin's dedication to the Nation and his quest for excellence in defense. The Nation will miss his contributions and we will miss him as a friend.

I am compelled to say a few words about the quality of staff I have been privileged to work with. There is not time or room here to say enough about each individual member of the staff. Their performance has been superb, and confirms that every Service and element of DOD offered the Commission its most capable men and women. The same is true for those who joined the staff from industry, research firms supporting our efforts, and academia. In each case, we had only the best to work with. This staff exhibited the kind of joint purpose, cooperation, and trust that make successful unified military activity possible.

John P. White
24 May 1995
Washington, D.C.

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# Summary

## Overview

The central purpose of the Department of Defense is to conduct effective military operations in pursuit of America's National Security Strategy. The central message for DOD from the Commission on Roles and Missions of the Armed Forces is *in the 21st century, every DOD element must focus on supporting the operations of the Unified Commanders in Chief (CINCs).* Everything else DOD does — from furnishing health care to developing new weapons — should support that effort. The recommendations made throughout our report seek to concentrate all of DOD's activities toward that end.

In establishing the Commission on Roles and Missions of the Armed Forces, Congress told us to "review . . . the appropriateness . . . of the current allocations of roles, missions, and functions among the Armed Forces; evaluate and report on alternative allocations; and make recommendations for changes in the current definition and distribution of those roles, missions, and functions."*

Our view of the future gives urgency to this effort. If America's experience since the end of the Cold War is instructive, America's future will be marked by rapid change, diverse contingencies, limited budgets, and a broad range of missions to support evolving national security policies. Providing military capabilities that operate effectively together to meet future challenges is the common purpose of the military departments, the Services, the defense agencies, and other DOD elements. All must focus on DOD's real product — effective military operations.

Military operations are performed by geographic and functional CINCs under the authority and direction of the President and the Secretary of Defense. To be successful, the CINCs must mold effective unified forces from the diverse array of capabilities provided to them by other organizations. This means that the CINCs must have a role in helping determine the capabilities that will be available; it also requires the close cooperation of the military departments and the Services, support agencies, and decision-makers in DOD. The Department has strengthened its capabilities for unified operations considerably since passage of the 1986 Goldwater-Nichols Defense Reorganization Act. But, that job is not yet done; further efforts to ensure the effectiveness of joint operations are essential to a successful and secure future.

* National Defense Authorization Act for Fiscal Year 1994, PL 103-160, 30 November 1993 (as amended).

Our recommendations are designed to better focus DOD's traditional military functions, management and decision-making processes, and support elements more directly on effective unified military operations. In short, we must accelerate the process of thinking differently about defense. Military operations are planned and conducted by joint forces under the direction of the CINCs, not by the Military Services, defense agencies, or Pentagon staffs.

We began our inquiry by listing the global realities we expect to be prominent through the first two decades of the next century. We anticipate the continuation of regional threats and instabilities; proliferation of weapons of mass destruction; demand for military operations focusing on preventing conflict, promoting stability, and expanding U.S. influence; greater importance of information warfare; limited defense budgets; and rapid technological advances.

To deal with these realities, we identified six attributes of a successful DOD in the future. They are

- *responsiveness* to requirements that change over time — sometimes rapidly;
- *reliability* in delivering predictable, consistent performance;
- *cooperation* and *trust*, the sine qua non of unified operations;
- *innovation* in new weapons, organization, and operational concepts;
- *competition* directed toward constructive solutions to complex problems; and
- *efficiency* in the use of resources.

Our recommendations encourage the development of these attributes. They are designed to

- improve the ability of the Secretary of Defense to provide unified strategic and programmatic direction to DOD;
- expand the role of the Chairman and Vice Chairman of the Joint Chiefs of Staff and the CINCs in ensuring better joint doctrine, training, weapons planning, and support;
- focus the military departments on providing the right mix of capabilities for unified military operations;
- improve capabilities to deal with new challenges of the post-Cold War world; and

- reduce the cost of the support infrastructure through increased outsourcing and better management — while increasing responsiveness to the needs of the CINCs.

## ADJUSTING PERSPECTIVES

In the context of effective, unified military operations, our most surprising conclusion is that it is a mistake to take the traditional view of roles and missions issues — a view that concentrates on the allocation of roles among the Military Services. Broadly speaking, existing problems with Service roles are symptoms of the need for DOD to concentrate more intensely on unified operations. That is, do the CINCs have the set of capabilities they need to fulfill their missions?

We group our recommendations under three broad themes: the unified military operations themselves, productive and responsive support, and improved management and direction.

## EFFECTIVE UNIFIED MILITARY OPERATIONS

Our recommendations emphasize the roles of the Chairman of the Joint Chiefs of Staff (JCS) and the CINCs' joint "core competency" in preparing for, and conducting, unified operations.

We recommend that the Chairman of the JCS propose a unified vision for joint operations to the Secretary of Defense to guide force and materiel development; integrate support to CINCs in such critical areas as theater air/missile defense and intelligence; improve joint doctrine development; develop and monitor joint readiness standards; and increase emphasis on joint training. We recommend larger roles for the CINCs in structuring and controlling command, control, and intelligence support, joint training, and theater logistics. We also emphasize the role of the geographic CINCs in preparing for coalition operations.

### Joint Operations

We recommend a new, functional unified command responsible for joint training and integration of all forces based in the Continental United States. Under the direction of the Secretary of Defense, this new command would train and provide the joint forces required by the geographic CINCs' operational plans. The command would work with the geographic CINCs in developing appropriate plans and training programs for joint and combined operations.

## Emerging Mission Priorities

Our examination revealed several emerging mission areas that demand immediate attention from the Federal Government generally, not just from DOD. These mission areas provide significant security challenges and opportunities in the years ahead.

- *Combating Proliferation of Weapons of Mass Destruction (WMD).* We recommend that the Vice President lead an interagency task force to better organize U.S. defense against these insidious threats. We also recommend organizational changes in the Office of the Secretary of Defense and the Joint Staff, and better integration of the functional unified commands into overall planning for combating WMD.

- *Information Warfare.* We recommend a high-level interagency effort to improve America's information warfare capacity. DOD's capabilities for this emerging warfighting mission need to be improved, and our civil and military information vulnerabilities must be reduced.

- *Peace Operations.* Currently, DOD regards peace operations as a subset of the broad category of operations other than war (OOTW). However, peace operations hold the prospect for preventing, containing, or ending conflict. They have the potential to preclude larger, more costly U.S. involvement in regional conflicts. We recommend differentiating peace operations to give them greater prominence in contingency planning.

- *OOTW.* We must in addition be prepared to engage in the wide range of remaining OOTW tasks, such as humanitarian assistance and disaster relief. For these we recommend limiting the use of military forces to military tasks where practical; broadening non-DOD capabilities for some OOTW functions; and improving interagency coordination. We must also ensure rapid reimbursement of DOD for unplanned peace operations and OOTW to prevent readiness problems among forces not engaged.

For all the missions highlighted above, DOD must expand capabilities but without sacrificing its ability to fight the Nation's wars. DOD also must maintain a hedge against the possibility that another country could attain sufficient military capabilities to threaten our Nation.

The Military Departments should sharpen their focus on their particular capabilities, or "core competencies." While the CINCs concentrate on planning and training for joint operations in the near term, the Military Departments must have a larger view that embraces long-term force development and materiel acquisition.

## Other Key Service Functions

Overseas presence is a core competency of all the Services. Each Service has important, sometimes unique capabilities for presence. Current practices should be challenged to find innovative ways of meeting those objectives, such as intermittent or surge deployments and various combinations of forces.

Additionally, we recommend specific adjustments in some Service functions: Make the Air Force the Executive Agent for Combat Search and Rescue. Assign management of sea-based pre-positioning programs to the Marine Corps and management of land-based pre-positioning programs to the Army. Have the Army provide ground-based area air defense, heavy engineering, and supplemental logistics support to the Marine Corps. Assign the Air Force primary responsibility for acquiring and operating multiuser space systems. Transfer operational support airlift aircraft (except for Department of the Navy C-9s) to the Air Force for management by the U.S. Transportation Command.

Congress asked us to examine Reserve Component roles and missions in DOD's future Total Force. Our recommendation is to size and shape Reserve Components more consistently with national strategy needs, integrate the Reserve Forces better with the Active Duty Forces, improve training and evaluation, and eliminate reserves not needed.

From our review of the deep attack mission, we conclude that DOD needs a better mechanism for determining the proper size and mix of deep attack capabilities in the requirements development process. We recommend a DOD-wide study to determine the best mix of these systems for the future. Furthermore, we recommend including bombers in that study and delaying a final decision on B-2 bomber funding until the industrial base portion of DOD's bomber study is completed and reviewed thoroughly.

## "Problems" that are not Problems

Our study identifies three perceived roles and missions problems that proved to be nonissues. In each case, improvement is needed — but not a reordering of roles or functions. Putting outdated roles and missions issues such as these into proper perspective — and therefore, to rest — is an essential step toward concentrating attention on the broader changes needed. In particular, Army and Marine Corps capabilities are complementary, not redundant; inefficiencies attributed to the so-called "four air forces" (i.e., each Service has aircraft) are found mostly in the infrastructure, not on the battlefield; and more joint training, not fewer Services, is needed to ensure effective close air support.

# PRODUCTIVE AND RESPONSIVE SUPPORT

DOD should reduce the cost of support to help fund higher priority needs. Infrastructure accounts for more than half of its budget, and big opportunities for savings are available within that infrastructure.

## Outsource Some Activities to Private Companies

Our approach is to outsource activities that need not be performed in the government and reengineer support activities that must remain in the government to protect the public interest. Implementation of some of our recommendations will require legislative relief from laws that inhibit efficiency.

More than a quarter of a million DOD employees engage in commercial-type activities that could be performed by competitively selected private companies. Experience suggests achievable cost reductions of about 20 percent. DOD should outsource essentially all wholesale-level warehousing and distribution, wholesale-level weapon system depot maintenance, property control and disposal, and incurred-cost auditing of DOD contracts. In addition, many other commercial-type activities, including those in family housing, base and facility maintenance, data processing, and others could be transferred to the private sector. Finally, DOD should rely on the private sector for all *new* support activities.

Giving beneficiaries of DOD health care more choice between military and civilian care at equal cost may reduce long-term demand for peacetime military medical personnel and facilities. The resulting reductions would yield net savings and sharpen the military medical establishment's focus on readiness to meet operational requirements.

## Reengineering Support Activities

Support activities that remain in the government should be reengineered to improve performance and reduce cost, and they should adopt private-sector management tools that increase efficiency.

We rejected a monolithic new acquisition organization independent of the Services because it could undermine core combat capabilities. Instead, we concentrated on improving the infrastructure that supports buying and maintaining military equipment.

Reengineering the military aircraft support infrastructure has the highest potential payoff because it costs so much and there is clear duplication among the Services. This redundancy within the aviation support structure is an important part of the true "four air forces" issue; reducing it should be given high priority.

We recommend reengineering DOD's centralized contract audit and oversight functions, including greater use of private-sector audits and electronic auditing wherever possible. Furthermore, the Defense Contract Management Command and the Defense Contract Audit Agency should be combined. More generally, DOD needs relief from laws and regulations that prevent using proven commercial business processes, such as activity-based cost accounting and international quality assurance standards.

Many of the defense agencies and field activities that provide the bulk of DOD's centralized support must become more efficient and responsive to their customers. We recommend establishing a board of directors for each defense agency and major field activity. These boards should include customer representatives and be supported by expert consultants to promote adoption of innovative management practices. Their purview should extend beyond financial accounting matters to address the full range of customer needs.

We recommend collocating the Military Departments' aircraft program management offices and consolidating common business and engineering activities that support the program managers. Matrix support will reduce overall personnel costs by assigning experts to individual Service program offices only as needed. This should also increase aviation interoperability and commonality over time.

To streamline logistic support of aircraft already in service, we recommend a single manager for support of fixed-wing aircraft, and another for helicopters. These single management elements (SMEs) should direct the most efficient mix of inter-Service support for all military aircraft. As more "wholesale-level" support for DOD weapon systems is outsourced, the SMEs will also manage contracting with private-sector providers.

# Improved Management and Direction

## Planning, Programming, and Budgeting

The Department of Defense's budget and program decisions are central to our concerns because they often result in the de facto allocation of roles, missions, and functions. Improved performance requires changes to the planning, programming, and budgeting system; a new information framework; and adjustments to headquarters organizations.

The Department's planning and budgeting system is the best of its kind in the Federal Government, but it can be improved. Among the system's needs are unified strategic direction, more attention to front-end planning, fewer program changes late in the process, and less attention to unnecessary detail.

We recommend a Quadrennial Strategy Review (QSR) at the beginning of each Presidential term and whenever else events dictate. That review would be an interagency effort directed by the National Security Council.

The QSR should consider recent and anticipated geopolitical and policy changes, technological developments, opportunities for shaping the security environment, the plausible range of DOD budget levels, and a robust set of force and capability options. We also suggest a different force planning concept that evaluates various force/capability mixes possible at each of several different funding levels to determine relative value across the spectrum of possible contingencies.

We recommend a thorough restructuring of the existing DOD planning and budgeting system. Taking its initial direction from the QSR, the system we propose features more orderly treatment of issues, stronger program and budget direction by the Secretary, and greater stability. We also believe that our system will provide better focus on important issues by senior officials and require considerably less staff effort devoted to detail.

The Department's decision-making information support framework — the Future Years Defense Program — is too "input" oriented. We recommend a mission/output-oriented information framework to better enable the assessment of forces and capabilities to perform missions derived from the National Security Strategy. The new framework would include improved metrics for measuring and tracking performance.

The Department's process for acquiring weapons systems can be improved by considering joint warfighting concerns, including interoperability and commonality of support when "requirements" are first established. This implies a greater ability and willingness of the Joint Requirements Oversight Council (JROC) and OSD to address DOD needs in the aggregate, and earlier involvement in tradeoffs of cost versus performance by civilian acquisition executives.

## Organizational Changes

Changes are necessary in DOD's "corporate headquarters." The Chairman of the Joint Chiefs of Staff is the principal military advisor to the Secretary of Defense. The Chairman's advice should include a comprehensive "joint vision" developed with the CINCs and the Services. In addition, we recommend strengthening the charter of the JROC (chaired by the Vice Chairman) over joint requirements formulation, and increasing the technical and analytic capacity of the Joint Staff to better assist the Chairman and Vice Chairman.

Elements in OSD are frequently preoccupied with managing, and sometimes advocating, particular programs or functions. We recommend reducing OSD's

functional management responsibilities so the staff can concentrate on giving the Secretary of Defense policy advice and analytical support.

A new OSD "integration" function should be developed to assist the Secretary in assessing diverse and competing recommendations and providing unified direction for the defense program.

We recommend several other organizational changes, including giving mission-oriented charters to elements of the Under Secretary of Defense for Policy organization and combining the staffs that support the Military Department Secretaries and the Service Chiefs.

Finally, to strengthen the quality of DOD's civilian leadership, we recommend a new management concept, improved opportunities for advancement and growth for career civilians, and limitations on the number of DOD political appointees.

## CONCLUSION

In conclusion, the challenge is to shape our military institutions so that they are better prepared for a changing and uncertain future; this means ensuring effective unified military operations. It is time to complete the work begun by the Goldwater-Nichols Act by making joint thinking and acting a compelling reality throughout DOD.

# CHAPTER 1

# A Commission on Roles and Missions

## THE DESIGN OF THIS REPORT

The Department of Defense faces an unclear future marked by rapid change, diverse contingencies, limited budgets, and a broad range of missions to support evolving national security policies. Providing military capabilities that operate effectively together to meet future challenges is the common purpose of the Military Services, defense agencies, and other DOD elements. All must focus on DOD's real product — effective military operations.

Military operations are performed by geographic and functional Commanders in Chief (CINCs). To be successful, the CINCs must select from an array of capabilities and mold them into a unified force. This overarching responsibility requires the close cooperation of the Services, support agencies, and decision-makers in DOD.

**Definitions**

- *Roles* are the broad and enduring purposes specified by Congress in law for the Services and selected DOD components.
- *Missions* are the tasks assigned by the President or Secretary of Defense to the combatant commanders.
- *Functions* are specific responsibilities assigned by Congress, by the President, or by the Secretary of Defense to enable DOD components to fulfill the purposes for which they were established.
- *Capability* is the ability of a properly organized, trained, and equipped force to accomplish a particular mission or function.

Simply stated, the *role* of the Services (and the U.S. Special Operations Command) is to provide *capabilities* (forces organized, trained, and equipped to perform specific *functions*) to be employed by the combatant commander in the accomplishment of a *mission*.

There is a need to increase DOD's efforts to ensure the effectiveness of joint operations in the context of traditional military functions. But, it is more important to extend this concept further into DOD by focusing management and decision-making processes and support structures more directly on effective unified military operations. In short, we must accelerate the process of thinking differently about defense. Military operations are planned and conducted by joint forces under the direction of the CINCs, not by Military Services, defense agencies, or Pentagon staffs.

This is the Commission's basic message for DOD in the 21st century: every element of DOD must focus on supporting the unified military operations of the combatant CINCs. The recommendations contained throughout this report seek to concentrate DOD's activities on the real product — effective military operations.

In this first chapter, we describe our perspective for studying DOD's allocation of roles, missions, and functions beginning with the definitions contained in the box labeled "Definitions." The later chapters of the report provide our specific recommendations for the types of changes needed to ensure DOD's ability to conduct effective military operations in the future.

## WAS A COMMISSION NEEDED?

America's Army, Navy, Marine Corps, Air Force, and Coast Guard are the best trained, best equipped, and most capable military force the world has ever known. The men and women who serve today are better educated, better trained, and more skilled than ever before. No other military force in the world could have terminated the Cold War, deployed halfway around the world to lead an allied coalition to victory in the Gulf War, and then gone on to execute peacekeeping and humanitarian operations that span the globe. They have enforced restrictions on military action in Iraq — delivered food and medical supplies in Somalia and Rwanda — helped their fellow citizens fight forest fires and recover from earthquakes and floods — and restored order in Haiti.

If the U.S. Armed Forces are so good, why do we need a Commission on Roles and Missions of the Armed Forces? Why did Congress charter us to review the allocation of roles, missions, and functions today and for the future?

Ironically, it is precisely because DOD has been so successful that Congress called for this Commission. Termination of the Cold War changed the international environment just as surely as did the tremendous victory in World War II. Today, as then, America must prepare its military forces for a new world. However, instead of focusing military attention on containment and deterrence of one preeminent adversary, America must prepare for a world dominated by regional threats, uncertainty and change, and new mission priorities (such as peace operations, information warfare, and combating nuclear proliferation).

The Department of Defense's future success, and the Nation's future security, depend on building the forces needed for an uncertain and changing world. And that is why the Commission on Roles and Missions of the Armed Forces was created. Congress believes that changes are required in the allocation of roles and missions, today and for the future, to ensure that the Nation will have properly prepared military forces for the challenges ahead.

While the international security environment may be new, the debate on roles, missions, and functions — who does what within the military establishment — is not. In fact, this debate began long before the National Security Act of 1947 created what became the Defense Department. In large part, this debate is about how best to mold America's air, land, and sea forces into a unified combat team that makes the best use of each Service's particular strengths today and for the future.

In many ways, our charter also reflects congressional concern with the pace and breadth of DOD's reductions in costs and other adjustments to the new security environment. Senator Sam Nunn, then Chairman of the Senate Armed Services Committee, summarized congressional concern in a now famous address to Congress in 1992:

> We should not go into the future with just a smaller version of our Cold War forces. We must prepare for a future with a fresh look at the roles and missions that characterized the past forty years. We must reshape, reconfigure, and modernize our overall forces — not just make them small. We must find the best way to provide a fighting force in the future that is not bound by the constraints of the roles and missions outlined in 1948.

Senator Nunn and his colleagues went beyond asking for a review of the chronic roles, missions, and functions problems of overlap, duplication, and parochialism in the Services. They called for a complete review of DOD's post-Cold War direction and the means to realize that direction.

## Our Perspective on Contemporary Roles and Missions Questions

Judging from the reactions to our work, some in the defense community expected — and others feared — that our report would revisit and revise the 1948 Key West Agreement (see Glossary). But our review led us to conclude that the traditional approach — who gets to do what — is no longer the right question. While the Key West Agreement has changed very little since 1948, the whole context in which it exists has changed fundamentally.

When the Joint Chiefs of Staff met at Key West in 1948, *roles, missions,* and *functions* all meant the same thing. The differentiation in terms that we offer on page 1-1 of this report evolved only as DOD matured. In 1948, there was no need to differentiate among roles, missions, and functions, because whatever those terms meant, the Services did them all. The Service Chiefs, sitting as the Joint Chiefs of Staff, were responsible for establishing unified commands and deciding which Service would be their Executive Agent for each command. Orders were transmitted to each unified commander by a Service Chief. Our current

organization, with combatant commands responsible to the Secretary of Defense and the President for the missions assigned to them, has evolved as a result of experience, including lessons learned in military operations around the globe, and as a result of executive and legislative branch initiatives. Today, we reaffirm the role of the CINCs that has evolved in law and in practice: they are responsible for conducting America's wars. We reaffirm the role of the Services in providing the military capabilities essential to fighting and winning the Nation's wars.

Perhaps our most surprising conclusion is this: fundamentally, it is a mistake to take the traditional "who gets to do what" view of roles and missions that concentrates on the Military Services. Rather, the emphasis should be "who needs what" in terms of joint military capabilities. That is, do the CINCs have the set of capabilities they need to fulfill their missions?

From this perspective, the Services are properly aligned and focused on the right set of roles and functions. Each Service is fully engaged in trying to deliver to the CINCs the best possible set of its *specific* air, land, and sea capabilities. A conventional criticism of the Services — unrestrained parochialism and duplication of programs — is overstated. This is not to say there is no parochialism or duplication; there is. But our investigation persuaded us that these issues are largely a result of insufficient focus on the real product of the department — effective joint military operations.

Viewed from this perspective, some perceived roles and missions problems are not problems at all. We reached this conclusion concerning the combat capabilities of the Marine Corps and the Army (i.e., the "two land armies" issue); the assignment of Close Air Support (CAS) functions; and the so-called "four air forces" question (discussed in detail in Chapter 2). In each case, our analysis of core competencies, assignment of functions, and the needs of the unified CINCs found that popular perceptions of large-scale duplication among the Services are wrong. We are firmly convinced that putting old "who gets to do what" arguments like these into proper perspective — and therefore, to rest — is an essential step toward focusing on joint military capability.

## CONGRESSIONAL CHARGE TO THE COMMISSION: FIX THE CURRENT FORCE; SHAPE THE FUTURE FORCE

Congress looks to this Commission for recommendations in three broad areas: military roles and missions, civilian management and support of the Department, and a process that would allow adjustments to meet future challenges. Our charge from Congress flows from two basic concerns. The first is a traditional roles and missions concern focused on identifying current wasteful redundancies among the Military Services and other DOD components. The second

concern is for what will be required of U.S. forces in the post-Cold War period and into the early part of the next century. While a straightforward, issue-by-issue review of the allocation of responsibility would satisfy the first concern, it could not satisfy the second. The Commission was also charged with recommending a framework for DOD's use in allocating future roles, missions, and functions — so that another Commission or similar outside activity would not be required again.

## THE COMMISSION'S APPROACH

To accomplish the broad charter outlined by Congress — fixing the roles and missions problems of today, facilitating changes in the assignment of roles and missions to deal with an uncertain future, and providing a framework for the future adjustment of roles and missions — we identified several primary tasks. These are:

- characterize the *future* international environment,
- determine the array of *missions* to be accomplished by DOD,
- determine what institutional *attributes* DOD should emphasize, and
- recommend the *paths* DOD should follow.

Accomplishing these tasks required two primary efforts: (1) *consultations* with a wide range of defense professionals, academicians, government and business leaders, and others who could provide the necessary breadth of perspective; and (2) an *analytic* effort to assess DOD's current operations, infrastructure, and management — and to determine how they should be changed.

To understand the array of perspectives, ideas, and opinions about roles and missions allocations inside and outside DOD, we interviewed soldiers, sailors, airmen, Marines, Coast Guardsmen, and their commanders around the world. We met regularly with DOD's military and civilian leaders; received briefings and written materials from all the Services, the Joint Staff, the CINCs, OSD, and the defense agencies; met with a range of experts and executives from defense firms and industry associations; held discussions with key foreign military leaders; spoke with academicians, commentators, journalists, and experts from a variety of "think tanks" and other institutions; and consulted with members of Congress. The ideas we heard informed our deliberations; many will be found throughout this report.

In addition to consultations on a wide variety of subjects, we developed and applied a mission-driven analysis and other screening techniques that assisted in

identifying and assessing specific roles and missions issues. Our exploration was divided into three areas:

- Military operations and operational support
- Infrastructure and central support
- Management and decision-making processes.

To identify candidate issues for detailed analyses, we focused on the underlying question: What can be done to better align efforts with the needs of the Nation? Then we applied one or more of the following criteria to select issues for study:

- The issue is important and change may be necessary.
- Appropriate use of associated DOD capabilities must be defined better.
- Operational effectiveness would be significantly enhanced.
- Innovation would be encouraged.
- Efficiency would be increased substantially.

By screening the many potential issues with these criteria, we created a list of about 25 issues that warranted serious attention. The issues we identified are discussed throughout this report, but principally in Chapters 2 and 3.

To adequately review current problems and establish future directions, we had to place our review in the context of the future that we anticipate our forces will face, the broad mission areas DOD must be prepared for, and the characteristics required for continued success in the future. Our recommendations reflect this framework and are consistent with our overarching goal — to improve the Nation's ability to accomplish future military missions successfully through joint operations.

## WHAT HAS CHANGED? THE CONTEXT FOR ROLES AND MISSIONS OF THE FUTURE

Our national security strategy is evolving to reflect world changes. The Cold War strategy, dominated by the importance of containing communism, established nuclear and conventional deterrence as the primary role of our military forces. DOD emphasized aspects of military power most useful for those purposes — instantaneous readiness of nuclear bombers, combined with land- and sea-based missile forces; large-scale, forward-deployed forces in Europe and

Northeast Asia; and reinforcements ready to deploy from home. While other risks were also considered, the Soviet threat dominated our planning, preparation, and funding.

> "No analysts in history immediately comprehend the logic of their own situation in periods of transition; a long epoch of disorientation and confusion is usually necessary to learn the necessary rules of the new era. Observers of the contemporary period of military transformation are no exception."
>
> — Professor Paul Bracken, unpublished paper for the Joint Staff

Today's national security challenge is considerably different. There is no longer a single dominant enemy. While we are still charged with providing capabilities to fight two major regional conflicts, our attention is increasingly drawn to smaller contingencies. Instead of focusing on containment and deterrence, the National Security Strategy now emphasizes promoting democracy and economic advancement worldwide. The military component of this strategy supports creating and maintaining the stability required to allow democracy and economic growth to flourish, and staying ready to protect our interests and those of our allies and friends on short notice.

## Elements Governing Defense Planning

Understanding changes in the international security environment should enable us to better define how DOD's roles, missions, and functions must change to meet new challenges. The key elements of our view of the future — the ones that we think should govern defense planning — are summarized below.

### National Security Considerations

- Regional threats will continue and instabilities will threaten international stability and U.S. interests for a host of national, ethnic, religious, and economic reasons.
- New types of threats will develop and may arise with little warning.
- Proliferation of weapons of mass destruction[1] and the means for delivering them will remain a major concern in the future.

[1] Weapons of mass destruction (WMD) are nuclear, chemical, or biological weapons that can be used for large-scale and indiscriminate attack on populations. There are really two concerns here: the weapons themselves and the means to deliver them. The tragic attack on the Tokyo subway system using Sarin, a chemical agent, demonstrates all too clearly that neither the weapon itself nor the means of delivery is necessarily technically sophisticated or difficult to produce.

- A complex array of formal alliances, bilateral treaties, and temporary coalitions like the one that defeated Iraq will continue to require U.S. leadership and support — and can play an important legitimating role.

- Peace operations, other operations to promote international stability, and humanitarian and disaster relief efforts will continue to place demands on U.S. forces.

- The effectiveness of the global economy will remain a national priority.

### Domestic Pressures and Priorities

- Lack of imminent threats and major enemies may result in reduced public support for defense needs.

- There will be continuing pressure on the defense budget, given the competing demands for resources.

### Technology Trends

- Rapid changes in technology may work in the Nation's favor by advancing DOD's capabilities, but adversaries may also benefit — either by achieving technical advances that nullify U.S. capabilities or by developing a new capability before it is available to DOD.

- DOD will have to build even stronger ties to civilian research institutions and innovative businesses to ensure that it has access to emerging technologies, many of which will be developed outside its traditional "sphere of influence."

- Advances in technology that can revolutionize military affairs must be adopted and coupled with equally revolutionary adjustments to concepts and doctrine.

One additional factor cannot be overlooked. While our perspective on the future does not envision another nation's achieving military capabilities equal to those of the United States during the next 20 years, that possibility must be considered. A growing number of nations may have the economic resources needed to achieve substantial military power — singly or in combination. Further, we cannot ignore the possibility that former Soviet states, still armed with nuclear weapons, could emerge as major military threats.

### Some Broad Conclusions

On the basis of this view of the future, we drew two major conclusions: First, recent history points to continued, and probably dramatic, change. Second, the nature, location, scope, characteristics, and timing of military operations in the future remain uncertain. Clearly, DOD must be prepared for a wide variety of missions.

## Attributes for DOD

On the basis of our assessment of the future and anticipated military missions, we identified attributes of a defense establishment best suited to succeed during the next 20 years. They are:

- *responsiveness* to needs that will change, sometimes rapidly;
- *reliability* to perform in a predictable and consistent manner;
- *cooperation* and *trust* that underpin unified operations;
- *innovation* in new weapons, organizations, and operational concepts;
- *competition* to find constructive solutions to complex problems; and
- *efficiency* in delivering effective military operations at the least cost.

In picking these attributes, we do not intend to preclude others; these six represent our collective judgment of the qualities DOD must emphasize to succeed in the changing world that we envision. In all cases, they are subordinate to the overarching objective for the Department — the conduct of effective military operations.

# The Three Themes of our Analyses

As indicated above, we divided our analysis into three areas: unified military operations, the support infrastructure, and the management and decision-making processes. Our review yielded an overall theme for each of these areas:

- Strengthen unified operations by enhancing the joint structures that plan and perform missions, and by sharpening the focus of the Services to provide capabilities (Chapter 2).
- Focus DOD infrastructure on effective support for unified military capabilities (Chapter 3).

- Improve the processes that support decision-making in DOD and establish a DOD-wide focus on missions (Chapter 4).

In the remaining chapters of this report, we offer our view of the directions DOD must pursue to ensure military effectiveness in the future. The general directions and specific recommendations that we make reflect our conceptual framework. Certainly, not every recommendation aligns with every aspect of our framework; but in terms of the general direction, we believe they are consistent and properly balanced.

# CHAPTER 2

# Effective Unified Military Operations

The primary goal of DOD is to achieve effective military operations. Improving joint military capabilities is the key to reaching this goal. America has been moving in that direction since World War II and now is the time to make the necessary adjustments.

Future military operations will call on the capabilities of all the Services along with support from the defense agencies, other government agencies, and nongovernmental organizations. Pulling these capabilities together for complex, dangerous joint military operations is the responsibility of the Commanders in Chief (CINCs). They can fulfill this responsibility only if the Services and other supporting organizations provide the capabilities needed.

We reaffirm the role of the CINCs that has evolved in law and in practice: CINCs are responsible for fighting America's wars and employing military forces in pursuit of national security objectives. CINCs must have greater influence over the processes and priorities used by DOD to acquire the capabilities they need to accomplish their missions. But they must not be burdened with responsibilities that could detract from their primary role of preparing for and conducting military operations.

Our specific recommendations for improving overall joint operational effectiveness fall into twelve categories, which are discussed in this chapter:

- Create a unified vision for joint operations.
- Strengthen joint doctrine.
- Strengthen support for the CINCs' missions.
- Improve joint training.
- Create a functional unified command responsible for joint training and integration of forces based in the Continental United States.
- Develop and implement joint and future readiness indicators.
- Review CINCs' geographic responsibilities.
- Prepare for changing mission priorities.
- Concentrate Service efforts on military core competencies.
- Further integrate the Reserve Components.
- Review capabilities in the aggregate.
- Set outdated arguments aside.

# CREATE A UNIFIED VISION FOR JOINT OPERATIONS

Operation Desert Storm demonstrated that the military capabilities developed separately by each of the Services are individually superb. But they do not work well enough *together*. We believe this happens because, in the absence of a unifying vision to guide their efforts, each Service develops capabilities and trains its forces according to its own vision of how its forces should contribute to joint warfighting. Not surprisingly, the Services' ideas about how to integrate all forces reflect their own perspectives, typically giving the other Services a role supporting the "main effort."

> "No military task is of greater importance than the development of strategic plans which relate our revolutionary new weapons and force deployments to national security objectives. Genuine unity is indispensable at this starting point. No amount of subsequent coordination can eliminate duplication or doctrinal conflicts which are intruded into the first shaping of military programs."
>
> — President Dwight D. Eisenhower, *Message to Congress*, 3 April 1958

Each Service's vision informs and guides its internal decisions on systems acquisition, doctrine, training, organization, management of forces, and the conduct of operations. Forward . . . From the Sea; Force XXI; and Global Reach, Global Power are vision documents published by the Departments of the Navy, Army, and Air Force, respectively. They are valuable statements of how each Service views its role. These Service visions help form a joint vision, but collectively they cannot replace it. Competing elements exist in these visions that must be reconciled. They are also incomplete. There is no joint command and control or joint logistics. The Service visions do not explain collectively how a joint force commander can integrate Service capabilities to achieve the most effective mix for specific warfighting purposes.

> Recommendation: The Chairman of the Joint Chiefs of Staff (JCS) should propose, for the Secretary of Defense's approval, a future joint warfighting vision to help guide Service force development efforts.

Basically, competition among warfighting visions is a strength. Indeed, this is among the principal benefits of the uniquely American organization for defense. The variety of Service perspectives adds breadth, flexibility, and synergy to military operations. Nevertheless, integrating their warfighting concepts must receive more emphasis. Otherwise, the Services can only work to develop the capabilities they need to fulfill their own particular visions.

We find a pressing need for a central vision to harmonize the Services' own views. This vision should drive joint requirements and serve as a basis for

elevating the importance of joint operations as an essential "core competency" of all joint commands and agencies.

In addition to the general aim of providing an overarching guide for developing joint warfighting requirements, a unified vision will accomplish several other direct and indirect purposes. Among the direct aims are giving the Services guidance regarding the capabilities they should supply to unified military operations. With a common base of understanding, the CINCs and Services can have congruent expectations of the capabilities of forces assigned to the CINCs by the Military Departments. The unified vision will provide a framework for the development of the common operational and organizational concepts needed for "baseline" joint force headquarters, and a common base for assessments of current and future joint capabilities. Indirect purposes include encouraging the Services to "mature" their own visions by incorporating an accurate concept of how they contribute to DOD's total capabilities.

The unified vision for joint operations needs to be part of the overall vision that should guide DOD's long-term planning. The development of such a vision is also discussed in Chapter 4.

## Strengthen Joint Doctrine

> "At the very heart of war lies doctrine. It represents the central beliefs for waging war in order to achieve victory."
>
> —General Curtis E. LeMay, USAF

The Goldwater-Nichols Act (1986) assigned responsibility for developing doctrine for the joint employment of the U.S. Armed Forces to the Chairman of the Joint Chiefs of Staff. Since then, a first generation of joint doctrine has been developed. In many cases, it represents a compendium of competing and sometimes incompatible concepts (often developed by one "lead" Service). Joint doctrine should be developed on the basis of the unifying joint vision discussed above to better guide Service efforts to build and integrate the capabilities needed for joint operations.

> Recommendation: Revise the joint doctrine development process. Make one joint agency the leader for "capstone" doctrine.

The practice of designating one Service to act as the lead agent for the overarching doctrine that broadly guides all Service activities – such as Joint Pub 3-0, *Joint Operations*, for which the Army took the lead – can produce widely differing interpretations and confusion. To preclude this problem in the future, we recommend revising the joint doctrine development process. A joint agency should be designated to lead the process, thus eliminating use of one Service as lead agent for capstone joint doctrine. Service participation in the development of capstone doctrine is still essential, and

assignment of Service lead agents is still appropriate for more narrowly focused doctrine.

> "Doctrine provides a military organization with a common philosophy, a common language, a common purpose, and a unity of effort."
>
> —General George H. Decker, USA

We reaffirm the role of the Military Services in developing concepts, doctrine, tactics, techniques, and procedures that derive from their core competencies. Ultimately, the Chairman of the JCS must use his authority to lead the joint doctrine process. Doctrinal products should be based on accepted principles and not rigid rules. CINCs and Joint Force Commanders should be given flexibility in applying joint doctrine to specific circumstances.

The Joint Warfighting Center, established in June 1994, is responsible for assisting the Chairman, the unified CINCs, and the Service Chiefs in conceptualizing, developing, and assessing current and future joint doctrine. We believe the responsibilities assigned to the Joint Warfighting Center are important, and we urge the Secretary of Defense to provide the people and money necessary for the Center to fulfill these responsibilities. The Center also should assist the Chairman in developing training and equipment standards for core elements of joint force headquarters to provide standardization and interoperability from theater to theater. We urge the Services to assign their top warfighters to these efforts.

Disagreements over the specifics of doctrine are compounded by deeper differences among the Services. They define and use doctrine differently. We believe that suitable joint professional military education and greater Service cooperation in joint activities are fundamental to effective joint doctrine.

## Strengthen Support for the CINCs' Missions

The CINCs must have greater influence over the processes and priorities used to acquire the weapons, equipment, and forces they need to accomplish their warfighting and other missions; but, they must not be burdened with responsibilities that could detract from the execution of those missions. The CINCs must also have peacetime authority over forces, planning, and training commensurate with their responsibility for unified military operations. This authority should include peacetime mechanisms to ensure inter-Service cooperation, which must be consciously — even aggressively — developed through better joint training and greater attention to interoperability to ensure effective joint operations.

To this end, several actions can be centralized to assist the CINCs in their integration of Service capabilities and to facilitate interoperability of joint forces. We recommend that the Chairman of the JCS:

- In coordination with the CINCs, develop a near-term, integrated theater air and missile defense concept with a corresponding doctrine and functional architecture.

- Continue refinement of joint concepts, doctrine, and requirements for future theater air and missile defense, fire support, deep attack, and other major warfighting functions that cross Service boundaries.

- With CINC participation, develop an integrated architecture for command, control, communications, computers, and intelligence ($C^4I$) to increase effectiveness when operating across the boundaries among CINCs' areas of responsibility.

- Develop appropriate concepts, doctrine, organizations, and procedures to enhance joint logistics capabilities available to the CINCs, including integrating national-level support and Service logistics support in the theater.

Recent management initiatives – such as the Expanded Joint Requirements Oversight Council and its Joint Warfighting Capabilities Assessment process – provide geographic and functional CINCs with better linkages of their operational needs to the decision-making and management processes that develop, fund, and deliver the needed forces, equipment, and support essential to successful operations. These initiatives should be strengthened, as discussed in Chapter 4.

## Command, Control, and Communications Support

Recommendations: (1) Better integrate $C^3$ architectures and systems for CINC use. (2) Give the CINCs more peacetime control over theater communications resources.

The CINCs must participate in the development of communications support systems to ensure that their needs are met. In most cases, this should be done through the management system that we recommend in Chapter 4. But, in some cases, the CINCs may need specific authority. We recommend that geographic CINCs manage communications resources (e.g., radio frequencies, bandwidth, power output, and capacity) within their geographic areas of responsibility (AORs). Organizations that perform this function already reside within the European and Pacific Command AORs, but they are assigned to the Defense Information Systems Agency (DISA) and only come under the CINCs' operational control in wartime. To give the CINCs the ability to manage communications resources

within their theaters, these organizations should be placed under the CINCs' control in peacetime as well. CINCs should also have authority to tailor solutions specific to their AORs, consistent with DOD concepts, standards, and architectures.

## Intelligence Support

> Recommendation: Give CINCs more control over intelligence support.

The CINCs need more influence over the establishment of intelligence requirements, setting of collection priorities, and dissemination of intelligence products in their geographic or functional areas. The intelligence community can provide more timely and responsive intelligence support to joint commanders during military operations by realigning roles and responsibilities among the Services, combatant commands, and defense agencies. Because the structure and functions of the entire U.S. intelligence community are being reviewed by the Commission on Roles and Capabilities of the U.S. Intelligence Community, we deferred to that group on most intelligence-related issues. But our analyses led us to conclude that some steps can be taken now to improve the support provided to the CINCs by intelligence components within DOD. Accordingly, we recommend the following:

- The Secretary of Defense should centralize authority for developing intelligence support capabilities within DOD under a senior military intelligence officer with authority to review, evaluate, and revise intelligence programs. This officer would advise the Secretary on intelligence organization, structure, and spending for all DOD-funded intelligence programs.

- The Chairman of the JCS should give unified commanders a greater voice in the development of intelligence capabilities to support their planning and operations.

- The Chairman of the JCS and the CINCs should ensure that operational unit commanders have a feedback mechanism that tracks the status of their intelligence collection requests.

## Space-Based Support

Space-based systems are increasingly important to unified military operations and integral to the combat capabilities fielded by the Services. But the availability of some critical space-based information is not controlled within DOD; national systems under the control of the intelligence community provide information that can multiply combat effectiveness.

> Recommendations: (1) Increase DOD influence over space-based support. (2) Give DOD a greater voice in satellite tasking.

Under current law, the Secretary of Defense, through the National Reconnaissance Office (NRO), acquires and operates space-based reconnaissance systems to satisfy the requirements of all elements of the intelligence community. The Director of Central Intelligence (DCI) establishes intelligence collection requirements and priorities. Within DOD, space programs are carried out by the NRO and the individual Services. An integrated space program, using the best practices of the NRO, the Services, and the civil and commercial sectors, would result in lower acquisition and operational costs for space systems and improve responsiveness to all users of space systems.

We recommend that the Secretary of Defense integrate the management of military and intelligence space activities; assign responsibility for developing an integrated architecture for military and intelligence space systems to a joint-Service office reporting to the Secretary; and assign the Air Force primary (not sole) responsibility for acquisition and operation of multi-user space-based systems. The implementation of this recommendation should preserve and extend the streamlined acquisition practices of the NRO.

The committee structure under the DCI that manages the tasking of satellites should be made more responsive to the CINCs' requirements. The process for requesting and obtaining intelligence products should be simplified and standardized among the system-specific review committees, which should be consolidated. There should also be greater DOD access to committee meetings that review CINC requests and make tasking decisions.

## Coalition Interoperability Support

> Recommendation: Expand planning and preparation for coalition operations.

Many future military operations will be conducted with coalition partners. The CINCs need to expand their planning and preparation for such operations. Consequently, we recommend that the Secretary of Defense:

- Assign CINCs the responsibility for ensuring that current information on likely partners — including communications systems, procedures, and infrastructure — is available for contingency planning.
- Encourage the CINCs to train with potential coalition partners.
- Provide for coalition liaison teams to enhance operations with likely coalition partners. These teams would train and operate with coalition command

elements to provide access to U.S. intelligence; command and control; combat support; and, where appropriate, logistics.

- Ensure the availability of equipment (particularly communications gear) to facilitate the work of coalition liaison teams in enabling coalition partners to participate in peacetime combined exercises and actual operations.

- Substantially increase funding for the International Military Education and Training Program and the Military-to-Military Contact Program from the current levels of $27 million and $12 million, respectively.

## Improve Joint Training

Training is the key to maintaining Service core competencies and joint training is critical to the success of unified military operations. Joint training is not being done as well as Service training. As the Chairman of the Joint Chiefs of Staff recently noted, this is a chronic problem: ". . . When you look at joint training . . . it's an embarrassment to me. I have gone to more joint exercises and walked away from them more embarrassed than anything else."[2]

Recommendations: (1) Fully fund joint training. (2) Give the CINCs more authority over the joint portions of Service component training budgets.

Emphasis on joint training throughout DOD must be increased. To this end, we recommend that joint training be fully funded in DOD's budget and that the CINCs be given more control over the portions of Service component training budgets that are integral to joint training. In particular, they should have authority to disapprove the diversion of Service funds from joint training. The CINCs also need improved simulation techniques, more rigorous training readiness standards, and better tools for conducting and evaluating joint training.

Recommendation: Extend joint evaluation to the unit level.

We endorse the development of unified command-level "Joint Mission Essential Tasks Lists" and we recommend extending this concept to tactical-level Service units. This would mean, for example, that Army maneuver units would be evaluated on their ability to integrate fixed-wing close air support into their tactical plans; Marine units would be judged on their ability to integrate Army Multiple Launch Rocket System units. Failing to demonstrate proficiency for any reason, including the inability of another Service to provide the necessary people or equipment, would cause a degraded readiness rating. This should cause the appropriate CINC to direct a

[2]General John M. Shalikashvili, speech to the Association of the United States Army Land Warfare Forum, 1 September 1994.

higher priority for this type of joint training by Service component commanders.

> Recommendation: Increase joint training activities.

Other changes are necessary: Joint training should be increased for close air support, and for all elements of theater air and missile defense forces, even at the expense of some Service-unique training. Core joint task force headquarters elements should be identified and exercised. Intelligence systems should be used during joint exercises, along with the battle management systems and command, control, and communications equipment needed to ensure connectivity of joint task forces. The functional CINC responsible for joint training and integration of U.S.-based forces (discussed below) should have the funding needed to develop enhanced joint training techniques within the revised DOD management system that we recommend in Chapter 4.

## Create a Functional Unified Command Responsible for Joint Training and Integration of Forces Based in the Continental United States

> "One of the lessons which have most clearly come from the costly and dangerous experience of this war is that there must be unified direction of land, sea, and air forces at home as well as in all other parts of the world where our Armed Forces are serving."
>
> — President Harry S Truman, Message to Congress, 19 December 1945

The National Security Act of 1947 provided for the operation of the Armed Forces under unified control and "for their integration into an efficient team of land, air, and naval forces."[3] The Goldwater-Nichols Act gave the CINCs authority over the forces assigned to their commands, including all aspects of military operations, joint training, and logistics. It also gave them specific authority to organize and employ assigned forces as they deemed necessary.[4] Therefore, every CINC is responsible for training and integrating assigned forces.[5] Most U.S. military units are now stationed in the Continental United States (CONUS), although they can be apportioned to, and employed in, the area of responsibility (AOR) of any geographic CINC. A recent example is the deployment of the Army's 25th Infantry

[3] Public Law 253 — 80th Congress, Section 2, 26 July 1947.

[4] 10 U.S.C. 164(c).

[5] "Assigned" means that a force has been placed under the command authority of a CINC by direction of the Secretary of Defense. "Apportioned" means that the force has been made available *for planning purposes* to another CINC or several CINCs (including, possibly, the CINC to which the force is assigned).

Division from its base in the U.S. Pacific Command (PACOM) AOR to Haiti, which is in the U.S. Atlantic Command (ACOM) AOR.

> "This important proposal would make CINCACOM responsible for ensuring that forces that will fight together also train together."
>
> — Secretary of Defense Les Aspin, letter to Senator Sam Nunn, 29 March 1993

This flexibility in deploying units to any CINC's AOR puts even more emphasis on joint training. American forces must have the appropriate knowledge, training, and interoperability for adapting quickly to the different CINCs' warfighting needs. A command that concentrates on preparing the forces stationed in CONUS for joint operations, to include deployment planning, is of particular importance. Therefore, we endorse the assignment of the functional mission of preparing joint forces to the U.S. Atlantic Command in October 1993. However, ACOM's new capacity as "joint force integrator" has not been adequately developed. This function must be better defined, understood, and accepted by all the CINCs. We also find that ACOM's geographic AOR detracts from its functional responsibilities. Therefore, we recommend that the President and Secretary of Defense do the following:

> Recommendation: Create a functional command responsible for joint training and integration.

- Separate the geographic and functional "joint force integrator" missions currently assigned to ACOM — creating a functional unified command.

- Assign all CONUS-based general purpose forces, including West Coast forces assigned to PACOM, and Reserve Component forces, to the resulting functional unified command.

- Give the CINC of this functional unified command specific responsibility to

  - ► assist the Chairman of the Joint Chiefs of Staff in integrating the requirements of the geographic CINCs that flow from their individual contingency plans;

  - ► provide forces to geographic CINCs and ensure those forces are trained and integrated as joint forces and are capable of carrying out the tasks assigned to them;

  - ► support the joint training requirements and in-theater exercises of all unified CINCs and, through this process, provide an overarching input to the Chairman on joint warfighting requirements based on "lessons learned" during training;

  - ► train and assess the readiness of CONUS-based Active Duty and Reserve Component forces to meet integrated operational requirements;

- assist in the development of tools for conducting and evaluating joint training, such as better joint training readiness standards and measurement techniques, and greater use of simulation techniques; and

- assist in the development and validation of future joint warfighting concepts that will guide long-term force structure and modernization plans.

## Develop and Implement Joint and Future Readiness Indicators

Unified commanders do not have an effective mechanism for assessing the joint readiness of the forces assigned to them in peacetime, much less for assessing the readiness of forces that are apportioned to them for planning purposes, but which are assigned to other CINCs.

Readiness has two dimensions: (1) the readiness of individual force elements to perform assigned tasks and (2) the ability of these force elements to integrate into the unified command structure to accomplish their portions of the joint mission. The first of these two dimensions is the responsibility of the Services; individual force readiness should be assessed against standards derived from the particular contingency plan(s) to which each force element is apportioned.

While Service assessments highlight strengths, weaknesses, and risks for all their forces, there are differences in methodology among the Services. Moreover, they do not evaluate the joint readiness of major force "packages" designed for contingency plans. And they do not provide estimates of future unit readiness, since they cannot forecast readiness as a function of resource projections.

> Recommendation: Develop a joint readiness assessment system.

A measurement system should be developed to determine and forecast the joint warfighting capabilities of forces assigned to the CINCs. The geographic CINCs need joint readiness assessments to plan for the employment of forces not assigned to them in peacetime. Perhaps more importantly, the Chairman of the JCS and the Secretary of Defense need these assessments to help them plan future forces.

The information from such a measurement system should be factored into the up-front assessment and budget planning processes recommended in Chapter 4.

# REVIEW THE CINCs' GEOGRAPHIC RESPONSIBILITIES

We believe that the Unified Command Plan (UCP) should reflect the regional focus and new missions emphasized in the National Security Strategy. Adjustments are needed to foster more rapid adaptation to changing threats and better align the unified command structure with the national security strategy. Specifically, we believe that the AORs of the geographic CINCs should be adjusted to eliminate "seams" that may impede joint operations between military theaters of operation and better align CINC responsibilities with regional strategies and strategic interests.

We recommend that periodic reviews of CINC missions and forces apply six broad principles:

- The geographic responsibilities of the CINCs should correspond to areas of recognized or likely strategic interest to the United States.

- The size of each AOR should accommodate the CINC's representational obligations and other responsibilities. The CINCs spend much of their time involved with politico-military dealings with security officials of countries in their respective AORs; the number of those countries is a major factor in the CINC's "span of control." Other significant factors include the political, economic, religious, and cultural diversity of the region; its physical size; and the presence of strategically important areas of conflict (or potential conflict) such as territorial disputes or other hostilities among countries.

- Seams between CINCs' AORs should be reviewed to ensure that they do not split areas of strategic interest or exacerbate existing political, economic, religious, or cultural differences.

- Sufficient land area, sea area, and airspace should be included in each AOR for the CINC to carry out assigned missions and, if necessary, wage an effective unified military campaign against any plausible adversary.

- The distinction between geographic and functional CINCs should be preserved (i.e., functional CINCs should not have AORs).

- The responsibilities assigned to the functional CINCs should be reviewed periodically for overlap and consolidated where practical.

We evaluated opportunities to consolidate unified commands. In all cases, we found potentially high costs associated with the CINCs' span of control and only limited cost savings. The continuing requirement for global military leadership, and increased demands for the attention of U.S. military leaders from more nations, may argue for exactly the opposite – in favor of more geographic CINCs with smaller AORs or more extensive use of sub-unified commands.

Northeast Asia typifies the need for continual review based on the principles stated above. The economic vitality of the region and its position as a major U.S. trade partner represent vital strategic interests of the United States. Northeast Asia lies entirely within PACOM's AOR, with politico-military affairs managed by PACOM and its two subunified commands in Korea and Japan. PACOM's AOR is the largest, in terms of area, and contains several points of strategic interest that compete for the attention of U.S. authorities. Once tensions have been reduced on the Korean peninsula, the warfighting responsibilities of the peninsula's U.S. command may diminish sufficiently to consider whether it is more desirable to reallocate resources and establish a unified command for Northeast Asia, or to retain an integrated view of Asia in PACOM.

Another example of how these principles could be applied involves the current placement of India in PACOM's AOR and Pakistan in the Central Command (CENTCOM). Tensions between these two countries and their nuclear potential might argue for assigning responsibility for them to the same unified command (the State Department has both countries under a single bureau). Movement of the seam between India and Pakistan, however, would necessarily create a new seam elsewhere, either between India and China or between Pakistan and its Islamic neighbors. Furthermore, putting India and Pakistan in either PACOM's or CENTCOM's AOR would decrease the span of control of one CINC, but perhaps not as significantly as it would increase the span of control of the other.

The responsibility for making these tough choices is rightfully vested by Congress in the President, with the advice of the Secretary of Defense and Chairman of the JCS. In Chapter 4, we propose a strategy review at the beginning of each Presidential term that could provide the appropriate timing and means for reviewing questions about the assignment of AORs and the UCP in general.

## Prepare for Changing Mission Priorities

Congress specifically told us to identify emerging or "new" missions to ensure that the Nation will have the military capabilities necessary for the future. Based on our view of the future, we conclude that four areas demand immediate attention from the Federal Government generally, not just from DOD. The four areas discussed below will provide significant security challenges and opportunities in the years ahead. While they demand higher priority treatment from DOD, we caution that they should not replace preparation for fighting major conflicts as the single most important priority of the Department. The four areas we nominate for concerted attention are combating proliferation, information warfare, peace operations, and the collection of other activities known in DOD as "operations other than war."

## Combating Proliferation of Weapons of Mass Destruction

Combating proliferation of weapons of mass destruction (WMD) requires the combined resources of a variety of law enforcement, technical, intelligence, diplomatic, and defense organizations to identify proliferation threats and deal with them effectively. The range of needed activities includes diplomatic and commercial efforts to prevent the proliferation of commercial technologies essential to developing WMD; intelligence and domestic and international law enforcement capabilities to identify and intercept proliferation; diplomatic actions to redress proliferation; and military capabilities to deter and, if necessary, remove proliferation threats. These functions span many organizations.

> Recommendations: (1) Put the Vice President in charge of integrating a national capability to combat proliferation. (2) Increase the CINCs' role.

The President has declared combating proliferation a national emergency. We recommend putting the Vice President in charge of an interagency effort for integrating national capability to combat proliferation until an effective process is in place. Furthermore, we recommend establishing an interagency working group (IWG) of the National Security Council with broad responsibility for all aspects of the proliferation mission — from diplomatic efforts to military action. A multi-agency, interdisciplinary planning staff should be established to support the IWG.

We endorse the Secretary of Defense's recent assignment to the geographic CINCs of responsibility for planning, targeting, and executing specific regional activities to combat proliferation — along with the ongoing preparation of a DOD directive on combating proliferation, which will communicate departmental policy, assign responsibilities, and establish procedures. To further enhance DOD's efforts to combat proliferation, we recommend the following:

- The Under Secretary of Defense (Policy) should set up a DOD "combating proliferation coordinating committee" to coordinate policy and all administrative activities (e.g., funding, research and development, coordination, and mission support).

- The Chairman of the JCS should develop a procedure for integrating the capabilities of the functional CINCs into DOD's overall planning for combating proliferation.

## Information Warfare

In the past, victory in war hinged on ability to dominate airspace, land, and the oceans. Today and in the future, major strategic and tactical advantages can be gained by controlling an adversary's access to information while protecting

one's own information – and capitalizing on the difference. The growing worldwide dependence on digital communications and data storage, much of which is vulnerable to manipulation and destruction, creates both dangers and opportunities for the United States and its allies.

In information warfare (IW), vulnerabilities are exploited through electronic means, psychological operations, and other measures designed to manipulate, deceive, disable, or destroy an opponent's information systems. Current and potential U.S. adversaries are vulnerable. IW techniques carried out during wartime or other periods of conflict can disrupt a state's leadership of troops, its allies, or its own population.

Like other forms of warfare, IW has a flip side. It is just as important to take effective measures to prevent an adversary from exploiting one's own vulnerabilities. Its heavy reliance on digital communications and control systems, coupled with a tradition of openness, makes the United States a particularly rich target for an opponent capable of waging IW. Such an adversary could cripple major civil and military support functions – financial, transportation, and communications – without even entering the country. America's clear conventional military superiority may cause opponents to see IW and other nontraditional forms of power as available means to achieve their goals.

> "Tomorrow's terrorist may be able to do more damage with a keyboard than with a bomb."
>
> – *Computers in Crisis,* Report of the National Research Council

A wide variety of IW activities are underway within the U.S. Government. During the past few years, IW efforts, both offensive and defensive, have received a great deal of official attention. But the U.S. Government, as in the case of combating proliferation, lacks a comprehensive, integrated approach to the problems and opportunities raised by the explosive growth in reliance on information technology. In short, there is no overarching, government-wide concept for using IW to promote and protect U.S. national interests. An example is the statutory separation of responsibilities for protection of Federal government information systems between the National Institute for Standards and Technology and the National Security Agency. A more intense focus on resources, policy, and interagency cooperation on information security is needed. Therefore, we focus our recommendations on reducing U.S. information systems' vulnerability while leaving the exploitation of the potential of offensive warfare to the appropriate DOD activities.

## Peace Operations

The President's National Security Strategy is clear about peace operations, stating that, "We must prepare our forces for peace operations . . . in some cases

their use will be necessary or desirable and justified by U.S. national interests."[6] The central purpose of peace operations — to prevent, halt, or contain conflict — requires combat-ready military forces sufficient to accomplish the mission. Peace operations share characteristics of both warfighting and other conflicts. They are a vital part of the National Security Strategy. We must not underestimate the difficulty of these efforts:

> Preventive diplomacy and conflict prevention do not lessen the difficulty of choices for leaders, nor do they really lessen costs. For either to succeed, policy makers must still spell out their interests, set priorities among cases, and balance goals with resources. The President will still need to educate the American people about the rationale behind a policy and convince them of the need for action. Absent well-defined interests, clear goals, and prudent judgment about acceptable costs and risks, policies of preventive diplomacy and conflict prevention simply mean that one founders early in a crisis instead of later.[7]

Peace operations have the potential to deal with precursor instabilities and, thus, to prevent conflicts from reaching a stage where U.S. forces could be thrust into an active combatant role at considerably more expense and greater risk. Despite their value as investments in stability, and the continued likelihood of these occurrences in the next decade, military planners now treat peace operations as a subset of the "Operations Other Than War" (OOTW) category.[8] This treatment ignores the full range of approaches to resolving conflicts by assuming that military forces exist only to "fight and win nation's wars." While that notion may deter some conflicts, others are not affected.

The challenges here are as follows: First, identify conflicts that might be deterred or mitigated by peace operations and are of sufficient U.S. national interest to warrant commitment of forces. Second, determine how best to integrate peace operations into operational planning and training regimes. Third, determine how best to organize DOD and non-DOD assets to conduct these operations. Fourth, ensure that peace operations are paid for without undermining the readiness of forces not directly involved in them to effectively respond to other contingencies.

Lack of expeditious funding for peace operations degrades overall force readiness. The lag between conducting operations and receiving reimbursement forces DOD to deplete operations and maintenance (O&M) funds that had been

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[6] *A National Security Strategy of Engagement and Enlargement*, February 1995, p. 16.

[7] Stedman, Stephen John, "Alchemy for a New World Order: Overselling Preventive Diplomacy," *Foreign Affairs*, May/June 1995.

[8] In categorizing military operations, DOD uses the term "operations other than war" as a convenient way of grouping together military activities required to accomplish objectives that do not have combat or the military defeat of an enemy as their central purpose. Included in this category are those civil, humanitarian, peacekeeping, and other activities that are increasingly occupying the Nation's Armed Forces.

programmed for training and maintenance, and some force modernization efforts.

> Recommendations: (1) Assign proper priority to peace operations. (2) Integrate other agency resources. (3) Ensure funding without degrading readiness.

The question for DOD and the government is not whether the Armed Forces will conduct these operations – each case will depend on choices made by policy makers – but how they can be planned and carried out with a minimum of disruption to DOD's core mission of preparing for and fighting the Nation's wars. Peace operations are integral to the roles of all Services and an important mission for the geographic CINCs. They warrant appropriate training and equipping. While the overall size of the current force is adequate to meet the current level of peace operations, additional forces uniquely applicable to such operations could be needed if these missions increase in frequency or intensity.

To give U.S. forces the capabilities to conduct these operations successfully, we recommend the following:

- The Secretary of Defense should change DOD directives and planning guidance to acknowledge the value of peace operations, align them with contingency planning rather than as part of the general, all-inclusive category of OOTW, and assign them an appropriate priority.

- The Secretary of Defense and Chairman of the JCS should reflect the likely use of the Military for peace operations in programming and contingency planning guidance and provide for suitable training and selected equipment stockage.

- All concerned should continue to support streamlined funding mechanisms to provide necessary funds promptly. Continued use of emergency supplemental appropriation requests appears preferable to creating special contingency funds or requiring advance congressional approval of any nonroutine movement or use of military forces.

## Operations Other Than War

Our discussion above deals with peace operations, which DOD currently considers a part of operations other than war (OOTW). But in recent years, the Services also have been called upon to perform a spectrum of operations short of traditional combat operations – such as restoring civil order and providing humanitarian relief. The limited use of DOD forces for these operations will continue to be appropriate in circumstances where speed is essential or other

capabilities are not available. This is also true for some domestic natural disasters and humanitarian efforts.

> Recommendation: DOD should integrate OOTW capabilities into overall mission planning and assign proper priorities.

The challenge is to integrate the military capabilities required to perform peace operations into the DOD mission set, assign proper priorities, and develop training and other support activities to avoid degrading the readiness of U.S. forces for major combat operations.

Whether in the aftermath of U.S. combat operations, such as in Grenada and Panama, or during peace operations, as in Somalia and Haiti, one of the more difficult tasks once the shooting has stopped and a semblance of order has been restored is to hand over responsibility for law enforcement to other authorities. In the course of each of these military operations, civilian law and order broke down and no agency took responsibility for its restoration. A particularly contentious aspect of the debate was the issue of creating a local public security or "constabulary" force to maintain order after U.S. forces departed.

We expect DOD will continue to be called upon to carry out law enforcement operations in the future. Our recent experience in Latin America, the Caribbean, and Africa shows that there are no civilian agencies capable of short-notice law enforcement operations and training in hostile, demanding environments. By default, these missions — like other OOTW missions, such as large-scale delivery of food, water, or medicine into hostile areas — fall to the Military.

> Recommendations: (1) Remove legislative impediments to the training of foreign police by U.S. Armed Forces. (2) Assign the lead to the Army for short-term constabulary training.

For constabulary activities *per se*, we recommend that DOD formally acknowledge its emergency law enforcement and short-term constabulary training functions. The Secretary of Defense should assign these tasks to the Armed Forces, including the Reserve Components. The Army should have lead responsibility for organizing, training, and equipping U.S. forces to conduct law enforcement-related activities, although longer-term training should remain a civilian agency responsibility. Finally, legislation that restricts the ability of the Federal government to conduct constabulary training (e.g., Section 660 of the Foreign Assistance Act) should be amended to allow greater DOD participation.

We also recommend the following:

- The President should limit the use of military forces in both peace operations and OOTW to tasks that cannot be more appropriately assigned to others.

- The Secretary of Defense should propose to the National Security Council a Presidential Decision Directive ordering executive branch agencies to take the necessary steps to broaden the base of resources for peace operations and OOTW by planning for the extensive use of military reservists and other governmental agencies, contractors, and non-governmental organizations for tasks in their areas of competency. We specifically recommend action to improve the ability of a U.S. civilian agency to conduct longer-term law enforcement training.

An effective model for OOTW is the U.S. Coast Guard. While an agency of the Department of Transportation, the Coast Guard is a branch of the Armed Forces. Its military characteristics (e.g., chain of command, discipline, and 24-hour response capability) enable the Coast Guard to perform maritime safety, law enforcement, and marine environmental protection roles – and still meet its national security mission. The Coast Guard's success in meeting its multi-mission responsibilities results from effective coordination of all aspects of operations – from planning through execution – with DOD and other Federal, state, and local agencies.

## Summary

In recommending these approaches to the emerging mission areas outlined above, we recognize some limitations on the ability of DOD and the NSC process to develop successful policies and programs. First, many agencies have roles in these areas, but at the same time have other priority tasks. Second, in areas where many departments have strong interests and responsibilities – information warfare is a prime example – there is often reluctance to share information or be subordinate to others. Finally, effective new programs and efforts require funding, at a time when budgetary pressures are severe for the entire executive branch.

For all of these reasons, there is a premium on leadership within the NSC system – by the President, the Vice President, and other principals. We have tried to be specific about how various interagency efforts should come together, and we have identified specific leadership roles where appropriate. In all four of these mission areas, it is quite logical to assume that an effective interagency process will lead to new programs and responsibilities for various agencies; the Administration must be ready to restructure budgetary priorities to execute these initiatives.

# CONCENTRATE SERVICE EFFORTS ON MILITARY CORE COMPETENCIES AND THEIR SUPPORT OF THE CINCS

We reaffirm the roles of the Services that have evolved as DOD has matured. The Services provide the military capabilities essential to the accomplishment of missions assigned to the CINCs. They develop tactical concepts; manage research and development; acquire weapons and supporting systems; recruit, educate, and train personnel; develop leaders; and organize, train, and equip the specific forces that the CINCs need to accomplish their assigned missions. The Services' planning horizon extends well into the future, while the CINCs, of necessity, focus on near- and mid-term planning.

We recommend reemphasizing traditional Service functions, sharpening the boundaries in some areas where unneeded overlap occurs, and relieving them of responsibilities that detract from their core competencies.

The "core competencies" of each Service are the heart of the warfighting capabilities essential to effective unified military operations. A prerequisite to improved joint military effectiveness is ensuring these Service capabilities. However, many elements of each Services' core competencies must be carefully integrated across Service boundaries. This is especially true for Service capabilities that need to be interoperable with other Services' capabilities. Other areas common among the Service component commands assigned to each CINC also must be integrated.

Interoperability applies to more than just the obvious functions, such as communications. It is important for operational flexibility in munitions, other expendables, electronic support, and elsewhere. In the long term, interoperability can be enhanced through greater attention to commonality early in the

**What Are 'Core Competencies'?**

Core competencies are the set of specific capabilities or activities fundamental to a Service or agency role. They define the Service's or agency's essential contributions to the overall effectiveness of DOD and its unified commands.

As viewed by the Commission, Service core competencies include the following: *for the Air Force,* air superiority, global strike/deep attack, and air mobility; *for the Army,* mobile armored warfare, airborne operations, and light infantry operations; *for the Navy,* carrier-based air and amphibious power projection, sea-based air and missile defense, and anti-submarine warfare; *for the Marine Corps,* amphibious operations, over-the-beach forced entry operations, and maritime pre-positioning; and *for the Coast Guard,* humanitarian operations, maritime defense, safety, law enforcement, and environmental protection.

Among the core competencies of joint organizations are planning and conducting joint and combined military operations.

requirements-generation process, as discussed in Chapter 4. In the near term, it is important to support specific interoperability initiatives, such as

- upgrading the Navy/Marine Corps EA-6B force to meet all DOD airborne electronic stand off jamming needs;
- equipping enough Air Force KC-135 aircraft and replacement tankers with multipoint capability to refuel Navy, Marine, and coalition aircraft; and
- ensuring that all munitions, especially the growing inventory of laser-guided bombs and other precision munitions, are useable by the combat aircraft of all Services.

## Presence

Each Service is a major contributor to achieving the objectives of peacetime overseas presence — influencing nations and events, reassuring friends and allies, deterring would-be aggressors, and responding promptly to emergencies with combat forces. The President's National Security Strategy places a high priority on maintaining continued engagement overseas and the National Military Strategy calls on capabilities provided by all Services to meet the CINCs' overseas presence objectives.[9]

> Recommendation: Revise the process for determining the CINCs' overseas presence requirements.

Overseas presence is challenging because it is difficult to relate specific results to the efforts expended by the Military. Nevertheless, in a changing world, DOD must look for more efficient and effective ways to achieve the objectives of presence. We agree with the assessment of the Deputy Commander in Chief of U.S. Atlantic Command that "It is time to reconsider what is really required and what has simply become automatic."[10] The CINCs must state realistic requirements for presence and look at innovative alternatives to traditional types of presence. One option would be to give each geographic CINC a notional presence "budget."

> Recommendation: Experiment with new approaches for achieving overseas presence objectives.

In addition, inter-Service competition should yield significant benefits. The possibilities have been suggested by the Chairman: "Maybe I don't need to deploy the

[9] *A National Security Strategy of Engagement and Enlargement*, February 1995; and *National Military Strategy of the United States of America: A Strategy of Flexible and Selective Engagement*, 1995.

[10] Vice Admiral H.W. Gehman, Jr.; letter to Dr. John P. White, "Overseas Presence," 1 December 1994.

same capability all the time. Maybe I can build my forward presence around an Aegis cruiser . . . and the air . . . I forward deploy and put on the ground."[11] We recommend a vigorous experimentation program to encourage innovation, exploit the full range of Service capabilities, and evaluate alternative methods and mixes of forces to adequately achieve presence objectives. The functional CINC responsible for joint training and integration of CONUS-based forces should take the lead in this effort, in coordination with the geographic CINCs. Alternatives developed through this experimentation must provide forces capable of achieving the objectives of the geographic CINCs, particularly combat-ready forces to respond to crisis situations.

As stated in connection with cultivating potential coalition partners, we believe that many military-to-military contact and other foreign military interaction programs are a low-cost, but effective means for developing American influence in other nations. We encourage measures to further integrate and coordinate these programs within DOD and with other government agencies. In particular, we recommend that DOD, in coordination with the Department of State, give high priority to adequately funding military interaction programs.

## Combat Search and Rescue

Recommendations: (1) Give the Air Force Executive Agent responsibility for CSAR. (2) Air Force increase availability to meet needs of ongoing operations.

The requirement for combat search and rescue (CSAR) support in peace operations and operations other than war is likely to arise quickly, and it may generate steady-state requirements in more than one theater at a time (which has been the case recently). Too frequently, uniquely trained special operations units are called upon to provide day-to-day CSAR support, at the expense of their readiness to perform special operations activities.

Our focus on core competencies leads us to recommend that the Secretary expand the Air Force's executive agent responsibilities for escape and evasion to include responsibility for CSAR. Furthermore, in light of the persistent requirement for CSAR support, we recommend that the Secretary direct the Air Force to provide CSAR capability sufficient for ongoing operations without using special operations forces.

[11] General John M. Shalikashvili, "Readiness: It's a Balancing Act," *Air Force Times*, 2 January 1995.

# FURTHER INTEGRATE THE RESERVE COMPONENTS

Since establishing the Total Force policy in 1973, DOD has endeavored to make better use of Reserve Component forces. DOD should continue its efforts to ensure that the Reserve Components contribute as much as practical to executing the national strategy. Significant savings and public goodwill can be generated by using Reserve forces wherever and whenever they can provide a required military capability.

There are ways that DOD can make better use of the Reserve Components. Some reserve forces are not organized, trained, or equipped appropriately for the types of operations they are likely to face in the future. In particular, the Army, which has the largest Reserve Components, has a combat structure that exceeds requirements for fighting two nearly simultaneous major regional conflicts. At the same time, the Army reports shortages in deployable support forces.

Recommendations: Size and shape the Reserve Component forces according to principles reflecting Total Force needs.

We recommend the application of five general principles for sizing, shaping, and employing the Total Force to better integrate Reserve Components:

- First, the Total Force should be sized and shaped to meet the military requirements of the national security strategy.

  The Reserve Components should be assigned all tasks that they can accomplish within the mobilization and deployment times envisioned in the National Security Strategy. Maximum reliance on the Reserve forces conserves resources for other critical needs and involves the American people more broadly with their Armed Forces.

  All units should be evaluated on the basis of their readiness to accomplish assigned tasks within the time frames specified.

  The Secretary of Defense should clarify the extent to which the following Reserve Component tasks are intended to determine force requirements:

  - Warfighting and forward presence
  - General support forces and mobilization capability
  - Strategic reserve or reconstitution
  - General military service, including National Guard (militia) forces for domestic operations (e.g., disaster relief, civil disturbance, and border control) to the extent that these forces are funded by the Federal Government.

- Second, because not all units need to maintain the same level of readiness, the Secretary of Defense should fully implement the policy of "tiered" resource allocation. Units that are scheduled to deploy early and frequently should have higher priority for training resources, personnel, and equipment. DOD should allocate resources appropriate to the planned mission and the response time required. This will correct situations where some late or nondeploying units have funding priorities equal to, or higher than, early deploying units. However, planners should keep in mind that tiered resourcing deliberately leads to tiered readiness. Forces that get less resources are less ready, and less capable.

  More specifically, the Army should resolve the question of the readiness of National Guard "enhanced readiness brigades." Although the Army is committed to the readiness of these units, many in DOD doubt whether these 15 brigades can be ready in time to meet deployment schedules associated with the two major regional conflict scenario. We believe that designated Reserve Component units can be ready in time if policies are changed and sufficient resources are provided — for example, by raising the percentage of full-time leaders, active duty advisors, and skilled technicians in each unit. Providing many qualified advisors to the enhanced readiness brigades will place additional demands on active forces that are already fully committed. The Army's leadership must balance these competing demands.

- Third, Reserve Component forces with lower priority tasks should be eliminated or reorganized to fill force shortfalls in higher priority areas. For example, the Army has eight National Guard combat divisions with approximately 110,000 personnel spaces that were required for possible war with the former Soviet Union, but they are not needed for the current national security strategy.[12] At the same time, the Army estimates that there is a shortage of 60,000 combat support and combat service support troops to adequately support the Army, Air Force, and Marine Corps in two regional conflicts. The Secretary of Defense should verify this shortfall and direct the Army to restructure its combat divisions to provide the additional support forces needed.[13] This would still leave the Total Army with about 50,000 more combat spaces than required. The excess should be eliminated, from the Active or Reserve Components.

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[12] These Army National Guard divisions are not used in any major regional conflict currently envisioned in DOD planning scenarios. The conflicts would be finished long before the National Guard divisions can be ready. The Bottom-Up Review did assign these eight divisions secondary missions such as providing the basis for wartime rotation, serving as a deterrent hedge to future adversarial regimes, and supporting civil authorities at home. We believe eight divisions is too large a force for these secondary missions.

[13] We recognize that there are equipment implications. Some units will not need significant reequipping when they are restructured, such as a division artillery that transitions to a nondivisional field artillery brigade. Other units would need significant reequipping, such as an infantry unit being converted to an ammunition handling unit.

This principle should be applied to all Reserve Components of all the Services.

- Fourth, the Services should ensure that individuals and units of the Reserve Components are fully incorporated into all relevant operational plans and actually used in the execution of those plans. We have concluded that accessibility to Reserve forces is adequate. There is sufficient authority to call on them when needed, and the last two Presidents have used it. Reserve Components should participate in actual contingency operations commensurate with their training, demonstrated readiness, and availability.

- Fifth, greater integration and cooperation is required between Active and Reserve Components. Seamless integration is the key to effective Reserve support of the Total Force. The most effective Reserve units have strong, recurring association and cooperation with the Active components.

  Reserve Component units should be trained to perform specific tasks to the same standards as the Active component units, though they might not train to the same spectrum of tasks. For instance, Reserve Component units may specialize in a particular area (such as desert operations) or task (such as rear area security) and may defer more complex tasks for post-mobilization training.

  All Reserve Component units in the United States should be assigned in peacetime to the unified command responsible for the joint training and integration of U.S.-based forces (discussed above). That CINC should oversee the training and readiness of all assigned forces — Reserve as well as Active — to fulfill statutory responsibility for the preparedness of the command to carry out assigned missions. The Active components — given appropriate authority to establish standards and conduct evaluations and inspections — should be held responsible for Reserve Component training readiness.

  Other useful mechanisms to encourage Active/Reserve integration include joint training, common management information systems, personnel exchanges for professional development and experience, and making duty with the Reserve Components career-enhancing for active duty members of all Services.

  Finally, where significant uncertainties or differences of opinion exist, we recommend that DOD establish a series of tests, experiments, and pilot programs to determine whether Reserve Component units can perform to standards and whether different organizational and training arrangements would be more effective. This program will help match Reserve Component forces to requirements; identify the broadest set of opportunities for Reserve Component participation; clarify the resource levels needed to meet

operational standards; and encourage innovation in the structure and use of the Reserve Component.

# REVIEW CAPABILITIES IN THE AGGREGATE

## Fixing Responsibility

> "Strategy, program, and budget are all aspects of the same basic decisions. Using the advice of our scientists and our intelligence officers, we must make the wisest estimate as to the probable nature of any future attack upon us, determine accordingly how to organize and deploy our military forces, and allocate the available manpower, materiel, and financial resources in a manner consistent with the over-all plan."
>
> – President Harry S Truman, Message to Congress, 19 December 1945

The traditional "who gets to do what" view of roles and missions is fundamentally flawed. The question should be "who needs what" and the emphasis should be on the needs of the CINCs. That is, does the full set of available capabilities include everything they need to fulfill their missions? In the absence of a unifying concept for joint warfighting, each Service is fully engaged in trying to deliver to the CINCs what the Service views as the best possible set of its specific capabilities – without taking into account the similar capabilities provided by the other Services. When we reviewed the traditional roles and missions issues in the context of what the CINCs need to accomplish their missions, rather than what the Services need to fulfill their own visions of themselves, the results were enlightening.

## Deep Attack

Perhaps the best-remembered argument among the Services over who gets to do what was the 1949 debate over whether to fund a Navy "supercarrier" or an Air Force bomber. That debate centered on long-range delivery of nuclear weapons. Today, the nuclear aspect is less central, but the debate continues.

> ". . . Until long-range bombers are developed capable of spanning our bordering oceans and returning to our North American bases, naval air power launched from carriers may be the only practicable means of bombing vital enemy centers in the early stages of a war."
>
> – Admiral Chester W. Nimitz, Department of the Navy Press Release, 6 January 1948

For the purposes of our evaluation in this area, we defined deep attack as encompassing all actions that can apply force outside the area of close combat. In a world with weapons of mass destruction and sophisticated air defense systems, there is great value in fighting from as far as possible beyond an enemy's reach. The

CINCs have available several different weapon systems that can attack land and sea targets at varying ranges. The Services field a mix of land-based ballistic missiles, sea-based cruise missiles, and a growing inventory of precision-guided weapons and standoff weapons delivered by aircraft. All of these capabilities are useful. In the Gulf War, all were used. No CINC that we talked to proposed eliminating any of these capabilities, and it is almost inconceivable that one ever would, because they allow the Joint Force Commander to bring force to bear in a near simultaneous manner against the full array of enemy capabilities and sources of strength.

However, it is not clear that DOD has the correct balance of these various weapons. Currently, no one in DOD has specific responsibility for specifying the overall number and mix of deep attack systems. This is a primary example of the need for a unified vision as discussed earlier in this chapter. It also illustrates the more general problem discussed in Chapter 4 of the lack of a comprehensive process to review capabilities and requirements in the aggregate. It is of particular importance here because of the large number and high cost of deep attack systems. We believe that process improvements recommended in Chapter 4 provide the means for addressing this and similar issues in the future.

Moreover, DOD may have greater quantities of strike aircraft and other deep attack weapons systems than it needs. Overall deep attack capability is increasing with the refocus of the bomber force on conventional operations, growing inventories of improved precision-guided munitions, and procurement plans for stealth aircraft (which can provide a deep attack capability equivalent to that of many nonstealth aircraft in many instances). Because hostile states have available modern surface-to-air missile systems, stealth can be especially important. Precise standoff weapons that improve capability in high-threat environments are expensive, and nonstealthy aircraft require support from other aircraft to attack heavily defended targets.

> Recommendations: (1) Conduct an assessment of all Services' deep attack systems to determine appropriate force size and mix. (2) Defer decision on B-2 bomber funding pending analyses of the industrial base impact. (3) Accelerate funding for precision-guided munitions.

Capability improvements based on stealth and precision technologies portend major changes in force size and structure in the future. Consequently, we recommend prompt initiation of a DOD-wide cost-effectiveness study focused on finding the appropriate combination and quantities of deep attack capabilities currently fielded and under development by all Services. Only by approaching capabilities in the aggregate, from the CINCs' perspective rather than the Services', can this particular "who needs what" question be answered.

At congressional direction, we examined whether production of the B-2 bomber should be stopped, as planned by DOD. The answer to this complex question requires a broad examination in the context of DOD's overall deep attack capability.

The Commission's staff reviewed more than 20 studies addressing bombers. We were briefed on the most recent study prepared for the Secretary of Defense by the Institute for Defense Analyses. From these studies, briefings, and our own assessments, we reached two conclusions.

First, in the context of the force-sizing scenario of two nearly simultaneous major regional conflicts (as currently defined by DOD), we agree that the production of additional B-2s would be less cost effective than buying additional precision weapons for existing bombers and other strike aircraft, or otherwise improving the conventional warfighting capabilities of existing bombers.

Our second conclusion is based more on our review of DOD's overall planning in the deep attack area (or more precisely, the lack of such overall planning) than on individual bomber studies. We recommended above that the Secretary of Defense immediately institute a broad-based review of the Nation's planned inventory and mix of weapons and platforms for deep attack, to include bombers. We also believe that no final decision should be made on further B-2 funding until the industrial base portion of the OSD bomber study has been completed and reviewed. Our reasoning is that a final, concrete decision to halt B-2 funding should be made only when the full ramifications of the decision are understood. No bomber development program is currently underway. As has been the case with the B-52, the B-2 will likely be in service for 40 to 50 years. It is not possible to predict what requirements will exist that far in the future, and we are concerned that tomorrow's CINCs should not be deprived of adequate numbers of bombers because of a decision made today without the most careful deliberation.

While further study of deep attack capabilities and B-2 bomber funding is warranted, the capabilities provided by precision-guided munitions are proven. We recommend accelerating funding for the precision-guided munitions most needed by the CINCs.

## Set Aside Outdated Arguments

Viewed from our distinct perspective, some perennial roles and missions problems are not problems at all. As stated in Chapter 1, we reached this conclusion concerning the aggregate combat capabilities of the Marine Corps and the Army — the "two land armies" question; the assignment of Close Air Support functions; and the "four air forces" issue. In each case, our analysis of the aggregate capabilities available to the unified CINCs proved that popular perceptions

of large-scale duplication are wrong. We are firmly convinced that putting old "who gets to do what" arguments like these into proper perspective – and therefore, to rest – is an essential step toward focusing on joint military capability.

## Two Land Armies

Perhaps no issue illustrates the need to move beyond thinking about roles and missions in terms of who gets to do what as vividly as the question of whether the Army and the Marine Corps unnecessarily duplicate each other. The Conference Report leading to the 1952 legislation that wrote the Marine Corps' role into law specifically stated "there is no intention of converting the Marine Corps into a second land Army." We found that the Marine Corps has never been structured to be a second land army, yet the "two land armies" issue persists. We believe that 50 years is long enough. It is time to put outdated arguments like these aside.

We endorse the core competencies of both the Army for sustained land operations and the Marine Corps as the landward extension of naval force. In areas of apparent overlap, such as forced entry, the two Services provide complementary rather than duplicative capability. The CINCs – and the Nation – need both. However, we believe DOD may improve military operational capabilities and reduce Army and Marine Corps field headquarters structure through better integration.

Recommendations: (1) Enable Army and Marine Corps field headquarters to command and support forces of both Services. (2) Eliminate Marine Corps ground-based medium-altitude air defense capabilities; rely on the Army's core competency. (3) Relieve the Marine Corps of non-expeditionary engineering responsibilities. (4) Assign responsibility for afloat pre-positioning to the Marine Corps and ashore pre-positioning to the Army.

We recommend enhancing the command, control, and communications capabilities of Army corps and Marine Expeditionary Force (MEF) headquarters so that either can command and support forces from both Services. These enhancements should provide enough flexibility to permit headquarters reductions and other efficiencies.

We find, for example, that the Army's core competence in ground-based area air defense is duplicated, in part, in the Marine Corps. Once the command and control enhancements recommended above are in place, we recommend retiring the Marine Corps' Hawk missile units and giving the Army responsibility for ground-based area air defense for all land forces operating beyond the range of naval air and missile defense systems. The Marine Corps should retain its low-altitude, ground-based air defense weapons and the command, control, and

communications capabilities to support an integrated joint air and missile defense system.

We also find that efficiencies can be achieved by consolidating heavy engineering capabilities, which perform infrastructure construction and maintenance during sustained land operations. We recommend assigning this responsibility to the Army, and focusing the Marine Corps' engineering capability on tasks supporting expeditionary operations. We also recommend single management of afloat pre-positioning by the Marine Corps and single management of ashore pre-positioning by the Army to improve support to the unified CINCs.

## Close Air Support

Another perennial roles and missions issue concerns Close Air Support (CAS) — the use of aircraft to attack enemy targets in close proximity to friendly forces. Today, CAS is performed by all Services. In our view, this is appropriate. CAS is a vital capability that complements other fire support options. It is essential to the combined arms force that underpins U.S. military success.

> "Fortunately, during Desert Storm, the enemy did not choose to attack often, but in those cases where he did, the use of CAS was absolutely critical to the outcome of the battle."
>
> — General H. Norman Schwarzkopf

Close Air Support is only one of many functions performed by both fixed- and rotary-wing aviation. Combat aircraft are not "single use" weapons. The helicopters and attack, fighter, and bomber aircraft provided by the Services perform a range of critical combat functions, only one of which is CAS. Operation Desert Storm demonstrated the value of multi-mission aircraft. It is clear that no significant savings would result from removing the CAS function from one or more of the Services unless inventories of multi-mission aircraft were reduced. It is equally clear that overall capabilities would decrease and the forces in the field would be weakened. CAS is an important and demanding function. We recommend increased joint CAS training for all the Services' pilots and ground forces.

## Four Air Forces

The central aviation issue is not the existence of "four air forces," but whether the Services provide the appropriate mix and quantity of combat and support aircraft meet the unified CINCs' requirements and accomplish national objectives. Aircraft provided by all the Services permit versatile air operations in support of the Joint Force Commander's overall warfighting objectives. The integration of the particular capabilities provided by all the Services gives the Joint

Force Commander a highly prized degree of flexibility and synergism on the battlefield.

The successful initial attacks of the Gulf War demonstrate how these separate capabilities can be integrated to accomplish the CINC's objectives. In the first attack, Air Force stealth fighters surprised vital command, control, and communications targets in Baghdad, while Special Operations Command (SOCOM) Pave Low helicopters led Army attack helicopters against two air defense facilities to clear a path for other allied aircraft. That first night, the mix of aviation capabilities from all the Services — cruise missiles, bombers based in the United States, deployed fighters, and a host of important support airplanes — produced a highly effective attack.

While we conclude that the "four air forces" question is not a real issue, we also note that, as with deep attack, there are important questions about whether the Nation has too much combat aviation capability overall, and whether the current mix of combat aircraft is the right one. That is, do we have the right mix of aircraft in terms of stealth, range, basing (land- and sea-based), air-to-air and air-to-ground, and all-weather capabilities?

> "Military air power consists of Air Force, Navy, and Marine corps air power ... " — *Unification and Strategy: A Report of Investigation by the Committee on Armed Services*, House of Representatives, 81st Congress, 1 March 1950.
>
> "America has only one Air Force ... The other Services have aviation arms essential to their specific roles and functions but which also work jointly to project America's air power ... It is a potent combination, proven over and over in combat."
>
> — General Colin Powell, *Chairman of the Joint Chiefs of Staff Report on the Roles, Missions, and Functions of the Armed Forces of the United States*

In Chapter 3, we address various aviation infrastructure efficiencies, the key aspect of the true "four air forces" problem. The more efficient we can make the infrastructure that supports the "four air forces," the smaller will be the cost penalty of preserving this valuable flexibility. Our specific recommendations in the next chapter should enable significant cost reductions.

## SUPPORT THE COMMANDERS IN CHIEF

Setting outdated "who gets to do what" arguments aside is an essential step toward focusing on joint military capability. The real question is whether the sets of capabilities developed by the Services to fulfill their individual visions provide, in the aggregate, the right set of capabilities to enable the CINCs to accomplish their assigned missions. We address the means for resolving such questions in Chapter 4 with our recommendations for changes in requirements

and budgeting processes. But first we discuss ways of making DOD's extensive support establishment more efficient to customers.

# CHAPTER 3

# Efficient and Responsive Support

During the Cold War, the United States assembled a highly capable military force and equipped it largely by funding specialized industrial and support activities. This "military-industrial complex" fielded the world's finest weapon systems. It also consumed more than half of the Defense budget annually. Many of these public- and private-sector defense support activities now use inefficient practices because the laws, rules, and habits that have governed them over the years are no longer appropriate. As a result, in many activities in which the Department was once a leader, it has fallen behind private-sector technologies and management techniques.

In our effort to increase efficiency and save money, we reviewed the full spectrum of central support activities: logistics, medical, training, personnel, headquarters, acquisition management, and installations and facilities. We conclude that there are major opportunities to reduce the cost of DOD's infrastructure while enhancing its effectiveness. This chapter presents specific recommendations to that end. These specific recommendations are the result of a review process that should continue to be used to ensure sound management practices and responsiveness to changing circumstances.

DOD can benefit by adopting more of the innovative business practices used in the private sector. These practices can drive down the cost of activities supporting required defense capabilities and free money for needed readiness and modernization programs. The Department can benefit from these practices by relying more on the private sector for goods and services, and by pursuing these practices in its own facilities. Our recommendations address both approaches. Our proposed improvements are generally consistent with the Vice President's National Performance Review competition initiatives but are focused more on improving the Department's responsiveness and innovation. Some will require changes in the legislation and policies that govern these activities.[1]

Two major opportunities should be pursued aggressively: implementing the long-standing national policy of relying primarily on the private sector for services that need not be performed by the government, and reengineering the remaining government support organizations.

[1] The specific legislative changes are summarized in Appendix A. While the nature of the changes in the DOD infrastructure that flow from these recommendations could be large enough to warrant additional rounds of formal Base Realignment and Closure (BRAC) reviews, phased transitions and the need for enabling legislation preclude any conflict with the current BRAC review or prior BRAC decisions.

# INCREASE RELIANCE ON MARKET SOLUTIONS: OUTSOURCE COMMERCIAL ACTIVITIES

> "The Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels."
>
> —*Bureau of the Budget Bulletin 55-4*, 1955

Despite long-standing policy to the contrary in Title 10 and elsewhere, government employees perform work that could be done as well in the private sector. The Department of Defense annually reports to Congress that at least 250,000 civilian employees are performing commercial-type activities that do not need to be performed by government personnel.[2] This number exceeds the Department's estimates of the number of people who do comparable work for DOD in the private sector.

**Categories of DOD Commercial Activities**

| | |
|---|---|
| Social services | Health services |
| RDT&E support | Base maintenance |
| Education/training | Installation services |
| Data processing | Product manufacturing |
| Real property maintenance | Other operations |
| Equipment maintenance | |

The primary path to more efficient support is through "meaningful competition,"[3] which typically lowers costs by 20 percent for the types of commercial activities that DOD routinely reports to Congress (shown in the box at the right).[4] In the United States, this has been true both when meaningful competition was used in a previously sole-source area and in the few cases where private-sector companies competed with government organizations. The British Ministry of Defence achieved similar cost reductions during the last decade with its "market testing" programs.[5]

We are confident our recommendations for greater use of private market competition will lower DOD support costs and improve performance. A 20 percent savings from outsourcing the Department's commercial-type workload

[2] Department of Defense, *Report on the Performance of DOD Commercial Activities*, Washington, D.C., 30 January 1995, p. 5.

[3] "Meaningful competition" is generally defined as that generated by a competitive market including significant numbers of both buyers and sellers.

[4] Office of Management and Budget (OMB), *Enhancing Government Productivity Through Competition: A New Way of Doing Business*, August 1988; also Center for Naval Analyses (CNA), *Issues Concerning Public and Private Provision of Depot Maintenance*, CRM 94-65, April 1994.

[5] For example, see Uttley, "Competition in the Provision of Defense Support Services: the UK Experience," in *Defense Analysis*, Vol. 9, No. 3, 1993.

would free over $3 billion per year for higher priority defense needs, such as the equipment modernization required in the next decade.

Recommendation: Outsource all commercial type support activities.

We recommend that the government in general, and the Department of Defense in particular, return to the basic principle that the government should not compete with its citizens. To this end, essentially all DOD "commercial activities" should be outsourced, and all new needs should be channeled to the private sector from the beginning. Congress will need to remove the legislative impediments to full implementation of this long-standing policy. These impediments (see Appendix A) range from arbitrary allocations of depot workloads to a legislated requirement for full *and open competition* that conflicts with the proven private business standard of *effective competition*.

Outsourcing involves contracting with a private firm to supply goods and services previously provided "in-house." It has gained popularity in the private sector as companies focus on their own core competencies and shed ancillary activities. A growing number of companies are providing these services — including computing systems, payroll, security, maintenance, transportation, and the like. While DOD already outsources many activities, the availability of a robust market indicates that more can be done.

Outsourcing is not a universal remedy. Not everything should be done in the private sector. The conditions for successful outsourcing are not always present, and the government must retain certain core functions to protect the public interest. These functions are sometimes described as "inherently governmental"[6] or as those the "government must command [because they] represent the exercise of sovereign power."[7] Further, there may be some specialized activities where no private capability exists or can be reasonably developed. Such activities are obviously poor candidates for outsourcing. Finally, expanding the Department's use of contract support also requires improving DOD's abilities to create and administer those contracts, and to monitor contractor performance.

Outsourcing candidates include activities that range from routine commercial support services widely available in the private sector to highly specialized support of military weapons. For example, janitorial companies might perform facilities maintenance, replacing government custodians; or commercial software engineering firms might upgrade computer programs for sophisticated aircraft electronic countermeasures equipment, replacing government software specialists. Some of this work is contracted to the private sector already. Much more could be.

[6] Federal Acquisition Regulation (FAR), section 7.301.
[7] Testimony of Dr. Donald Kettl, Senate Budget Committee, 7 March 1995.

Government activities that do not depend on specialized, defense-unique equipment are prime candidates for early outsourcing. Included in this group are base security, facilities maintenance and installation management services, overhaul of widely used equipment, warehouse operations, formal classroom training, and a broad range of other normal business support activities now performed by government employees (financial services, payroll, data processing, etc.). Most of these have little direct association with combat forces and could be moved to private-sector markets where competition for the government's business ensures adequate cost control.

DOD already has a very wide base of experience with outsourcing of labor-intensive workloads — almost 200,000 work years of contracted support are reported annually. For example, at the space and missile test ranges, private companies run essentially all of the day-to-day infrastructure support, including security, fire protection, real property maintenance, and related activities.

The government also has experience with contracting for support from privately owned capital-intensive support activities — not just by DOD, but also by the Department of Energy and NASA — such as shipyards, weapons laboratories, and a portion of the military's family housing. Not all of this experience has been positive, in large part because of the difficulties in structuring appropriate contracts and establishing meaningful competition in some specialized situations. Nevertheless, over the long term, we believe the government will benefit from private financing, modernization, and efficient operations if it relies primarily on the private sector for its capital-intensive support needs in the United States.

Of course, these changes cannot be made overnight. Expanding the specialized contracting and oversight skills will require thorough planning and extensive training. Some transition plans might involve interim steps in which the government owns the facilities but contractors operate them for a fixed period before full divestiture.

Our recommendations also require a concentrated effort by DOD to care for its current work force. Displaced government workers must have reasonable opportunities for employment in the private sector, and employee pension and benefit equities must be considered. Equally important, government professionals responsible for overseeing the performance of private-sector support deserve advanced education and rewarding career paths. The Defense Acquisition Workforce Improvement Act has produced education and career improvements for those who manage large weapon systems programs where there is a long history of reliance on private industry. Similar consideration will need to be given to other government management professions, including financial management.

## OBJECTIONS

In consulting with DOD managers, we heard many objections to outsourcing. Often, they offered reasons why their particular areas should remain in the government — usually accompanied by assertions of cost savings. These objections were not a surprise. Similar objections are raised inside most other organizations — public and private — when outsourcing is proposed. The continuing growth of outsourcing in private markets and the results of academic studies provide clear evidence that such concerns are usually misplaced.

Another objection to policy-based outsourcing is an asserted "right" of government employees to "compete" for government work. Over the years, this concept evolved into a rigid requirement for detailed and lengthy cost-based justification before outsourcing any activity involving more than 10 government employees. This requirement, embedded in OMB's "A-76" Circular and in law, is inconsistent with the basic policy preference for private enterprise. It stifles initiative and hamstrings efforts to streamline operations.

Government procedures for public/private competitions have not resolved the "apples to oranges" problem inherent in comparing private and government support activities. Detailed comparisons of the likely costs of future activities between public and private entities still founder on the lack of comparable accounting systems, incompatible profit/loss mechanisms, and the uncertainty of future workloads.[8] Additional objections include allegations that contracted support is too unreliable. Our research indicates that these concerns are not well founded. When suitable contracts are used, private industry is just as reliable as government operations.

Finally, the largest practical obstacles to outsourcing involve community fears that these initiatives will disrupt lives and economies. For this reason, we emphasize the need to plan carefully and to fully consider the interests of government employees and communities.

> Recommendation: Outsource new support requirements.

After careful consideration of the objections presented to us, we urge the Department to proceed without delay to make reliance on private-sector support activities a central tenet of the Department's policies. The Secretary should direct outsourcing of existing commercial-type support activities and all new support requirements, particularly the depot-level logistics support of new and future weapon systems.

[8] Coopers and Lybrand, *Preliminary Case Studies of Public Versus Private Competition*, July 1994. Also the *Report of the Defense Science Board Task Force on Depot Maintenance Management*, April 1994.

DOD managers at all levels must be empowered to make sound business decisions based on broad policy guidance, rather than on detailed rules. Therefore, we also recommend that (1) OMB withdraw the A-76 Circular; (2) Congress repeal or amend specific legislative restrictions summarized in Appendix A; and (3) the Secretary extend to all commercial-type support activities where there is adequate private-sector competition DOD's current policy of avoiding formal public/private depot competitions.

> Recommendation: OMB withdraw Circular A-76; Congress repeal or amend legislative restrictions; DOD extend to all commercial-type activities a policy of avoiding public/private competition where adequate private-sector competition exists.

We make more detailed outsourcing recommendations in the following pages.

## DEPOT MAINTENANCE

Even after the 1995 Base Realignment and Closure actions, the Services will own and operate some 20 depots and shipyards to perform 70 percent of the industrial work required for depot-level periodic maintenance, remanufacturing, or modification of U.S. military equipment.

These depot practices date back to times when only government arsenals had the technical ability to produce and maintain sophisticated defense equipment. Since World War II, however, private-sector capabilities have increased significantly and the Department of Defense has relied on the private sector for production of most new major weapon systems. The growth of this capability, together with the strength of the U.S. industrial base, makes it possible to rely far more heavily on the private sector for efficient and effective depot-level maintenance.

However, the collection of laws, regulations, and historic practices developed to protect the government's depot maintenance capacity has stymied outsourcing. One impediment is how the Services set "core" requirements for in-house maintenance capacity. In many cases, their methodology would set "requirements" that exceed the real needs of the national security strategy. This practice artificially supports the current legislatively protected government depot capacity.[9]

> Recommendation: DOD move to a depot maintenance system relying on the private sector.

[9] Service Briefings to the Commission on Roles and Missions Staff, December 1994 – January 1995.

With proper oversight, private contractors could provide essentially all of the depot-level maintenance services now conducted in government facilities within the United States. This includes any "standby" surge capacity that may be needed. Private competitive practices (including market-driven innovation) should reduce operating costs and provide equal or greater responsiveness.

Private contractors have always provided depot-level support for weapon systems early in their life cycles and, in some cases, from "cradle to grave." Although "surging" of depot repair activity is no longer planned as a major factor in assuring sufficient equipment for our combat forces, private depot contractors and subcontractors have demonstrated responsiveness when asked. Desert Storm provided examples of contractors' abilities and willingness to surge their U.S. depot support for the Navy's Tomahawk missile program and the Army's Forward Area Alerting Radar (FAAR).

We recommend that the Department make the transition to a depot maintenance system relying mostly on the private sector. DOD should retain organic depot capability only where private-sector alternatives are not available and cannot be developed reasonably. The latter case may include existing weapon systems with only short service lives remaining.

## New Systems

We recommend that Congress remove the impediments to contracting with private firms for logistics support of all new weapon systems. In some cases, long-term support can be included in original, competitively awarded contracts. The Army has had good experience with such support for its Mobile Subscriber Equipment, and the Navy with its Tomahawk missiles.

> Recommendation: Direct support of all new systems to competitive private contractors.

In most cases, the government will need to establish a "level playing field" for competing depot support between the original equipment manufacturer (OEM) and other potential suppliers. To this end, DOD policy must ensure the early purchase of the technical data rights required for competition.[10] Ensuring that prime contractors provide access to essential technical data should be the responsibility of the defense acquisition executive who has milestone decision authority for the weapon system.

[10] Data rights refers to the ownership of the data required for production or repair of a specific weapon system. Frequently, portions of such data are proprietary. To conduct a competition for maintenance, the appropriate data must be available to all potential competitors — otherwise there can be no meaningful competition.

## Fielded Systems

When DOD owns sufficient technical data to permit private/private competition, a time-phased plan should be established to shift ongoing DOD depot support to the private sector for systems already in use. For some systems that are in or past the production phase, data rights issues or the cost of needed tooling may prohibit the full benefits of competition. In these cases, DOD should attempt to acquire the needed technical data rights, including taking appropriate legal action.

> Recommendation: Establish a time-phased plan to privatize essentially all existing depot-level maintenance.

In those few cases where establishing competition between private facilities would be too costly, the alternatives are either to establish competition between the government depot and the OEM, or to compete the private management and operation (or ownership) of the non-proprietary portions of the existing government depot, as discussed below.

Public-private competitions, however imperfect, are generally preferable to non-competitive sole source contracts, public or private, for long-term support. To permit more equitable competition between public and private sectors for those few cases where private/private competition cannot be established (and to improve cost management), DOD must develop a financial accounting system that permits accurate comparisons of total costs between existing depots and OEMs and must recognize that the fundamental disparity between public and private profit/loss mechanisms precludes a fully level playing field.

## Depot Facilities

The privatization-in-place concept recognizes the value of a highly skilled work force at heavily capitalized military depot facilities as assets in the commercial market place. Effective transitions will be difficult, but the benefits will be worthwhile. These transitions could involve an outright sale to a private buyer or could include an interim fixed period of government ownership and contractor operation (GOCO), or possibly some form of employee ownership. Because these "privatized" depots would have significant expertise, they may compete successfully for other types of work and become successful businesses.

> Recommendation: Create an office under the ASD (Economic Security) to oversee privatization of depots.

DOD is experienced at closing facilities through the Base Realignment and Closure (BRAC) process, but it has little experience with privatizing facilities and moving federal employees to the private sector on the scale envisioned here.

Therefore, we recommend establishing an office under the Assistant Secretary for Economic Security to ensure that appropriate legislation is prepared and that policies and procedures are established, and to oversee the DOD-wide facility privatization effort.

## MATERIEL SUPPLY MANAGEMENT

The materiel supply segment of the overall DOD logistics support infrastructure includes the processes required to acquire and deliver supplies to the operating forces. This major industrial support enterprise involves the wholesale-level management of inventories in excess of $77 billion and annual direct spending of more than $22 billion ($4 billion for operations, $18 billion for inventory purchases). Major activities include estimating required quantities, purchasing and storing inventories, processing orders, distribution, and disposing of excess materiel.

In the commercial world, competitive pressures and customer demand are causing private companies to optimize logistics support processes. This routinely results in shorter cycle times, as shown in Figure 3-1, and inventory reductions of 25 percent.[11] This is much better than DOD has done. Currently only about a quarter of DOD's operating expenses in this area go to the private sector, and most of that pays for transportation. There is significant opportunity to take greater advantage of private-sector efficiencies, including the provision of any needed "surge" capacity.

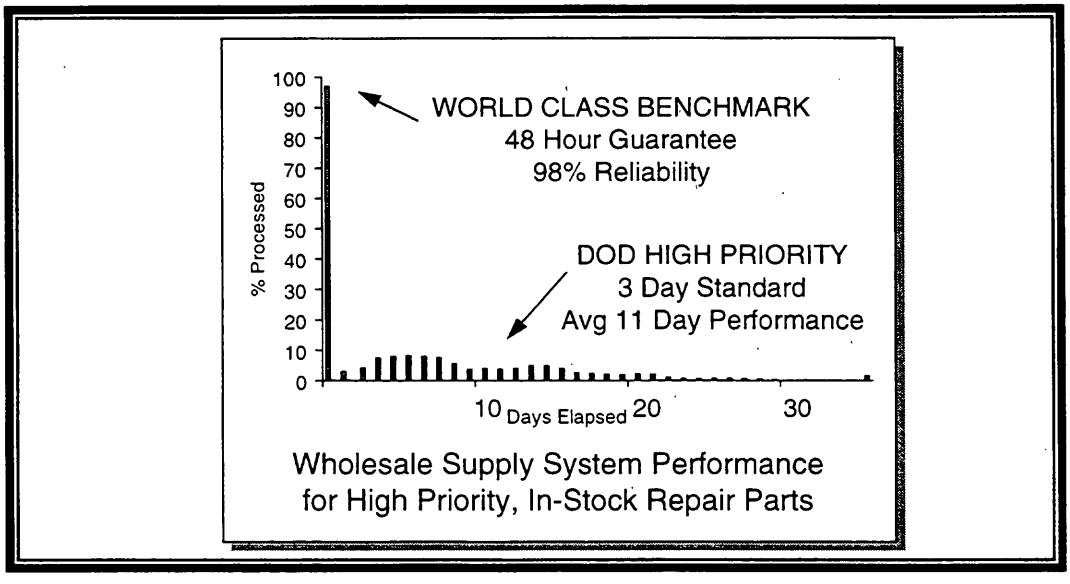


Figure 3-1. Wholesale Supply System Performance for High Priority, In-Stock Repair Parts

[11] Delaney, R., Cass Logistics Inc., "It's All About Time," Fifth Annual Conference, National Press Club, 6 June 1994.

Actions to outsource additional materiel supply operations should center on the residual functions likely to remain "in house" after wholesale logistics support of weapon systems is shifted to the private sector. The Defense Logistics Agency (DLA) is pursuing initiatives to improve its response to customers and reduce the cost of managing the 15 percent of the Department's materiel value within its purview. These initiatives focus on reducing supply cycle times through a variety of contemporary management techniques such as electronic cataloging, order tracking, and direct delivery to DOD users by private suppliers. They also include additional reliance on the private sector. For example, DLA plans to increase the use of direct delivery from private suppliers to DLA's customers from 25 to 50 percent of the value of DLA's "sales."

Recommendation: Outsource selected material management activities.

Despite the Department's initiatives, current plans still call for over 20,000 government employees to continue to operate about 40 separate cataloging activities, inventory management activities, and warehouses after the turn of the century. Operation and eventual ownership of most of these activities and facilities should be shifted to the private sector in the same manner that we recommend for maintenance depots.

## Medical Care

Recommendation: Any changes in the military medical program must adhere strictly to the principle that the total DOD medical system must ensure high accessibility to quality care for all beneficiaries (including the Medicare- eligible) at no cost to active duty personnel, at no increased cost on average to active duty families, and at reasonable cost to retirees and their families.

Providing superior medical support to our military forces is the "core competency" of the Department's military medical establishment. Inadequate medical care can compromise combat operations. Serious deficiencies were documented in the medical capabilities deployed during the Gulf War,[12] and there is recent evidence that these medical readiness problems persist. Accordingly, operational readiness must be the unequivocal top medical priority. Our recommendations are designed to facilitate structuring a military medical system that ensures wartime readiness, keeps the fighting force healthy in peacetime, maintains expertise in military-related medical specialties, attracts and retains high-quality medical professionals, and still meets the Department's commitments to the beneficiaries.

[12] The shortfalls in medical readiness revealed during Operation Desert Shield/Desert Storm included ill-prepared burn units, lack of field training of doctors and nurses, major equipment shortages, and outdated drugs and other supplies, as reported by the DOD Inspector General and GAO.

In pursuing these goals, and in recognizing that the current peacetime medical establishment is larger than is needed to support likely wartime requirements, DOD should maintain military medical manpower and facilities at or above a level that should be established by determining the total resources needed to support either planned wartime needs (currently two nearly simultaneous MRCs) or projected routine peacetime operations, whichever is greater.[13]

> Recommendation: Reemphasize the primacy of medical support to military operations.

If the "two MRC" criterion is used, calculations would include estimating manpower and facilities to support theater requirements, sufficient capacity in the United States to support nondeployed forces and returning casualties, and continued support of families located outside the country and in remote areas.

If the "peacetime operational missions" criterion is used, calculations would include estimating medical resources to support active duty personnel, whether deployed or in the United States; active duty families located outside the country and in remote areas; training, including appropriate graduate medical education; and a rotation base.

> Recommendation: Establish uniform procedures for sizing the Department's operational medical needs.

We recommend that the Secretary establish uniform procedures to guide the Services in determining their medical needs to support operational requirements. Care should be taken to ensure that the remaining system can recruit and retain the mix and skills of medical specialists needed for operational missions.

Medical care for the families of U.S. military personnel and for retirees and their families is extremely important, but it does not have to be provided solely through military facilities (and historically it has not been). These beneficiaries now rely on a mix of direct and private care. We believe this practice should continue, but with greater choice provided to the beneficiaries. If beneficiaries choose to use more private care, as most surveys suggest they would, reduced demand for military care would permit downsizing the peacetime military medical establishment — but not below the operationally driven "floor" discussed above.[14] This shift in workload would allow increased attention to wartime medical readiness by the military medical establishment.

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[13] The Department of Defense, Office of Program Analysis and Evaluation, "733" Wartime Medical Requirements study reported a maximum requirement for 6,000 active component physicians. Under the current FYDP, there will be 12,500 physicians on active duty in FY 2001. In a January 1995 meeting of the military medical community, the Joint Staff representative referred to the 6,000 physician requirement as a ceiling, not a floor.

[14] RAND Military Health Care Survey, done in conjunction with the "733 " study.

When the use of private-sector medical facilities is expanded, the needs and desires of the families of active duty personnel, and of retirees and their families, must receive attention. This is in the best interest of the beneficiaries and the government. However, we also believe that any changes in the military medical program must adhere strictly to the principle that the total DOD medical system must ensure high accessibility to quality care for all beneficiaries (including the Medicare-eligible) at no cost to active duty personnel, at no increased cost on average to active duty families, and at reasonable cost to retirees and their families.

In peacetime, military medical personnel should be assigned first to care for the active duty population and active duty families in remote areas and outside the United States, and second to training and military-specific research. Even if medical manning approached the minimum level discussed above, the number of medical personnel required to maintain the health of the active component and provide a rotation base, coupled with managed-care principles, will make it possible to provide direct care to some non-active duty beneficiaries. In the long term, we expect more medical care to be provided by civilian sources, with the DOD medical establishment being reduced accordingly. The legislative changes needed are summarized in Appendix A.

We strongly endorse the Department's TRICARE program as an important step to a total quality medical program that places increased reliance on civilian providers to improve access for military families and other beneficiaries.[15] However, TRICARE currently does not provide the degree of choice needed to establish a competitive environment that will foster more efficient health care. Nor does it provide sufficient access and choice to beneficiaries living outside Military Treatment Facility catchment areas or to those who previously used military facilities closed by the Base Realignment and Closure (BRAC) process. We recommend that DOD expand TRICARE by sponsoring a competitive civilian health care plan (such as the options offered by the Federal Employees Health Care Benefit Program) at equal cost to the beneficiary in order to increase access and choice and decrease the demand for direct care.

Recommendation: Increase access to private-sector medical care.

Increasing efficiency while responding to the needs of beneficiaries requires an environment that rewards appropriate consumer behavior. Experience shows that offering services free of charge, as DOD does, will increase consumption of those services regardless of whether they are essential. Conversely, offering the same services for a modest fee reduces discretionary use of nonessential services.[16] This system also allows providers to

[15] TRICARE is the Department of Defense-managed health care program that offers beneficiaries three options — a Military Treatment Facility-based HMO type, traditional CHAMPUS, or a CHAMPUS Preferred Provider Plan.

[16] RAND Health Insurance Experiment, J.P. Newhouse and Insurance Experiment Group, Harvard, 1993.

estimate more accurately the amount and type of care required to support the covered population.

> Recommendation: Require users of DOD care to enroll, set a fee structure, and institute a medical allowance for active duty families.

We recommend that DOD require beneficiaries who choose to use military medicine to enroll in the DOD-sponsored health care plan of their choice. This will increase efficiency without limiting access. In addition, we recommend establishing a reasonable fee structure for care received by non-active duty beneficiaries through all DOD-sponsored sources. To offset fees for active duty families, we recommend providing a regular medical allowance equal to the average out-of-pocket costs to a family.

We recognize that shifting families and retirees from direct medical care to more fully support military operational needs will require a major cultural change. Consequently, we urge a measured approach to build trust and commitment within the military community.

## Other Outsourcing Opportunities

The outsourcing candidates discussed above were the main focus of our research into the benefits of increasing reliance on the private sector. We also identified several other opportunities that should be pursued by the Department.

### Family Housing

> Recommendation: Outsource family housing, finance and accounting, data center operations, education and training, and base infrastructure operations.

The operation and maintenance of military family housing is similar to the operation of any large rental facility — an activity for which there is a large and competitive market. Furthermore, as mentioned earlier, actual ownership of housing could be productively transferred to the private sector to help finance badly needed repairs and upgrades. Actions in this area must not undermine confidence in the Department's commitment to provide access to affordable housing. In this regard we endorse the Department's recent legislative proposal and the efforts of the Secretary's Task Force on the Quality of Life to actively pursue this initiative.

## Finance and Accounting

Many large businesses today contract for their finance and accounting operations because specialized firms can do the work more efficiently. Several of these functions are manpower-intensive, such as payroll and pension benefit distribution. The private sector has achieved significant productivity gains through automation. We recognize that this idea has been studied before and that reforms to DOD processes and data bases may be necessary before outsourcing competitions can be held. Nevertheless, the Department should begin.

## Data Center Operations

The Department maintains extensive computer operations capability, in addition to numerous computer support and software development activities. The Defense Information Systems Agency is making strides towards eliminating superfluous capacity and redundant systems but is still planning to keep several government "mega centers" conducting commercial-type activities. We believe that the Department can more rapidly accelerate the use of private-sector computer expertise for data support operations and software development. There is a large and growing private-sector move for outsourcing information systems, and the results have been positive. For example, British Petroleum recently reported a 25 percent savings two years after outsourcing its information systems.

## Education and Training

The Department retains a large in-house education and training infrastructure to conduct training in unique military skills. The Military Services have outsourced some training, including some specialized functions such as pilot training and aircraft simulator operation and maintenance. We believe that more should be done.

## Base Management and Infrastructure

Managing a military base requires a number of routine, non-military infrastructure functions that are better left to the private sector. Several legislative impediments — such as prohibitions on outsourcing security and firefighting tasks — should be eliminated.

# Reengineering DOD Support Activities

Some DOD support functions must remain in the government to protect the public interest (such as overseeing the contracting for outsourced and privatized

work) or because the support involves combat dangers (such as deploying elements of operational support airlift).

While performance has improved over the years, DOD support activities can still benefit from private-sector management innovations. Many of these changes are characterized by "buzzwords" such as TQM, business process reengineering, and risk management. Behind the buzzwords are feats of real change documented by the Department of Commerce Baldrige Quality Awards, the National Performance Review, and a host of business publications.

Some DOD elements are engaged in reengineering already, but much more can be done. At a minimum, existing impediments to the Department's efforts at "reinventing" its support organizations should be removed, including Federal personnel regulations that prevent managers from adopting innovative management systems. Furthermore, DOD should accelerate introduction of management techniques proven in the private sector, such as benchmarking[17] and integrated product/process teams.

## Streamline Central Logistics Support

DOD has five logistics systems — one each for the Defense Logistics Agency (DLA), the Army, the Navy, the Marine Corps, and the Air Force. DLA buys and manages the $12 billion inventory of fuel, clothing, food, and other "consumable" supplies and repair parts used by all the Services. The Services have responsibility for buying the $65 billion inventory of high-value repair parts (radars, jet engines, etc.) needed to support their respective weapon systems.

The management systems and performance data used by DLA and by the Services are sufficiently different to make detailed assessments of the relative effectiveness of their management practices impractical. However, in general, the DLA, with centralized authority over purchasing, stocking, and delivery, has been more able than the Services to apply modern integrated product/process team management methods (including standardized information systems). These techniques have helped improve DLA customer responsiveness in terms of shorter cycle times and lower total costs.

The Services, with decentralized organizations using different information systems, and with separate responsibilities for key parts of the process, appear to be making relatively less progress in achieving industry performance benchmarks. Their repair depots generally try to level the workload, while the transportation system tries to minimize its costs by batch-loading. Managed in isolation, these factors drive up inventory costs for the most expensive types of supplies. Only in cases where the Services have contracted with private vendors

[17] Benchmarking is the use of the best that is being done by other organizations performing a similar function.

for "turnkey" support have the benefits of a fully integrated logistics process been realized. Examples of such successes include the Army's Mobile Subscriber Equipment (MSE) radios, the Navy's Tomahawk missiles, and the Air Force's U-2s.

Past studies of this issue raised the possibility that transferring the responsibility for managing the inventory of high-value parts to DLA could save significant inventory costs through better integration of inventory and transportation management. We did not attempt to make a specific estimate of such potential savings. Furthermore, increased centralization of wholesale logistics support, unless carefully managed and responsively implemented, could run counter to our primary recommendation that in the future, essentially all weapon systems wholesale-level support be provided by the private sector.

The latter point leads to a central dilemma whose resolution is very important to DOD's future efficiency. That dilemma is the assignment of organizational responsibility for life-cycle support of weapon systems. On one hand, "turnkey" contracts for prime equipment such as for the Army's MSE, managed by Service long-term Program Management Offices, have proven to be highly efficient and responsive. Arguments that cite the advantages of the buying power of centralized support organizations such as DLA certainly dominate for bulk supplies such as fuel. They are less persuasive for the expensive parts that are largely unique to Service weapon systems and that need to be managed as part of a life-cycle program of periodic maintenance and planned upgrades. On balance, we believe the potential benefits of outsourcing essentially all wholesale-level support for weapon systems should receive greater priority than consolidation of the management of just their repair parts.

However, real opportunities exist for the early streamlining of support for many weapon systems within the existing organizational arrangements. Some specific recommendations are provided in the Aviation Infrastructure portion of this chapter. Other elements of the organizational problem are addressed in Chapter 4.

## Streamline Acquisition Organizations

Activity levels in the defense acquisition system have dropped dramatically since the end of the Cold War, as have inventories of fielded equipment. Budget authority for procurement fell by 55 percent in six years, from $99 billion in Fiscal Year (FY) 1988 to $46 billion in FY 1994. The Department's acquisition work force declined by only 25 percent in the same period and is not scheduled to reach a 40 percent reduction until 2001. In addition, the private sector of the defense industry has undertaken large-scale reorganizations, mergers, and divestitures to accommodate decreased workload.

However, there has been no corresponding reduction in the number of DOD acquisition organizations. The Military Departments continue to maintain redundant staffs and facilities for many types of common acquisition support activities. Further, the existence of separate Service-unique acquisition organizations encourages Service-unique programs at the expense of promising joint approaches.

We considered consolidating all acquisition functions into a unified organization but found that separating those functions from their operational elements would introduce additional risk for only modest gain. Instead, we recommend collocating similar program offices and consolidating those particular acquisition support activities where there is the widest duplication across Service and/or agency lines, the highest potential savings, and the greatest opportunity to encourage cooperation. The Department's aviation acquisition organizations constitute the prime candidates for this initiative, as discussed later in this chapter.

## Streamline Aviation Infrastructure

> "Another source of economy will be the pooling of facilities and personnel in localities where at present both Services have to operate, but where from the nature of the circumstances, facilities and personnel are not fully used."
>
> — President Harry S Truman, *Message to Congress*, 19 December 1945

The putative "four air forces" issue is often cited as an example of unnecessary duplication among the Armed Forces. The operational aspects of this question are discussed in Chapter 2. Here, we address the opportunities to cut the cost of the duplicative aircraft support systems. If the DOD aviation infrastructure supporting the operational aviation units were more efficient, then we could retain the military benefits from operating aircraft in each Service without the current cost penalty.

Our specific recommendations for reengineering the Department's aviation support activities are provided below.

## Aviation Acquisition Support

> Recommendation: Collocate aircraft program management offices, and consolidate aircraft procurement support.

As noted earlier, consolidating the support to aviation acquisition projects will save money and encourage cooperation. We recommend the collocation of all Army, Navy, and Air Force program management offices responsible for

development, production, and support of military aircraft and related equipment. Common acquisition support needs such as engineering, contracting, and cost estimating would be met from a consolidated pool of support personnel assigned to program offices as needed. Personnel for this consolidated pool would be transferred from the Services' materiel and systems commands, with a net savings expected after a period of transition.

Three key elements of this recommendation are illustrated in Figure 3-2. First, although collocated, existing aviation acquisition organizations would retain their Service ties to preserve the links between the users and the providers. Second, program managers would continue to reside in their respective Services but be able to draw from a common pool of technical and procurement support. And third, while we recommend establishing a joint office to handle administrative matters, its specific functioning would be worked out by the Service Acquisition Executives and their Aviation Program Executive Officers. There would be no intervening layer of management between program managers and their support organization.

This consolidation of technical support and collocation of program management offices will achieve the following:

- *Cut overhead.* Maintaining separate organizations in different locations inevitably involves overhead that DOD cannot afford.

- *Further streamline the chain of command.* The 1986 Packard Commission recommended a streamlined acquisition chain of command that shifted responsibility from the Service materiel commands to the Program Manager (PM), Program Executive Officer (PEO), and the Service Acquisition Executive chain. Moving the Program Manager's technical and business support personnel into this chain would be another step toward fully implementing the Packard Commission recommendations.

- *Encourage joint approaches.* The lack of common equipment and subsystems across the Services has long been seen as excessively costly. On the other hand, the Department's record with joint programs is also poor. Dictating requirements from the top failed in the TFX/F-111 program. Purely cooperative approaches have also failed repeatedly, in part because having separately supported Service acquisition organizations encourages the development of Service-unique requirements. This recommendation facilitates joint approaches to satisfying operational requirements, because the same set of experts will support all Service aircraft programs and the program offices will be physically closer together. It should also lead to increased interoperability and lower support costs among the Services through increased commonality in the many subsystems that require parts and service in the field.

- *Take advantage of BRAC actions.* The BRAC process has already approved relocation of the Naval Air Systems Command, and DOD's proposed relocation of the Army Aviation and Troop Command is currently being considered by BRAC 95.

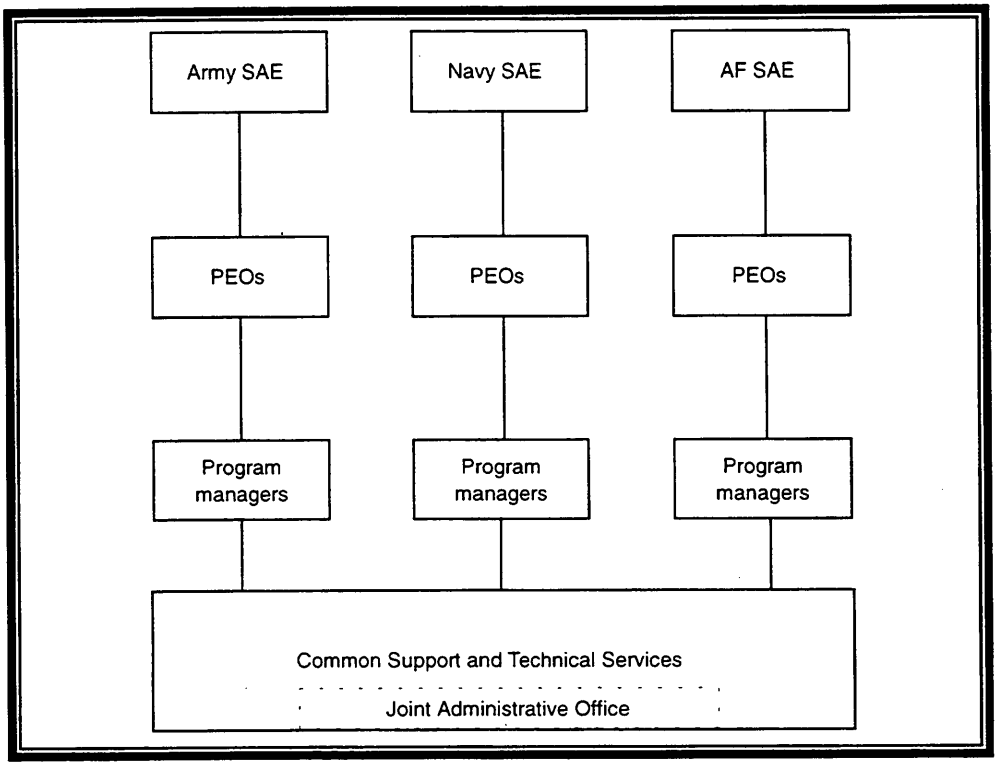


Figure 3-2. Common Support for Collocated Service Aviation Agencies

We believe that similar advantages could be gained from the collocation of program offices and consolidation of support of other multi-Service programs such as tactical ground attack guided weapons, surface-to-air guided weapons, and ground and airborne radar and electronic surveillance systems.

Finally, this organizational redesign would not inhibit long-term research and development innovation. But it would encourage cross-fertilization of ideas and wider dissemination of the most successful approaches.

An extension of this concept would be not merely to collocate, but to consolidate more program offices of systems that cross Service lines. This would further reduce some overhead, improve planning and scheduling, and further encourage the use of common mission equipment. Retaining Service funding and representation would maintain the link to the Service users.

A logical place to begin implementing this concept is the C-130 program. Currently, the Air Force (and its Reserve components), the Marine Corps (and its Reserve), the Navy Reserve, the Coast Guard, and SOCOM all use the

aircraft. As a pilot program, the Department should create a joint C-130 program office to oversee all aspects of that aircraft program.

> Recommendation: Consider collocation and consolidation of other weapon system program offices.

## Aviation Inter-Servicing

In addition to the opportunities for reengineering the elements of the aviation infrastructure that support the acquisition of new aircraft, there are opportunities to streamline the support of aircraft already in service. In particular, this applies to the planning and management of depot-level maintenance, which is now largely managed independently by each Service.

Although aircraft maintenance management activities in the Services do not always deal with identical systems, there is sufficient similarity in several areas to warrant increased inter-Servicing (i.e., the support of one Service's aircraft by another Service's depot). For example, the Air Force, Navy, and Marine Corps fixed-wing depots and depot support contractors have similar repair capabilities for aircraft components, avionics, engines, and airframes.[18] Yet, inter-Servicing is currently practiced on only 8 percent of the workload identified as available for it.[19]

> Recommendation: Establish single management elements for planning and allocating routine fixed-wing and rotary-wing aircraft maintenance.

Lack of trust and reliance on consensus among participating Services have limited the efforts to attain the full benefits of inter-Servicing. In order to reduce these barriers, we recommend that the Secretary of Defense designate single management elements (SMEs) to oversee servicing of specific categories of aircraft.

Although there are several possible organizational forms for the SME, we recommend designating an SME for fixed-wing aircraft depot-level maintenance and an SME for rotary-wing depot work. The SMEs should have authority, defined by the Secretary, to determine the location of routine maintenance work and the extent of the investments and divestments in equipment and facilities, and to develop incentives and performance measures to ensure responsiveness. SME decisions should be treated as authoritative in the Service planning and budgeting process.

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[18] Working Group Report, Joint Working Group on Fixed-Wing Aviation Depots, 6 June 1994.

[19] Office of the Assistant Deputy Under Secretary of Defense for Maintenance Policy, Programs and Resources, 7220.9 Database.

A small staff, including Service representatives, should support each SME. Control of funding, requirements, facilities, and weapon systems management processes need not be changed in order to implement the SME concept. As DOD's outsourcing of depot maintenance proceeds, the management focus of the SME would shift from allocating work among public facilities to contract management and oversight of private firms.

Finally, we note that depot maintenance management is only one element in the DOD's aviation infrastructure where the SME concept would yield benefits. As the concept matures, the Department should consider expanding the SME concept to other support activities, such as test and evaluation.

## Operational Support Airlift Aircraft

Another element of the Department's aviation infrastructure, the operational support airlift (OSA) fleet, is overdue for streamlining. While concern about the size, ownership, and employment of the OSA fleet is not a new issue, all previous attempts to reduce the OSA fleet, or even limit its growth, have been unsuccessful.

> "Currently, about 500 aircraft operated by all four Services and the Coast Guard are dedicated to OSA . . . the size of this fleet and the overlap in support functions compelled us to look for a way to achieve further cost savings . . . OSA aircraft are in excess of wartime needs and should be reduced."
>
> — General Colin Powell's, *Chairman of the Joint Chiefs of Staff Report on the Roles and Missions and Functions of the Armed Forces*, February 1993

But some Services say they need even *more* OSA aircraft. OSA aircraft are used by the Services for day-to-day support and executive travel, exclusive of those maintained in the 89th Airlift Wing, which supports the legislative and executive branches. The Department's policy is that OSA aircraft must be justified on the basis of wartime requirements; but during peacetime they can be used to provide essential training for operational personnel, cost-effective seasoning of pilots, and other logistic needs.[20] While the number of OSA aircraft is supposed to be based on wartime requirements, we find no evidence that this policy is being followed. Today there are too many OSA aircraft because of the lack of inter-Service cooperation, congressional enthusiasm for the purchase of additional specific aircraft not requested by DOD, "hiding" these aircraft in categories other than OSA, and "wartime requirements" estimates that greatly exceed recent wartime experience. We recommend changes to eliminate excess capacity and save money.

[20] Department of Defense Directive 4500.43, 30 October 1985; p. 1.

All 551 OSA aircraft (whether referred to as OSA or by any other Service-unique term or definition) with the exception of the Navy C-9s should be assigned to the Air Force. USTRANSCOM should manage and schedule the resulting OSA fleet in support of all the Services and the CINCs, and coordinate the scheduling of Navy C-9s, to ensure optimum use of the entire OSA fleet. We also recommend that, in order to minimize hardships, the Services plan a period of transition for Army and Navy and Marine Corps pilots whose current aircraft are being transferred to the Air Force. We further recommend that, after consolidation, the Air Force and the Navy reduce the size of the OSA fleet to a level required by realistic estimates of wartime needs, or for the seasoning of aircrews for Air Force strategic airlift, tanker, and bomber aircraft, whichever is larger. We also recommend the increased use of Air Reserve Components in OSA operations to gain further savings.

Current OSA inventory is 10 times that of AOR Desert Storm use

| Current OSA Inventory | Actual Desert Storm Use |
|---|---|
| 551 | 59 |
| 100% | 10.71% |

But some Services say they need even more OSA aircraft

Recommendation: Assign all OSA aircraft (except Navy C-9s) to the Air Force under TRANSCOM management; reduce the fleet to real wartime needs.

## Streamline Acquisition Oversight

As now carried out, oversight of acquisition programs costs too much and drives up the price of contracts for goods and services.

The Administration has undertaken a major initiative to reform the defense acquisition process to reduce the cost of doing business and increase DOD's access to commercial products, services, and technology. We strongly support this initiative and do not recommend additional changes to the acquisition process other than those in Chapter 4 directed toward improving the requirements process. However, we believe that there are major opportunities for streamlining the existing contracting and audit processes.

The Department of Defense contracts annually for nearly $50 billion in goods and services. Professional management of this spending is an important responsibility that must be performed largely by government employees to protect the public interest. However, many regulatory and oversight processes produce more burden than benefit. In particular, many requirements are driven by legislation that directs DOD to conduct business using rules different from those

followed by private industry. The result is an estimated 18 percent[21] increase in the cost of products and services purchased by the Department, compared to similar products and services purchased by private buyers. We therefore recommend that DOD revise its acquisition regulations and practices to encourage greater acceptance of private business management practices while still providing adequate protection of the public interest.

> Recommendation: Conduct a zero-based review of the Federal Acquisition Regulations.

The DOD contracting process is governed by the Federal Acquisition Regulation (FAR), the Defense FAR Supplement (DFARS), and implementing and supplementing regulations of the Military Departments and defense agencies. Over the years, the Federal regulations have built up, one upon another, each perhaps reasonable in itself, but in total producing an excessively burdensome structure — despite efforts at streamlining in recent years. We believe that a new "zero based" review would help eliminate rules not required by statute or needed to ensure adequately standardized government business practices.

In addition to reducing the burden on the private sector through the streamlining of the Department's contracting rules and practices, there are opportunities to reduce the direct cost of government oversight.

Over 21,000 people are employed by two separate defense agencies to administer and audit the Department's contracts with private industry.

- About 16,000 are in the Defense Contract Management Command (DCMC), inspecting and accepting products and processes, authorizing payments to contractors, and performing a wide variety of other contract administration activities, mostly in contractor facilities. These are in addition to the numerous government program management personnel.

- The balance, about 5,000, are in the Defense Contract Audit Agency (DCAA), providing accounting and financial advisory services to all DOD procurement and contract administration activities. Additional personnel in the Service audit and Inspector General (IG) offices, in the DOD IG offices, and in GAO also perform acquisition oversight functions.

All organizations aim to ensure that the government obtains the best value for its money, but we believe that these functions can be reduced without impairing effectiveness.

[21] This is the average estimate of increased contractor's costs (i.e., total costs minus materiel costs) as a result of government-unique oversight. *The DOD Cost Premium: A Quantitative Assessment*, December 1994, Coopers and Lybrand and TASC.

DOD should take the following steps:

- *Centralize acquisition audit planning.* Currently, multiple Federal agencies often audit or review the same data. Redundant requests for information can be reduced through improved coordination, particularly if the coordination is enhanced through the use of electronic planning and auditing techniques.

- *Coordinate the work of government auditors with the work of contractors' internal and external auditors.* Contractor and government auditors do significant amounts of similar work, much of which is not considered by the other party in audit planning and execution.

- *Permit defense contractors to use modern commercial activity-based cost accounting systems to meet the government's needs for cost data.* This would allow managers to make more informed decisions and help the government deal more easily with the allocation of costs to DOD contracts.

- *Establish "stretch" goals for further reducing oversight and audit resources to below currently planned levels.* Current staffing plans assume that the existing regulatory environment will continue unchanged. Although oversight staffs are generally coming down, the reductions reflect declining procurement activity only. However, DOD's new initiatives, and the proposals contained in this report, should permit improvements in productivity. An additional 2 percent per year reduction in oversight auditing and regulatory staffs appears to be a suitable initial target.

- *Apply cost-benefit analysis to any new or additional procurement oversight/auditing activity that may be proposed.* The cost of oversight to both the government and the contractor is often unrecognized. Cost-benefit analysis should be required, to balance the potential benefits of new oversight with its potential costs. Taking this step would help promote a more cost-effective "risk management" approach while reducing inefficient "risk avoidance" procedures.

Additionally, costs could be reduced by relying on the private sector for those oversight support services that do not require performance by government employees to protect the public interest. This shift would achieve the benefits of competition and allow more flexibility to better match resources with changing workload requirements. A prime candidate for outsourcing is DCAA's incurred-cost audit function, which represents 35 percent of that agency's workload and can be performed by commercial auditing firms. Other candidates include elements of DCMC's quality assurance, engineering support, production support, and property management functions.

Finally, in examining the DOD management structure that governs the foregoing activities, we found that the acquisition auditing and oversight functions in the Defense Contract Audit Agency (DCAA) and the Defense Contract

Management Command (DCMC) could benefit from consolidation. Both maintain large staffs in contractor plants as well as regional and national headquarters.

> Recommendation: Consolidate DCAA and DCMC under USD(A&T).

We therefore recommend consolidating DCAA and DCMC into a single organization reporting to the Under Secretary of Defense for Acquisition and Technology [USD(A&T)]. Consolidation should simplify the oversight of contractors and move toward DOD's long-standing goal of presenting "a single face to industry."

## Restructure Defense Agency and DOD Field Activity Management

### Central Support Agencies and Field Activities

The reliance of the CINCs, the Services, and other elements of DOD on the 16 defense agencies and nine DOD field activities has grown substantially over time. Most of these institutions were established to increase efficiency in common support. In some cases they were created to provide specialized services to some or all DOD components. On balance, these efforts have succeeded in lowering overall costs to DOD, primarily through standardization of processes and economies of scale. At the same time, many people expressed concerns to us about the responsiveness of these organizations to their primary customers, the increasing requirement for line management attention by the Secretary's staff, and the need for additional budget discipline.

These three concerns, and our desire to accelerate DOD's use of the best in modern business practices, lead us to recommend new organizational arrangements for these institutions.

### Responsiveness to Customers

> Recommendation: Create boards of directors to help oversee defense agencies.

To increase responsiveness to customers, we recommend establishing boards of directors to help manage each defense agency and the larger DOD field activities. The board of directors' role would include reviewing and approving strategic objectives, plans, programs, internal management structures (including the make-or-buy decision process), and budgets. Board membership would include all major direct customers, with the Joint Staff representing the CINCs. Private-sector experts should also be considered for membership (in an advisory capacity) to stimulate innovation. Boards would be chaired by the appropriate OSD staff principal.

The powers of each board of directors should approximate those of a public company's board of directors to the extent feasible in the DOD context.

Since most defense agencies generally support the CINCs and the Services, adopting this recommendation would ensure that agency programs and budgets fully reflect customer needs. Direct customer input on performance and costs should improve agency responsiveness and efficiency while encouraging innovation.

These recommendations are not intended to reduce the Secretary's responsibility or authority for organizing the Department. The recommendations of all boards would remain subject to approval by the Secretary of Defense.

In establishing the boards, we recommend that the Secretary's guidance include three specific mandates:

- Establish a program for outsourcing and transferring work to the Services wherever appropriate, and eliminate programs that are no longer required.
- Design measurable performance "stretch" goals based on best practices and innovative incentives to cut costs.
- Improve mechanisms for providing support to combat forces.

Furthermore, the boards should assess agency and field activity performance annually, on the basis of improvements in customer satisfaction and established objectives.

When the recommended boards are first created, the Secretary of Defense should direct them to conduct a bottom-up review of their agencies, addressing the extent to which the agency functions should be privatized, performed by the agency or by a Military Department, or not performed at all. The results of this review should be reported to the Secretary and Congress one year after the boards are created.

We expect that these boards of directors will prove sufficient to move defense agencies and major field activities closer to their customers and increase their use of best business practices. However, the Secretary of Defense should review their reports to determine whether further change is warranted.

> Recommendation: Create a Defense Support Organization if the Secretary needs more management assistance.

If the Secretary determines that more direct management attention is needed, we would recommend placing the business-oriented support agencies and activities in a Defense Support Organization (DSO) with a senior military or civilian director. Basic responsibilities of the DSO would be similar to

those enumerated for the boards of directors above. Shifting these agencies from their present reporting relationships to OSD staff sponsors would also allow the Under Secretaries and Assistant Secretaries to whom the agencies now report to focus more sharply on their primary responsibilities. More generally, the establishment of a Defense Support Executive would help arrest OSD's increasing shift toward line management and functional advocacy (discussed in Chapter 4).

## CONCLUSION

Full implementation of the recommendations in this chapter should eventually free up several billion dollars per year to meet higher priority needs. Furthermore, as more and more work passes to the private sector, and as the government is authorized to use more commercial practices to manage residual in-house work, there will be a continuing need to revise and fine-tune the Department's management processes. The next chapter presents recommendations to improve those processes.

# CHAPTER 4

# Improved Management and Direction

The Department of Defense has two primary management channels: the operational chain of command from the President to the Secretary of Defense to the warfighting CINCs, and the management channel for "all other" elements of the Department's business, of which the planning and budgeting process is one of the most important.

The operational chain was discussed in Chapter 2. This chapter discusses the need for improvements in the management structures and decision support processes that determine DOD's requirements development and budgeting and therefore drive the actual allocation of roles, missions, and functions in the Department. These structures and processes suffer from inadequate definition of functions; duplication of responsibilities; parallel structures; and fragmented, incompatible mixtures of line and staff responsibilities.

> "We don't have an annual roles and missions conference . . . but in the budget development . . . we essentially mold the roles and missions so they do evolve and they do change . . . . This is a roles and missions shift in a sense, but we are doing it not in the context of meeting and discussing it, but getting on with what do we need to fight our forces better and, out of that, roles and missions changes are taking place."
>
> — Admiral James Watkins, CNO, Testimony to SASC (1983), quoted in SASC Staff Report, *Defense Organization: The Need for Change*

Our review of the Department's deep attack capabilities illustrates how current processes can create a roles and missions issue. In this case, the Army's deployment of the Army Tactical Missile System (ATACMS) gives the ground commander a capability to attack targets otherwise accessible only to aircraft and cruise missiles. While initiation of ATACMS was considered appropriate in the Cold War context and is consistent with the Army's core competency in long-range artillery, deployment of the system generated a contentious roles and missions issue. The new capability futher complicates battlefield coordination, and it raises a question about whether our total capabilities for deep attack are larger than necessary.

This situation results from a set of institutional practices that allow the Services to develop and field new weapons without a rigorous, DOD-wide assessment of the need for these weapons and how they will be integrated with the other elements planned for our arsenal.

We believe the Department's existing management structures and decision support processes must be changed to reduce such problems. This section of the report describes problems in these areas and recommends improvements.

## CURRENT PRACTICES AND RESULTING PROBLEMS

In shaping DOD's program and budget, the Secretary of Defense must choose among differing, and often sharply conflicting, views of requirements and priorities. Ultimately these decisions determine who will do what — roles, missions, and functions — among the Services, the CINCs, the OSD staff, the defense agencies, and the Joint Staff.

Lower budgets and the uncertain international security environment place a premium on operational effectiveness and management efficiency. Furthermore, the rapid pace of technological change has expanded each Service's capabilities and, as our deep strike example shows, has blurred the distinctions between traditional roles and functions. In order to provide unified direction, the Secretary needs a responsive management system, high-quality staff support, accurate information, and timely assessments. We believe that these needs are not well met in several areas — largely because of shortcomings that have developed over the years.

The Secretary's ability to make the Department effective and efficient depends on three interrelated factors, namely:

- the management structure that defines the basic responsibilities, functions, and relationships of major organizational elements;
- the decision support processes used to foster productive interaction and integration of effort; and
- the information framework available to senior decision-makers.

### Management Structure and Functions

Organizational effectiveness depends on a clear understanding of the responsibilities assigned to various components and of the relationships intended among those components. This is especially true in organizations as large and complex as DOD. The responsibilities of DOD components have changed in the past 45 years in four important respects:

- Authority has been centralized under the Secretary of Defense and a large, functionally oriented OSD staff. This staff assists the Secretary and oversees — and in some cases manages — the operations of 16 Defense

agencies and nine DOD field activities. Some portions of OSD have become proponents for their functional areas.

- Defense-wide support has grown so that today the Defense agencies and other centrally managed activities account for about one-quarter of the total Defense budget.

- As discussed in Chapter 2, joint entities, including the Chairman, the CINCs, and the Joint Staff, have been strengthened as a result of Goldwater-Nichols. Most importantly, the role of the Chairman has been strengthened and elevated above that of the Service Chiefs. The previous practice of consensus decision-making has been replaced by the clear responsibility and authority of the Chairman. No longer is he the "first among equals"; he has become the principal military advisor to the Secretary and the President. Further, and just as important, the Joint Staff has been assigned solely to the Chairman, and a Vice Chairman has been added to assist him. Of course, elevating the Chairman also reduced the influence of the Service Chiefs in joint matters. Additionally, Goldwater-Nichols gave the CINCs a stronger voice in the resource allocation process and greater authority over their Service component commanders.

- The operational influence of the Military Departments and Services has been reduced, but they continue to provide the fundamental building blocks — or core competencies — for all military operations (as discussed in Chapter 2).

Over this time, the role of the OSD staff has become blurred because that staff has acquired an increasingly functional orientation. In other words, many of the OSD staff offices now focus primarily on what is being done in their broad functional areas (such as logistics, personnel management, etc.) at the expense of their primary role of providing objective advice to the Secretary. This makes integration of the defense program more difficult and constrains the Department's ability to adjust and respond to new missions.

The growth in defense agencies has placed an increased premium on integrated Department-wide management of support functions. OSD executives are responsible for important portions of this management, along with the Defense agencies themselves, the Military Departments, and the functional CINCs.

Additionally, while joint commands and staffs have been strengthened by Goldwater-Nichols to better support the Chairman and the CINCs, similar improvements have not taken place in OSD. The consequent mismatch needs to be corrected by improving OSD's effectiveness. The relationship between the Joint Staff and OSD in particular remains inadequately defined and too dependent on informal contacts. Their respective roles in shaping a unified vision for DOD, coordinating solutions to complex political-military problems, and supporting

streamlined management processes must be clarified. There is also duplication between the activities of the OSD staff and those of the Military Departments.

Finally, the Military Departments, the largest and most complex components of DOD, require a combination of civilian and military leadership. But there are unproductive overlaps in the responsibilities of the Secretariat and Service staffs within the Military Departments.

## Decision Support Processes

Four decision-making support processes are important in determining roles, missions, and functions. Two support the Chairman and are managed by the Joint Staff — the Joint Strategic Planning System (JSPS) and the weapons-oriented "requirements generation" system process. The other two support the Secretary and are managed by the OSD staff — the weapons-oriented Acquisition Management System and the Planning, Programming, and Budgeting System (PPBS). These processes share a common objective: to field the best possible mix of forces, materiel, and support to accomplish national security objectives within the Department's budget.

- The Chairman's *Joint Strategic Planning System* was restructured in March 1993 to provide for better military advice for the PPBS and to help meet the increased statutory responsibilities of the Chairman, other members of the Joint Chiefs of Staff, and the CINCs. When fully developed, the restructured system is intended to review the national security environment and U.S. national security objectives; evaluate the threat; assess whether existing or proposed Service and defense agency programs are adequate to accomplish the established strategy; propose alternative, affordable strategies, programs, and forces to achieve national objectives; and provide a long-range vision of the potential impact of technology on future doctrine, warfighting needs, and organizations.

- The *requirements generation process* and *Acquisition Management System* were also revised in the past four years. The new processes are designed to be mutually supporting and integrated with the PPBS. They provide the framework for identifying and examining possible deficiencies in capability that may require a materiel solution, and technological opportunities that may warrant exploitation. Their primary goal is to translate broadly stated mission needs into stable acquisition programs (to be executed by the Military Departments) that meet the user's needs and can be sustained within the projected budget. The Services are the primary source of new "mission need statements," which naturally enough reflect their preferred approaches to warfighting. The Vice Chairman of the Joint Chiefs of Staff, supported by the Joint Requirements Oversight Council (JROC), oversees requirements development, while the Under Secretary of Defense for Acquisition and

Technology, supported by the Defense Acquisition Board, directs the acquisition management process.[1]

After deliberations during the requirements generation and acquisition processes, the Deputy Secretary of Defense, acting for the Secretary, decides whether to start any new major defense acquisition programs. Acquisition programs are reviewed at scheduled milestones and are subject to review under the PPBS.

Most studies conclude, as we have, that the primary problems in weapon systems acquisition are traceable to inadequacies in the early phase of the requirements determination process. The lack of a unified concept and analysis of warfighting needs is the critical underlying problem.

- The *Planning, Programming, and Budgeting System* (PPBS) helps the Secretary of Defense shape the defense program and manage defense resources. The distinct but interrelated phases of this process — planning, programming, and budgeting — establish a basis for deciding on future programs and allow for the reexamination of prior decisions as security requirements or fiscal conditions change. The PPBS thus provides for formulating planning direction, translating this direction into program proposals, and developing defense budget requests and long-term programs.

  Although the current PPBS, highlighted in Figure 4-1, produces budgets on time, it often fails to facilitate thoughtful debate on issues that affect roles, missions, and functions and, more importantly, defense priorities.

[1] The Vice Chairman of the Joint Chiefs of Staff is the Vice Chairman of the Defense Acquisition Board.

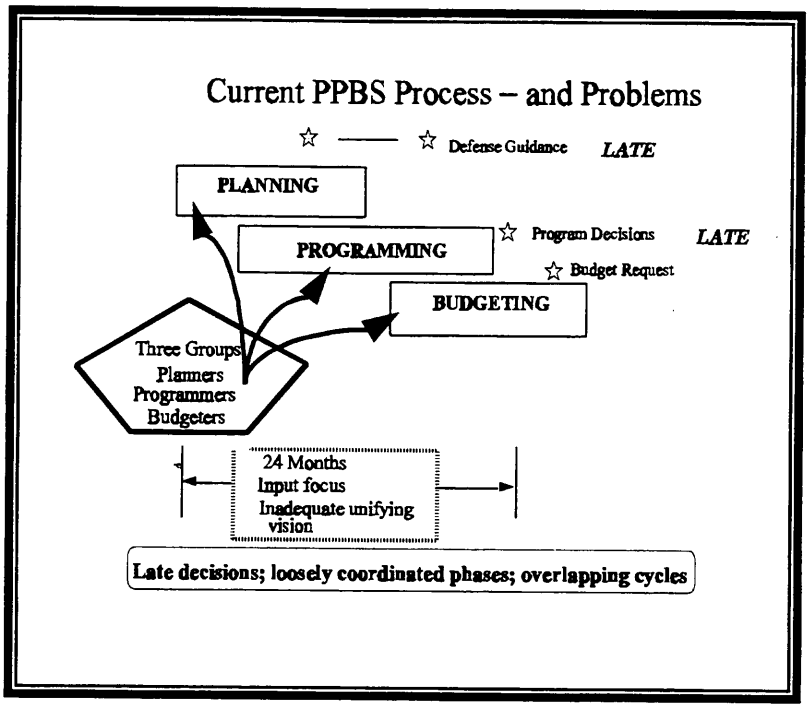


Figure 4-1. The Current PPBS Process

The PPBS phases operate semi-autonomously rather than supportively, creating unnecessary turbulence and encouraging revisiting of prior decisions. Guidance to the Services and other DOD components for program and budget development tends to lack specificity and be late. Major program decisions are often delayed until the end of the budget development phase — cancellation of the Tri-Service Standoff Attack Missile last December is a good example. This way of doing business causes hurried and often inaccurate adjustments to budgets and to the Future Years Defense Program (FYDP). Frequently, long-term modernization plans are disrupted during annual budget cycles, and minor details receive inordinate attention. Excessive debate and exacting study can focus on the specifics of the future program — six years away — which are certain to change with time. This procedure wastes effort and inhibits effective program review as change occurs.

The other decision support processes also require improvement. The recently restructured Joint Strategic Planning System (JSPS) does not yet do an adequate job of linking force preparedness to meet the CINCs' operational plans with resource allocation decision systems, nor does it yet provide a comprehensive, long-range vision of the potential implications of technological change for doctrine and organizations. The requirements generation and acquisition management processes suffer from the same sorts of problems.

The impact of the four decision support processes that have been described transcends the formal assignment of roles, missions, and functions. The Secretary's ability to quickly resolve roles, missions, and functions issues will improve

when these processes are updated and better integrated. The Secretary should assign a high priority to this effort, particularly to restructuring the PPBS.

The success of all four processes depends on the quantity, quality, and utility of the information available to decision-makers. There are problems here as well.

## Major Decision Support Information Frameworks

Decision support information frameworks collect and display information for senior decision-makers. The Department uses three: The first two — the appropriation accounts and the FYDP — support resource allocation decisions and transmit program and budget information to Congress. The third is the relatively new Joint Warfighting Capabilities Assessment framework, which supports the Joint Requirements Oversight Council (JROC — mentioned earlier and discussed later in this chapter) by arraying military capabilities against warfighting challenges but does not address all defense capabilities or resources.

> "It must not be taken for granted that the Joint Chiefs of Staff as now constituted will be as effective in the apportionment of peacetime resources as they have been in the determination of war plans and in their execution. As national defense appropriations grow tighter, and as conflicting interests make themselves felt in major issues of policy and strategy, unanimous agreements will become more difficult to reach."
>
> — President Harry S Truman, Message to Congress, 19 December 1945

The Secretary's effort to develop and sustain unified program direction suffers from the lack of a single, integrated framework. Current information frameworks use different displays and terms of reference. They do not relate inputs (e.g., the operations and maintenance costs of training) to outputs (e.g., the availability of trained forces to implement contingency plans), nor do they provide for assessing how well current forces match defense missions. Without a coherent information framework, senior leaders are severely hampered in making timely decisions on forces and support. This problem is compounded by the differing views of current and future priorities presented by the CINCs, the Services, the Joint Staff, and elements of the OSD staff, each operating under a poorly defined set of functional responsibilities.

Competing information frameworks impair the Secretary's ability to develop and sustain unified policy and program guidance across different management processes and to track compliance. This problem is growing more complicated as the Joint Staff develops its Joint Warfighting Capabilities Assessment (JWCA) framework in support of the Chairman, and as DOD's focus is drawn increasingly to emerging priorities such as peace operations and information warfare.

# IMPROVE DECISION SUPPORT PROCESSES AND MANAGEMENT STRUCTURES: DIRECTIONS FOR THE FUTURE

We propose the following four initiatives to improve the executive and legislative branches' decision-making. Each builds on recent progress towards a more integrated and effective defense establishment. Collectively they emphasize missions and outputs while promoting innovation and constructive competition.

- Create a stable and enduring national strategy and spending plan every four years to guide DOD's planning, programming, and force development.
- Restructure the Planning, Programming, and Budgeting System (PPBS) and other decision support processes to improve integration and provide clearly defined responsibilities for the various participants. This initiative includes strengthening the Chairman's JWCA effort.
- Develop an integrated information framework that links inputs with outputs to better focus decision-making on mission performance.
- Modify the DOD management structure to better support the Secretary, in particular by strengthening OSD's ability to provide policy advice, analytical support, and independent prespectives.

## Improve Planning and Direction for the Defense Program

A unified, long-term national security strategy, with accompanying defense policy and program direction, requires that planning and analyses be done beforehand. Feasible alternative solutions must be developed for evolving security problems. These options should include various mixes of forces, materiel, and support in the context of a balanced assessment that addresses threats to U.S. interests, level of risk, and cost. Carrying out this process requires the ability to quickly furnish "roughly right" answers so that decisions can be made from a range of alternatives. These assessments will be used in the planning and direction phase of the process to develop guidance to the Services and agencies.

Recommendation: Create a Quadrennial Strategy Review.

We recognize that, when Administrations change, defense planning is subject to a turbulence exceeded only by that resulting from significant shifts in the international security environment. Accordingly, we recommend a comprehensive strategy and force review at the start of each new Administration — a Quadrennial Strategy Review (QSR). This review should be an interagency activity directed by the National Security Council (NSC). OSD and the Joint Staff should lead the DOD effort. The QSR would incorporate the CINCs' appraisals of projected strengths and weaknesses, as well as their judgments on future forces and capabilities under consideration.[2]

The QSR should be expansive. An overarching strategic plan that conveys the essential purposes of the Department in the context of the Administration's agenda is the foundation for guidance to the Department. Therefore, the QSR should address international political and economic trends, changes in threats and military technology, evolving opportunities for using military force to shape the security environment, resources available for defense, possible adjustments to existing national security policy or strategy, and a diverse set of military force and program options.

Recommendation: Adopt mission-based planning.

In the past, the size of U.S. forces was determined largely by using one or two intentionally stressful scenarios. Other potential contingencies were considered "lesser included" cases, sometimes on the basis of explicit evaluations but often on untested assumptions. While this methodology, labeled "Threat/Scenario-Driven Planning," served us well in the past, the new environment calls for a broader approach to force planning. For the QSR and any similar reexaminations of the overall national defense program, we recommend developing an array of various force mixes[3] at each of several budget levels and then testing each mix against a range of possible missions. Selection of the "best" force mix would depend on the probability that DOD would have to perform the mission, relative force capabilities with respect to each mission, and the risks and costs of failure — all evaluated across the full range of prospective missions. This approach would address varying mixes of forces and the trade-offs among other aspects of capability (e.g., near-term readiness versus modernization). In addition, it would concentrate attention

[2] Preparatory work for such a review must start shortly after the Presidential election to facilitate near-term budget changes and the issuance of Secretary of Defense direction for the future. An earlier start would be desirable. "Pilot studies" of this sort have been done previously during the fourth year of a Presidential term.

[3] Force mixes would be varied in terms of land, air, and sea capabilities; active/Reserve composition; and other factors.

on ways in which our military forces could be used proactively to influence future security conditions.

We recommend that the Secretary of Defense adopt this new "Mission-Based Planning" concept for use within DOD and for supporting the QSR. Furthermore, DOD participation in such a wide-ranging review needs to be led by the Secretary or his Deputy.

A QSR would provide the foundation for a consistent military strategy, defense force posture, and budget estimate for use in the Secretary's programming direction to Defense components. It could in addition serve as a basis for developing a consensus between the executive and legislative branches on a four-year DOD funding level. A precedent exists in the 1990 Budget Summit Agreement. Although the Budget Summit's Defense allocation was not predicated on the type of rigorous process that we envision for the QSR, it gave the Department a measure of budgeting stability for the next several years.

In addition, the QSR could obviate the current need for separate CJCS reports on roles and missions, and perhaps on the Unified Command Plan. If our QSR recommendation is accepted, Congress should consider abolishing these reports.

## Restructure the PPBS

Recommendation: Restructure the PPBS.

The PPBS has served OSD and the Services well for more than three decades. However, to enable the Department to adapt its capabilities, forces, and programs better in the future, the existing system must be better focused on the needs of senior decision-makers.

The current PPBS reexamines the entire multiyear defense program annually, uses too many people, takes too long, goes into too much detail, and leaves little time for reflection and creativity. We envision a restructured PPBS that resolves some major issues early and identifies alternative solutions to other issues explicitly "held open" for further study. Our goal is to build consensus among the Department's senior leaders, or get issues decided, before the staff-intensive program and budget development process begins. The restructured PPBS described below would facilitate orderly decision-making and adjustments to roles, missions, and functions. These are prerequisites to improving DOD's ability to respond to change.

A restructured PPBS, depicted in Figure 4-2, would consist of two major phases: planning and direction (what is needed); and developing and reviewing programs, budgets, and out-year plans (how to meet the needs).

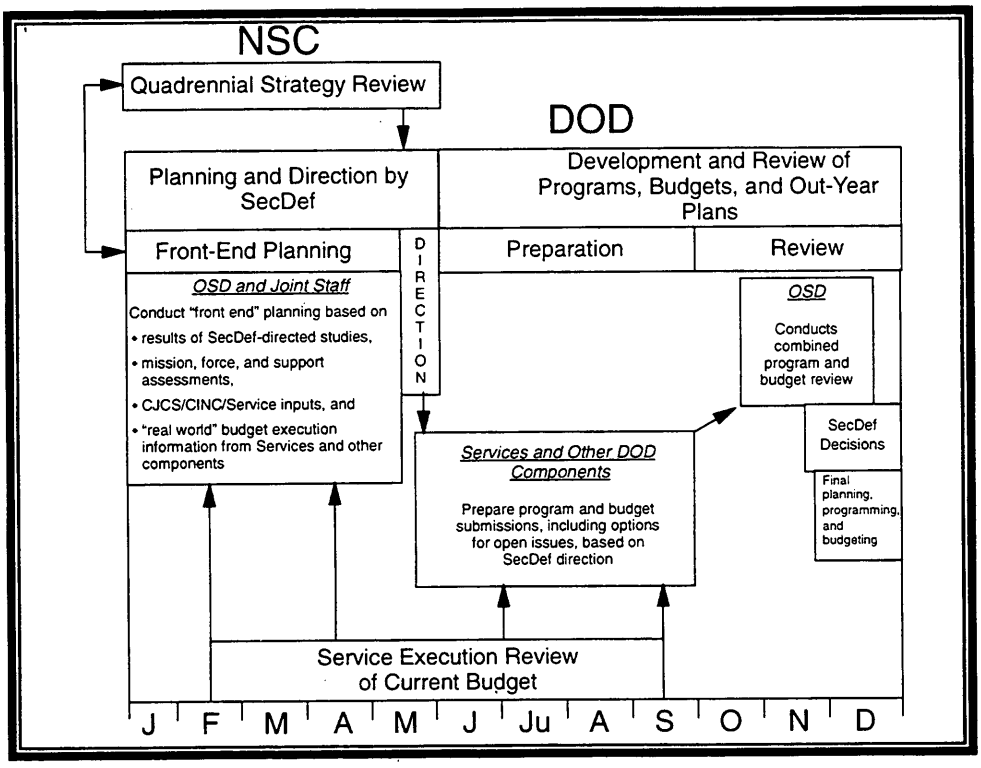


Figure 4-2. Highlights of a Restructured PPBS Process (Annual Budget Cycle)

## Front-End Assessments

> Recommendation: Conduct front-end assessments.

Integrated assessments are essential for a rigorous and timely Quadrennial Strategy Review. In addition, they improve the Secretary's ability to issue definitive program and budget direction to DOD components in cycles not preceded by a QSR. These assessments would incorporate the results of previously directed major studies and analyses, assessments of the adequacy of proposed forces and support programs, reviews of changes in the world, and evaluation of actual performance relative to budgets. The OSD and Joint Staff would be the primary actors here, but all elements of DOD would participate. (A "mission- and output-oriented assessment framework" would greatly assist in framing resulting issues for decision by the Secretary of Defense. We have developed an illustrative framework of this type and will explain it in some detail later. Use of this assessment framework is mentioned several times in our discussion of PPBS restructuring.)

To the extent possible, the Secretary of Defense would resolve issues resulting from the front-end planning effort before issuing program and budget direction; otherwise, issues would be designated as "open" for decision at the end of

the year. Additionally, the Secretary would identify issues of special interest — perhaps relating to new or expanded missions, or to projected joint operational needs — and direct the Military Departments and defense agencies to submit alternative solutions for them. Priced options for all unresolved issues would be developed by the Services and other DoD components during the program and budget preparation phase.

### Secretary of Defense Direction

> Recommendation: Issue strong Secretary of Defense program and budget direction.

The Secretary's initial program and budget direction would be based on the results of the QSR. (The OSD integration element that we describe later would draft these instructions for the Secretary.) Programming and fiscal guidance would be provided for each applicable area of the assessment framework (e.g., force readiness, nondeploying support to forces, etc.). Performance-oriented objectives would be established for the near-, mid-, and long-term to allow implementation tracking. Subsequent Secretarial direction would address only major changes from the QSR or the prior year.

### Preparation and Review of Programs, Budgets, and Plans

> Recommendation: Use an integrated plan, program, and budget review process.

This phase would result in a detailed budget request for one or two years, with less detail for the subsequent two or three programming years and the six-year planning period. Most major issues still requiring resolution would affect the programming years and beyond. The primary purpose of the six-year planning period would be to address strategic hedging options and explore the implications of technology and other potential changes for joint doctrine, employment concepts, and force structure. Projections of major forces, modernization programs, and resource levels would be included for each element of our assessment framework.

### Program/Budget Preparation

DOD components would submit their draft programs and budgets in the format required for congressional appropriations, with appropriate cross-references

to display this information in the new assessment framework and in the FYDP.[4] These submissions would be based on the Secretary's direction, reviews of current budget execution, the CINCs' program priorities, and the necessary balance between long-term capital investment and near-term operational needs.

### Integrated Review and Decisions

A combined program and budget review — organized for the Secretary by the OSD integration element described later — would focus first on the cost and performance status of current programs. In addition, it would incorporate assessments of force readiness and reviews of unresolved issues and options requested by the Secretary to address particular problems. Major program reviews and decisions would focus primarily on the program years and on the subsequent planning period. These reviews would address operational needs and priorities and consider a full range of alternatives before new acquisition programs are initiated. Longer term planning and assessment results would influence future direction and, as appropriate, the program and budget years.

This approach would produce a biennial or annual budget request, a program with considerably less detail than today, and a long-range force and spending plan.

Other major processes that support — and are supported by — the PPBS also need attention.

## Improve Other Decision Support Processes

Increased emphasis on front-end planning is also required in the three major decision-making support processes integrated with the PPBS. We recommend continued improvement to the restructured JSPS to help the Chairman carry out his responsibilities to provide strategy advice and assess capabilities for the Secretary. In particular, we believe that increased effort is needed to improve the scope and quality of long-range assessments, such as the Long-Range Vision Paper. Additional improvements should be made in the near- and mid-term products, such as the Chairman's Program Assessment, which evaluates the program and budget proposals of the Military Departments and defense agencies.

The Secretary's Contingency Planning Guidance, the resulting Joint Strategic Capabilities Plan, and associated contingency plans all need to be linked to the strategy that results from the Quadrennial Strategy Review, *and* to the PPBS (which allocates resources for near-term readiness), *and* to the readiness assessments discussed in Chapter 2. Increased numbers of skilled people (within

[4] The FYDP cross-walk would not be required if Congress also adopts our assessment framework for reviewing the program and planning periods.

existing DOD headquarters manpower totals) and expanded analytical tools (e.g., modeling and simulation capabilities) are needed within the Joint Staff to improve the analytical products that are sent to the Chairman, and from him to the Secretary of Defense.

> Recommendation: Improve other decision support processes.

The weapon system requirements generation process and the Acquisition Management System need better analytical support and other refinements. We recommend establishing regular procedures to assess non-materiel solutions to operational needs (e.g., changes in doctrine, tactics, employment concepts, or organization). Current policy directives already require consideration of a full range of alternatives — including cross-Service and non-materiel solutions. But in practice, the result has often been the endorsement of a specific — and expensive — new weapon design prematurely. Senior acquisition executives should be more heavily involved in the concept development process for new weapon systems to ensure rigorous examination of cost and performance trade-offs among alternative solutions (including existing weapon systems) before a particular approach is chosen.

Studies over the past decade have identified systemic problems with many joint weapons programs and the lack of interoperability of Service-developed systems. The key to fielding effective joint or interoperable systems is the early involvement of senior managers in defining requirements and in determining common components or total systems that should be applied across Military Departments. The Administration's current attempt to define the next generation of combat aircraft through the Joint Air Strike Technology program provides clear evidence of the more general need for improving the joint requirements and concept development processes. This improvement can be accomplished by creating fully joint operational requirements organizations before initial "needs" documents are developed.

> Recommendation: Pursue design commonality for other major new programs that have multi-Service application (e.g., tactical airlift/tankers, heavy-lift helos, and long-range surveillance aircraft).

In addition to increased commonality in the design of the next-generation combat aircraft, there are similar real opportunities in replacing support aircraft. In particular, the Services, the Coast Guard, and SOCOM will soon need to replace their existing fleets of C-130 aircraft and heavy-lift helicopters. The long-range electronic surveillance aircraft operated by the Air Force and the Navy will also need to be modernized in the next few years. We recommend that the USD(A&T) assign specific responsibility for managing joint requirements and concepts development in each of these areas.

Major systems overseen by the Defense Acquisition Board (DAB)[5] are not the only ones that will benefit from an improved "requirements" and concepts development process that ensures a greater range of cost-performance trade-offs and more attention to cross-Service interoperability. This is particularly important when the choices affect joint warfighting, in areas such as $C^3I$, modern munitions, key self-protection expendables (e.g., flares, chaff), and fuels and fueling systems (particularly aerial refueling systems). USD(A&T) should develop a set of disciplined procedures that assure adequate treatment of interoperability and also early interaction between those who generate requirements for smaller systems and subsystems and those who develop and approve solutions.

Greater involvement by the appropriate civilian acquisition executive before performance specifications are firmly established, followed by more disciplined implementation of existing policies, will enable the Department to benefit from enhanced interoperability, increased use of common components, and fewer Service-unique systems. The consolidation of acquisition support activities recommended in Chapter 3 should also help increase commonality.

Recommendation: Implement biennial appropriations.

While the foregoing revisions to the PPBS and other processes would be effective under the existing budgeting approach, we believe that implementing biennial budgeting would further enhance the improvements resulting from a restructured PPBS. We also think that achieving multiyear stability for DOD funding would be very helpful.

## Biennial Budgeting

As originally envisioned, biennial budgeting provides a two-year authorization and appropriation cycle, with the option of amending the second year when circumstances warrant. Defense management reviews (such as the Packard Commission), the National Performance Review, and the 1993 Report of the Joint Committee on the Organization of the Congress have recommended biennial budgeting and appropriations. Currently, the Department prepares a biennial budget

> "The most important reform, in the [Packard] Commission's view, is the adoption by Congress of biennial budgets tied to a five-year plan . . . . [This] would promote stability by providing additional time to do a better job — to think through military planning options, to evaluate results of current and prior-year execution of the defense budget, and to ensure that each phase of the cycle has the attention needed."
>
> — *A Quest for Excellence*, Final Report of the Packard Commission, 1986

[5] The DAB includes the Service Acquisition Executives, members of key offices in OSD, and the Vice Chairman of the Joint Chiefs of Staff, who is the Vice Chairman of the DAB.

initially, but Congress continues to appropriate resources for only one year, so DOD actually develops a new budget every year. There is no benefit from this additional DOD workload.

Biennial budgeting would yield greater program stability, improved planning and execution, and other benefits. We urge Congress to implement biennial appropriations. Failing that, we recommend that Congress revise the legislative requirement and allow DOD to revert to the annual budget process

Under either a one- or two-year budget process, the Department would benefit from an executive/legislative commitment to a specific level of resources for the four-year budget and program period we propose. This stability would allow the Secretary and subordinate levels of the Department to manage more flexibly and would help create real incentives for innovation and efficiency throughout DOD. Incentives should be improved for both individuals and organizations.

## Improving Incentives

A common theme in the National Performance Review is the need to empower managers and workers at lower levels by decentralizing authority and encouraging them to become more entrepreneurial. In the private sector, competitive pressures and the profit motive reward managers for making difficult decisions and reducing costs. Savings can be reinvested, resulting in increased profits or improved effectiveness — metrics for which managers are rewarded.

Such inducements are much weaker in the Federal sector, where most rewards are for strict compliance with rules. A good example is the formal budget execution process, which allows little flexibility at lower levels. One result is the familiar "use it or lose it" year-end spending spree. The Administration is considering specific changes to Federal personnel management systems that, if approved, would improve the Department's ability to reward entrepreneurial individuals.

Better organizational incentives are also needed. A powerful incentive in the Department of Defense would be to give Service Secretaries and heads of defense agencies the authority to retain in their future "top line" planning a substantial portion of any savings that can be generated in their department or agency. For example, if the Secretary of the Navy could plan to spend a substantial part of the savings generated from cuts in infrastructure to accelerate an approved modernization program, the Navy as a whole would be better motivated to seek out such savings. Similar authority could be delegated to lower levels, where the Services already have had considerable success with pilot programs incorporating this concept.

This approach raises some fundamental issues involving budget planning, reprogramming authority, and stability of major SecDef programming decisions. Reliable procedures and accounting systems would be necessary to ensure that money saved is spent only on previously authorized programs. Flexibility would have to be preserved for the Secretary of Defense to reallocate resources when reallocation is necessary.

Although full implementation of this concept will require a detailed budget planning effort, the near-term situation could be improved substantially by increasing the present reprogramming thresholds within and across appropriation boundaries.

## Improve Information for Decision Support

> Recommendation: Create and use an assessment framework.

The Department should adopt a mission- and output-oriented framework of the type outlined below. This will assist senior officials in making the focused decisions required to provide a more effective, integrated, and efficient defense establishment. Figure 4-3 depicts our proposed integrated assessment framework. The boxes in this figure represent matrices for arraying information useful for decision-making. Our framework is focused on the center of Figure 4-3, where we would display the overall capabilities of our forces to perform the CINCs' operational missions, and associated risks. Each of the six surrounding matrices displays information related to providing or supporting forces employed by the CINCs. All DoD resources are assigned to one of these six matrices.

In addition to recording resource inputs, each supporting matrix presents mission/output-oriented assessments that identify major strengths, weaknesses, and risks for three different time horizons: the budget period (today and the next 2 years), the programming period (3 to 4 years in the future), and the planning period (5 to 10 years in the future). Besides presenting absolute values for each period, these matrices can be used to show trends and thereby highlight the time needed to fill gaps in capability.[6]

Collectively, the matrices in our framework enable senior officials to relate resource inputs with changes in forces and capabilities to perform CINC missions. Of course these missions will evolve over time to reflect changes in national objectives, the geopolitical environment, and military threats, all of which will have to be incorporated into the continuing assessment process.

[6] This is particularly important when it will require significant time for resources to affect output (e.g., an aircraft carrier is not available for operations until 6 to 8 years after funds are first authorized and appropriated).

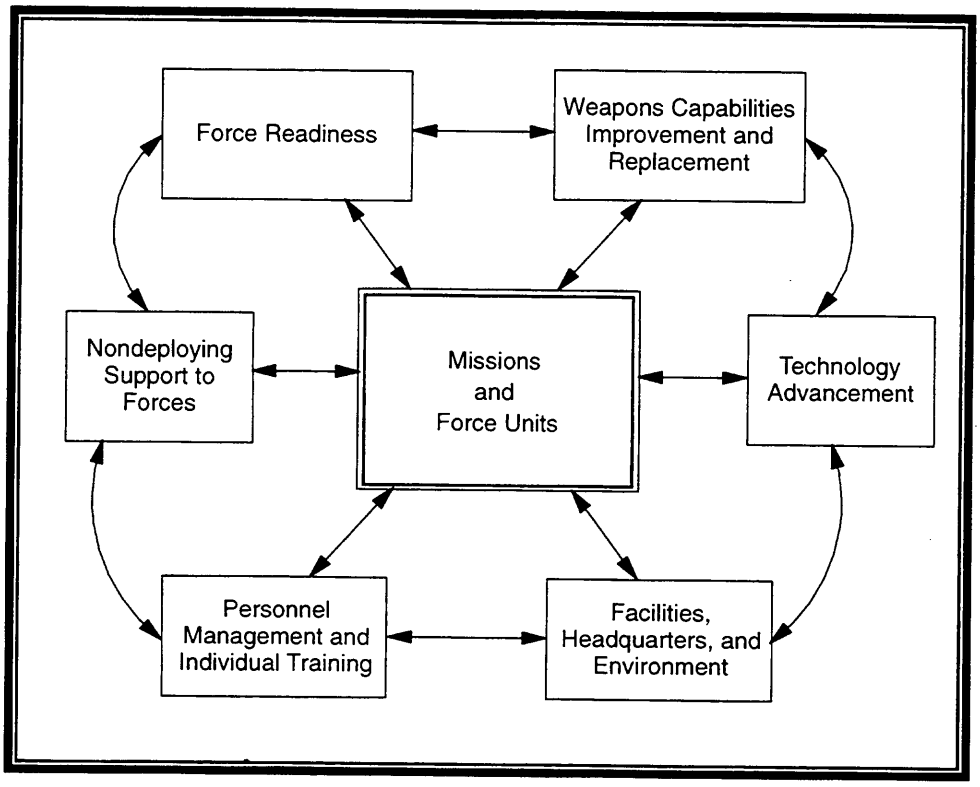


Figure 4-3. A Mission/Output-Oriented Information Framework

## Major Defense Missions and Forces

The centerpiece of the assessment framework is the Major Defense Missions and Forces Matrix, Figure 4-4.

This matrix displays the missions assigned to the CINCs (left column) and the active and reserve forces apportioned[7] to the CINCs or joint task forces for those missions (middle columns) from the Services or other DOD components (top block). Assessments of the CINC involved, the CJCS, the OSD staff, and the Services are represented in the right-hand column. These assessments will highlight major strengths, weaknesses, and gaps in required capability, as well as risks. By relating inputs to outputs and mission performance, the matrix promotes informed decisions.

[7] The term "apportioned" means that a force is assigned to a CINC for planning purposes only. It acknowledges the likelihood that not all missions will be executed simultaneously. Essentially, this means that some major force elements may be apportioned to several different operational missions, with some missions having higher priority than others (thus increasing the risk that a lower priority mission may not be accomplished if the higher precedence mission occurs first).

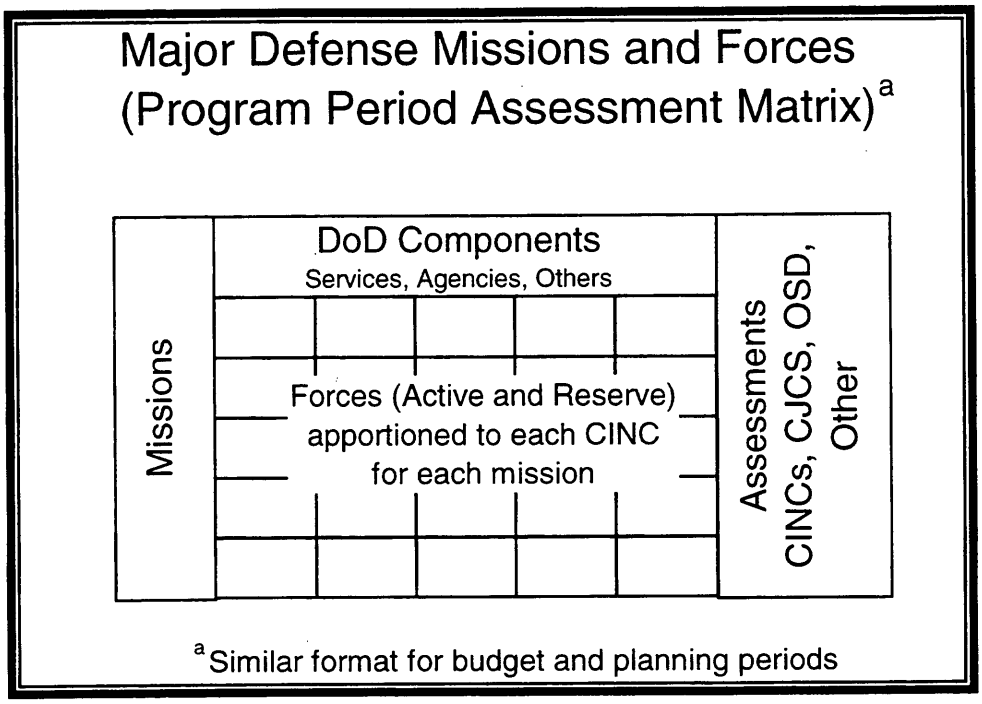


Figure 4-4. Major Defense Missions and Forces Matrix

## Weapons Capabilities Improvement and Replacement

Figure 4-5 is a specific example of a supporting matrix from the overall Assessment Framework shown in Figure 4-3. This one is for Weapons Capabilities Improvement and Replacement. It is consistent with the JROC's new Joint Warfighting Capabilities Assessment concept. The matrix displays joint warfighting capabilities (left column); acquisition programs (middle columns) from the Services and other DOD components (top block); and assessments by the JROC and OSD (right column).

The JROC and the USD(A&T) would use this matrix to evaluate proposed requirements and acquisition programs. The assessments in the Major Defense Missions and Forces Matrix (previously discussed) would identify critical strengths, weaknesses, and gaps in capability that affect the CINCs' ability to carry out their assigned missions. This information provides the context for using the Weapons Capabilities Improvement and Replacement Matrix in the PPBS, in the requirements generation process, and in the Acquisition Management System. In the PPBS, it would be used for front-end modernization assessments and major issue reviews. The JROC would use the matrix in its evaluations of "mission need" statements for new or improved weapons, which must consider all existing and approved systems that contribute to a specific joint warfighting capability. It would also be useful in supporting DAB reviews conducted by the USD(A&T).

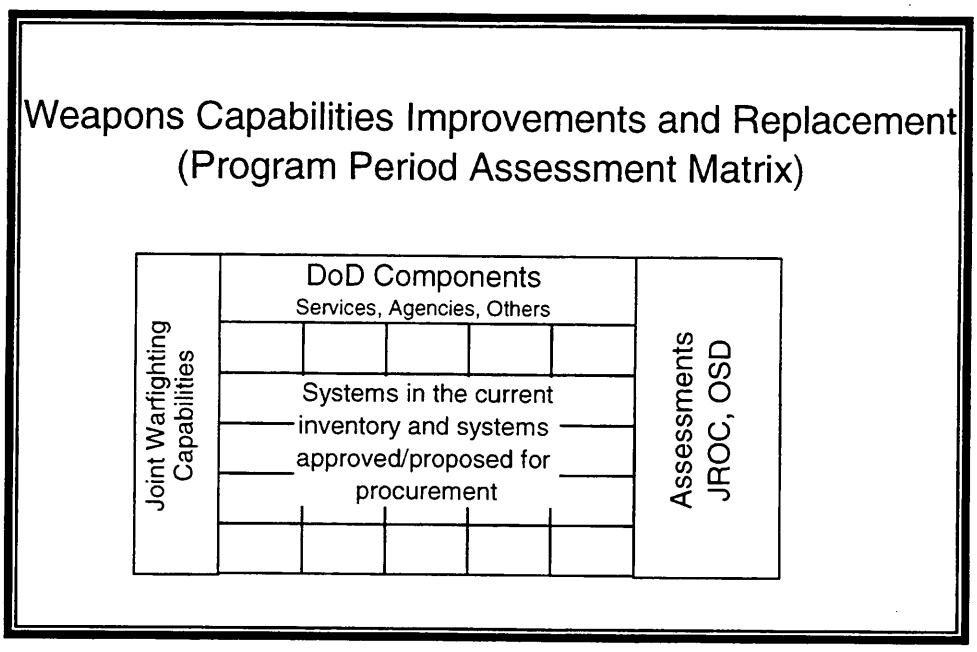


Figure 4-5. Weapons Capabilities Improvement and Replacement Matrix

The row headings in the left-hand column of the Weapons Capabilities Improvement and Replacement Matrix initially would be the Joint Warfighting Capabilities Assessment categories developed recently by the JROC. However, we believe that these categories can be improved to better relate the CINCs' uses for forces and their assessments of weaknesses and gaps in specific warfighting capabilities.

Equally important, this matrix could be used by senior decision-makers to reassess current acquisition programs in the PPBS when their cost, schedule, or performance goals are projected to exceed thresholds established in the Acquisition Management System, or when technological advances and changes in the international environment call into question the operational need for specific programs, thus helping avoid capability overlaps and redundancies.

## Other Matrices

The other five matrices display similar information, including specific deficiencies involving program balance and relative priorities for their respective areas. For example, the Force Readiness Matrix captures the readiness of Active and Reserve forces assigned to the Unified Commanders rather than the forces apportioned to them.[8] The results would be based on CINC assessments and/or a joint readiness assessment procedure as recommended by the Commission in Chapter 2. It also provides the Chairman and the Secretary with the mid- and

[8] There are two reasons for this. First, forces are assigned to only one commander at a time so that resources are counted only once. Second, a CINC would find it difficult, if not impossible, to assess the readiness of a force unit being used by another CINC.

long-term indicators needed to assess more accurately the effects of force- and equipment-planning decisions on future capabilities.

## Improve DOD's Management Structure

### Management Structure and Functions

Our recommendations for an information framework and enhanced decision-making processes will have more impact if they are reinforced by modifications in the management structure. We reviewed the functions assigned to DOD components by law and directives and identified a need to clarify and redefine management responsibilities. These changes involve the responsibilities of the OSD staff, management of the support base, the responsibilities of the Joint Staff and joint structures, relationships between OSD and the Joint Staff, and the supporting staff structure of the Military Departments.

> "But the Joint Chiefs of Staff are a strictly military body. Responsibility for civilian control should be clearly fixed in a single full-time civilian below the President. This requires a Secretary for the entire military establishment, aided by a strong staff of civilian assistants."
>
> — President Harry S Truman, *Message to Congress*, 19 December 1945

### OSD Staff

The Secretary of Defense has both executive department and cabinet officer responsibilities. The OSD staff should concentrate on assisting the Secretary in these areas. Our examination of current OSD staff activities suggests that the following changes should be made:

- Responsibilities for cross-cutting, multifunctional program integration and assessments, which are currently divided between the Offices of the Comptroller and of the Under Secretary of Defense for Policy, should be realigned or consolidated. The Secretary needs strong overall staff support to ensure that he receives a wide range of information and advice from all DOD elements, and a single staff element to help integrate these diverse inputs into unified direction for the Department.

> Recommendation: Create an objective "integration" element in OSD.

- Portions of the Office of the Under Secretary of Defense for Policy should be organized

> Recommendation: Restructure USD(P) to focus on mission.

along mission lines (as has been done for Counterproliferation) in order to improve DOD's responsiveness to new and evolving missions. Sharpening the Policy organization's mission focus also should help strengthen political-military coordination between OSD and the Joint Staff, and OSD oversight of contingency planning.

- Boards of directors should be established to help manage defense agencies and DOD field activities. It may also be desirable to establish a Defense Support Organization to manage these agencies/activities and allow the OSD staff to better concentrate on providing objective advice to the Secretary. We discuss these two proposals in Chapter 3.

> Recommendation: Create boards of directors for defense agencies.

- Further, we believe that the Department needs to conduct a broad-based management review of OSD's responsibilities regarding other DOD components. Following the management review, a DOD directive should be created to codify the responsibilities of the OSD staff for other DOD components. While our major thrust has been to reduce codification and regulation, we believe this directive would help the OSD staff better serve the Secretary.

> Recommendation: Clarify OSD scope of responsibilities and relationships.

## THE JOINT STAFF AND JROC

The responsibilities of the Joint Staff are to support the Chairman in his many duties. Those responsibilities have grown as a result of the Goldwater-Nichols Act, but there has been no proportional increase in the Joint Staff's planning and analysis capabilities. A current initiative is to expand the JROC, led by the Vice Chairman, from its original charter regarding new weapons requirements to one of assessing all important aspects of the Nation's military posture. By tapping the Service staffs that support their JROC principals (the Vice Chiefs), this initiative has increased the analytic talent available to the Joint Staff. However, following this practice may increase the Joint Staff's reliance on Service staffs for their assessments, which runs counter to the intent of Goldwater-Nichols to increase the Joint Staff's independence. We recommend the Secretary direct that additional analytical resources be made available to the Joint Staff.

> Recommendation: Provide CJCS with additional analytic and technical resources.

### OSD AND JOINT STAFF RELATIONSHIPS

The responsibilities and relationships of the OSD staff and the Joint Staff need to be explicitly stated. Each serves a different purpose. Simply put, the Joint Staff supports the Chairman as the principal military advisor to the President, the National Security Council, and the Secretary of Defense, while OSD provides policy advice, independent perspectives, and analytical support to the Secretary. Our recommended directive clarifying OSD responsibilities and relationships should improve this relationship.

Given the increasingly important role of the JROC and the growing competence of the Joint Staff, it is imperative that OSD possess a correspondingly strong capability to assess the Chairman's advice, along with that of the CINCs, the Military Departments, and other DOD components; and to provide independent advice and perspectives to the Secretary. Providing this capability should be a primary duty of the OSD integration element recommended previously. OSD participation in selected JROC activities may be desirable to develop consensus but should not be considered a substitute for furnishing independent OSD advice and perspectives to the Secretary.

We found considerable recent improvement in OSD's participation in the Joint Staff's contingency and operational planning arena. At present, the OSD staff has three access points to the contingency planning process, from the earliest efforts through two levels of review and the Secretary's final approval. This effective participation should be extended to force employment and crisis management activities. These arrangements should be codified in regulation.

## Restructure the Military Department Staffs

Our assessment of roles, missions, and functions led us inevitably to look at the management of headquarters staffs in the Military Departments. With two staffs in each headquarters (three in the Navy Department), the potential for unnecessary redundancy seemed high.

Title 10 U.S.C. provides for a Secretariat and a Service staff reporting to the Service Secretary in each Military Department. (In the Department of the Navy, there are three headquarters staffs: the Secretariat, the CNO staff, and Headquarters, U.S. Marine Corps.) This staff structure is a remnant of the days when Service Secretaries were cabinet members and Service Chiefs were in the operational chain of command.

We identified two possible advantages to having separate Secretariat and Service staffs. First, the civilian Secretariat is available to support the Secretary directly in functional areas deemed essential to civilian control or that otherwise need senior civilian oversight. Second, the Service staff can provide independent

military perspectives, especially in support of the Service Chief's role as a member of the JCS. Basically, separate staffs provide different sources of advice to the Service Secretary and Chief and serve as independent bases of support for each.

Recommendation: Combine the Secretariat and Service staffs.

However, our review concluded that the advantages of separate headquarters staffs are outweighed by disadvantages in several important respects. The presence of two staffs impedes integration of effort, and forces choices between "civilian business functions" and "military functions." Split responsibilities between Secretariat and Service staffs cause confusion at higher and lower echelons, resulting in unnecessary friction and cumbersome management processes.

In addition, efforts to reduce duplication and improve specialization between the two staffs leave the appearance that "sole responsibility" activities assigned to the Service Secretary by Title 10 should be of less concern to the Service Chief, while predominantly military functions are of less concern to the Secretary. This split leads to an environment in which both the Service Chief and the Secretary have difficulty meeting their broad leadership responsibilities.

We believe that the Military Department Secretary's responsibility for all matters in that department is clear and indivisible and that the Service Chief's effectiveness as the senior military officer also demands a broad, Service-wide perspective. We conclude that Military Department Secretaries and Chiefs would be better served by a single staff composed of experienced civilians and uniformed officers. This staff should report through the Service Chief. Integrating the staffs would immediately highlight areas of existing duplication, present the opportunity for consolidation of several staff functions, and improve efficiency in headquarters management processes.

Recommendation: Reduce the number of political appointees in Service Secretariats.

A single staff must be structured to promote clear lines of authority and accountability and must be able to interact effectively with OSD, the Joint Staff, CINC staffs, and the headquarters staffs of other Military Departments. The single staff should have an appropriate mix of senior military and professional civilian personnel. We believe that having a single headquarters staff structure would reduce the requirement for Senate-confirmed Assistant Secretaries. Specifically, we recommend that the number of political appointees assigned to positions in the Military Departments be limited to a total of three or four senior people.

The consolidation of two staffs into a single headquarters staff in each Military Department is a complex enterprise involving sensitive issues of civilian control. This change will require a careful assessment by the Secretary of Defense and the approval of Congress. Finally, we recognize that a single staff structure poses a special challenge to the Department of the Navy because of the presence of two military staffs (i.e., those of the Chief of Naval Operations and the Commandant of the Marine Corps) in its headquarters, but the aim should be to achieve consolidated approaches where possible.

## Improve Civilian Personnel Quality

Finally, we recognize that the improvements recommended throughout this report and the effectiveness of DOD overall ultimately depend on the quality of the OSD, Joint, and Service staffs. The military and civilian defense officials we met praised the quality of the military and career civilian employees working throughout DOD. However, they also mentioned the need to improve policies and personnel management to enhance the quality of career civilians and political appointees.

> Recommendation: Revise career civilian personnel management.

We believe management of senior General Management and career Senior Executive Service personnel should be revised to include mandatory rotational assignments, an up-or-out advancement policy, a structured educational system, access to more positions of greater responsibility, and meaningful compensation incentives. A system with these attributes could attract and retain higher quality career personnel.

To increase the professional breadth and depth of career civilians, we believe that they should have both line and staff assignments outside major staff organizations (e.g., outside OSD and Service headquarters staffs). Additionally, career civilians should have opportunities to attend military service schools and other educational institutions without penalty to their organizations. As in the military personnel system, replacements should be provided for employees in training, and they should move to new positions upon completion of educational assignments.

Senior career professionals should expect to advance at regular intervals or be dropped from the program. Retirement provisions would have to allow for early departure, although not necessarily immediate payment of an annuity.

Our consultations with Defense leaders also led us to observe that political appointees in OSD and in the Military Department staffs often lack the experience and expertise in national security and military strategy, operations,

budgeting, etc. required by the positions they fill. Equally troubling is their relatively short tenure. Further, we find that financial disincentives, the lengthy confirmation process, and revolving-door restrictions inhibit efforts to acquire uniformly competent political appointees. At the same time, we recognize that these disincentives reflect attempts to correct past abuses and are not likely to be reversed. Consequently, we recommend a substantial reduction in the number of political appointees serving in senior leadership positions throughout the Department. Further, we recommend replacing those political appointees with military or civilian professionals.

> Recommendation: Reduce the numbers of political appointees and replace them with military or civilian professionals.

New senior appointees (political and career) need assistance in transitioning to senior positions in defense. We recommend a Capstone-like[9] course to familiarize appointees with DOD.

To implement our recommendations, we suggest four specific initiatives. The first of these could start immediately; the others would take longer:

- DOD should provide over-strength civilian billets for long-term training and adjust total personnel strength accordingly, as is done in the military. The career management system should provide for rotational billets across DOD components, as is the case for Presidential management interns.

- Congress should establish a high-level panel of past Defense officials to recommend ways of replacing senior DOD political appointees with career civilians, thus increasing experience and stability in the Department's upper management levels.

- Congress should establish a panel, with members appointed by both the President and Congress, to review restrictive revolving-door and conflict-of-interest provisions for political appointees. The review should yield recommendations for getting more high-quality people to accept political appointments or limited-term employment. Taking this step will overcome current disincentives and restrictions that inhibit bringing business, technical, and industrial leaders into the Department and would enhance DOD's exposure to innovative private-sector business practices and technical practices.

- The Secretary of Defense should investigate the benefits of a two-track career system for DOD civilians, allowing employees willing to undertake rotational assignments and incur greater risk to have higher potential management opportunities.

[9] Capstone is a six-week course for newly selected flag officers to update their understanding of national security, defense planning, and issues of joint and combined operations.

## SUMMING UP

This chapter has presented ideas and recommendations for improving the Department's management decision-making and management processes. We believe that these improvements are critical — although the payoff for many of them may not be readily apparent. Still, since most roles and missions changes are the subtle and sometimes inadvertent results of these decision-making and management processes, it is our recommendations in this chapter that will equip the Department to make better roles and missions decisions in the future. Recognizing the importance of considering roles and missions impacts at the outset of the requirements and PPBS processes will ensure that decisions focus properly on resulting joint warfighting capability.

# CONCLUSION

# The Future

The future will continue to reflect the profound change we experience today. The geographic CINCs will have to perform an array of operations in support of our global national interests — from winning the nation's wars to preserving the peace and preventing larger conflicts. Accomplishing those missions requires the CINCs to mold a broad range of Service-provided capabilities into a unified effort. Ensuring that the right capabilities exist, and that they can work successfully together, is the purpose of every element of the Department of Defense. It is also the purpose of our report.

In the preceding pages we have detailed our perspective on roles, missions, and functions, as well as our view of how the Department must approach the future. Key to both of these is our unanimous belief that DOD has come far toward unified military operations. American forces operate together successfully. But it is now time to do more. It is time to extend jointness into the management and decision-making processes that produce the capabilities required in the future, and into the support organizations that maintain our defense capabilities. And those are the fundamental directions we set throughout this report.

Implementing our vision of a more unified DOD, in which every component understands completely its individual role as a contributor, presents DOD with a significant challenge. But it is a challenge the Department is up to. More importantly, it is the challenge of producing the Department's only real product: *effective unified military operations.* And it is the challenge of meeting the Department's ultimate purpose: *securing the future for the American people.*

# GLOSSARY

# Glossary

| | |
|---|---|
| Capability | Ability of a properly organized, trained, and equipped force to effectively accomplish a particular mission or function. |
| Chairman | Unless otherwise stated, refers to the Chairman, Joint Chiefs of Staff. |
| Close Air Support (CAS) | Air action by fixed- and rotary-wing aircraft against targets in close proximity to friendly forces that, in order to prevent fratricide, requires detailed integration of each air mission with the fire and movement of those forces. |
| Close combat | Combat in which opposing forces are in close proximity to one another. |
| Coalition operation | An operation conducted by military elements of a group of nations that have joined together for some specific purpose. |
| Combatant command | See **Unified command**. |
| Combating proliferation | The full range of actions by the U.S. government to deter, delay, halt, or roll back the proliferation of weapons of mass destruction (WMD) and their delivery systems. Combating proliferation also includes waging war against WMD-armed adversaries. |
| Commander in Chief | The President of the United States. Also, the Commander of one of the unified combatant commands established by the President. |
| Contingency | A situation or emergency. Military plans are often prepared for the most likely contingencies that could require the employment of forces. |

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| Deep attack | The application of force beyond the area of close combat (see close combat). Deep attack includes interdiction, strike, strategic air warfare, deep supporting fires, and conventional counterforce operations. |
| Defense agency | An organization designated by the Secretary of Defense to provide a service or supplies common to more than one department (e.g., Defense Information Systems Agency, Defense Intelligence Agency, and Defense Logistics Agency). |
| DOD components | Major organizational elements of the Department of Defense, such as the Services, agencies, and unified commands. |
| DOD Directive 5100.1 | The document that promulgates the responsibilities and functions of the Department of Defense. |
| Electronic warfare | Military action involving use of electromagnetic and directed energy to control the electromagnetic spectrum or attack the enemy. |
| Executive Agent | Authority delegated (normally to a Military Department or combatant commander) by the Secretary of Defense to act on his behalf with respect to certain activities and/or resources. |
| Field activity | An organization designated by the Secretary of Defense to provide a service or supplies that are common to more than one department (e.g., Defense POW/MIA Office, Washington Headquarters Services). |
| Force package | A grouping of forces from one or more Services. Force packages are generally formed into joint task forces before they are employed. |
| Forward presence | See Presence. |

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| Functional CINC | Unified Commander in Chief who is assigned a specific worldwide support function. Currently, these are Special Operations Command (SOCOM), Headquarters at MacDill Air Force Base, Florida; Strategic Command (STRATCOM), Headquarters at Offutt Air Force Base, Nebraska; Transportation Command (TRANSCOM), Headquarters at Scott Air Force Base, Illinois; and Space Command (SPACECOM), Headquarters in Peterson AFB, Colorado. |
| Functions | Specific responsibilities assigned by Congress, by the President, or by the Secretary of Defense to enable DOD components to fulfill the purposes for which they were established. |
| Geographic CINC | Unified Commander in Chief who is assigned a regional/geographic area of responsibility (AOR). Currently, these are Atlantic Command (ACOM), Headquarters in Norfolk, Virginia; Central Command (CENTCOM), Headquarters at MacDill AFB, Florida; Pacific Command (PACOM), Headquarters in Camp Smith, Hawaii; European Command (EUCOM), Headquarters in Stuttgart, Germany; and Southern Command (SOUTHCOM), Headquarters in Rodman, Panama. |
| Goldwater-Nichols Act (10 U.S.C. 164[c]) | The Department of Defense Reorganization Act of 1986. The original Bill was sponsored by Senator Goldwater and Congressman Nichols. |
| Information warfare | Offensive and defensive measures aimed at controlling, disrupting, or destroying an adversary's information flow while protecting one's own. |
| Inter-Service | Between Services. Example: inter-Service training: Training that is provided by one Service to members of another Service. |

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| Interagency working group (IWG) | A group formed by the National Security Council to deal with specific issues, composed of representatives from various U.S. Government departments and agencies. |
| Joint Mission Essential Task List | A list of the primary tasks that joint forces must be prepared to execute to accomplish missions they are most likely to be assigned. Used for training and evaluation purposes. |
| Joint operations | Military operations involving integrated force packages from more than one Military Department. Also called "unified operations." |
| Marine Expeditionary Force (MEF) | The principal Marine Corps warfighting organization, particularly for a larger crisis or contingency. It can range in size from less than one division to multiple divisions and aircraft wings, together with one or more force service support groups. |
| Military Departments | The Departments of the Army, Navy, and Air Force. |
| Military Services | The Army, Navy, Air Force, Marine Corps, and Coast Guard. |
| Missions | The tasks assigned by the President or Secretary of Defense to the combatant commanders. |
| Mobile Subscriber Equipment (MSE) | A modern, secure communications system for ground forces. |
| National Command Authority alternates or successors. | The President and the Secretary of Defense or their (NCA) |
| National Military Strategy (NMS) | Produced by the Chairman of the Joint Chiefs of Staff. Articulates the military component of the National Security Strategy. |
| National Reconnaissance Office (NRO) | The agency that buys and operates satellites for intelligence purposes. |

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| National Security Strategy | A document published by the President that articulates the security strategy of the Nation. |
| Original Equipment Manufacturer (OEM) | The company or corporation that originally produces a weapon system or item of equipment. |
| Operations and Maintenance (O&M) | Funds programmed for routine activities such as training and maintenance of equipment. |
| Operations other than war (OOTW) | Military activities during peacetime and conflict that do not necessarily involve armed clashes between organized forces or sustained combat. |
| Operational control | The authority to organize, employ, assign tasks, designate objectives, and give authoritative direction over subordinate forces engaged in operations or joint training. It does not automatically include authoritative direction for logistics, administration, discipline, internal organization, or unit training. |
| Operational Support Airlift (OSA) | All airlift transportation in support of command, installation, or management functions using DOD-owned or controlled aircraft. |
| Outyears | Used in programming. The fiscal years beyond the current 6-year plan. |
| Peace operations | An umbrella term that encompasses the full range of military and diplomatic activities to prevent, halt, or contain conflicts. |
| Pre-position | To place military units, equipment, or supplies at or near the point of planned use or at a designated location to reduce reaction time, and to ensure timely support of a specific force during initial phases of an operation. |
| Presence | The ability of U.S. military forces to exert influence abroad during peacetime due to their proximity, their capability to quickly get to the scene, or their engagement activities with foreign nations. |
| Proliferation | The spread of WMD and associated military technologies. |

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| Roles | Broad and enduring purposes specified by Congress in law for the Services and selected DOD components. |
| Secretariat | The staff of the Secretary of a Military Department. Currently separate from the staff of the Service Chief of Staff. |
| Secretary | Unless otherwise stated, refers to the Secretary of Defense. |
| Service Chief | Senior military person in a Service. Chief of Staff of the Army, Chief of Naval Operations, Commandant of the Marine Corps, Chief of Staff of the Air Force, and Commandant of the Coast Guard. |
| Theater | As used in this report, theater refers to the area of operations of a geographic CINC. |
| Title 10, U.S.C. | Title 10, United States Code ("Armed Forces"). The law establishing the broad responsibilities of the Department of Defense and its components. |
| Total Force | The combined capabilities of all components of all Services — active Reserve, and National Guard. |
| Unified command | A functional or geographic command composed of forces provided by two or more Military Departments. |
| Weapons of Mass Destruction (WMD) | Nuclear, chemical, or biological weapons that can be used for large-scale and indiscriminate attack on populations. |

# APPENDIX A

# Implementing Legislation

# APPENDIX A

# Implementing Legislation

This appendix presents suggested legislative changes for recommendations we believe cannot be effectively implemented otherwise. We have tried to identify all legislative changes that are necessary to implement our recommendations, but the list may not be complete.

We have not attempted to identify implementing legislation for all recommendations. The list presented here excludes recommendations that we believe can be implemented without legislation.

## RECOMMENDATION

Legislation that sharply restricts the ability of the U.S. Government to conduct constabulary training should be amended to allow greater DOD participation.

## Implementing Legislation

Amend Section 660 of the Foreign Assistance Act (22 U.S.C. Section 2420). Police training prohibition.

## RECOMMENDATION

Encourage Active/Reserve Integration to include making duty with the Reserves career-enhancing for active duty members of all Services.

## Implementing Legislation

Amend Section 619a.(a) Title 10 U.S.C.,One-time legislation to establish the panel to review restrictive revolving door and conflict of interest provisions and recommend ways to get more high-quality persons to accept political appointments or limited-term employment. (Eligibility for consideration for promotion: joint duty assignment required before promotion to general or flag grade) to allow RC duty to count as joint duty. This would facilitate Active/Reserve integration by making duty with the RCs career enhancing for AC members of all Services.

## RECOMMENDATION

Greater integration and cooperation is required between active and Reserve components. Seamless integration is the key to effective Reserve support of the Total Force.

### Implementing Legislation

Enact legislation to require that the Reserve Component Automation System (RCAS), is compatible with Active Component systems, including times of premobilization and postmobilization.

## RECOMMENDATION

"Outsource" or "privatize" all commercial activities.

### Implementing Legislation

Repeal Section 2461, Title 10, U.S.C., Commercial or Industrial Type Functions.

Repeal Section 2465 , Title 10, U.S.C., Prohibition on Contracts for Performance of firefighting or security-guard functions.

Repeal Section 2468, Title 10, U.S.C., Authority of Base Commanders over Contracting for Commercial Activities.

Repeal Section 317 of the fiscal year 1987 Department of Defense Authorization Act, Prohibition of contracts for the performance of certain Army ammunition activities.

Section 2461, Title 10, provides for Congressional notice, cost comparisons, certification and reporting requirements to outsource commercial work done by more than 45 workers. Section 2468 delegates decisions regarding commercial activities to the installation commander and mandates use of A-76 procedures. Section 317 prohibits contracting out at Crane Army Ammunition Activity or McAlester Army Ammunition Plant.

## RECOMMENDATION

Establish a time-phased plan to privatize essentially all existing depot-level maintenance.

## Implementing Legislation

Repeal Section 2464, Title 10, U.S.C., Core logistics functions. (This section establishes in law the concept of dependence on organic logistics functions).

Repeal Section 2466, Title 10, U.S.C., Limitations on the performance of depot-level maintenance of material. (This section establishes in law the limitation of 60% as the minimum amount of depot-level maintenance workload that must be performed by Federal Government personnel).

Repeal Section 2469, Title 10, U.S.C., Contracts to perform workloads previously performed by depot-level activities of the Department of Defense: requirement of competition. (This section establishes in law the requirement that the DOD conduct public/private competitions for workload exceeding a $3,000,000 threshold).

Repeal Section 2461, Title 10, U.S.C., Commercial or industrial type functions: required studies and reports before conversion to contractor performance. (This section establishes in law the requirement that the Congress receive formal notification before work performed by DOD civilian employees is converted to contractor performance).

## RECOMMENDATION

Transition existing maintenance depots and employees to commercial enterprises.

Outsource/privatize selected material management activities.

## Implementing Legislation

Repeal Section 2461, Title 10, U.S.C., Commercial or industrial type functions: required studies and reports before conversion to contractor performance. (This section establishes in law the requirement that the

Congress receive formal notification before work performed by DOD civilian employees is converted to contractor performance).

## RECOMMENDATION

Assign all OSA, except Navy C-9s, to the Air Force for management and scheduling by USTRANSCOM.

## Implementing Legislation

Enact legislation to transfer aircraft to the Air Force.

## RECOMMENDATION

Reemphasize the Primacy of medical support to military operations.

Establish uniform procedures for sizing the Department's operational medical needs.

## Implementing Legislation

Repeal Section 711 of the National Defense Authorization Act for Fiscal Year 1991 (as amended by section 718(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993), Limitation on reductions in medical personnel.

Repeal Section 718, of the National Defense Authorization Act for Fiscal Years 1992 and 1993, Minimum number of Navy health professionals.

Repeal Section 518, FY 93 Defense Authorization Act (as amended by section 716 of the Fiscal Year 1995 Defense Authorization Act), Limitation on reduction in the number of reserve component medical personnel.

These sections prohibit reductions in military medical manpower.

## RECOMMENDATION

The total DOD medical program must ensure high access to quality care for all beneficiaries including the Medicare eligible at no cost to

active duty personnel, no increased cost on the average to active duty families, and at reasonable cost to retirees and their families.

## Implementing Legislation

Repeal Section 1086(d) of Title 10, U.S.C., Contracts for health benefits for certain members, former members, and their dependents.

The current section limits access to care for the Medicare eligible to direct care only. This will hinder effective down sizing of current system.

Enact a provision that would require Medicare to be first payer for care received from any Defense Department direct care source. Most civilian programs offered under the FEHBP already use Medicare as first payer.

## RECOMMENDATION

Expand TRICARE by sponsoring a competitive civilian health care plan (like the various plans offered under the FEHBP) at equal cost to all beneficiaries for like care to increase access and beneficiary choice and decrease direct care demand.

## Implementing Legislation

Repeal Section 1077, Title 10, U.S.C., Medical care for dependents: authorized care in facilities of uniformed services.

Repeal Section 1079, Title 10, U.S.C., Contracts for medical care for spouses and children: plans.

Repeal Section 1086, Title 10, U.S.C., Contracts for health benefits for certain members, former members and their dependents.

These sections define various benefits for various classes of beneficiaries in uniformed services facilities and in contracted care.

Enact a basic universal benefit for direct and contracted care (excluding active duty personnel).

## RECOMMENDATION

Require enrollment in all DOD sources of care.

## Implementing Legislation

Amend Section 1076, Title 10, U.S.C., (Medical and dental care for dependents: general rule) to eliminate priority access to space available care.

This section gives priority access to active duty families over retirees and their families. With enrollment this will no longer be necessary (except in remote areas where other sources are unavailable).

## RECOMMENDATION

Institute a medical allowance for active duty families.

## Implementing Legislation

Amend pay and allowances requirements to implement.

## RECOMMENDATION

Restructure Military Department Staffs to have a single staff serving Service Secretaries and Chiefs of Staff; reduce numbers of political appointees; and accommodate separate Navy and Marine Corps activities only when necessary.

## Implementing Legislation

Amend Sections 3014 (Office of the Secretary of the Army), 3016 (Assistant Secretaries of the Army), 3031 (The Army Staff: function; composition), 3032 (The Army Staff : general duties), 3033 (Chief of Staff), 3034 (Vice Chief of Staff), 3035 (Deputy Chiefs of Staff and Assistant Chiefs of Staff) and comparable sections of Title 10, U.S.C., applicable to the Navy, Marine Corps, and Air Force, to wit, sections 5014, 5016, 5031-5033, 5035-5045, 8014, 8016, and 8031-8035.

The amended sections of Title 10 would provide for a single staff reinforcing the Military Department Secretary's responsibility for all matters in the Military Department, and the Chief of Staff's (CNO, Commandant) effectiveness as the senior military officer. The amended Title 10 should permit maximum consolidation of staff functions, and improvements in efficiency in headquarters management processes. The amended sections should permit an appropriate mix of military and professional personnel, with no more than three or four senior political appointees.

## RECOMMENDATION

Congress should establish a panel of former Defense officials to recommend ways of replacing senior DOD political appointees with career civilians.

## Implementing Legislation

One-time legislation to establish the panel to recommend ways of replacing senior DOD political appointees with career civilians.

## RECOMMENDATION

Congress should establish a panel, with members appointed by both the President and the Congress, to review restrictive revolving door and conflict of interest provisions for political appointees.

## Implementing Legislation

One-time legislation to establish the panel to review restrictive revolving door and conflict of interest provisions and recommend ways to get more high-quality persons to accept political appointments or limited-term employment.

# APPENDIX B

# List of Acronyms

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# List of Acronyms

| | |
|---|---|
| A-76 | Office of Management and Budget Circular A-76. |
| ACOM | U.S. Atlantic Command. |
| ANG | Air National Guard. |
| AOR | Area of responsibility. |
| ARNG | Army National Guard. |
| ASD | Assistant Secretary of Defense. |
| ATACMS | Army Tactical Missile System. |
| BRAC | Base Realignment and Closure. |
| BSA | Budget Summit Agreement. |
| $C^3$ | Command, control, and communications. |
| $C^3I$ | Command, control, communications, and intelligence. |
| $C^4I$ | Command, control, communications, computers, and intelligence. |
| CAS | Close Air Support. |
| CENTCOM | U.S. Central Command. |
| CINC | Commander in Chief (of one of the unified commands). |
| CMC | Commandant of the Marine Corps. |
| CNO | Chief of Naval Operations. |
| CONUS | Continental United States. |

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|---|---|
| CSAR | Combat Search and Rescue. |
| DAB | Defense Acquisition Board. |
| DCAA | Defense Contract Audit Agency. |
| DCI | Director of Central Intelligence. |
| DCMC | Defense Contract Management Command. |
| DIA | Defense Intelligence Agency. |
| DISA | Defense Information Systems Agency. |
| DOD | Department of Defense. |
| DSO | Defense Support Organization. |
| EUCOM | U.S. European Command. |
| FYDP | Future Years Defense Program. |
| GAO | General Accounting Office. |
| GME | Graduate Medical Education. |
| GOCO | Government owned, contractor operated. |
| HMO | Health Maintenance Organization. |
| IWG | Interagency Working Group. |
| JAST | Joint Advanced Strike Technology. |
| JCS | Joint Chiefs of Staff. |
| MEF | Marine Expeditionary Force. |
| MLRS | Multiple Launch Rocket System. |
| MSE | Mobile Subscriber Equipment. |
| NCA | National Command Authority. |
| NMS | National Military Strategy. |
| NPR | National Performance Review. |

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|---|---|
| NRO | National Reconnaissance Office. |
| NSC | National Security Council. |
| OEM | Original Equipment Manufacturer. |
| OMA | Operations and Maintenance Accounts. |
| OMB | Office of Management and Budget. |
| OOTW | Operations Other Than War. |
| OSA | Operational Support Airlift. |
| OSD | Office of the Secretary of Defense. |
| PACOM | U.S. Pacific Command. |
| PEO | Program Executive Officer. |
| PM | Program Manager. |
| PPBS | Planning, Programming, and Budgeting System. |
| QSR | Quadrennial Strategy Review. |
| RC | Reserve Components. |
| RDT&E | Research, Development, Testing and Evaluation. |
| SME | Single Management Element. |
| SOCOM | U.S. Special Operations Command. |
| SOUTHCOM | U.S. Southern Command. |
| SPACECOM | U.S. Space Command. |
| STRATCOM | U.S. Strategic Command. |
| TAMD | Theater Air and Missile Defense. |
| TFX | Tactical Fighter, Experimental. |
| Title 10, U.S.C. | Title 10, United States Code ("Armed Forces"). |

| | |
|---|---|
| TQM | Total Quality Management. |
| TRANSCOM | U.S. Transportation Command. |
| UCP | Unified Command Plan. |
| USD(A&T) | Undersecretary of Defense for Acquisition and Technology. |
| WMD | Weapons of Mass Destruction. |