# Transitioning Defense Organizational Initiatives

## An Assessment of Key 2001-2008 Defense Reforms


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CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

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Cover photo: 11/8/2006 PRESIDENTIAL NEWS CONFERENCE. President George W. Bush, center, Secretary of Defense Donald H. Rumsfeld, left, and Secretary of Defense nominee Robert Gates address the nation during a news conference, Nov. 8, 2006, from the White House. Defense Dept. photo by James Bowman.

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# INTRODUCTION

Presidential transitions often bring the promise of new opportunities and the threat of reversing key advances. In the United States, the change from one administration to the next is by its very nature a political event. Political calculations about the initiatives of one's predecessor, in turn, can sometimes outweigh policy considerations of their value where the two may seem in conflict. Making such a determination requires an accurate understanding of how issues have evolved and been resolved, and an assessment of the adequacy of action to date.

In March 2008, the Defense and National Security Group and the Defense Industry Initiatives Group at the Center for Strategic and International Studies (CSIS) began a study effort aimed at informing the next Secretary of Defense's transition decisions. The CSIS study team focused where it felt it could provide the most value to incoming decisionmakers, assessing that set of little understood defense organizational and process changes that the George W. Bush administration has implemented in an attempt to improve the Defense Department's internal operations. In so doing, the team sought to complement rather than replicate the strong body of existing and ongoing work relating to the advisability of continuing "hot button" policies related to Iraq, Afghanistan, Iran, and other prominent topics. The CSIS study team's efforts were sponsored by the Office of the Under Secretary of Defense for Policy (OUSD(P)), but its findings and recommendations are independent of Department of Defense (DoD) influence and partisan sentiment.

This report presents the study team's analysis. It incorporates a wide range of personal interviews with key Bush administration defense officials, career civilian and military subject matter experts, and leading outside defense thinkers, including senior leaders from prior administrations. It also relies on the extensive written record that exists on many of these issues. The study team is grateful to all those who granted interviews for this report and especially to Dr. John Hamre and the senior experts who provided unparalleled insight into the changes underway in DoD.

## Issue Scope

With guidance from outside experts and the input of study sponsors, the CSIS study team chose to examine all major George W. Bush–era defense reform initiatives that fell within the Department's self-described enterprise categories of strategic direction, force development, force employment, force management, and corporate support.

## Strategic Direction

- *Strategic Guidance.* Over the past eight years, the Department has evolved its approach to providing strategic direction. Reforms have included the streamlining of guidance documents, new roles and uses of Departmental-level governance bodies, and the creation and subsequent reissuance of a National Defense Strategy (NDS) document. The Department has also attempted to better prioritize the Deputy Secretary's guidance to DoD components and to articulate the ways in which it is accepting programmatic and capability risk.
- *Program and Budget Processes.* Program and budget process reforms began early in the new administration. In 2001, the DoD Comptroller (USD(C)) directed components to use a biennial, vice annual, planning, programming, and budgeting cycle. Several years later, the Department made its program and budget reviews concurrent. Throughout the administration, senior leaders evolved their attempts to realize a capabilities-based approach to building and assessing programs.
- *Revisions to Combatant Command Structures.* Highlights of the substantial Bush administration Unified Command Plan (UCP) changes include the establishment of United States Northern Command (USNORTHCOM) and United States Africa Command (USAFRICOM), the maturation of United States Joint Forces Command (USJFCOM), and the expansion of United States Strategic Command (USSTRATCOM), to include its absorption of United States Space Command (USSPACECOM).
- *Global Defense Posture and Global Force Management.* In 2004, President Bush announced a Global Defense Posture Review process by which the United States would determine its overseas basing and presence profile. Subsequent changes undertaken through this process included the return to the continental United States of significant U.S. forces in Japan and Europe and the repositioning of forces throughout Asia. Secretary of Defense Donald Rumsfeld also implemented a process of global force management that formalized his conception of having a unified force sourcing prioritization and oversight process.
- *Assessing the Future Security Environment.* DoD has expanded its approach to analyzing a broad set of potential future trends, threats, and opportunities with mid- and long-term defense implications. The most notable of its reforms have occurred primarily through the Joint Analytic Agenda and a series of initiatives conducted by the Office of the Under Secretary for Policy. The Department today creates a wide-ranging set of planning scenarios for use in assessing its Future Years Defense Program forces and capabilities. It has also attempted to institutionalize the routine scanning of the long-term strategic environment for trends and potential shocks that might affect defense decisions.

## Force Development

- *Acquisition Initiatives.* The last eight years have witnessed four major phases of acquisition reform initiatives. In the first phase, defense leaders sought to reduce barriers to rapid technology infusion and to decentralize decisionmaking from the Under Secretary of Defense

for Acquisition, Technology and Logistics (USD(AT&L)) to the Secretaries of the Military Departments. Attention in the second phase shifted to integrating acquisition decisions with the other major force development processes: the Planning, Programming, and Budgeting System (PPBS) and the Joint Capabilities Identification and Development System (JCIDS). The third phase built upon the themes of the second and highlighted them in the 2006 Quadrennial Defense Review (QDR), while the fourth phase has seen a reassertion of the detailed program oversight role played by the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD(AT&L)).

- *Joint Requirements Processes.* Although the Goldwater-Nichols Defense Reform Act of 1986 substantially advanced jointness with which DoD plans and conducts military operations, the George W. Bush administration was frustrated from its early days by the lack of jointness in DoD planning for and procurement of capabilities. It introduced the capabilities-based planning concept to a broad defense audience in the 2001 QDR. In 2003, the Joint Staff (JS) created the JCIDS. Most recently, the Department has begun to inject capability portfolio managers into the major decision processes bearing on force development.
- *Joint Concept Development.* JFCOM was established in 1999 to bring attention and focus to long-term joint capabilities development. By the beginning of the George W. Bush administration, Joint Forces Command was still in its infancy. Secretary Rumsfeld's interest in the transformation of military capabilities fueled the momentum for institutionalizing a process for developing cascading operational concepts that could guide the transformation of the future force. The Joint Operating Concept Development Process was intended to directly feed the JCIDS, setting the broad outlines of capability needs for further joint analysis. By late 2008, the concept development process had birthed a host of joint operating concepts (JOCs), joint functional concepts (JFCs), joint integrating concepts (JICs), and a Capstone Concept for Joint Operations (CCJO).

## Force Employment

- *Adaptive Planning and Execution System.* Secretary Rumsfeld was discontented with the process he inherited for reviewing and amending military contingency plans. In 2003, he directed the Office of the Under Secretary of Defense to work with the Joint Staff to remake the plans development process. He wanted them to be produced more quickly, to be more adaptive to changing security dynamics and senior-level direction, and to include options for senior leader consideration rather than point solutions for their tacit approval. The reforms ultimately implemented in 2005 under the rubric of adaptive planning were updated and modified in 2008 as the Adaptive Planning and Execution System (APEX). Over the past year, the plans process within the Defense Department has increasingly sought to incorporate input from other U.S. Government agencies.

## Force Management

- *Global Force Management.* This issue is assessed as part of Global Defense Posture.

### Corporate Support

- *Establishment of the Office of the Under Secretary of Defense for Intelligence.* Early in 2003, Congress created the position of Under Secretary of Defense for Intelligence (USD(I)). The Secretary sought to remedy shortcomings in intelligence support to the warfighter and in coordination among the various defense intelligence organizations and activities. The 2004 creation of the Director of National Intelligence (DNI) brought particular controversy to the expansion of defense intelligence activities initiated under the direction of the Office of the Under Secretary of Defense for Intelligence (OUSD(I)). In 2006, a new USD(I) reorganized the office, in part to better align it with the Office of the Director of National Intelligence (ODNI).
- *Defense Business Transformation.* As did every prior administration since that of Dwight Eisenhower, the George W. Bush administration undertook reforms aimed at improving the efficiency of business operations within the Department of Defense. It established various governance mechanisms to oversee corporate support, attempted to apply private-sector best practices in several of its sub-elements, and created a Business Transformation Agency (BTA) to manage some of its aspects. After toying with the creation of a second Deputy Secretary of Defense for management activities, in 2007 Congress mandated the appointment of a Deputy Chief Management Officer (DCMO) to oversee business operations and report to the Deputy Secretary of Defense, whom it designated as the Department's Chief Management Officer (CMO).
- *Reorganization of the Office of the Under Secretary of Defense for Policy.* Upon assuming office, the George W. Bush administration, like many of its predecessors, reorganized elements of the Office of the Secretary of Defense (OSD) to suit its preferred managerial structure. Following the events of September 11, 2001, however, Secretary Rumsfeld felt that the Office of the Under Secretary of Defense for Policy (OUSD(P)) was better designed for the strategic environment of the Cold War or 1990s rather than an era of persistent, global conflict. In 2006, the Under Secretary of Defense for Policy (USD(P)) substantially reorganized the directorate, altering the composition of all four existing assistant secretariats and adding a fifth assistant secretary.

## Methodology

For each issue area above, CSIS senior analysts set about to determine a reform's predecessors, origins, conceptualization in the George W. Bush administration, and its execution. The CSIS study team used four criteria to determine the success of an attempted reform.

1. *Problem Articulation:* DoD leadership clearly understood and articulated the real problem or issue to be addressed.
2. *Solution Suitability:* The reform undertaken successfully addresses the leadership's identified problem or issue.

3. *Organizational "Buy-in":* Key stakeholders within the department and elsewhere are in agreement on both the problem, as defined by leadership, and the proposed solution to it.
4. *Degree of Institutionalization:* The Department's leadership has successfully institutionalized the reform by now such that it is reversible only with considerable effort or cost to objectives.

Using these criteria, CSIS analysts found that the attempted Bush administration defense reforms ran the gamut from qualified success to qualified failure. Efforts fell roughly into three categories. First, there were a few reforms that performed very well across the above criteria. These were areas in which the CSIS study team found much for the next Secretary of Defense to build on and refine. Most reforms fell into a second category of well-intended reforms that have either somehow missed their mark or were never fully implemented. In these areas, the next Secretary will want to make key adjustments to achieve the benefits originally imagined by the Bush administration. Finally, there were a few reforms that have failed to produce expected benefits; some have in fact retarded the Department's effectiveness or efficiency in marked ways. These failed experiments should be halted and reconsidered. Table 1 summarizes the categorization of studied reforms.

Table 1. Summary of CSIS Assessments

Retain Best Practices
- Global Defense Posture and Global Force Management
- Adaptive Planning

Deepen or Redirect Attempted Reforms
- Establishment of the Office of the Under Secretary of Defense for Intelligence
- Reorganization of the Office of the Under Secretary of Defense for Policy
- Strategic Guidance Processes
- Assessing the Future Security Environment
- Defense Business Transformation
- Acquisition Performance
- Revisions to the Unified Command Plan
- Joint Requirements Process

Halt Failed Experiments
- Joint Concept Development
- Program Budget System Reforms

# Prioritized Recommendations

In every issue area assessed, the CSIS study team believed it critical to make recommendations that will improve the effectiveness and efficiency of the next Secretary of Defense. This was true even for Global Defense Posture and Global Force Management and the Adaptive Planning and

Execution System, both of which the team regarded as relatively successful reforms but which could yet be optimized with further effort.

The CSIS study team is confident that the incoming Defense transition team would benefit from all of the recommendations contained in this report. We nevertheless recognize that the next Secretary of Defense will have many difficult challenges ahead that require immediate attention; the inbox will be full, and the ability to attend to the Department's organizational and process problems may be limited. The study team has thus drawn from the study its 10 most critical recommendations. They are provided here in priority order, reflecting an assessment not simply of what is most broken but rather of what is most important for the next Secretary to fix.

- *Acquisition Performance:* The Secretary of Defense must focus the acquisition community on institutionalizing recent guidance, restoring a defense acquisition workforce, and providing cost realism in setting program requirements.
- *Strategic Guidance Processes:* The next Secretary should establish three to five discrete and manageable priorities and use them to focus both the guidance signed out under his or her name and the criteria for evaluating performance. The Secretary should task the Director of Program Analysis & Evaluation D(PA&E), or a replacement Director for Strategy, Execution, and Assessment as CSIS recommends, to report quarterly to the Secretary and his or her senior governance body on efforts to achieve these priorities.[1]
- *Program and Budget Processes:* The Secretary should require the D(PA&E), or a replacement Director for Strategy, Execution, and Assessment as CSIS recommends, to assume all capability portfolio assessment responsibilities from the current capability portfolio managers by the administration's second Program (Capability) Review. The Secretary should immediately reinstitute separate annual Program (Capability) and Budget Reviews.
- *Reorganization of the Office of the Under Secretary of Defense for Policy:* The Secretary should either create an independent Director for Strategy, Execution, and Assessment in place of the Director (PA&E) or realign Policy Planning and Force Transformation and Resources organizations under a single manager (such as an Assistant Secretary or the Principal Deputy Under Secretary) to improve connectivity of ends and ways. The Secretary should also give greater organizational emphasis to nuclear, space, and cyber matters.
- *Joint Requirements:* The Secretary should direct the Chairman to add the functional combatant commanders as voting members of the Joint Requirements Oversight Council (JROC) on issues pertaining to their areas of responsibility. The Chairman should also add the Commander, USJFCOM to the JROC, designated as the Department's Future Joint Force

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[1] The recommendation to create a Director for Strategy, Execution, and Assessment is briefly discussed in the sections on Strategic Guidance and Assessing the Future Security Environment, 31–43. For more detail, see Kathleen H. Hicks, *Invigorating Defense Governance: A Beyond Goldwater-Nichols Phase 4 Report* (Washington, DC: CSIS, 2008), 42–46.

Advocate on behalf of the regional combatant commands (COCOMs). The Secretary should resource USJFCOM for a Washington, DC, staff of career civilian and military personnel, comprising at least 10 full-time equivalents, to assist in this function.

- *Revisions to the Unified Command Plan:* The Secretary of Defense should direct the Office of the Secretary of Defense and request the Chairman of the Joint Chiefs of Staff to direct the Joint Staff to undertake a zero-based assessment of the unified command plan aimed at adapting it to the future security environment. The Secretary should direct the staff to pay immediate attention to the roles and responsibilities of USNORTHCOM, USJFCOM, and USSTRATCOM.
- *Joint Concept Development:* The Secretary should direct the Chairman of the Joint Chiefs of Staff to place a hold on all joint concept development except the creation of new Joint Integrating Concepts. The Chairman should create a Senior Advisory Panel of former senior military officials and defense experts to assess the concept development process and provide recommendations to the Secretary of Defense regarding its future.
- *Office of the Under Secretary of Defense for Intelligence:* The Secretary should clarify with the Director of National Intelligence what authorities and responsibilities the USD(I) will have within the Intelligence Community. The Secretary should also direct that the Department's Chief Information Officer (CIO) serve as an approval authority on all PPBS and acquisition issues relating to information assurance, information sharing, or information architecture.
- *Adaptive Planning and Execution System:* The Secretary should require the Director, Defense Information Security Agency (DISA) to provide in-person monthly reports on progress in deploying a full suite of enabling software for adaptive planning.
- *Assessing the Future Security Environment:* The Secretary should direct the Under Secretary of Defense for Policy, the D(PA&E) (or replacement Director for Strategy, Execution, and Assessment as CSIS recommends), the Under Secretary of Defense for Intelligence, the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the Commander, USJFCOM to meet routinely as a Futures Group to cultivate a shared understanding of DoD's long-range fiscal, technological, geopolitical, and military operational projections. The bulk of the support for this initiative should come from career civilian and military staffs embedded within these organizations.

## Conclusion

CSIS did not set out to conduct a zero-based assessment of changes needed in the Defense Department. As a result, several former senior defense officials raised important areas for further investigation that were beyond the scope of this project. Two such issues are nevertheless sufficiently related to this effort to warrant mention. The first is a perceived need to examine the organization and staffing of the Office of the Secretary of Defense as a whole. OSD has grown over time to encompass a mix of staff elements and line managers; it has been optimized for some

functions and has neglected others. A persistent theme in this latter regard was the need to focus OSD on nuclear, cyber, space, and other issues that are currently treated as secondary. A corollary issue that outside experts repeatedly raised was the need to improve the quality of the OSD staff. Many former officials believe that OSD now includes too many contractors engaged in inherently governmental policymaking. Moreover, there is a deep concern that critical elements of the OSD staff are losing needed expertise that will take many years to replace. This is most clearly felt with respect to the senior career ranks of the DoD Comptroller. There is also concern that the major analysis capabilities expected of the staff of the Director for PA&E have eroded substantially. The next Secretary may wish to consult former leaders on these issues as he or she plans priorities for the Office of the Secretary of Defense.

# CATEGORY 1: RETAIN BEST PRACTICES

## Global Defense Posture Realignment and Global Force Management

### Issue

The overseas footprint of the U.S. military is a critical component of U.S. power projection capabilities and its national security strategy. Operationally, forward-deployed forces constitute most of the initial forces available to the United States for crisis response. The network of overseas bases, both U.S. and those which the United States has permission to use, provides access to follow-on power projection forces. Strategically, the U.S. military's overseas presence communicates U.S. security commitments to friends, allies, and potential adversaries.

The realignment of the Global Defense Posture (GDP) has been a top priority for DoD from the outset of the Rumsfeld era and has led to a fundamental transformation in how DoD manages its overseas force. During the Cold War, the overseas "footprint" of the U.S. military was the physical manifestation of the U.S. alliance structure built to contain communism. In the 2001 Quadrennial Defense Review [QDR] Report, DoD adopted a capabilities-based approach that dictated that the U.S. military, given the pervasive uncertainty of the security environment, must be operationally prepared to respond agilely and flexibly to unexpected global challenges. One of the principal goals for changing the U.S. global footprint was to implement the 2001 QDR's new force-sizing construct by "render[ing] forward forces capable of swiftly defeating an adversary's military and political objectives with only modest reinforcement."[1] Accomplishing this objective would require:

> New combinations of immediately employable forward stationed and deployed forces; expeditionary capabilities, globally available reconnaissance, strike, and command and control assets; information operations capabilities; and rapidly deployable, highly lethal and sustainable forces that may come from outside a theater of operations have the potential to be a significant force multiplier for forward stationed forces….[2]

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[1] U.S. Department of Defense (DoD), *Quadrennial Defense Review Report* (Washington, DC: DoD, 2001), 25, http://www.defenselink.mil/pubs/pdfs/qdr2001.pdf (hereafter cited as *2001 QDR*).
[2] Ibid. (emphasis added).

In this capabilities-based approach, operational and tactical concerns drove the GDP realignment in the effort to create more "immediately employable" and "rapidly deployable" forces. Eventually, it led to the institutionalization of a Global Force Management (GFM) system that enabled DoD to manage its forces from a global perspective (rather than regionally with forces assigned to the regional COCOMs). Although the need to sustain the rotation in Iraq and Afghanistan has prevented full implementation of the GDP realignment, the GFM system has clearly helped to minimize the stress on the force. This success at the operational and tactical level, however, may have come at the expense of the broader geopolitical and strategic considerations that traditionally have shaped the U.S. global defense posture.

## Evolution

As a maritime nation, the U.S. global defense posture has always been a critical element of U.S. military strategy, since the United States must project military power across the Atlantic and Pacific oceans to support its national security objectives.[3] During the Cold War, the overseas presence of U.S. military forces was a critical component of the U.S. grand strategy of containment, since U.S. forward-deployed forces around the periphery of the Communist bloc conveyed the U.S. commitment to the security of its allies and provided a "tripwire" that helped deter the Soviet Union from further territorial expansion. In the post–Cold War era, the United States "closed or turned over to host governments about 60 percent of its overseas military installations and returned nearly three hundred thousand military personnel to the United States."[4] Nevertheless, as the Bush administration took office, most U.S. forces overseas still remained in their Cold War locations, even as they were being deployed to U.S. engagements in the Persian Gulf, the Balkans and Central Asia.

The pace at which DoD has realigned its GDP and institutionalized a new process for managing its global footprint has been breathtakingly quick by government standards, particularly since it occurred in the context of the wars on terror in Afghanistan and in Iraq.

In February 2001, President Bush directed Defense Secretary Rumsfeld to initiate a "comprehensive, strategy-based review of the U.S. global defense posture—the size, location, types and capabilities of our forward military forces."[5] In response, the 2001 QDR signaled a reorientation of U.S. global military posture to increase flexibility, access, and readiness in critical regions of the world.[6]

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[3] For a definitive review of how the U.S. global defense posture has changed since the United States came into being, see Andrew Krepinevich and Robert O. Work, *A New Global Defense Posture for the Second Transoceanic Era* (Washington, DC: Center for Strategic and Budgetary Assessments, 2007).
[4] Ryan Henry, "Transforming the US Global Defense Posture," in *Reposturing the Force: U.S. Overseas Presence in the Twenty-First Century*, ed. Carnes Lord, Newport Paper 26 (Newport, RI: Naval War College Press, February 2006), 37.
[5] Krepinevich and Work, *A New Global Defense Posture*, ii.
[6] *2001 QDR*, 26.

The 2002 National Security Strategy (NSS) echoed the 2001 QDR, emphasizing the need to develop "assets such as advanced remote sensing, long-range precision strike capabilities, and transformed maneuver and expeditionary forces." The NSS noted that the United States would require bases and stations "within and beyond Western Europe and Northeast Asia, as well as temporary access arrangements for the long distance deployment of U.S. forces."[7] The resulting Global Defense Posture Review was led by the OSD Strategy office, the Joint Staff, and the geographic COCOMs and then submitted to top-level and allied consideration.[8]

In August 2004, President Bush announced the "most comprehensive restructuring of U.S. military forces overseas since the end of the Korean War," which would close hundreds of U.S. facilities overseas and bring home tens of thousands of uniformed personnel, family members, and civilian employees.[9] DoD released its white paper, Strengthening the U.S. Global Defense Posture, which established a three-tiered basing structure consisting of Main Operating Bases (MOBs), Forward Operating Locations (FOLs), and Cooperative Security Locations (CSLs, aka "lily pads"). The total number of DoD's overseas sites would drop approximately 35 percent to 550 over a 10-year span.[10]

Late in 2005, DoD adopted the Global Force Management system for allocating and assigning its forces to meet the current demand. GFM was predicated on two mutually supportive ideas: (1) the COCOMs would define their needs in terms of capabilities, not specific force units, which gave DoD's GFM process greater flexibility in "sourcing" requirements; and (2) regional COCOMs no longer "owned" the forces in their area of responsibility, since all forces constituted a global inventory available for worldwide employment. GFM called for JFCOM, which was anointed the Single Joint Force Provider (SJFP) by the Unified Command Plan, to validate force requirements and make sourcing recommendations to the Chairman of the Joint Chiefs of Staff (CJCS) and the Joint Staff.[11] In addition, the GFM system established the Global Force Management Board, chaired by the J-8, as the senior-level mechanism for national-level risk management and adjudication of sourcing conflicts.

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[7] *The National Security Strategy of the United States of America* (Washington, DC: The White House, September 2002), 29, http://www.whitehouse.gov/nsc/nss/2002/index.html.

[8] Lincoln P. Bloomfield Jr., "Politics and Diplomacy of the Global Defense Posture Review," in *Reposturing the Force*, 51; Office of the White House Press Secretary, "Statement by the President," The White House, Washington, DC, November 25, 2003.

[9] Office of the White House Press Secretary, "Fact Sheet: Making America More Secure by Transforming Our Military," The White House, Washington, DC, August 16, 2004.

[10] U.S. Department of Defense, *Report to Congress: Strengthening U.S. Global Defense Posture* (Washington, DC: DoD, September 2004), 12.

[11] Michael Ferriter and Jay Burdon, "The Success of Global Force Management and Joint Force Providing," *Joint Forces Quarterly*, issue 44 (1st Quarter 2007).

The 2006 QDR report made it clear that DoD's reorientation of its Global Defense Posture is an ongoing effort.[12] To support the constantly adapting defense posture, the QDR also highlighted "rapid global mobility" as "central to the effectiveness of the future force" enabling balance between "speed of deployment with desired warfighter effects to deliver the right capabilities at the right time and at the right place."[13] The 2006 QDR's emphasis on building partnership capacity gradually infused strategic considerations into DoD's ongoing reorientation of its GDP.

The 2008 Guidance for Development of the Force (GDF) for FY2010–2015 includes an annex that provides DoD-wide guidance on Global Defense Posture, consistent with the President's 2004 initiative for contending with an uncertain future security environment.[14] In addition to diversifying its host nation relationships and developing a sustainable posture for conducting irregular warfare, the GDF institutionalized a formal two-year, strategy-driven management and governance process for GDP realignment. The process includes a steering body, an implementing structure, and an annual GDP Synchronization Report to serve as the primary internal document for codifying and assessing plans.[15]

The Bush administration's GDP strategy has generally reduced forward-based forces stationed at Main Operating Bases in favor of forward-deployed forces that rotate in and out of Forward Operating Sites (FOSs) that have limited U.S. support personnel and prepositioned equipment and Cooperative Security Locations (CSLs) that have little or no infrastructure but provide access. However, United States Special Operations Command (USSOCOM) has developed a new global posture for Special Operations Forces (SOF) that envisions "permanent" overseas SOF deployments: Assistant Secretary of Defense for Special Operations/Low Intensity Conflict and Interdependent Capabilities Michael Vickers told the House Armed Services Committee on February 26, 2008: "The broad strategic shift we are trying to make for the global war on terror in SOF posture is go from episodic presence around the world to a persistent presence."[16] Although this "persistent presence" is likely to be sustained on a rotational basis by forces based in the continental United States, it does demonstrate the flexibility and adaptability of DoD's GDP as it evolves to meet new strategic circumstances.

## Assessment

Especially in the initial days and weeks following the release of its GDP strategy, the Bush administration suffered no shortage of criticism. For example, an August 2004 *New York Times*

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[12] U.S. Department of Defense, *Quadrennial Defense Review Report* (Washington, DC: DoD, 2006), 30–31, http://www.defenselink.mil/qdr/report/Report20060203.pdf (hereafter cited as *2006 QDR*).
[13] Ibid., 53.
[14] U.S. Department of Defense, *Guidance for Development of the Force (GDF) for FY2010–2015* (Washington, DC: DoD, 2008), Annex 1, 1.
[15] Ibid., 1–2.
[16] Carlo Muñoz, "Gates to Review Plan: DoD Mulling Permanent Force Structure for Special Ops Forces," *Inside the Pentagon*, February 28, 2008, 15.

editorial characterized the GDP strategy as making "little long-term strategic sense." The editorial claimed that the withdrawal of U.S. forces from countries such as Germany and South Korea would "dilute" America's core alliances.[17] Nevertheless, when confronting a security environment characterized by uncertainty, it is "strategic" to be operationally prepared to respond agilely and flexibly, since preparing to be surprised minimizes the consequences of surprise.

The need to change the Cold War structure of the U.S. Global Defense Posture was clearly understood from the beginning and the strategy for realigning it was clearly articulated in key strategy documents throughout the administration. While DoD's articulation of its GDP strategy has become "strategic" (to include building partnership capacity and preparing for irregular warfare) over time, its initial problem articulation would be assessed more harshly today for its lack of consultations with interagency and multinational partners.

The top-down implementation effort, driven by Secretary Rumsfeld and his OSD staff with active support from the regional Commands, represented a suitable solution to the problem. It addressed the operational objectives as defined by the 2001 QDR. Although the initial implementation was "not as carefully orchestrated as it could have been," as one key participant acknowledged privately, the tight focus of the OSD-COCOM-JS team contributed significantly to successful implementation. The urgent need to maintain the rotation in Afghanistan and Iraq has undoubtedly affected the pace at which specific GDP realignment actions have been taken (e.g., slowing the pace of withdrawals from Europe). At the same time, the new GFM process has also minimized the stress on the force for maintaining required force levels in Iraq and Afghanistan.

DoD buy-in, particularly in the Joint Staff and Combatant Commands, suggests that Global Defense Posture realignment and its implementing mechanism, the Global Force Management system, have been thoroughly institutionalized and are likely to become more bureaucratic in nature. A senior JS official recently observed: Although the "process that got us into realigning the GDP wasn't done very well,[18] now we have a process in place that has the right pieces." Moreover, analytic tools developed in support of GFM (e.g., tracking systems for personnel, algorithms for assessing the substitutability of forces, etc.) are maturing and enabling GFM to anticipate future needs and provide sufficient lead time for the force providers to assign responsibilities in preparation for future COCOM needs.

Potential opposition to GDP realignment, as well as the Global Force Management system for implementing it, was largely vitiated by the operational urgency of sustaining force levels in Iraq and Afghanistan. Everyone in DoD recognized that U.S. forces, both at home and abroad, had to be managed efficiently in order to reduce the stress on the force. However, there may be an increasing gap between the tactical and operational efficiency of U.S. global force management and broader military and national security objectives. For example, GFM may enable DoD to

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[17] "Misconceived Military Shuffle," *New York Times*, August 17, 2004, A20.

[18] According to this official, the OSD-COCOM initiative had left little time for the JS and the Services to "scrub" the initial actions.

maintain a global "persistent presence" of SOF, but it obscures the reality that there is never enough SOF to meet the demand for it. Although the COCOMs will continue to compete for scarce resources and the Services will continue to try to manage the demand for forces from the COCOMs, all seem to recognize that when the operational demand for forces significantly exceeds the available supply, the U.S. GDP must adapt to changing security circumstances and U.S. forces must be managed globally in order to meet that changing demand.

GDP realignment and the GFM system have been fully embraced by the uniformed military in the Joint Staff, COCOMs and Military Services, as well as civilian professionals in OSD. The need to adapt DoD's GDP has been a major theme in all DoD-wide strategic guidance documents since the 2001 QDR. Moreover, the Global Force Management System for implementing it was installed in late 2005 and has been fully explicated in an annex to the Guidance for Development of the Force for FY2010-2015. It could not be more thoroughly institutionalized within the Department. It is noteworthy that there has been little controversy about the ongoing GDP process in both the domestic and international press. This suggests that DoD has won widespread support for its adaptive GDP strategy.

## Recommendations

For DoD, there is no real alternative to continual adaptation of its GDP and to managing its forces globally. In a time of strategic uncertainty, DoD must be prepared operationally to respond to changing and unexpected demands for its military forces. And since the future demand for military forces is likely to continue to greatly exceed the available supply, DoD has no choice but to manage its forces both globally and efficiently. The efficiency with which DoD manages its available combat forces, however, far exceeds its efficiency in producing forces, a topic beyond the scope of this assessment.

From an organizational and bureaucratic perspective, the extensive buy-in and institutionalization of the GDP realignment process by the uniformed military has made this reform an enduring reality.

One of the adjustments the next administration should make is to provide front-end guidance to DoD GDP Policy. The next administration's National Security Strategy and, if instituted, an accompanying Quadrennial National Security Review (QNSR) should proceed and provide strategic guidance to DoD's QDR (and GDP realignment strategy).[19] Front-end guidance would address the major flaw in DoD's GDP ongoing realignment policy. Although DoD's GDP adaptation strategy became more "strategic" beginning with the 2006 QDR, formalized front-end guidance from a national security perspective would provide broader, U.S. Government–wide strategic direction. The extent to which the GFM system is retained in the next administration will depend on the credibility and inclusiveness of the process by which the next administration formulates its NSS and conducts an accompanying QNSR-like process.

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[19] Compare recommendation for a front-end quadrennial review in section on Strategic Guidance, 36–37.

Another adjustment the next administration should make is to centralize JFCOM GFM responsibilities under the Joint Staff. Although JFCOM has been anointed the primary joint force provider by the UCP, GFM responsibilities are actually shared by JFCOM, the Joint Staff, the COCOMs and the Military Services.[20] Recent interviews with Joint Staff and OSD officials suggest that there is considerable redundancy in role assignments and consequent duplication of effort between the Joint Staff and JFCOM. Consolidating the SJFP role in the Joint Staff would keep all current GFM processes intact and would concentrate the most important functions (that is, validating COCOM requirements and adjudicating between COCOM needs) at the point of decision (that is, the CJCS and his staff) at the Departmental level.

This would create a more streamlined GFM process, allowing JFCOM to apply resources to its other roles. Centralizing JFCOM's GFM responsibilities under the Joint Staff would likely be resisted by JFCOM, which sees synergy between its role as joint force provider and capability provider for current and future Joint Force Commanders. As a fairly recent addition to the UCP, reassignment of the SJFP role to the Joint Staff would depend on the degree of commitment by the CJCS.

GDP realignment (including the GFM system) has been a great success and should be embraced by the next administration. Therefore, the next administration should embrace the existing DoD process for adapting its GDP, but provide it with broader strategic guidance. Specifically, the next administration should make the role of the U.S. Global Defense Posture a key topic in its national security reviews as it provides front-end strategic guidance to the DoD QDR. In the event that the NSC fails to provide front-end guidance to DoD, the NSC should regularly conduct interagency reviews of DoD's GDP policy to ensure consistency between U.S. Government strategy and DoD policy.

Although the GFM process has been institutionalized rapidly in DoD, it could be further streamlined by assigning primary responsibility for the role of joint force provider to the Joint Staff rather than JFCOM. As one component of an OSD-Joint Staff zero-based assessment of the UCP,[21] DoD should revisit the assignment of the role of joint force provider.

## Adaptive Planning and Execution System

### Issue

The oversight and review of operation plans lies at the heart of the Secretary of Defense's responsibilities. Under Title 10 of United States Code (USC), the Secretary of Defense has a responsibility to guide the development of contingency plans and review their progress, with the approval of the President.[22] This responsibility is one of only a small number required by statute of

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[20] Ferriter and Bourdon, "The Success of Global Force Management and Joint Force Providing," 45.
[21] Compare recommendations in section on Revisions to the Unified Command Plan, 55–57.
[22] 10 USC § 113.

the Secretary of Defense. It is one of only three responsibilities codified in Title 10 for the Under Secretary of Defense for Policy.[23]

Early in his tenure as Secretary of Defense, Donald Rumsfeld became frustrated with the slow pace of the Defense Department's deliberate planning process and the poor quality of the plans it produced. As he told author Thomas Barnett, "I looked at the contingencies [sic] plans and was stunned at how stale they were and how unfocused on agreed-upon assumptions or where assumptions existed or where assumptions were no longer valid." He called the deliberate planning process he inherited "inefficient" and "medieval."[24] The adaptive planning process, now called APEX, was born from Secretary Rumsfeld's frustration.

## Evolution

In the middle of the 1990s, DoD institutionalized in joint doctrine its Joint Operations Planning and Execution System (JOPES) for deliberate planning. JOPES brought order and rigor to deliberate planning during a period of relative operational stability. As described in the 1995 Doctrine for Planning Joint Operations, "in its peacetime application, the process is highly structured, to support the thorough and highly coordinated development of deliberate plans."[25] JOPES was a time-intensive process. Plans were required to be updated every two years, in accordance with Title 10, but creating and updating plans took approximately that long. One outside observer summed up the effect as follows:

> About the time an approved operation plan is ready from the preceding cycle, it's time to start a new cycle all over again. This, of course, makes JOPES a "planner's heaven" and a "planner's hell" at the same time: on the one hand, there's job security in knowing that the process never ends, but on the other hand there's frustration in knowing that about the time you finish, it's time to start all over again.[26]

In 2003, at the direction of Secretary Rumsfeld, the Office of the Under Secretary of Defense for Policy, working with the Joint Staff J-7 Directorate, undertook an initiative to shorten the time required to "produce plans and ensure they could be readily adapted to a constantly changing strategic landscape."[27] The resulting adaptive planning process sought to produce contingency

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[23] 10 USC § 134.

[24] Transcript of Thomas Barnett interview with Donald Rumsfeld (April 21, 2005), http://www.thomaspmbarnett.com/weblog/2005/09/transcript_of_my_esquire_inter.html.

[25] U.S. Joint Chiefs of Staff, *Doctrine for Planning Joint Operations*, Joint Publication 5-0 (April 13, 1995), viii.

[26] H. William Dettmer, *Strategic Navigation: A Systems Approach to Business Strategy* (Milwaukee, WI: American Society for Quality Press, 2003), 26.

[27] COL Paul Martin, James Stevens, and COL Mike Schneider, "Adaptive Planning," Approved Working Group Abstracts, 75th Military Operational Research Society Symposium (U.S. Naval Academy, Annapolis, MD, June 12–14, 2007), http://www.mors.org/publications/abstracts/75th_abs.pdf.

plans more quickly than the 24-month JOPES cycle. Among the problems adaptive planning originally sought to correct were:

- Difficulty adapting on-the-shelf plans to actual contingencies,
- Failure to periodically update plans, and
- "Insufficient process mechanisms" for facilitating consultation between plan developers (military) and DoD leadership (civilian).[28]

Secretary Rumsfeld approved the Adaptive Planning Roadmap in 2005. The Roadmap provided the framework to make adaptive planning the system of record to transform and support deliberate planning (renamed contingency planning) within DoD. Some of the most noticeable changes from JOPES include the creation of up-front, Secretary of Defense–approved strategic guidance for each required plan, semiannual, in-person interim progress reports to the Secretary of Defense by all those charged with contingency plan development, and the production of Secretary of Defense–approved memoranda for the record on the findings and decisions made during these exchanges. The plans themselves generally feature more options (branches and sequels) than their JOPES predecessors.

In 2006, the first plans created under the new system were reviewed and approved by the Secretary. In 2008, Secretary Gates approved Adaptive Planning Roadmap II. This second roadmap directs the "expeditious transition" of JOPES to the APEX system.[29] It also expands APEX beyond deliberate (contingency) planning to include crisis action planning, the system used to develop plans immediately preceding or during a specific emergency.

Although not part of the original intent behind adaptive planning, since 2006, adaptive planning has come to include as a goal the improved interagency coordination of plans. DoD operation plans, commonly referred to as "war plans," have for some time contained an annex specifically designated for interagency coordination. "Annex V" was produced after the Secretary of Defense had approved the base plan, and it seldom involved significant coordination with the very interagency partners named as critical in the annex.[30] Today, all strategic guidance statements are coordinated with relevant interagency counterparts, be they the Department of State, Department of Homeland Security, or others. In addition, a provision has been made for sharing Annex V with interagency partners. An advocate of adaptive planning states:

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[28] U.S. Department of Defense, Office of the Secretary of Defense, "Adaptive Planning and Analysis" (PowerPoint presentation, Military Operations Research Society Mini-Symposium, Laurel, MD, January 25–27, 2005), slide 1, http://www.mors.org/meetings/tutorial/Nelsen.pdf.
[29] U.S. Secretary of Defense Robert Gates, "Implementation of the Adaptive Planning (AP) Roadmap II," Memorandum (March 5, 2008).
[30] Robert M. Klein, "Not Your Great Grandfather's Shleiffen Plan," *Joint Forces Quarterly*, issue 45 (2nd Quarter 2007).

> With approval of the Secretary, the combatant commander may present his plan's Annex V (Interagency Coordination) to the Office of the Secretary of Defense/Joint Staff Annex V Working Group for transmittal to the National Security Council for managed interagency staffing and plan development. In advance of authorization for formal transmittal of Annex V, the commander may request interagency consultation on approved Annex V elements by the Office of the Secretary of Defense/Joint Staff Working Group. Concurrently, the combatant commander may present his plan for multinational involvement.[31]

Moreover, United States Southern Command (USSOUTHCOM) and USAFRICOM have received approval to build their plans with the active participation of interagency colleagues.

## Assessment

Secretary Rumsfeld's frustration with the Defense Department's deliberate planning process was well placed. He inherited a war plan for Iraq that was up to date in neither its assumptions nor its goals. The ensuing planning process for Iraq suffered for many reasons about which many analysts still disagree. All observers, however, agree that the lack of an agile planning system within DoD was a clear obstacle to success. Adaptive planning has corrected the timeliness and efficiency of plans development. Priority plans are now updated every year. It has also better linked policy considerations to plans through the strategic guidance process and routine senior-level interaction throughout the development process.

There have been two major shortcomings in the Department's AP and APEX reforms. First, the Department's early conceptions of AP failed to recognize the need for better interagency- and internationally-integrated planning. Since at least 2006, however, the Department has come to include such "partnership" issues under the AP and now APEX rubric. A State Department representative recently noted that the DoD adaptive planning process includes significant State involvement in the development of strategic guidance statements.[32] The openness of plan development that AFRICOM and SOUTHCOM are now piloting may further diminish the barriers to working with civilian U.S. Government agencies in this arena. DoD's efforts are in their infancy, however, and generally do not include international counterparts.

A second shortcoming is the Department's inability to marry its emphasis on agile plan development with the resources and capabilities to make such agility possible. APEX's success relies on accompanying planning tools to bring efficiency to logistics, transportation, and mobilization planning. Foremost among the needed tools is one that can expedite the creation of detailed alternative Time-Phased Force Deployment Data (TPFDD). In the 2004–2009 Defense Planning Guidance (DPG), issued in May 2002, the Secretary of Defense called for the Chairman of the Joint Chiefs of Staff to "demonstrate a new collaborative, adaptive planning tool" to achieve

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[31] Ibid., 87.

[32] Donna Hopkins, Director of Strategic Planning, U.S. Department of State Bureau of Political-Military Affairs (panel presentation, U.S. Army War College Strategy Conference, Carlisle, PA, April 10, 2008).

AP's goals of reducing development time and increasing the range of options presented to civilian leaders.[33] The Chairman identified such a tool in the Collaborative Force-Building, Analysis, Sustainment, and Transportation System (CFAST) and tasked the Director of the Defense Information Systems Agency with its development and funding. Unfortunately, CFAST's development has been slow, and many in the Joint Staff and in the Office of the Secretary of Defense believe DISA, its program manager, is responsible. Moreover, CFAST has not been well integrated into the Net-Enabled Command Capability (NECC), the Department's overarching, single-source data display and access system for command and control. The failure to ensure CFAST can operate with and through NECC is a significant inhibitor to its utility for the adaptive planning and execution system.

Because APEX assumes the availability and exploitation of technology to facilitate its efforts, DoD's planning community has never expanded in accordance with the emphasis that senior leaders now place on plans. The result is a planning system trying to do more, more quickly, with the same human and financial resources it had under JOPES. Planners at the COCOMs, where plan development is centered, are understandably overburdened by the reduced turn-around times and expanded requirements that AP brings. The organizational buy-in for APEX is thus somewhat tenuous as it seeks to expand to include crisis action planning.

## Recommendations

The CSIS study team examined two alternatives to the Defense Department's basic reform path for adaptive planning. The first alternative is to nest APEX within a broader U.S. Government campaign planning construct. The President of the United States already provides direction to DoD's planning process via the Guidance for the Employment of the Force (GEF). The President could make DoD's GEF a subcomponent of an interagency adaptive planning process, wherein combined civilian-military teams would create relevant plans and seek review and approval through interagency, rather than departmental, chains of command. Although this alternative appealed to the study team for its strategic rationality, it would almost surely retard DoD's own planning process to await transformational improvements in interagency planning that may not materialize.

The second major alternative is to limit adaptive planning to the deliberative (contingency) planning process, where it is now well institutionalized. Crisis action planning would be conducted under the JOPES system rather than transitioned to APEX. This approach would likely please planners who are taxed to deliver the speed, interaction, and complexity required by APEX without the accompanying technology suite that would facilitate their ability to do so. Nevertheless, the CSIS study team concluded that the potential advantages provided by APEX—

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[33] U.S. Department of Defense, Office of Inspector General, "Defense Hotline Allegations Concerning the Collaborative Force-Building, Analysis, Sustainment, and Transportation System," Report No. D-2004-117 (September 24, 2004), 1, http://www.dodig.osd.mil/Audit/reports/04report.htm.

especially to improve civil-military interaction and create a variety of branches and sequels to manage risk under conditions of operational uncertainty—are substantial enough to warrant its application to crisis action planning.

The Department should not abandon or limit the evolution of its APEX system and capabilities. Instead, the next Secretary of Defense should seek to accelerate the interagency integration of plans in the early stages of their development. Ideally, the next national security adviser will seek to improve the integration of all national security planning processes, including DoD's efforts. Absent such White House initiative and coordination, however, the Secretary should task the Under Secretary of Defense for Policy with overseeing the incorporation of civilian U.S. government agencies and, where appropriate, other partners into all stages of the APEX process.

A close second priority is breaking the logjam that is preventing the timely development of supporting APEX technology tools such as CFAST. The Director of the Defense Information Systems Agency must understand the imperative for collaborative planning tools and its integration into the NECC. The Secretary of Defense should emphasize this imperative, and gain better insight into the causes of delay, by requiring the DISA Director to provide in-person progress reports on a monthly basis.

# CATEGORY 2: DEEPEN OR REDIRECT ATTEMPTED REFORMS

## Establishment of the Office of the Under Secretary of Defense for Intelligence (OUSD(I))

### Issue

One of the central responsibilities of the Secretary of Defense is to maintain a coherent and adequately resourced defense intelligence program. Diverse defense intelligence functions and activities are housed in a number of different organizations and are designed to support both the warfighter and national defense and intelligence requirements. Some of the problems addressed by the creation of OUSD(I) existed within the defense intelligence community long before the events of 2001.

Early in 2003, Congress created the position of USD(I), at the request of Secretary of Defense Rumsfeld to address long-standing problems confronting the defense intelligence organizations. In particular, the Secretary sought to remedy shortcomings in intelligence support to the warfighter and in coordination among the various defense intelligence organizations and activities. The passage of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) posed a number of challenges in terms of defining the Under Secretary's role vis-à-vis the newly established DNI. New and expanded defense intelligence activities initiated under OUSD(I)'s direction created serious concerns across the intelligence community (IC). These fears appeared to be confirmed when failures in OUSD(I) oversight and other controversies received significant public and Congressional attention. After Under Secretary Stephen Cambone resigned in December 2006, Secretary of Defense Robert Gates appointed Lt. Gen. James R. Clapper, USAF (Ret.) as USD(I). Clapper undertook a gradual reorganization of the office to improve management of some functions better align it with ODNI. These changes addressed many of the perceived problems, while leaving key innovations in place, such as the focus on field orientation for ops-intel integration and expanded HUMINT capabilities.

### Evolution

In recent years, coordination of the overall defense intelligence portfolio was the responsibility of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (C3I). Under that arrangement, many felt that issues relating to the more costly and visible C3 systems dominated the Assistant Secretary's time and attention, and intelligence priorities were consequently neglected. Proponents of USD(I) felt that DoD's ability to manage competing sets of

intelligence requirements, programs, and budgets was constrained by the lack of a coordinating official with sufficient stature to direct various component agencies and functions within the defense intelligence community. DoD also lacked an official who could represent intelligence equities in senior DoD leadership councils. After the creation of OUSD(I), the C3 functions were assigned to a new Assistant Secretary of Defense for Networks and Information Integration (ASD(NII)), who is also DoD's Chief Information Officer.

Another long-standing problem DoD sought to address was that of insufficient quality and timeliness of intelligence support on the battlefield. One of the key lessons that the military drew from working with DCI-controlled fusion centers in the 1990s was that the national intelligence community, by mission and orientation, was not structured to provide adequate support to the warfighter. Given the immediacy of the threats that the military was facing in operations in Afghanistan and Iraq, it was imperative for DoD to enhance near-real time intelligence support to field operations.

The third problem facing the defense intelligence community was that existing organizations were still structured around the state and formation-centric collection and analysis priorities. Post–Cold War reductions had depleted important capabilities like HUMINT and counterintelligence capabilities that were vital to assessing the emerging threats of the twenty-first century. While a sufficient cause for reform before 2001, these issues were prioritized in the wake of September 11 and U.S. entry into Afghanistan and Iraq. The existing organization to coordinate defense intelligence within DoD was clearly insufficient.

Congress established OUSD(I) as part of the National Defense Authorization Act of 2003. Appointed USD(I) in March 2003, Dr. Stephen A. Cambone laid out four major objectives for the office: improve timely intelligence support to the warfighter; achieve a balance in counterintelligence support by the Military Departments and counterintelligence support to force protection activities conducted by the combatant commanders; advance intelligence "transformation"; and improve coordination of defense intelligence programs and budgets.

Shortly after the establishment of OUSD(I), a number of controversies arose regarding its activities and responsibilities. There were a number of potential overlaps between defense level functions and national intelligence functions in areas such as HUMINT, counter-intelligence, and warning, not to mention the inherent difficulties in managing permissions and coordination between the two groups in the field. The manner in which the administration and Secretary Rumsfeld pursued defense intelligence reforms was not calculated to soothe concerns or to favorably shape public perceptions. Consequently, there was a strongly held belief in the community that OUSD(I) was designed to compete with, rather than complement, IC functions and missions. The office also faced the immediate challenge of justifying its role within the context of IRTPA. It was unclear how the USD(I) would relate to the new DNI, or how best to coordinate the distinct roles and missions of their respective offices.

Subsequent mistakes and controversies surrounding OUSD(I) activities seemed to confirm the worst fears of both the national intelligence community and the public. The exposure of domestic

activities being undertaken by the Counter-Intelligence Field Activity (CIFA) prompted public outcry. The expansion of Defense HUMINT capabilities and the coordination problems that arose among Defense HUMINT activities, SOF, and the CIA's Directorate of Operations caused increasing concern. Another area of controversy arose around the role that OUSD(I) played in setting interrogation policies and standards of conduct in Iraq and elsewhere.

The changes in DoD leadership that occurred in 2006 brought about an opportunity to address these issues and to reorient the office. When Clapper was appointed to replace Cambone, a Memorandum of Understanding was signed between Secretary Gates and DNI McConnell that gave Clapper the additional position of Director for Defense Intelligence within ODNI. Following this shift in the relationship between OUSD(I) and ODNI, Clapper undertook a reorganization of OUSD(I) in order to realign the office along functional lines and facilitate coordination with DNI. This reorganization adjusted Deputy Under Secretary titles and responsibilities and eliminated a number of controversial mission structures such as the CIFA. As it currently stands, the Office is divided under four deputies responsible for the following areas, respectively: Joint and Coalition Warfighter Support; Technical Collection and Analysis; Portfolio, Programs and Resources; and HUMINT, Counter-Intelligence and Security. Completed in June of 2008, this reorganization of OUSD(I) does not comprise a "scaling-back" of the office, its scope or mission, but represents an effort to bring the defense intelligence community more in line with the national intelligence community.

## Assessment

Fundamentally, the need for an OUSD(I)-type organization has been broadly recognized and accepted within the DoD. The main functions of the office have remained consistent despite the changes in leadership and orientation. Furthermore, the office has successfully advanced its top objective of enhancing intelligence support to the warfighter. Now recognized by both the military and national intelligence communities as being a centrally important mission, the development of Joint-Intelligence Operation Centers (JIOCs) are considered one of the primary achievements of OUSD(I). In other areas, OUSD(I) has been critical to the development of space policy and the advance of wide-area and joint-persistent surveillance programs. The office continues to play a useful advocacy and policy articulation role in addition to its oversight and coordination responsibilities. Finally, the office has been able to make progress in terms of rationalizing and improving programming and budgeting through the Military Intelligence Program (MIP) structure established by Congress in September 2005.

The revision made to the position of USD(I) in 2007 concerning that official's role in the national intelligence community is quite significant and has been reinforced under the newly amended Executive Order 12333. The "dual-hatting" of the USD(I) under the DNI and the Secretary of Defense clearly addressed a number of important tensions between the national and defense intelligence communities. Its success so far, however, is seen more to be a product of the personalities of current leadership than any inherent strength in the new arrangements and position. It is by no means certain how well this change will hold up over time with changing

administrations. In fact, a number of interviewees expressed serious reservations about the long-term viability of this dual-hatting and were concerned about its potentially damaging effects on the position of the USD(I) within the defense community proper. Many expressed the view that making the USD(I) also answerable to the DNI fundamentally weakens his or her relationship with the Secretary of Defense and with the military services. One interviewee even noted that it might not be in ODNI's best interest to treat the Defense Department as a whole as a subordinate member of the IC, a position DoD has never previously held. Regardless, given DoD's unique mission within the IC in support of military operations, some in the defense intelligence community feel that the new national duties in support of DNI may compete with and possibly compromise USD(I)'s primary responsibility.

The creation of USD(I) may have had unintended consequences for the C3 community. In the wake of OASD(C3I)'s dissolution, some members of the C3 community and former senior Department officials have felt that its priorities did not receive adequate senior-level attention. The most commonly cited problems are (1) the failure to adequately integrate C3 and intelligence both within DoD and across agencies, and (2) the relative weakness of NII compared to USD(AT&L) in setting priorities and advocating on behalf of information infrastructure development within DoD. This perception has waxed and waned as the positions of all key participants—Secretary of Defense, Deputy Secretary of Defense, USD(I), USD(AT&L), and ASD(NII)—have changed hands. Structurally, however, the designation of NII as an Assistant Secretary, albeit one with a direct reporting chain to the Secretary of Defense through his or her CIO role, puts the information infrastructure portfolio at a potential disadvantage to USD(I) and USD(AT&L) perspectives.

The creation of the USD(I) and associated office is a reform well suited to address the problems and challenges at hand. The change has increased the unity and effectiveness of the defense intelligence community and its associated programs, and has facilitated an improved relationship with the national intelligence community. It has, more importantly, increased an appreciation for and attention to the distinct requirements of intelligence support to the warfighter. Although the office has fully established itself and gained acceptance after five years, it is by no means impervious to further reforms or "roll-back." However, OUSD(I) has proved flexible and continues to align well with other elements of defense transformation. The evolution of OUSD(I) parallels changes in the Department as a whole, particularly with ongoing lessons learned and course corrections in light of DoD's experience in Iraq and Afghanistan.

## Recommendations

Some felt that locating the leadership of the defense intelligence organizations at the Under Secretary level was too high relative to the position of intelligence leadership elsewhere in the defense community. They felt that it sent too strong a signal, both internally and externally. Another criticism voiced from members of the wider national security policy community and members of Congress has been that all intelligence activities should be coordinated and managed centrally through ODNI. Thus, one alternative approach to structuring the coordination of the

defense and national intelligence communities might be to change the title of USD(I) to one at the ASD level, while elevating a special appointee to ODNI for Defense Intelligence. Although this sort of change might achieve greater buy-in in the wider community, it also has the potential to provoke greater resistance from the military if, as the primary customer of intelligence, the military feels insufficiently represented.

A second option is to reintegrate NII into USD(I), creating a USD(C3I). This approach would likely improve the coordination of information systems and the information they carry. It would help close existing gaps and redundancies between OASD(NII) and USD(I). It would also elevate the information infrastructure and Chief Information Officer roles to the Under Secretary level, where it would compete on an even playing field with other hardware overseen by USD(AT&L). In considering this alternative, it is important to recall that one of the reasons for the "divorce" between C3 and I was the perception that C3 issues always dominated over intelligence issues. Preventing a repetition of this pattern would require extreme deftness in the selection of an Under Secretary and a Principal Deputy Under Secretary for a combined USD(C3I).

A third option would separate the CIO from C3/NII, Intelligence, and AT&L, either as a stand-alone position reporting to the Secretary of Defense or combining the CIO with the Deputy Chief Management Officer. This option is developed further in the section on Business Transformation.

The CSIS study team recommends that next administration continue to engage actively with the question of the defense intelligence community's role within the larger national intelligence community. This is particularly important given that many of the recent cooperative successes are perceived to have been heavily dependent on the personalities of the current leadership. If nothing else, filling these key positions under the next administration should be approached with particular care. DoD should also explore whether there is effective coordination of C3 and intelligence functions under the current USD(I) and ASD(NII/CIO) structure, or if an alternative arrangement is needed.

## OUSD(P) Reorganization

### Issue

The Office of the Under Secretary for Policy tends to be reorganized at least once during each new administration, and on occasion in response to significant external events such as the fall of the Soviet Union. In the wake of the September 11, 2001, attacks, Secretary Rumsfeld became increasingly concerned that the Policy organization was not well aligned to meet the challenges of the global war on terrorism. His direct concerns about the organization of OUSD(P) were the impetus for the most recent reorganization. The effort began in 2005 with the consideration of various organizational alternatives and was fully implemented by March 2007. The new OUSD(P) construct has now been in place for about 18 months.

## Evolution

When Secretary Rumsfeld began his tenure, there were three Assistant Secretary positions and one Principal Deputy Under Secretary position, all reporting to the Under Secretary for Policy (USD(P)). These four political appointee positions had approximately the following portfolios:

- *Principal Deputy Under Secretary for Policy (PDUSDP):* This individual sometimes functioned as a true "deputy" to the USD(P), taking on his responsibilities when the USD(P) was on travel or otherwise unavailable. During previous administrations, the principal deputy has sometimes had a more defined, discrete portfolio of responsibilities with offices directly reporting to him on a regular basis. Under Secretary Rumsfeld, this individual oversaw the Strategy (subsequently renamed Policy Planning) and Resources and Plans offices, and was responsible for a host of enterprise management functions such as study funding and professional development.
- *Assistant Secretary for International Security Policy (ASD(ISP)):* This individual oversaw arms control, nonproliferation and nuclear functional issues, as well as European and Eurasian regional issues.
- *Assistant Secretary for International Security Affairs (ASD(ISA)):* This individual was primarily responsible for regional issues, including Asia, Africa, the Middle East and Latin America.
- *Assistant Secretary for Special Operations/Low-Intensity Conflict (ASD(SO/LIC)):* This individual held a congressionally mandated position and oversaw all matters concerning special operations and special operations forces, as well as peacekeeping and humanitarian assistance.

After the September 11 attacks, DoD worked with Congress to create a fourth Assistant Secretary position, the Assistant Secretary of Defense for Homeland Defense.

In 2005, Ryan Henry, the Principal Deputy Under Secretary of Defense for Policy, began working closely with Secretary Rumsfeld to reorganize OUSD(P) significantly to address post–September 11 challenges and opportunities. On August 28, 2006, Under Secretary of Defense for Policy Eric Edelman held a press conference to unveil the new Policy structure.

At the press conference, Under Secretary Edelman noted three primary reasons for the reorganization: the creation of an organization better aligned to address post 9/11 threats; establishment of more balanced portfolios; and closer alignment with the COCOMs and the broader interagency in order to deal more effectively with security challenges.[1] To achieve these goals, Edelman announced Policy would be reorganized around five Assistant Secretary positions:

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[1] U.S. Department of Defense, Office of the Assistant Secretary of Defense for Public Affairs, "Media Roundtable with Mr. Edelman from the Pentagon," News Transcript (August 28, 2006), http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=3707.

the four existing ASD organizations would be revised and one new ASD position would be created, namely, the Assistant Secretary for Global Security Affairs (ASD(GSA)).

Under the reorganization plan, the ASD(ISA) has responsibility for the Middle East, Africa, Europe and NATO issues. The ASD organization for International Security Policy was dissolved and replaced with the ASD for Asian and Pacific Security Affairs. The ASD for Homeland Defense remained largely the same, but absorbed Western Hemisphere issues from ISA and was renamed the Assistant Secretary for Homeland Defense and the Americas. The ASD(SO/LIC) organization retained oversight of traditional special operations issues, but gained responsibilities for "interdependent capabilities." These included strategic capabilities (including nuclear forces), stability operations capabilities, and capabilities for forces transformation and resources. Finally, the reorganization created the new Assistant Secretary for Global Security Affairs, which focuses on partnership strategy, coalition affairs, global threats such as counter-narcotics, counter-proliferation and global terrorism, as well as detainee affairs and prisoners of war. Finally, the reorganization moved the Policy Planning and Support for Public Diplomacy offices up to report directly to the PDUSDP and USD(P).

## Assessment

Although the reorganization of Policy was controversial inside the organization for a number of reasons, there was general consensus that Policy needed to be reshaped to meet the challenges of the post-9/11 era. At the same time, the roll-out of the Policy reorganization and its implementation were not well-received by those inside Policy because of the secrecy surrounding the process, the lack of planning for logistical problems associated with the reorganization, and the perceived lack of concern for Policy personnel throughout the reorganization process. Despite considerable controversy in the immediate wake of the reorganization announcement, eighteen months later Policy personnel have largely accepted the reorganization and are not agitating for significant further change.

No organizational chart for Policy will be perfect, and whatever the arguments for one alternative over another, the Policy organization will always be designed to some degree to reflect the philosophies, priorities and personalities of a specific administration. At the same time, organizational designs that seem to address current and foreseeable challenges, present manageable portfolios and spans of control, and minimize gaps and seams will be more suitable and effective over the long term than organizational designs that are primarily constructed around specific political appointees.

Under the current, reorganized structure, the three regional ASDs (International Security Affairs, Asian and Pacific Affairs, and Homeland Defense and the Americas) seem to function reasonably effectively overall, with a few minor exceptions.[2] These ASD organizations continue to have large

[2] Broadly speaking, the Policy reorganization created a set of regional OASDs and functional OASDs. The OASD for Homeland Defense and the Americas is a hybrid of the two, which does not appear to be ideal.

spans of control, but unless Policy creates more ASD positions, span of control is likely to remain an issue no matter what the overall design of OUSD(P).

The organizations under the Assistant Secretaries for Global Security Affairs (GSA) and Special Operations/Low-Intensity Conflict/Interdependent Capabilities (SO/LIC&IC) appear to be less cohesive than the other three ASD offices since the reorganization, perhaps in part because they are more diverse in terms of portfolio and less well established than the regional organizations.

The OASD for Global Security Affairs appears to have an overly large and diverse portfolio, and several experts interviewed during the assessment period argued it was "losing ground" relative to the regional ASD offices because it was so unwieldy. In particular, the Global Threats Office responsible for such issues as counter-narcotics and counter-proliferation is struggling to manage a very large, diverse set of responsibilities. This broad set of responsibilities may simply be too overwhelming for a single Deputy Assistant Secretary of Defense. In addition, multiple interviewees noted that it was not intellectually consistent to create an office responsible for global, transnational threats but not have this office responsible for counterterrorism issues (which are handled in OASD (SO/LIC&IC)). The study team's assessment of the reorganization also revealed that it is common for seams to arise between offices in OASD(GSA), particularly the Partnership Strategy office, the Coalition Affairs office, and the Global Threats office. Seams between GSA and other Policy organizations are also common, including the Stability Operations Capabilities office and Force Transformation and Resources office in OASD (SO/LIC&IC) and the Policy Planning Office reporting to PDUSDP.

Like the OASD for Global Security Affairs, the OASD for SO/LIC&IC also has a very broad and diverse portfolio. Indeed, the contours of this ASD office seem conspicuously designed to suit the particular background of Michael Vickers, its current occupant. The position requires someone who not only can satisfy the high congressional standards for an ASD(SO/LIC), a position created by Congress in 1987, but is also conversant across the broad range of U.S. military capabilities. It is unlikely another person would have a professional background as well suited to this position as the incumbent. As a result, it is not clear that in subsequent administrations it will be possible to fill this position with an individual who can succeed across the very broad span of control for which this OASD is responsible.

The philosophy behind the creation of ASD(SO/LIC&IC) appears to have been the desire to significantly strengthen Policy's organizational ability to focus comprehensively on the policy oversight of military operations and capabilities development. Prior to the reorganization, Policy's competencies in these areas were limited to the special operations arena. To better achieve these

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Many bilateral or regional Americas issues are not germane to the functional issue of homeland defense and civil support, so there is not much potential for synergy inside this organization. At the same time, Western Hemisphere issues have traditionally not received much attention at the ASD level because the span of control of the ASD/ISA was far too large, so in the new construct the Western Hemisphere countries have at least been elevated in terms of the potential for ASD-level interaction.

objectives, the reorganization brought together the offices working on planning and resourcing for special operations forces with the offices working on other military missions, to include stability operations, conventional forces and nuclear forces. It also attempted to marry this policy oversight with a future-oriented focus on force transformation, absorbing the Office of Force Transformation that had previously reported directly to the Secretary of Defense. The consensus of Policy personnel and observers interviewed for this assessment was that OASD(SO/LIC&IC) has yet to fully realize these objectives. SO/LIC&IC has strengthened the ability of Policy to effectively oversee military operations, particularly in the special operations area. It is not clear that SO/LIC&IC has been as effective in terms of strengthening Policy's ability to shape and manage the development of the full spectrum of military capabilities. There is a general view that the effort to create a true Policy competency in military capabilities across the spectrum has not yet "gelled."[3] In particular, under the new organizational construct, nuclear forces are buried deep in the OASD office, despite the fact that there is growing evidence that the nuclear mission has been neglected at significant cost to U.S. national security. In a similar vein, SO/LIC&IC does not have a clear organizational construct for overseeing cyber or space policy issues, which also are largely seen as growing in importance.

Finally, the Policy reorganization seems to have exacerbated long standing bureaucratic tensions between the Policy Planning (formerly Strategy) office charged with longer range thinking about policy issues and now charged with near-term operation plans oversight, and the Force Transformation and Resources office (formerly Requirements and Plans), which attempts to connect ends, ways, and means through the PPBS, acquisition, and joint requirements processes. During the Clinton administration and for a few years under Secretary Rumsfeld, these two offices reported to the same senior official. Under Clinton, the offices reported to the Assistant Secretary of Defense for Strategy and Threat Reduction, and at the outset of the Rumsfeld years, they reported directly to the PDUSDP. After the reorganization, Policy Planning continued as a direct report to the PDUSDP office, but Forces Transformation and Resources was placed under ASD(SO/LIC&IC). The portfolios of these two offices are often heavily interrelated, which has historically led to significant interoffice tensions. In the past these tensions could be managed and resolved because both offices reported to the same senior official. Today the offices report to two different senior officials, which means in many instances these offices work less closely together, and it is more difficult to resolve disagreements when they do arise. The force of good will between the offices could of course create good working relations for a time, but in the face of different organizational missions and cultures, the endurance of such good will would be unlikely.

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[3] It is also worth noting that at this time, OASD(SO/LIC&IC) plays a substantial operational role in terms of DoD missions in Afghanistan and Pakistan, in large part reflecting the deep expertise the current ASD holds in the region. It is difficult to know if the goal of strengthening Policy's programming and budgeting oversight capabilities has not been realized because of failings in the organizational design of OASD(SO/LIC&IC), or because they have received insufficient attention due to preoccupation with Afghanistan and Pakistan policy issues.

The extent to which Policy employees themselves have embraced the reorganization varies. Most senior members of the Policy organization seem to have been satisfied with the broad outlines of the reorganization when they were brought in to the process during the later phase of the decisionmaking process. Line Policy personnel were far less satisfied with the reorganization plan, and unhappiness with the plan was widespread upon its announcement, but most Policy personnel now seem to believe the organization is largely functioning well. In general, Policy employees do not view the reorganization as perfect and many continue to have concerns in specific areas, but on the whole they are not calling for further substantial changes. At the same time, there is a widespread realization in Policy that the new administration is likely to make changes of some kind of another.

## Recommendations

Among the most frequently stated problems with the new Policy organization are the following:

- Policy Planning and Forces Transformation and Resources report to different senior officials.
- Nuclear, cyber and space issues are buried in the organization and receive insufficient attention.
- The OASD(GSA) portfolio is too big for one ASD to manage effectively.
- Too many seams exist between offices in OASD(GSA) and OASD(SO/LIC&IC).
- Western Hemisphere issues are inherently regional and should be handled in a regional ASD organization.
- Regional issues tend to overshadow functional issues in Policy.

Further altering the design of the Policy organization to address these issues would potentially make the organization even more effective than it is today, and could reduce whatever remaining dissatisfaction with the reorganization still exists. The CSIS study team considered two major options as alternatives to the current Policy organization. The first option would entail substantial changes to the current organization, geared toward addressing the full range of substantive problems that were created by, or not completely resolved by, the reorganization. The second option was a minimalist approach that focused only on addressing those specific issues in the current structure that the new administration might see as particularly problematic.

The study team determined that the reorganization of Policy implemented in 2007 presents to the incoming administration a sound basis on which to build a Policy organization tailored to its specific policy priorities and the strengths and weaknesses of its senior political appointees. The changes necessary to address all of the problems cited above would not be inconsequential; in fact, they would likely be disruptive, which could undermine institutional buy-in, at least in the short term. Rather than trying to address all of these issues simultaneously, a new administration should select only those issues that it sees as most problematic and focus on making more tailored

changes to the current organization. This sort of minimalist approach would be less disruptive and less likely to undermine institutionalization of the current structure.

The study team recognizes that a new administration, like many of its predecessors, is very likely to conduct some sort of reorganization based on policy priorities and personalities that cannot be known at this time. Rather than specifying exactly which boxes on the organizational chart should be moved, merged or eliminated, this assessment recommends that the Under Secretary of Defense for Policy use the following "design principles" to guide any further reorganization efforts:

- Offices performing the functions of the existing Policy Planning and Forces Transformation and Resources office should be placed under the same senior official, to ensure a close working relationship and effective dispute resolution.
- Nuclear, cyber, and space issues are becoming significantly more important and need to be elevated inside the Policy organization. These issues have global impacts and should not be affiliated with specific regions as has sometimes been done in the past (e.g., nuclear issues under the same ASD handling the Soviet Union or cyber issues being placed in the OASD for Asian and Pacific Affairs because of Chinese interest in cyber warfare).
- OASD(GSA) and OASD(SO/LIC&IC) may be too diverse for a single ASD to manage effectively and should probably be broken into smaller OASDs.
- Improvements in Policy's ability to provide policy oversight of military operations achieved under OASD(SO/LIC&IC) should be preserved.
- OASDs seem to work more effectively when they are either regional or functional in orientation, not both.
- Policy's traditional orientation toward regional issues needs to shift toward functional issues, which is where Policy has unique responsibilities and could add significantly more value in the interagency.

There are multiple ways these design principles could be incorporated into a new or revised Policy organization, but given the high potential for significant turbulence during a transition period in any case, a new administration should take the opportunity to try to resolve as many outstanding issues left in the wake of the 2007 reorganization as possible.

# Strategic Guidance

## Issue

Establishing strategic direction is the cornerstone of effective governance. Given budgetary and operational pressures, the next Secretary of Defense will need to link ends, ways, and means more effectively and much more efficiently than at any time since September 11, 2001. Equally importantly, the Secretary must be able to communicate those linkages to all stakeholders and

hold them accountable for their compliance. The Secretary of Defense has several key system levers for guiding the Department's activities. To direct the administration's priorities across the vast defense enterprise, the Secretary must have confidence in these levers.

DoD has continually evolved its approach to strategic guidance since January 2001. Through its reforms, the Office of the Secretary of Defense has attempted to broaden the range of strategic guidance beyond the planning, programming, and budgeting system, formalize the Secretary's role in setting strategic guidance, clarify program and budget priorities, and identify areas of lesser importance in which to assume greater programmatic risk. The governance forums and processes it has used to debate, set, and monitor this guidance have also evolved over the past eight years.

## Evolution

The Secretary of Defense has several long-standing procedures for setting strategic guidance. Several of these procedures are required by USC Title 10. The following are most notable:

- Annually, the Secretary of Defense must present to the heads of DoD Components written policy guidance for the preparation of programs and budgets. Today, this requirement is fulfilled by the Guidance for the Development of the Force. (10 USC § 113)
- Every two years or more frequently, the Secretary of Defense must provide the Chairman of the Joint Chiefs of Staff with written guidance for the preparation and review of contingency plans. The Guidance for the Employment of the Force fulfills this statute. (10 USC § 113)
- At least every two years, the Chairman of the Joint Chiefs of Staff must present to the President, through the Secretary, a Unified Command Plan that describes the missions and responsibilities of the combatant commands. (10 USC § 161b)
- Every four years, the Secretary of Defense must submit a Quadrennial Defense Review (QDR) report that describes the Department's long-term strategy, including program priorities. (10 USC § 118)

The first three of these requirements were established by the 1986 Goldwater-Nichols Act; the QDR requirement came a decade later, in 1996. The Secretary also has many nonstatutory levers to guide the Department's activities. Early in his tenure, Secretary of Defense Donald Rumsfeld began a "snowflake" system of memoranda to provide guidance or direct follow-up across the broad range of Department activities. In 2005, Secretary Rumsfeld also issued a first of its kind National Defense Strategy, which Secretary Gates followed with the 2008 National Defense Strategy. This final year of the administration also saw the streamlining of several guidance documents. First, the Department published the Guidance for the Employment of the Force to capture near-term (2-year) direction previously provided in multiple documents. The GEF is primarily targeted at the COCOMs but includes near-term direction to the whole department. Second, OSD executed a Force Development Process that produced a single mid-term (five- to

six-year) Guidance for Development of the Force and a companion, though separately staffed and generated, Joint Programming Guidance (JPG). Mid-term guidance is of greatest concern to the Services and other providers who are directed to program funds in accordance with its stipulations. Nevertheless, as with the GEF, the intended audience for mid-term guidance is all internal stakeholders.

Perhaps the most notable strategic guidance efforts for the Bush administration came in the form of new or recast governance forums. In 2001, Secretary Rumsfeld created a Senior Executive Council to provide direction to the Department. Comprising the Secretary, Deputy Secretary, Secretaries of the Military Departments, Under Secretary of Acquisition, Technology, and Logistics (USD(AT&L)), and DoD Comptroller, the Council was relatively short-lived. Its role in setting guidance was eclipsed by the larger Senior Leader Review Group (SLRG), which included the Deputy Secretary of Defense, Chairman and Vice Chairman of the Joint Chiefs of Staff, four Service Chiefs, Secretaries of the Military Departments, and five Under Secretaries of Defense, along with a handful of other key advisers. During Secretary Rumsfeld's tenure, the SLRG met regularly into 2005. Beginning in 2004, SLRG membership was augmented at least quarterly to include the Combatant Commanders in a Strategic Planning Council. The Strategic Planning Council later merged with the Chairman of the Joint Chiefs of Staff's Combatant Commander Conference to become the Defense Senior Leadership Council (DSLC), which met quarterly for much of 2005 and 2006.

Secretary of Defense Robert Gates has employed fewer senior leader forums than Secretary Rumsfeld. He has convened the DSLC roughly biannually, but it is Deputy Secretary Gordon England's Deputy's Advisory Working Group (DAWG) that has become the most authoritative stakeholders venue. The DAWG is chaired by the Deputy Secretary of Defense and nominally cochaired by the Vice Chairman of the Joint Chiefs of Staff. The DAWG includes the Service Vice Chiefs, the Under Secretaries of Defense, the Deputy Commander, USSOCOM, the D(PA&E), and a few other OSD staff. Deputy Secretary Gordon England established the DAWG at the conclusion of the 2005 Quadrennial Defense Review, during which he had used a similar body, the so-called "Group of 12," to steer the Department's effort. Previous Deputy Secretaries of Defense have used a group much like the DAWG to assist in overseeing DoD's key resource and business process issues.[4]

With the exception of some issue-by-issue attention in the DSLC and an increasing though still limited focus in the DAWG, defense strategy and national security policy are largely decided outside of the formal governance processes. The Under Secretary of Defense for Policy, under whose purview these matters reside, is an invitee to both the DSLC and the DAWG. Nevertheless, the normal method of discourse for these issues is for the Under Secretary and a smaller set of advisers to work them directly with the Secretary and Deputy Secretary of Defense.

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[4] The Defense Resources Board was one such DAWG predecessor.

## Assessment

To be successful, strategic guidance should create outcomes clearly linked to objectives. The key elements of successful strategic direction are:

- Thorough assessment of interests and the environment;
- Measurable and prioritized objectives;
- Accurate evaluation of current capabilities;
- Formulation of and evaluation of course(s) of action; and
- Risk assessment and acceptance.

With emphasis on the creation of the National Defense Strategy and the conduct of two QDRs, the Department has largely focused on improving its articulation of U.S. interests and the strategic environment. Moreover, the QDRs have generally been useful for evaluating current capabilities for certain scenarios, especially conventional near-peer competitor challenges and, to a lesser extent, long-duration stability operations. DoD has made substantially less progress over the past eight years in the evaluation of courses of action and risk assessment. Strategists need to identify the ways-to-means connectivity needed to fulfill objectives, varying alternatives across a range of key factors, including cost, implementation timing, operational soundness, force size and orientation, and technical feasibility. Unfortunately, the Department has shown very little senior-level interest in such analysis and has accordingly underinvested in its joint analytic capabilities and for this kind of systematic assessment of alternatives. As a result, it will be difficult for the next administration to rapidly generate evaluative capabilities for force development.

Equally problematic is the Department's slow adoption of risk assessment approaches. To complete ends-to-means strategy prioritization, the strategist must clearly articulate where he is accepting relative risk in order to fund a reduced risk in high interest areas. Although there were strong early efforts to adopt the "balanced scorecard" approach popular in the private sector, Secretary of Defense Rumsfeld did not sustain his interest and the enterprise thus abandoned its use. Compounding this abandonment, and perhaps contributing to it, was the enduring nature of the high-intensity operational environment combined with steady supplemental funding, which together sent mid- to long-term resource planning and tradeoff analysis into a tailspin.

The recently released 2008 National Defense Strategy illustrates the too slow evolution of DoD's long-term risk management approach. Although it identifies the Department's priorities, a key component of effective guidance, it is not explicit in stating lesser priorities that might be decremented to focus on them. An example might be to accept risk in the ability of the United States to conduct a counterattack in a major conflict in order to fulfill the Strategy's acknowledged need for indirect counterinsurgency operations overseas. Rather than make such hard choices clear, the National Defense Strategy describes how the Department will risk little by hedging effectively against everything. It follows a proud strategic tradition of being all things to all people, as most National Security Strategies and National Military Strategies tend to be. The classified

Guidance for Development of the Force goes further than the Defense Strategy in clarifying risk choices, but even it has merely evolved from predecessor guidance documents that likewise attempted to articulate a small number of so-called "areas for increased risk."

The Department has made significant strides in setting near-term strategic guidance, execution oversight, and periodic assessment of its peacetime engagement and force management issues. The creation of the Guidance for the Employment of the Force and the processes surrounding its governance build on important prior work in the Bush administration to make security cooperation and deliberate planning processes more accountable and adaptive. The next administration should continue and strengthen these efforts. Unfortunately, the Department is making too little progress in its strategic planning systems, including the PPBS, where there remains a notable absence of sustained accountability.

Over the past eight years, OSD has attempted to set and hold DoD components to strategic requirements set by the Secretary of Defense through a variety of means. These means have included required Program Objective Memorandum (POM) displays on meeting "transformation" goals, reporting requirements in the Guidance for Development of the Force and its predecessors, a tracking system for actions identified in the various 2006 QDR roadmaps, and the routine use of sub-governance and governance forums, most notably the DAWG. Although the Department has institutionalized some of these efforts, especially the tasking of studies and reports in various guidance vehicles, it has not found a reliable means to ensure ways and means are tracking to the Secretary's articulated ends. Absent such connectivity, strategic guidance is failing in its primary task of effectively and efficiently driving outcomes.

In the past several years, DoD's strategic guidance reforms have focused on institutionalizing a "battle rhythm" for the generation of guidance and follow-on activities. The CSIS study team judged these efforts as too new and unproven to create lasting institutionalization in the face of an administration looking to adopt a different approach. More importantly, with limited time and attention from the Secretary and other senior leaders, the focus on guidance flow and timing seems to have come at the expense of a focus on substantive improvements in prioritization, assessment of alternatives, and risk management. These failings are exacerbated by the lack of appropriate governance mechanisms for strategic guidance that include policy setting and monitoring stakeholders. As a result, most strategic guidance issues are led by sub-components of OSD Policy or the Joint Staff who then must inject their products or recommendations into a governance system designed for programmatic issues. Even at the level of the DAWG, such issues are frequently of little interest to the Deputy Secretary or the Vice Chiefs of Service and their counterparts, some of whom regard them as a "liberal arts exercise."[5]

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[5] One interviewee described to the CSIS study team a 2008 DAWG meeting in which a Service participant referred to an OSD Policy presentation on strategy in just this way. It is important to note that DAWG members are supported by resourcing, not requirements or strategy, representatives from the Services and

## Recommendations

The CSIS study team examined two approaches for building on Bush administration strategic guidance reforms. It first looked at modest improvements that would boost the system's current strengths. This includes further streamlining guidance documents, focusing the next Joint Staff, Policy, and PA&E leadership teams on a rigorous risk management framework, and resourcing joint analytic capabilities to assess alternative courses of action. It also requires a dedication by the next Secretary and Deputy Secretary of Defense to spend more time and greater attention on strategic planning issues in existing or new governance forums. The study team also examined a more radical departure for strategic direction that would more fully center the next Secretary of Defense's governance calendar on strategic guidance, oversight of decision execution, and routine feedback. This alternative requires significant staffing and resources to create underlying OSD and Joint Staff capabilities for strategic planning at all stages, from scanning the environment to assessing performance. It also requires substantial dedication and oversight on the part of the Secretary of Defense or a close adviser to ensure effective institutionalization.

The next Secretary of Defense will be challenged by a wide range of operational and resource pressures. The time is ripe for significant strategic leadership and for the development of supporting joint capabilities to facilitate effective leadership. The next Secretary should establish very early in 2009 the most important 3-5 priorities he or she wants the Department to fulfill. By-exception guidance should be the norm for OSD, with staff working to map those highest priorities systematically from decision to execution to assessment. With minds focused on such a clear and discrete agenda, the Secretary's strategic guidance processes should leverage the existing annual budget submission process and the requirement for a QDR to create an accountable system for governance:

- *Quarterly:* An unused strategy is an irrelevant strategy. Providing strategic guidance is the Secretary of Defense's core governance function—a job that should begin with setting the agenda for systematic governance forums and processes. The Secretary of Defense should focus each quarterly review on the statement and/or confirmation of his highest priorities and on focusing his senior advisers on the execution and continual assessment of actions undertaken to achieve those priorities.
- *Annual:* The Secretary should put a premium on the development of joint capability portfolio analysis and detailed, execution-oriented annual (or, when appropriate, biennial) guidance. The Secretary should focus his or her staff not on publishing a glossy National Defense Strategy or QDR report but on developing a full and frank description of strategy—connecting ends, ways, and means—with its eye toward execution. The public strategy documents could then be developed as by-product of these more direct and detailed internal documents.

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other components. The main review and vetting forum for the DAWG is the 3-star Programmers' Meeting, composed of Service and joint "8s." The Department's "5s" have no similar civilian-led governance forum.

- *Quadrennial:* Despite its many pitfalls, the Quadrennial Defense Review process is a tool the Secretary of Defense can and should exploit to promulgate the administration's defense agenda. The Secretary should begin the QDR process by commissioning competitive analyses of the projected security environment and the role of U.S. military forces therein. The Secretary should actively encourage the creation of a broader Quadrennial National Security Review or like process[6] within which to nest DoD findings.

These improvements are highly interdependent, with improvements to the annual process particularly critical for improving the utility of the quadrennial and quarterly processes. Underlying Joint Staff and OSD mandates and capabilities for capability portfolio analysis and force planning, shaping, sizing, and costing analysis will be critical but should be expected to take time, resources, and senior leader interest to grow. Likewise, appropriate policy and strategy stakeholders must be participants in the governance process, from the Secretary's own forum down to the issue management level.

# Assessing the Future Security Environment

## Issue

The next Secretary of Defense will need an informed, objective understanding of how broad and specific threats and opportunities—a multi-vector, "low-high" blend—in a fast-changing world could affect defense requirements and capabilities. The Secretary must balance near-term with medium- to long-term risk.

Since 2002, DoD has continued to refine and expand its approach to analyzing a broader set of potential future trends, threats, and opportunities with mid- to long-term defense implications, to the end of the current Future Years Defense Program (FYDP) and beyond. This assessment of the future security environment has occurred primarily through the Joint Analytic Agenda (JAA) and a series of initiatives conducted by offices directly reporting to the Principal Deputy Under Secretary for Policy. The Services and Joint Staff have also conducted a series of futures assessment exercises during this time, but these were not meant for Department-wide consumption, and they were not directly linked to Department processes (including guidance documents).[7] Key innovations undertaken to assess the future security environment under the George W. Bush administration include:

- The Trends & Shocks horizon-scanning methodology;
- Defense Planning Scenarios (DPSs, including the Steady State Security Posture scenario) and their place in the JAA;

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[6] Clark A. Murdock and Michèle A. Flournoy, *Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era*, Phase 2 Report (Washington, DC: CSIS, July 2005), 28–29.
[7] Exceptions to this are JCIDs and JOCs, which are addressed in separate sections of this report.

- Creation of the Office of Force Transformation and its restructuring as DASD (Force Transformation & Resources);
- Creation of Policy Planning offices in USDP and USD(I);
- Importance of the "assessment of the future strategic environment," as enshrined in the 2008 National Defense Strategy;
- Creation of futures-forecasting offices in the Defense Intelligence Agency (DIA).

The scope of this study was the DPSs and the Trends & Shocks methodology as evaluated on the unclassified level. Wherever possible, these were considered in the broader context of identified senior-level decisionmaker needs and other "futures" products and processes already available or ongoing.

## Evolution

Assessment of the future security environment as it is now practiced within DoD is a logical outgrowth of the Department's long-standing emphasis on futures that began in the 1950s as part of the post-Sputnik reaction to strategic surprise. During that time, the Department was most concerned with technology futures and established the Defense Advanced Research Projects Administration (DARPA) as well as supporting the establishment of Federally-Funded Research and Development Corporations (FFRDCs) such as RAND. A futures assessment methodology known as "scenario-based future planning" was first used by the United States Air Force in the 1960s under the direction of Herman Kahn. This approach sought to identify how and where the Soviets and other communist forces might fight the United States.[8] The concept of wide-ranging future security assessment beyond the scenario-based confine grew from the work of Alvin Toffler in the 1960s. Toffler blended an interest in social and technological trends to assess potential futures in a broader, more free-flowing context that is usually termed "horizon-scanning." In 1973, Andy Marshall was named as the first director of DoD's Office of Net Assessment (ONA), where he conducted ground-breaking futures assessment exercises on Asia in the 1980s. Thirty-five years later, Marshall remains the ONA director.

Department-wide planning scenarios have been issued every two years since the 1970s. Until the late 1990s, they were threat-based (that is, based on well-understood real world threats deemed most likely) and focused on only a few conventional major regional conflicts (MRCs—primarily Southwest Asia and Korea). Illustrative Planning Scenarios (IPSs) were included as an appendix to the Defense Planning Guidance in the 1990s, and began to gradually evolve beyond the "canonical" MRCs to better inform the move to capabilities-based planning with attention paid to

[8] Shell Oil Company and Pierre Wack are often falsely credited with the invention of scenario-based planning methodology. It is true that, while at Shell in the 1970s, Wack did refine the practice and informed Shell's strategic planning with great success.

a range of contingencies, reflecting the reality that these were the source of much of the real world demand for DoD.

Assessment of the future security environment under the George W. Bush administration was initially recognized under the broader rubric of force transformation promoted by Secretary Rumsfeld and focused primarily on future capabilities. In December 2002 DoD released Directive 8260.1, calling for "a comprehensive and systematic process to provide data for strategic analyses, using approved scenarios…."[9] In 2006, a "re-stacking" of DPSs was instituted by the DAWG, which broadened the types of scenarios to include non-kinetic operations, again attempting to move away from a threat-based approach overly focused on MRCs. A critical innovation with the most recent iteration of DPSs is the inclusion for the Steady State Security Posture (SSSP) of an alternative futures approach that applies distinct "worlds" with key features that can significantly alter the scenario. The SSSP scenario attempts to calculate future demand based on more or less a steady-state, non-surge environment, but including slight upticks related to engagement, disaster response, etc.

In 2005, future security environment assessment efforts in OSD Policy were similarly expanded. Work began on a future horizon-scanning methodology that sought to identify and understand key trends in areas such as demographics, resource management (energy supply and demand, in particular), governance, climate change, and economics that could have defense-important implications; and also to identify and understand "shocks" or wildcard issues that could suddenly manifest themselves and literally change the course of history. Past examples of shocks cited by the methodology include Pearl Harbor and Sputnik. This methodology has continued to evolve through the present, including an increased attention to methodology incorporating risk assessment. Much of the initial work, notably, was performed by full-time DoD staff, and not by contractors.[10]

Efforts underway to assess the future security environment are by and large on a good course, but Department-wide relevance and lasting connection to senior decisionmakers after the presidential transition are unclear. The 2008 National Defense Strategy explicitly recognizes the importance and necessity of futures work, requiring the Department to plan for a "range of plausible futures, some presenting major challenges and security risks."[11] This advancing institutionalization of the need to scan the horizon to hedge against risk reflects the fact that futures efforts undertaken in past years have helped to broaden the perspective with which senior Department leaders view the world. But senior Department leaders have also expressed dismay with the cumbersome and slow

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[9] U.S. Department of Defense, "Data Collection, Development, and Management in Support of Strategic Analysis," Department of Defense Directive 8260.1 (December 6, 2002).

[10] A common theme among review groups briefed on the findings in this section was the perception that futures work can become another "gravy train" for contractors as opposed to value-added for the Department. These groups held the view that there is value in building competent analysts of the future security environment among core DoD civilian and military personnel.

[11] U.S. Department of Defense, *National Defense Strategy* (Washington, DC: DoD, June 2008), 4.

process by which some futures assessments are generated. In particular, lower-level turf battles over the DPSs hinder timely delivery of products meant to inform top Department leadership. Guidance and follow-up on guidance is inadequate. There is a cynicism among some end consumers (particularly in the Services) that this is an OSD-driven attempt to assert undue influence over macro defense planning at the cost of competitive analysis and a competition of ideas. In any next administration, futures assessment efforts could easily suffer a "reinvention of the wheel" syndrome or simply drift without an informed consumer.

## Assessment

The perception among OUSD(P) staff and supporting contractors involved with assessment of the future security environment is that senior leaders in the Department have had their "intellectual aperture opened" with recent efforts. Still, there is significant need for improvement and further institutionalization of processes to make them credible across the Department. There is an inverse law in effect, where the farther away one is from DoD personnel and contractors working on the future security assessment products (and this includes going up in the leadership hierarchy), the greater the skepticism about the value and utility of the products. Over the past year in particular, concerted efforts have been made by the Policy Planning office to reinforce the utility of the DPSs and to link the Trends & Shocks construct with other Department processes and strategic guidance documents. It is too soon to declare these efforts either a success or a failure; but clearly if mention of these methodologies and approaches and their conclusions about the nature of the future security environment does not feature in the next QDR, a binding verdict will have been reached—and likely the process of "discovering" the importance of assessing the future security environment will begin anew, with little hope of cumulative progress.

The MRC scenarios contained in the DPSs still carry too much weight, negating the guidance to broaden the types of scenarios contained in the DPS set. One observer described these MRC scenarios as "mini-QDRs" in which the potential resource implications are great enough to trigger the typical Service to fight against any process that could threaten the status quo ante. There is also intense debate about how much detail should be incorporated into the DPSs (and a series of scenario modules referred to as "vignettes").[12] This slows the process and can create data bottlenecks. While those involved intimately with the DPS process feel there is adequate money and manpower behind the effort, and that the right stakeholders drive the process (PA&E, Policy, and J-8), there is a sense that unity of effort and command authority are at times lacking. Department leadership is involved just enough to act as a disciplinarian on individual issues, but not as a process manager. There is also a sense that guidance is too narrow and too seldom enforced. Recent efforts have been made in particular to bring together stakeholders on the SSSP scenario, but in general outreach and feedback from "clients"—the Services and COCOMs—seems inadequate. The current level of interagency involvement in building these scenarios (due

[12] The specific argument is often whether there is a need to develop a Multi Service Force Deployment (MSFD), TPFDD, and concept of operations (CONOPS) for each DPS and even for the vignettes.

to levels of classification) is inadequate.[13] It is a fair assumption that in the future the Department will continue to rely on integration with its interagency partners in steady-state and surge operations. The argument was made in expert review groups and interviews that assessment of the future security environment should be undertaken in an interagency context, such as put forward by the State Department–led "Project Horizon" effort. Senior leaders who really make the decisions about resourcing in the Department do not sufficiently weight these internal assessments of the future security environment in their decisionmaking, but clearly have a demand for such products that is as yet unmet.

Although it will increase the contentiousness of the discussion and the proclivity of the Services to fight the process, there is a need to better tie resources into the future assessment process. In addition to the Future Forces Data Base and associated costing that are already tied into the DPSs, the Defense Program Projection (DPP) should be linked to futures assessment. In addition to answering the question of where longer-range defense planners should take risk and where they should not, futures assessment must emphasize longer-range budgetary implications.

Although it seems intuitive that OSD Policy should lead the effort, there are mixed feelings about the role it has played in driving the assessment of the future security environment. Policy leadership has inadvertently sent conflicting signals by pursuing a broad-ranging assessment of the future security environment through approaches such as Trends & Shocks while the Department has remained more focused on DPSs. Not surprisingly, some feel these broader futures efforts have distracted senior officials from providing proper input and oversight of the JAA.

There is a strong feeling in the overall context of assessing the future security environment that the Intelligence Community (IC) should play a bigger role, but that it has proved inadequate in this function, leaving customer demand unmet. According to customers within DoD, the National Intelligence Council (NIC) has continued to generate insightful products on a reliable basis, albeit in small quantities; but DIA, CIA and others have not. There is also sentiment among some inside the Pentagon that OSD's horizon-scanning exercises needlessly duplicate or undercut the work of the Office of Net Assessment. Overall, ONA's linkage is murky to other future assessment efforts at the Department (though it looks even longer-term, beyond 2030). There is also a vocal minority that believes that the more futures efforts underway at DoD, the better, and the closer they all may be to getting it right. But no clear process exists through which to compare and contrast information.

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[13] There is effort underway by DoD to create a series of unclassified scenarios that would largely reflect the classified DPSs but could be used freely for collaborative planning with the interagency and beyond (e.g., humanitarian relief NGOs).

## Recommendations

There are two alternative approaches DoD might explore to improve its assessment of the future security environment. One option is to change the Department leads, processes, and structure for assessing the future security environment. A second option is to work within existing structures but further empower Department leads and establish new processes to foster buy-in and sharing of ideas across the Department in assessing the future security environment.

CSIS has previously suggested that the best owner for the analytic agenda (including the DPSs) would be a reformed Office of the Director (PA&E), called the Office of the Director for Strategy, Execution, and Assessment (OD(SEA)).[14] CSIS also recommended the creation of a Futures Group that would help bridge the gap between futures efforts across the Department (including the JCIDs process) and provide the Secretary of Defense with the best advice on various aspects of emerging challenges. The Futures Group would include Commander, USJFCOM; CJCS; USD(AT&L); Director of Defense Research and Engineering (DDR&E); USD(P); and the proposed D(SEA). In addition to these recommendations, there is also an obvious, larger role that the intelligence community should play in this—particularly USD(I). This role should be clearly articulated by the Futures Group as the chief customer of forward-looking intelligence.

Many noted during the interview process that "the DAWG has an unlimited appetite." The collection of individuals that currently comprise the DAWG is not the right audience for assessments of the future security environment. As previously noted, the real function of the DAWG is budgetary, not strategic.[15] There is a need both to create a discerning audience of senior decisionmakers and to cultivate career, non-contractor civilian and military staffs with competency in the area of thinking and analyzing long-term challenges and opportunities. This can happen across the Department and need not be an OSD-only club of exclusivity (as some in Services and Joint Staff have complained), but only with a logical coordination process to ensure that information is exchanged and resources are not wasted by rediscovering or reinventing what is already known and done. In the absence of an OD(SEA), OSD Policy should lead this more open process, instilling a discipline that would yield greater responsiveness to senior leadership, in turn raising the profile of the effort in the eyes of Pentagon-based senior leadership and therefore COCOMs and other potential end users. In other words, this would make the Department smarter in cumulative way, avoiding the "Groundhog day" approach to futures.

The second option would improve the assessment of the future security environment by building new integrating processes on existing structures. To assist with the DPS development process and to make the process more centralized and therefore accountable, DoD could rotate personnel on short tours (6 months) into the Office of the Deputy Assistant Secretary of Defense for Policy

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[14] Kathleen H. Hicks, *Invigorating Defense Governance: A Beyond Goldwater-Nichols Phase 4 Report* (Washington, DC: CSIS, 2008), 42–46.

[15] As noted in the Strategic Guidance section, 31–37, DAWG members are supported by resourcing representatives from the Services and other components.

Planning from OUSD(P) regional offices, the Intelligence Community, DARPA, OUSD(AT&L), Service and Joint Staffs, PA&E, and various Combatant Commands (particularly JFCOM). DoD could also inject outside expertise into the DPS process through vehicles such as the Intergovernmental Personnel Act (IPA) and allied exchange officers (civilian and military) detailed to the Pentagon.[16] This would foster a broader understanding of what drives the future security environment and could create lasting networks across Department stovepipes, critical to gaining institutional buy-in. This group should, in the medium term, include interagency members (particularly from the intelligence community, State Department, and USAID). Policy may wish to create a Senior Executive Service (SES) billet to direct the DPS/SSSP process as a sole task. Under no circumstances is the DAWG, as currently comprised, the right audience to guide assessment of the future security environment. A "strategy council" chaired by USD(P) (not his or her subordinates) and attended by D(PA&E), D(J-5), and D(J-3) would be an appropriate starting point.

This approach addresses the lack of institutional buy-in to assessing futures across the Department. It provides an opportunity for multiple perspectives to be incorporated into products and for various Department stakeholders to feel that their equities are being developed. It has an added bonus of career development and opportunity, creating a network of far-sighted thinkers across DoD. It also helps to concentrate demand so that it can be better identified by the IC, which in turn can be held to greater account. Again, the DAWG is not the right answer because of its large mandate and unending appetite to consider a range of materials.

At present, it is not clear that the current set of products assessing the future security environment is helping senior decisionmakers answer in a more informed manner the question of how to balance near with medium to long-term risk. Adequately addressing this need requires an analysis of the future security environment that delivers information in a timely, systematic, and consistent manner.

## Defense Business Transformation

### Issue

Defense Business Transformation has been a goal of the current administration since it took office, beginning with the creation in 2001 of the Senior Executive Council, chaired by the Secretary of Defense, and in early 2002[17] the Defense Business Board (DBB) under the DoD Comptroller. Over time, the administration's approach evolved. The DBB continued its efforts, the SEC ceased to exist, and DoD created the Business Transformation Agency in October 2005 to

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[16] To some degree, this is occurring thanks to Policy Planning's role as a primary destination for career civil servants returning from long-term training (e.g., at the National Defense University), allied exchange officers within Policy, and IPAs with particular subject-matter expertise.
[17] The charter of the Defense Business Board was filed January 2, 2002.

centralize management of DoD-wide business systems in such areas as personnel, financial systems, materiel, real property, and purchasing supplies. In addition, Congress mandated in late 2007 a Chief Management Officer and a Deputy Chief Management Officer, tied to BTA.[18] This paper assesses initiatives including the SEC, the DBB, and BTA.

The Bush administration's initiatives follow in the path of efforts by every administration at least as far back as Eisenhower to streamline systems and incorporate updated technology and best practices into DoD operations. Issues on many of these systems appear to be long-lived and largely impervious to sustained improvement, according to GAO reports.

DoD spends in excess of $10 billion per year on business systems modernization and maintenance. Most of the systems are linked to problem areas that have been on every GAO high-risk report: procurement, personnel, financial systems, and medical systems. The DoD components spend three-quarters of the total, with the remainder centrally managed under BTA. In addition, many systems fall outside the framework of "Defense Business Transformation," including operational command and control and intelligence.

## Evolution

The evolution of Defense Business Transformation initiatives spans several elements. The first element was the Senior Executive Council, Secretary Rumsfeld's endeavor to apply corporate management structures to DoD. It was chaired by Secretary Rumsfeld, with the Deputy Secretary of Defense, Service Secretaries, and USD(AT&L) as members. The Deputy Secretary of Defense ran most meetings, and the Secretary of Defense appeared less frequently as time passed. The SEC produced initiatives with reported savings and issued regular public updates on new initiatives. Most were modest in scope and savings; media attention was scant, as was congressional awareness. The Military Departments and Services had no formal structure to support the SEC, and OSD had one formal position, the Executive Secretary of the SEC.

The second element of business transformation was the Defense Business Board. First chaired by General Gus Pagonis (U. S. Army, Ret.), the chair since 2007 has been Michael Bayer. This board of outside advisers was chartered by the Secretary of Defense and initially reported to the USD(C). As a result of the creation of the DoD CMO in statute, the DBB reports to the Deputy Secretary of Defense in his CMO role. The DBB focused largely on self-identified issues. It was loosely coordinated with the SEC in the first term, particularly on selected issues like logistics, and in recent years has coordinated with the Defense Science Board (DSB) on industry issues and the Defense Policy Board (DPB) on transition issues. The DBB is still meeting regularly and focusing on business issues.[19]

In October 2005, Defense Business Transformation took on new focus with the establishment of the third element, the Business Transformation Agency. Under its charter signed by the Deputy

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[18] *National Defense Authorization Act for Fiscal Year 2008*, HR 4986, Section 904.
[19] See the Defense Business Board Web site, http://www.defenselink.mil/dbb/.

Secretary, BTA directly manages or tracks $2.2 billion of that $10 billion DoD spent in FY2008 on business systems modernization and maintenance for support in procurement, personnel, financial systems, and medical systems. The DoD components spend 3 times the BTA level on their own systems, which BTA theoretically coordinates and reports on to Congress.[20]

The fourth element of Defense Business Transformation assessed in this study is a relatively recent development: the legislation that established the position within DoD of the CMO. Deputy Secretary of Defense England testified before Congress in June of 2007 against CMO legislation, but the FY2008 Authorization Act included specific language directing the establishment of a CMO and DCMO. GAO has long argued that DoD needed a CMO to improve management and maintain continuity of effort.[21] Taken together, these initiatives constitute a broad approach to Defense Business Transformation.[22]

## Assessment

Secretary Rumsfeld indicated his intention to tackle the issue of Defense Business Transformation at his confirmation hearing.[23] His objectives were articulated in a speech on September 10, 2001,[24] but efforts at reform were undermined by September 11, 2001.

After September 11, Secretary Rumsfeld essentially quit chairing the SEC meetings. Deputy Secretary of Defense Wolfowitz chaired, but participants believed his attention was largely focused elsewhere.

Subsequent congressional testimony and reports by DoD show repeated promises of improvement but few measurable results. While this is not commendable, it is consistent with similar management reforms in previous administrations.

BTA provides massive annual reports to Congress each year (through 2009), but even within those documents, reported successes are incremental at best. The Services are cooperating with

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[20] Business Transformation Agency, "Enterprise Transition Plan" (September 2008).

[21] U.S. Government Accountability Office (GAO), *Defense Business Transformation: Achieving Success Requires a Chief Management Officer to Provide Focus and Sustained Leadership*, GAO-07-1072 (Washington, DC: GAO, September 2007); GAO Statement by David M. Walker, Comptroller General of the United States, "Defense Business Transformation: A Full-Time Chief Management Officer with a Term Appointment Is Needed at DoD to Maintain Continuity of Effort and Achieve Sustainable Success" (October 16, 2007); GAO Statement by David M. Walker, Comptroller General of the United States, "Organizational Transformation: Implementing Chief Operating Officer/Chief Management Officer Positions in Federal Agencies" (December 15, 2007).

[22] This four-part division was created by the review team for purposes of this assessment and reflects no endorsement or action by DoD.

[23] Confirmation Hearing of Donald H. Rumsfeld before the Senate Armed Services Committee, transcript (January 11, 2001).

[24] U.S. Secretary of Defense Donald H. Rumsfeld, "DoD Acquisition and Logistics Excellence Week Kickoff—Bureaucracy to Battlefield," remarks as delivered at the Pentagon (September 10, 2001), http://www.defenselink.mil/speeches/speech.aspx?speechid=430.

BTA on areas of common interest, in part to help influence where money is spent. Within OSD, visible initial struggles between AT&L and the Comptroller seem to be fading. The potential role of the CIO in Defense Business Transformation has been largely ignored and is relatively undefined. Congress has shown some interest, but no dramatic appropriations changes were generated by BTA actions. Overall, the result is close to business as usual.

CMO implementation lagged at first. The statute requires a CMO, whom DoD has designated as the Deputy Secretary of Defense, and a DCMO, nominated to and confirmed by the U. S. Senate (Executive Level III position). DoD's report to Congress[25] indicated that the nomination will be left to the next administration, but on October 9, 2008, DoD designated an Assistant DCMO to manage the functions in anticipation of such a nominee.

## Recommendations

The current administration has pursued a number of alternative approaches to Defense Business Transformation, beginning with an internal board chaired by the Secretary of Defense, introducing an outside advisory board, and initiating a new defense agency. Both the DBB and BTA have been institutionalized. Congressional action capped the efforts with the creation of the CMO and DCMO, with BTA reporting to the DCMO. The next administration may change the internal and advisory structures, but their first task will be to select a DCMO. Additional alternatives include continuing the DBB, perhaps having it advise the DCMO (as the DSB advises the USD(AT&L) and the DPB the USD(P)). The BTA could be disestablished, retained as is, or expanded. The potential role of the Chief Information Officer in Defense Business Transformation should be defined. One option, as noted in the section on the USD(I), would be to align the CIO function with the DCMO; this option would be enhanced by expanding the role of BTA to business systems management DoD-wide.

A first priority for the next administration should be selecting a Deputy Chief Management Officer, a Senate-confirmed position reporting directly to the Deputy Secretary of Defense. The Deputy Secretary of Defense should charge this individual with day-to-day responsibility for modernizing and increasing the efficiency of defense business operations. In addition, the Department should broaden the concept of business transformation to encompass the integration of DoD-wide business systems management and oversight. The next administration should carefully assess whether that enhanced integration should be under BTA, remain with the Military Departments as it is today, or managed under an alternative arrangement.

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[25] U.S. Department of Defense, *2008 Strategic Management Plan* (Washington, DC: DoD, July 25, 2008).

# Defense Acquisition Initiatives

## Issues

Initiatives addressing Defense Acquisition have been a constant across administrations for decades, with the goals of improving program management, controlling costs, reducing procurement time, incorporating technology, and aligning programs with requirements and resources. The current administration has undertaken four distinct phases of acquisition reform. Each is assessed separately in this paper.[26]

Many reviews of acquisition reform focus on the procurement of major defense systems. In recent years, however, a combination of factors has raised additional issues to prominence for the current administration. One issue has been rapid acquisition, for items from Mine-Resistant Ambush-Protected vehicles (MRAPs) to counter-IEDs (Improvised Explosive Devices). The second issue has been problems arising from contracting in support of contingency operations. These issues are also assessed below.

A respected and well functioning acquisition system is critical in order for DoD, Congress, and the public to have confidence in defense budgets, in the provision of new capabilities for security, and for replacements for weapons worn out in Iraq and Afghanistan. Cost increases continue to plague major programs, some of which have breached congressional Nunn-McCurdy cost thresholds twice in three years, an unprecedented failure.[27]

In addition, there are indications that major programs are significantly underfunded in FY2010–2015 POMs. This situation will put more cost pressure on acquisition. Also, DoD has had increasing difficulty conducting complex acquisitions and awarding contracts without protests overturning decisions or delaying their implementation (e.g., the CSAR-X helicopter program, the Army's LOGCAP IV programs, and the Air Force's KC-X program). Contracting for support of contingency operations has produced significant challenges in Iraq and Afghanistan, prompting internal reviews and the Gansler Commission report[28] in late 2007. Congress has enacted hundreds of provisions on acquisition in the past eight years and will continue to increase oversight.

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[26] The naming and descriptions of these phases were created by the review team for purposes of this assessment and reflect no endorsement or action by DoD.
[27] U.S. Government Accountability Office, *Defense Acquisitions: Assessments of Selected Weapons Programs*, GAO-08-467SP (Washington, DC: GAO, March 2007 and March 2008).
[28] Commission on Army Acquisition and Program Management in Expeditionary Operations, "Urgent Reform Required: Army Expeditionary Contracting" (October 31, 2007), http://www.army.mil/docs/Gansler_Commission_Report_Final_071031.pdf.

## Evolution

The first phase of acquisition initiatives, from 2001 to 2005, focused on transforming the defense procurement system for the twenty-first century. Under Secretary of Defense for Acquisition, Technology, and Logistics Pete Aldridge and later, Acting Under Secretary Michael Wynne, pursued a course to reduce burdensome processes and paperwork. DoD officials delegated substantial oversight to the Military Departments and made optional some steps in the acquisition process. For example, they relaxed the requirement for Milestone A reviews. In addition, they encouraged systems to follow "spiral development" plans that would theoretically control costs and accelerate schedules by inserting new technology only as it matures. The governing regulations for defense acquisition, DoD Directive (DoDD) 5000.1 and its associated documents, were revised to reflect this phase and reissued.

The second phase was largely defined by the Defense Acquisition Performance Assessment (DAPA) Panel in 2005. It was established with some public fanfare and was chartered by and reported to Deputy Secretary of Defense Gordon England.[29] The DAPA Panel was chaired by Lt Gen Ron Kadish, USAF (Ret.). In its public hearings and report, the panel focused on what it called "Big A" acquisition, defined to include integrating acquisition decisions with military requirements and programs and resources. Its report was issued in January 2006.[30] Major recommendations included better alignment of authority with accountability and responsibility, improving requirements processes, improving the acquisition workforce, and stabilizing funding.

The 2006 QDR reflects the third phase of this administration's acquisition initiatives. This phase incorporated some of the DAPA Panel's recommendations, though without referencing them. Under Secretary of Defense (AT&L) Ken Krieg developed and pursued several best practice concepts through the QDR Business Practices and Processes Integrated Product Team he chaired, with significant cooperation from Admiral Ed Giambastiani, then Vice Chairman of the Joint Chiefs of Staff (VCJCS). Their efforts were marked by less emphasis on updating formal procedures and more emphasis on "pilots" for validating and integrating requirements, acquisition programs, and resources. Hallmarks of the Krieg-Giambastiani era included joint capability assessments, early concept decisions, and a tri-chair decision process for making trade-offs across "Big A."

The fourth and current phase of acquisition initiatives is led by current USD(AT&L) John Young. These initiatives focus on detailed program reviews at the Under Secretary level. Since assuming his current position in the summer of 2007, Secretary Young has issued numerous guidance

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[29] See for example Gordon England's testimony before the House Armed Services Committee, June 7, 2005. The signed memo establishing the panel was released upon his return from that testimony. England was still Acting Deputy Secretary of Defense at the time.

[30] Assessment Panel of the Defense Acquisition Performance Assessment Project, *Defense Acquisition Performance Assessment* (Washington, DC: DoD, January 2006), http://www.acq.osd.mil/dapaproject/documents/DAPA-Report-web/DAPA-Report-web-feb21.pdf.

memos, covering such diverse topics as competitive prototyping, realistic and affordable pricing, independent review teams, and improved negotiations with industry. Secretary Young has also established Configuration Steering Boards to manage requirements, extending a practice he instituted as the Navy Acquisition Executive. In addition, he has rescinded delegations (for example, to other OSD offices like ASD(NII)).[31] These initiatives have not focused on updating directives and formal regulatory documents.

In addition to these four major phases of acquisition reform initiatives, the Department has faced considerable procurement obstacles associated with executing operations in Afghanistan and Iraq. In particular, the standard acquisition system seemed unable to respond in a timely way to urgent needs in both theaters. In response, DoD has established numerous rapid acquisition initiatives, from the Joint Rapid Acquisition Cell to the Joint IED Defeat Organization. Standard practice also seemed to fail in the acquisition of support services for contingency operations. The Congressional Budget Office (CBO) estimates that the United States has spent nearly $100 billion in support contracts in Iraq alone since 2003.[32] Concerns over fraud and abuse have been widely reported, with the Army announcing more than 90 criminal investigations underway.[33] The Gansler Commission report in 2007 led to new congressional requirements for action, but the commission's major focus was on enabling deployed forces to define contract requirements better and on plans and training to integrate contracting with operations. The commission's reported emphasized that the problems are government wide, not just in the Army or DoD.

## Assessment

For the first phase, the transformation phase, the Military Departments endorsed the changes, and OSD complied and adapted to some extent. A count of reviews indicates that DoD held roughly the same number of meetings, but participants observed that they seemed to be less consequential. Congress expressed concerns over inadequate reviews at Milestone B, reductions in oversight, and cost growth, but there was initially little new legislation.[34] The initiatives in this phase were not based on any broad description of the problems, but given the long-standing nature of problems in the acquisition system and the constancy of the pursuit of solutions across administrations over time, this seemed acceptable.

For the second phase, the DAPA Panel report, reactions varied among acquisition stakeholders. The Services and OSD provided briefings and input to the panel but had no formal association with it. Industry participated extensively, both through representatives on and presentations and

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[31] Under Secretary of Defense (AT&L), "Milestone Decision Authority (MDA) for Major Automated Information System (MAIS) Major Defense Acquisition Programs (MDAPs)," memorandum for distribution (December 19, 2007).
[32] U.S. Congress, Congressional Budget Office, "Contractors' Support of U.S. Operations in Iraq" (August 2008), http://cbo.gov/ftpdocs/96xx/doc9688/08-12-IraqContractors.pdf.
[33] Testimony before the House Armed Services Committee (September 20, 2007).
[34] See for example the FY2003 and FY2004 Defense Authorization Conference Reports, Title VIII.

input to the panel. The panel's report did provide a detailed description of the problems, absent in the first five years of the administration's initiatives. However, there ultimately was no formal implementation by DoD of the panel's recommendations.

In the third phase, the Military Departments participated actively in the pilots but passively resisted attempts by OSD to implement the new governance process on any more formal basis. There was strong OSD support for the initiatives, largely in AT&L, with participation by PA&E and USD(C). Here, as in the second phase, formal implementation was slow, though the recent publication of a DoD Directive on Capability Portfolio Management (CPM),[35] covered in the Requirements section of this report, has begun to institutionalize some of the phase three efforts.[36]

For the current initiatives, the Military Departments have exhibited concern about unpredictable process decisions (in one case, for example, a reported Milestone B update produced a decision to go back to Milestone A). OSD offices have generally reverted to their traditional roles, with PA&E concentrating on the Program Review process and AT&L independently focusing on major acquisition decisions. For the Joint Staff, visible cooperation in the third phase has been replaced with adherence to the more traditional and separate roles of the Joint Requirements Oversight Council and the Defense Acquisition Board decisions of the USD(AT&L). Congress continues to raise concerns over cost growth, rebuilding the acquisition workforce and the role of contractors, and is continuing to legislate on acquisition. There were 47 provisions in Title VIII of the FY2009 National Defense Authorization Act alone.[37]

One of the most promising new initiatives is the implementation by DoD of Section 852 of the FY2008 Authorization Act. This program aims to fund and create a DoD-wide management structure to recruit, train, and retain an improved defense acquisition workforce. Given the problems identified by the Defense Science Board,[38] the Gansler Commission report, GAO, and others cited above, the Section 852 initiative tackles an area all agree needs dramatic improvement.

DoD has improved its requirements and funding processes for rapid acquisitions, usually funded in the emergency supplemental budget rather than the base budget. These processes are still evolving, and they are likely to continue to do so, but institutionalization has been difficult

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[35] U.S. Department of Defense, Under Secretary of Defense for Policy, DoDD 7045.20, "Capability Portfolio Management" (September 25, 2008).
[36] Capability Portfolio Management is discussed at length in the Joint Requirements Process section, 57–64.
[37] *Duncan Hunter National Defense Authorization Act for Fiscal Year 2009*, S 3001.
[38] Defense Science Board Task Force on Defense Industrial Structure for Transformation, *Creating an Effective National Security Industrial Base for the 21st Century: An Action Plan to Address the Coming Crisis* (Washington, DC: Defense Science Board, July 2008), http://www.acq.osd.mil/dsb/reports/2008-07-DIST.pdf.

because of the rapid nature of the evolutions. GAO reports continue to raise concerns,[39] but Congress has appropriated funds even while raising questions about attendant processes.

With regard to contracting in support of contingency operations, DoD has undertaken a series of initiatives to respond to the Gansler Commission and reported to Congress on plans for implementation.[40] Congress enacted several new provisions in the FY2009 Authorization Act to implement the commission's recommendations, including the authorization of additional general officer billets to support a stronger career path in military contracting.

Overall, assessing the current administration's acquisition initiatives is complicated. A careful review of acquisition testimony by the Deputy Secretaries and the Under Secretaries since 2001 shows repeated promises of improvement but few measurable results. None of the confirmed Under Secretaries of Defense for AT&L has stayed in the position for longer than two years, making constancy of action and purpose difficult to sustain. The reforms of the first phase in 2001 were overshadowed by September 11. On September 10, 2001, Rumsfeld opened Acquisition Week by "declaring war" on the bureaucracy. By the next morning, the initiatives had been shelved, largely to be ignored for the next four years.

Problems in programs and with cost growth led to a new approach after the 2nd inauguration (the second phase). The DAPA Panel provided insight into fundamental problems, and the 2006 QDR provided the initiatives that might hold promise for addressing those problems. The third phase attempted to implement the ambiguous "recommendations" of the QDR, but the current phase has visibly abandoned the QDR and to a large extent the DAPA panel as well.

There is a general view that the next administration will have to come up with its own "new" initiatives. Fundamental challenges remain—in particular, DoD initiates and sustains more major programs than funding will support. Addressing that challenge exceeds the mandate of the USD(AT&L).

All of the reform ideas do have one common theme—the need to improve and rebuild the acquisition workforce. That is one area where current initiatives are well worth sustaining.

## Recommendations

In a real sense, the acquisition initiatives of the current administration have explored a variety of alternative approaches. From the transformation initiatives of the first phase to the detailed reviews of the current initiatives, efforts have covered a wide array of options. This is consistent with the history of more than 130 reports and commissions on acquisition, many of whose

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[39] See for example the GAO letter of July 15, 2008 entitled "Rapid Acquisition of Mine Resistant Ambush Protected Vehicles."

[40] U.S. Department of Defense, "Department of Defense Program for Planning, Managing, and Accounting for Contractor Services and Contractor Personnel during Contingency Operations," Report to the Congress of the United States, in accordance with Sections 841, 849, and 862 of the *National Defense Authorization Act for Fiscal Year 2008*, Public Law 110-181.

recommendations echoed previous ones. The element missing from most of the current administration's initiatives has been a strong focus on implementation, execution, and follow-up. The alternative approaches would be to provide that focus—to institutionalize current initiatives, to provide cost realism to programs and requirements, to fund to those realistic costs, and to restore the capability of the acquisition system and workforce.

Acquisition issues will be high on the agenda of the next administration. The next administration should institutionalize the current initiatives on competitive prototypes, on the use of existing authorities by USD(AT&L) to control requirements and cost growth, and on serious early program reviews and evaluations (pre-Milestone A). More importantly, costs need to be identified and programs adjusted to funding levels. This will mean the administration needs to review requirements for major programs in advance of the next QDR, redefine baselines in accordance with those requirements, and add cost realism as a key performance parameter for all programs.

Acquisition improvements will not occur without realistic costing of programs and alignment of the budget with those costs. Full funding will be unaffordable without termination of some programs. The administration will need to pursue that in its first year, not as part of the FY2011 budget.

Rebuilding the acquisition workforce, military and civilian, is key to both major acquisition reform and contingency operations support. Therefore, the next administration should continue to implement actions to rebuild the acquisition and contracting workforce, both military and civilian, and redefine the role of contractors to eliminate conflicts of interest.

Finally, contracts in Operations and Maintenance (O&M) accounts now equal or surpass contracts from Procurement and research and development. Cost and management controls are needed for these O&M contracts, as well as better definition of requirements and oversight of execution.

# Revisions to the Unified Command Plan

## Issue

The Unified Command Plan is one of the Secretary of Defense's principal operational levers for controlling military assets. The UCP articulates the Secretary of Defense's strategic-to-operational management structure for control over and employment of military assets worldwide. Changes made to the UCP constitute the current administration's philosophy on both of these issues. Its UCP adjustments reflect a response to strategic conditions emerging from the post-9/11 environment. Over the past eight years, the Bush administration has undertaken significant innovation through the UCP. Predictably, given the administration's consistent commitment to transformation, the UCP has been an important target for defense innovation. 9/11 and the administration's post-9/11 experience provided additional accelerants for change. DoD's theater-strategic and functional organization now includes six geographic COCOMs—one with

significant "global synchronization" responsibilities and four functional COCOMs—two with significant "global synchronization" responsibilities.

Legitimate questions remain as to the appropriateness and form of these changes, however. Upon closer examination, it is clear that civilian ambition for more wide-ranging change likely exceeded the uniformed military's appetite for the same.[41] Changes in structure are both difficult to institute to acceptable levels of operational effectiveness and difficult to reconfigure to meet emerging defense challenges, opportunities, and priorities.

## Evolution

UCP changes instituted by the current administration include the following:

- The establishment of USNORTHCOM, assigning responsibilities to it for Homeland Defense (HLD) and Civil Support (CS).[42] In addition, Commander, USNORTHCOM was "dual-hatted" as Commander, North American Air Defense Command (USNORAD). USNORTHCOM has also been given additional responsibility as the "global synchronizer," or coordinator across the COCOMs, for pandemic flu.
- Re-missioning of USJFCOM from geographic to functional command, assigning it responsibilities for centralized global force management (GFM) as the Single Joint Force Provider; force transformation; doctrine and concepts development; joint training; and joint experimentation.[43]
- Re-missioning USSTRATCOM, merging the old USSTRATCOM and USSPACECOM and giving it functional responsibility for space operations; information operations; cyber security; integrated missile defense; global command and control (C2); intelligence, surveillance and reconnaissance (ISR); global strike; and strategic deterrence. The new USSTRATCOM was also designated the "global synchronizer" for missile defense and combating weapons of mass destruction.
- Allocation of previously unassigned geography giving United States European Command (USEUCOM) geographic responsibility for Russia and the Caspian Basin; USNORTHCOM responsibility for Canada and Mexico; and finally, United States Pacific Command (USPACOM) responsibility for Antarctica.
- Revised missioning of USSOCOM as the "global synchronizer" for planning, synchronizing, and as directed, executing global operations against terrorist networks.

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[41] The author arrives at this conclusion given experience as an external consultant to OSD policy planning during the 2006 UCP process.
[42] W. Spencer Johnson, "New Challenges for the Unified Command Plan," *Joint Forces Quarterly*, issue 31 (Summer 2002).
[43] Ibid.

- Establishment of USAFRICOM, assigning it geographic responsibility for U.S. defense activities in 53 African states.

## Assessment

Changes to the UCP did respond to a new appreciation for post-9/11 strategic challenges. Change was necessary. Whether or not change should have been more dramatic and wide-ranging remains a key issue for the next defense team. Changes to the substance, while substantial, could also be characterized as additive, linear, and evolutionary.

Gaps in defense coverage were addressed by creating entirely new structures, merging old structures, or adding new responsibilities to existing structures. In addition, the emerging necessity for COCOMs to serve as "global synchronizers" to address trans-regional, defense-relevant security issues seems to indicate a continuing gap in strategy development, planning, and C2 at the national-strategic level.[44] In this regard, one observer indicated that there is an obvious "disuse" of formal national-strategic planning and prioritization inside DoD.

The defense and military bureaucracy had very little difficulty buying into recent UCP changes.[45] None fundamentally tested the preexisting status quo. Nor did they pose real threats to long-standing defense or military equities. As a result, there was little resistance to change. It is clear, however, that more dramatic or transformational change might have engendered greater resistance. In this regard, recent UCP changes might best be qualified as reflecting the "art of the [bureaucratically] possible." One exception to this might be USNORTHCOM. Establishment of USNORTHCOM was a substantial step outside defense convention. For the first time, DoD established a military command focused on operational control over security missions largely undertaken inside the U.S. homeland. Establishment of USNORTHCOM, however, was inevitable given the enormous pressure for DoD to do something in the wake of 9/11.

In spite of relatively broad support, it is reasonable to ask whether the current UCP is appropriate to a global power attempting to exercise decisive influence against an increasing tide of nontraditional, defense-relevant challenges worldwide. There are two key questions for the next administration with respect to the UCP. First, is the current UCP appropriate for a primary global power that must exercise comprehensive influence worldwide with finite military resources? Or, alternatively, is it more reflective of six separate regional powers—supported by four shared functional commands—exercising military influence according to bottom-up priorities? Current

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[44] Defense-relevant challenges are predominantly "non-military" in origin and character but not necessarily non-violent, non-state, or disorganized. Their strategic impact requires important if not central contributions by DoD. For a detailed discussion of defense-relevant challenges see two forthcoming works by CSIS Senior Fellow Nathan Freier. The first is the CSIS monograph "Shifting Emphasis: Leaders, Strategists, and Operators in an Era of Persistent Unconventional Challenge" and the second is a joint PKSOI/SSI Army War College monograph entitled "Known Unknowns: Unconventional Strategic Shocks in Future Defense Strategy."

[45] This theme was apparent in conversations with working-level officials and officers within DoD.

circumstances imply the need for the former, but the operative UCP is more conducive to the latter.

In the end, recent UCP changes have likely done no harm. Indeed, in some instances, they have addressed gaps in defense coverage. They may not, however, have effectively transformed DoD's global structure enough for the demands of a complex post-9/11 environment.

## Recommendations

At a minimum, the next defense team must address four key issues through the UCP. The first includes span of control challenges stemming from the merger of existing commands or the addition of new responsibilities to existing commands. The second is the related issue of the clarity of mission for new or adjusted COCOMs. The third is the appropriateness of the current construct for the contemporary environment. And, finally, the fourth is the issue of the global synchronizer and what it says about DoD's ability to address trans-regional, nontraditional security challenges, spanning geographic and functional areas of responsibility. Three alternative approaches merit some consideration.

The first, most realistic, and most urgent alternative involves relatively modest change to the current UCP overall. This approach would make specific changes to the current construct by attacking gaps or weaknesses universally identified in the course of CSIS's investigation. At a minimum, this would include an assessment of the utility, missioning, and span of control of USJFCOM, USNORTHCOM, and USSTRATCOM. A former senior military official observed, for example, that all COCOMs have short, concise articulations of their responsibilities in the current UCP except for USJFCOM and USSTRATCOM. In his view, this indicates significant span of control issues.[46] The STRATCOM portfolio may be too broad for most senior military officers. Likewise, there are indications that USNORTHCOM has never been properly resourced or missioned for its HLD and CS mission. The objective of a zero-based assessment of USNORTHCOM would be scoping and resourcing it consistent with its anticipated mission set.

Finally, revisiting the primary locus for the role of "global synchronizer," as it relates to a range of functional, trans-regional security issues is crucial. Currently, three COCOMs have substantial "global synchronization" responsibilities. September 11, 2001, exposed real gaps in the strategic planning and management capacity at the national-strategic level within DoD. This recognition necessitated assignment of the global synchronizer role to standing COCOMs for emerging functional issues as they rose in importance.[47] Doing so increased their span of control and necessitated horizontal coordination and synchronization in the absence of well defined lines of authority and chains of command.

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[46] Notes from CSIS working lunch with defense leaders and experts on September 29, 2008.

[47] DoD assigned significant operational duties for prosecution of the WoT to USSOCOM and established ad hoc organizations like the J5 Deputy Director for the War on Terrorism.

A more difficult, but also likely more strategic approach would put all of the details of the current UCP on the table in a wholesale redesign. As already noted, much of the current team's changes both did no real harm and addressed key gaps in issue coverage. Although it is difficult to find fault in the current team's approach given the exigencies of war, the failure to assess the UCP more holistically may have been a missed opportunity. If the incoming defense team has an appetite for more radical change to the UCP, wholesale, zero-based redesign would be the most appropriate and transformational approach.

The current UCP construct is an artifact (with substantial additive revision) of the post-WWII command structure. A zero-based assessment would deliberately consider the entire functional versus regional construct overall. It would examine the appropriateness of standing conventions for joint C2, authorities, and responsibilities through the lens of security challenges that are increasingly defense-relevant but not necessarily defense-specific.

This approach would be the most bureaucratically disruptive. Radical changes would engender substantial resistance from those wedded to the current status quo. A wholesale redesign might result in: (1) a smaller number of larger geographic COCOMs supported by standing Joint Task Forces (JTFs) charged with specific functional/geographic responsibilities; (2) the establishment of regional security and development zones, led by a nonmilitary coordinator where U.S. Government action (including the use of military power) is by definition planned, coordinated, and executed through an integrated, interagency structure;[48] or finally, (3) a number of purely military structures that are exclusively functional in nature and applied to global and regional threats centrally, according interest and demand. This list is illustrative and not exhaustive.

Like the first option, this approach must also address the growing disuse of strategic planning and management at the national-strategic level. By definition, this would necessitate increasing capacity for both functions at the level of the Secretary of Defense, OSD, the Chairman of the Joint Chiefs, and the Joint Staff.

A third perhaps more practical but still transformative approach is a hybrid design that recognizes that pieces of the current UCP superstructure should remain intact as chartered for the time being, whereas other pieces might be ripe for complete redesign. This option balances the potential risks associated with disruptive harm and the need to adapt key components of the UCP to the contemporary environment. This option would witness radical changes to those geographic COCOMs where the defense-relevant/defense-specific dichotomy is most pronounced. Here geographic COCOMs like USNORTHCOM, USSOUTHCOM, and USAFRICOM would be immediate targets for more radical, zero-based assessment intended to trigger substantial transformation in their character (e.g., from purely military structures to full interagency hybrids).

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[48] In this scenario, regional military commands would represent the "M" in the DIME exclusively.

Where violent security challenges are more pronounced (i.e., United States Central Command), standing COCOMs might be the target of more modest "tinkering." In this alternative, functional COCOMs would be examined in line with the first alternative with a view toward institutionalizing an increased operational role for some in niche areas like counterterrorism, cyber security, global strike, etc. This hybrid approach may be an intermediate step toward a future more radical transformation across the entire UCP.

Thus far, natural and predictable military and defense conservatism have slowed the pace and breadth of change to the UCP. The incoming administration will have the benefit of time to make more deliberate and transformational changes. The next administration has an opportunity to synchronize its defense vision with a UCP best postured to contend with post-9/11 conditions.

The most appropriate approach for the next defense team might be a wholesale redesign. Yet, this poses significant risk of adverse institutional disruption With a view toward triggering more substantial transformation of the UCP over time, DoD might consider wide-ranging change in targeted commands where the benefits of substantial change far outweigh the risks of institutional turbulence. Finally at a minimum, DoD must conduct an immediate reassessment of USNORTHCOM, USJFCOM, and USSTRATCOM, and rationalize their mission and span of control with available resources and capabilities.

# Joint Requirements Process

## Issue

The requirements process is the "front-end" process that, along with acquisition and resource allocation, is central to how DoD decides which military capabilities it will "buy." Although the 1986 Goldwater-Nichols Act has succeeded (albeit over several generations) in ensuring that the joint perspective dominates in the operational realm, it does not similarly prevail in the "Big A" processes by which DoD decides which capabilities it needs (requirements), how it "buys" them (acquisition) and how it "resources" them (resource allocation). In its chapter on determining joint capability requirements, the Beyond Goldwater-Nichols, Phase 2 Report, stated the issue clearly:

> Put plainly, only the Combatant Commanders have operational requirements; joint capability requirements, both near- and far-term, must drive DoD resource allocation and acquisition policies and decisions. The U.S. military fights as a joint team. The decisions over what to buy for that joint team must be made from a joint perspective, even though the Military Services remain the primary means for actually "acquiring" the ready, trained, and equipped people that comprise these capabilities.[49]

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[49] Murdock and Flournoy, *Beyond Goldwater-Nichols*, Phase 2 Report, 78.

Early efforts to bring greater jointness into the requirements process largely failed, primarily because of the lack of focused implementation efforts and the distraction caused by the high post-9/11 operational tempo. The 2006 QDR report made increasing jointness through a capability portfolio approach a major theme, however. The Department aimed to develop portfolios of joint capabilities rather than individual stove-piped programs. OSD and JS persistence have yielded several initiatives that, if built upon and institutionalized, could have significant long-term impacts in the jointness of how DoD defines its capability needs.

To its great credit, the Rumsfeld DoD recognized from the beginning the need for much greater jointness in how DoD defines its capability needs[50] and embedded jointness in its defense transformation strategy by defining "six operational goals" (e.g., projecting and sustaining forces in distant anti-access or area-denial environments) that would drive transformation from a joint perspective.[51] The importance of this issue cannot be understated. DoD provides two essential outcomes for the nation:

- It prepares, plans for and conducts military operations today;
- It plans for and develops military capabilities for future operations.

## Evolution

Since its inception in 1947, the Defense Department has been struggling with the tension between maintaining the institutional vitality of the Military Services and the need to extend and broaden jointness in DoD activities. The Military Services are responsible for maintaining the profession of arms—the body of specialized knowledge and the men and women trained in the application of that knowledge—in their respective domains of warfare. Moreover, it is the Services with their rich heritage and strong cultures that recruit train and motivate young men and women to risk their lives in combat. As military operations have become more complex and joint, the disconnect between how the Services organize, train and equip in their respective "cylinders of excellence" (aka "stove-pipes") and how they operate as a joint team has increased.

Goldwater-Nichols forced jointness in how DoD plans and conducts military operations when it gave combatant command authorities to the combatant commander and made him the senior ranking military officer in the chain of command. Although the Joint Force Commander has command authority over his forces, the capabilities provided him are rarely "born joint." The enduring lack of jointness in how DoD procures capabilities has both raised the cost of military operations (e.g., persistent interoperability problems cause friendly fire casualties) and constrained the capabilities provided to the COCOMs (e.g., Services invest too much in duplicative capabilities and too little in High Demand/Low Density assets like ISR, SOF, etc.)

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[50] During the Rumsfeld era, the term "requirements" lost favor in senior circles because it was judged to imply that a process dominated by the Military Services or uniformed military could tell the Secretary what military capability was "required."
[51] *2001 QDR*, 30–31.

The persistence of OSD and JS efforts to strengthen the joint perspective in how DoD defines its capability requirements/needs[52] has been laudable and involves many key milestones, delineated below.

Consistent with its capabilities-based approach to planning and the goal of defense transformation, the 2001 QDR adopted "Strengthening Joint Operations" as one of its four transformational pillars and identified six operational goals, all defined jointly, to focus defense investment. In a response first sparked by a Rumsfeld "snowflake" questioning the jointness of the requirements process, the Joint Staff developed and the CJCS approved in June 2003 the JCIDS process to identify, assess and prioritize joint military capability needs. JCIDS evolved into an incredibly complicated, time-consuming process for validating joint requirements, which is necessary before any weapons system program enters the acquisition phase. Although JCIDS "socialized" all participants into thinking jointly about capability needs, the process did not define precisely joint capability gaps or prioritize between them.

In October 2003, the Secretary of Defense approved a "streamlined and refocused Integrated Priority List (IPL) process" that empowered the COCOMs to identify joint capability shortfalls as inputs to Service POMs. While most observers agree that COCOM IPLs have had increasingly greater impact on the Planning, Programming, Budgeting, and Execution (PPBE) system, the dollar impact has been relatively small (less than 5 percent of total procurement), in part because the COCOMs could not provide "offsets" to fund new requirements. In that same month, the Secretary also signed a directive implementing DoD's Joint Defense Capabilities Study (the "Aldridge study") that called for an enhanced COCOM role at the front-end (defining what's needed) and the back-end (assessing what was done) of the process (see section on Strategic Guidance).[53]

In recognition of the need for a common taxonomy for joint capabilities, the Secretary of Defense approved in May 2005 a J-8 developed framework of 21 Joint Functional Capability Areas (JCAs) for capability planning throughout the department. However, these 21 JCAs were a mishmash of functional, mission and domain areas with tremendous overlap between them.

In November 2005, VCJCS Giambastiani launched the process by which the JROC, in consultation with the COCOMs, identifies a short list of "most pressing military issues" (MPMI) to drive planning and resource allocation. This top-down process essentially end-ran the existing

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[52] The term "requirement" seems more appropriate in defining near-term capability gaps because COCOMs can assess how well the capabilities available to them execute their concepts of operation (CONOPs), since the capabilities "needed" for future operations are defined more generically as capable of executing missions against future threats. However, the logic of this temporal distinction between capability "requirements" and "needs" has not been widely accepted. Those in uniform seem to prefer "requirements," and since uniformed entities, whether the Military Services, the Joint Staff or the Combatant Commands, dominate requirements processes, this analysis will follow their lead.

[53] U.S. Department of Defense, Joint Defense Capabilities Study Team, *Improving DoD Strategic Planning, Resourcing and Execution to Satisfy Joint Capabilities,* final report (Washington, DC: DoD, January 2004).

JCIDS and IPL processes and reflected growing frustration with the Pentagon's lack of responsiveness to expressed joint capability needs. The Vice Chairman also invited COCOMs to attend (physically and virtually) any JROC meeting.

The 2006 QDR report provided "new direction for accelerating the transformation of the Department to focus more on the needs of the COCOMs" with several important initiatives:

- Defining a vision, actions taken to date and QDR decisions for 10 joint capability portfolios;
- Endorsing three (soon to become four) Joint Capability Areas (Battlefield Awareness, C2, Net-Centric Operations and Logistics) for experimentation with Capability Portfolio Managers;
- Calling for the creation of a Future Joint Warfighter Advocate;[54]
- Establishing a DoD-wide task force for building and implementing a QDR Execution Roadmap for Defense Institutional Reform and Guidance (DIRG).

The DIRG became the focal point for efforts to enhance jointness in requirements determination and resource allocation (e.g., by initiating the CPM experiment in June 2006 and asking that the JCAs be "rebaselined" to serve as the capability portfolios).

Developments in 2006 that further strengthened the joint perspective in PPBE included the resuscitation of the Senior Warfighters Forum (SWarF), consisting of COCOM deputies, which meets every four to six weeks on joint capability issues (e.g., prioritizing IPLs). In addition, the VCJCS started making regular "hub trips" to the COCOMs at critical PPBE junctures to ensure that the joint perspective was heard. The COCOMs also develop J-8 capabilities and tools such as PACOM's linking-plans-to-resources for identifying the resource implications of its operation plans.

In February 2007, the Joint Staff tasked the J-7 to conduct JCA baseline review and in the following month, a Deputy Secretary of Defense memo directed DoD to use JCAs by the end of the year as "fundamental to establishing a common language to support the many DoD capabilities-based planning processes." During that summer, nine top-level (Tier 1) JCAs were approved, and their decomposition into Tier 2 JCAs was approved by the JROC in November and formally embraced by DoD in January 2008.

In Fall 2007, the Joint Staff initiated a close-hold "comprehensive joint assessment" in which "the combatant commanders and service leaders…compile a list of resource priorities, concept-development and experimentation plans, and assessments of the security environment in their

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[54] The draft 2006 UCP anointed JFCOM as Future Joint Warfighter Advocate, but this language was dropped in the final coordination phases.

areas of responsibility."[55] An unidentified source told Inside the Pentagon that this "comprehensive joint assessment" (which is also being conducted in fall 2008) "will impact pretty much every process and every action on the Joint Staff" and "gives the COCOMs a very powerful voice."[56] This process appears to have supplanted the MPMI process begun in late 2005 and is supposed to drive the Chairman's Risk Assessment (due each February) and Chairman's Program Recommendation (due later in the year and key input to the programming phase of PPBS).

In February 2008, a Deputy Secretary of Defense memo gave permanent status to four CPMs established in 2006 and established five additional CPM test pilots for the other five JCAs (Force Application, Force Support, Force Protection, Building Partnerships and Corporate Management and Support). The role of the CPMs was to "manage a portfolio by integrating, coordinating and synchronizing programs to optimize capability within time and budget constraints." Unlike the first four CPMs (which were cochaired by OSD and the COCOMs), the second five were cochaired by OSD and the JS.

A dissenting view on the CPMs was heard from another Big A process owner, Under Secretary for AT&L John Young, who favors establishing DoD-wide Configuration Steering Boards to provide guidance to acquisition Program Managers. In June 2008, Young told a Navy symposium: "I am worried that [CPM] is another layer (of bureaucracy) and the last thing we need is another layer."[57] On September 2, 2008 Secretary Young issued a memo outlining a new requirements management certification program (mandated in the FY2007 authorization bill), adding the following note in his longstanding campaign against "requirements creep": "I would add that the goal of this process should be fewer requirements and dramatically shorter requirements documents and correspondingly greater design flexibility."[58]

In September 2008, Deputy Secretary England issued a DoD Directive establishing the nine CPMs aligned with the nine JCAs. In the same month, the Joint Staff began its second "comprehensive joint assessment," a new process which will be institutionalized in an updated CJCS (last revised in 1999) directive on the Joint Strategic Planning System. The relationship of this process to the CPM process is unknown at this time.

The CPM experiment is still evolving. A case in point is the CPM on Joint Command and Control (JC2 CPM). When first set up in 2006, the JC2 CPM functioned much like a PA&E-like assessor of how well Service POMs fulfilled JCA objectives and made recommendations at the "back end" of the PPBE cycle. Although it had modest success in the FY2008 POM build, the JC2 CPM was much more aggressive in the FY2009 POM build. The JC2 CPM was almost totally unsuccessful in

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[55] Sebastian Sprenger, "Joint Staff Begins Sweeping Review of COCOM, Service Priorities," *Inside the Pentagon*, October 20, 2008, 20.
[56] Ibid., 19.
[57] Christopher J. Castelli, "Young: Make Requirements Documents Shorter and More Flexible," *Inside the Pentagon*, September 11, 2008, 3.
[58] Ibid.

altering the Services' POM submissions in that cycle, in part because, as one officer said, "PA&E stood on the sidelines." Much chastened, the JC2 CPM decided to work the "front-end" of the process much harder and engaged the Services, PA&E and the Joint Staff in the run-up to the Guidance for Development of the Force for FY2010–2015. Although their rate of success could not easily be translated into dollar terms, JFCOM officers believed they succeeded in getting the Services to accept about eighty percent of their initiatives in the FY2010 GDF and that, in part because of PA&E support, the JC2 CPM would prevail in over half of the six issues still outstanding. Because of their success, the Joint Staff reportedly is considering using JC2 as a test case for establishing a JCA-centric process for staffing the JROC by establishing a JC2 2-star board as an alternative to the 2-star Joint Capability Board, which reviews all draft joint capability documents on their way to the JROC. Institutionalizing this for all the JCAs would further strengthen the joint perspective in requirements generation.

## Assessment

At this point, it remains to be seen how the emerging competition among recent reforms to enhance jointness in requirements determination (the Deputy Secretary of Defense-led CPM process, the AT&L-led Configuration Steering Boards and the new JS-led comprehensive joint assessment process) will play out. Regardless, the joint perspective has gained greater traction in the requirements process, in part because all proponents of new capabilities must now advocate using a joint lexicon, including JCAs, and through joint processes such as JCIDS. Capability (and program) advocates must now make their case in a joint lexicon in debates before joint forums (e.g., JROC, SWarFs, CPMs, Configuration Steering Boards, etc.). This is both significant and noteworthy.

The growing strength of the COCOMs in Pentagon-centric processes seems to be gathering steam under former STRATCOM commander, now VCJCS, General James Cartwright who, among other things, has increased the role of the COCOM-led SWarF in addressing key capability issues. The newly established comprehensive joint assessment process also tilts the balance toward the COCOMs. The likelihood that the trend towards greater jointness in capability requirements determination will continue appears high.

The enhanced jointness of the DoD capability requirements process, however, must still be kept in perspective. The goal of "born joint" capabilities is still distant, because defining a joint capability requirement is only the first step. The requirement still has to be resourced, and Service budgets still account for three quarters of DoD procurement dollars. And, as one former senior Air Force programmer was fond of saying, "If it ain't in the POM, it ain't." Moreover, the difficulty of getting joint requirements resourced is amplified by the lack of discipline in resource allocation with far more validated requirements (in the form of programs) chasing too few defense dollars.[59]

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[59] The Aldridge study estimated in 2003 that fully funding programs in recent DPGs would require 1.3 to 1.8 times the funds available.

Greater jointness in defining DoD capability requirements is both critical and necessary, but not sufficient in the quest to close the gap between how DoD prepares to fight and how the U.S. military actually fights.

Despite the near-complete organizational buy-in to jointness in DoD capability requirements generation, the institutionalization of how DoD will do this is far from complete. To be sure, CPMs were established in a DoDD, but this was very late in the administration (September 2008) and done before DoD had demonstrated that the CPM approach worked in five of the JCAs (including the biggest and most important Force Application CPM) with the Joint Staff, not the COCOMs, as cochairs. Moreover, the CPM process itself is still evolving, and it may be overwhelmed by alternative processes (AT&L's Configuration Steering Boards and the Joint Staff's comprehensive joint assessments). All critical actors agree that DoD capabilities need to be defined jointly, but still do not agree on how precisely this will be done.

## Recommendations

As recommended (but without specifics) in the 2006 QDR, DoD could establish a 4-star to serve as a surrogate for the regional commands in advocating needs of the future Joint Force Commanders in PPBE decisionmaking forums. While relying on the functional commands to serve as their own capability advocates, a new Future Joint Force Advocate (FJFA) would create a robust inside-the-Pentagon presence to engage the Services (and the functional force providers such as SOCOM), in force development debates. This could be created by breaking JFCOM into two commands—a DC-based JFCOM and a Norfolk-based Readiness Command.[60] In either case, JFCOM's role as NATO's transformation advocate should be reevaluated both because of the high demands it places on the COCOM, and because of JFCOM's geographic and temporal distance from NATO headquarters.

The creation of a FJFA would undoubtedly be resisted by the Services, whose dominance over DoD requirements generation eroded significantly over the past administration. The CJCS/VCJCS also may resist because, under Goldwater-Nichols, they are the advocates for the COCOMs inside the Pentagon. However, since most Chairmen and Vice Chairmen view themselves as "honest brokers," they might be persuaded that increased joint advocacy strengthens them.

The "back-to-the-future" approach, which recalls when PA&E used to focus on broad mission area assessments (under Secretaries Robert McNamara and Harold Brown), would establish a "PA&E on steroids" to provide the Secretary and Deputy Secretary with yearly assessments of how well the force provider (Services, SOCOM and defense agencies) POM submissions fulfill the needs established for each JCA (as well as across JCAs). This approach is examined in further detail in the section of this study, Program and Budget Processes.

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[60] Hicks, *Invigorating Defense Governance*, 71.

A final option is to replicate the USSOCOM model by creating a joint force provider in areas where the Services have failed to meet joint capability requirements. This might include JC2 and ISR.

This more radical option assumes that an improved joint requirements process and more rigorous assessment process by PA&E and the Joint Staff will not solve the lack of jointness in the way DoD allocates resources or acquires capabilities. With adequate resources and strong support from the Secretary of Defense (who would have to expend considerable political capital in the Pentagon and on the Hill), a Joint Capabilities Command (JCCOM) could address systemic weaknesses in the way DoD defines, resources and acquires joint capability requirements. Unlike Option 1, the JCCOM would have procurement task forces that functioned like the Missile Defense Agency. The creation of such a command would be strongly resisted by the Services (who would lose functions and budget share), the Joint Staff (which struggles to manage the direct reporting relationship between the Secretary and the COCOMs) and Congress (which amplifies the inside-the-Pentagon resistance).

Even though DoD established the CPMs in a DoDD (the sine qua non for DoD institutionalization), CPMs themselves are still evolving (as they seem to be gravitating toward the "front-end" requirements process) and have not matured even as demonstrations. Assuming that the current progress towards a more joint requirements generation process continues, as seems likely, the next critical step is to ensure that joint capability priorities are driven into the resource allocation process. The most effective way of doing this is to enhance the process by which Service (and other force provider) POM submissions are assessed. Thus, the study team recommends that DoD require D(PA&E) to assume all capability portfolio assessment responsibilities from the CPMs by the next administration's Program Review.[61]

Even though the centrality of the needs of the "joint warfighter" seems to have widespread organizational buy-in, the study team nevertheless believes that a FJFA should be appointed. To minimize organizational resistance, the study team does not recommend that JFCOM (at this time) be reorganized into two commands for this function. DoD should add the functional COCOMs as voting members of the JROC on issues pertaining to their areas of responsibility and designate the Commander, USJFCOM, as the Department's Future Joint Force Advocate on behalf of the regional COCOMs and direct CJCS to add him as a voting member of the JROC. DoD should provide JFCOM with a 10-person, non-contractor, DC-based staff to assist in this function.

As the Secretary establishes this new FJFA, he or she should emphasize that if this action fails to significantly and quickly increase the jointness by which DoD resources and acquires joint capabilities, the Secretary will move to the more radical option of establishing a Joint Capabilities Command (with Title 10 authorities) in the second half of his or her term.

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[61] Compare recommendations in the section on Program and Budget Processes, 72–73.

# CATEGORY 3: HALT FAILED EXPERIMENTS

## Joint Concept Development

### Issue

During the late 1990s there was growing interest throughout the Department of Defense in the "Revolution in Military Affairs" and military experimentation. Coupled with the advent of capabilities-based planning, this new focus on transformation and experimentation spurred interest in more formalized processes for military concept development. By early 2002 and 2003, JFCOM and the J-7 began development of a series of cascading operational concepts.

The capstone concept for this family of concepts was initially called the Joint Operations Concept (JOpsC) but has recently been renamed the Capstone Concept for Joint Operations. According to JFCOM:

> Joint concepts of the Joint Operations Concepts (JOpsC) family link strategic guidance to the development and employment of future joint force capabilities and serve as 'engines for transformation' that may ultimately lead to doctrine, organization, training, materiel, leadership and education, personnel and facilities and policy changes.
>
> The objective of JOpsC is to guide the transformation of the joint force so that it is prepared to operate successfully eight to 20 years in the future. These concepts are informed by top-level strategic guidance in the effort to identify future capabilities requirements. JOpsC presents a detailed description of 'how' future operations may be conducted and provides the conceptual basis for joint experimentation and capabilities-based assessments.
>
> The outcomes of experimentation and CBAs will underpin investment decisions leading to the development of new military capabilities beyond current budget plans.[1]

### Evolution

The JOpsC family of documents includes three levels of military concepts. JOCs address specific military mission areas, such as major combat operations, HLD and CS, and irregular warfare. JFCs address broad functional areas such as battle space awareness, focused logistics and joint

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[1] United States Joint Forces Command, "Joint Operations Concepts (JOpsC)," http://www.jfcom.mil/about/fact_jopsc.htm.

command and control. JICs address more specific military tasks that are joint in nature, such as defeating terrorist networks, counterinsurgency, foreign internal defense and strategic communications. Many of the JOCs undertaken as part of the concept development process are now in their second or third iteration, and as noted above, a primary purpose of the joint concepts was to serve as inputs to the broader JCIDS.

When the Joint Staff and the COCOMs began the more formalized concept development process, the goal was to generate concepts that played a key role in moving the Department of Defense toward development of truly joint, vice service-specific, warfighting capabilities. As the concept development process has unfolded, stakeholders inside and outside of DoD have raised doubts about the value of the concepts themselves for a variety of reasons. In the summer and fall of 2008 the J-7 Directorate was in the process of justifying the concept development process to internal skeptics. Interest and ownership of the family of concepts at the three- and four-star officer level is unclear, and during the course of this review process, some interviewees even speculated that the Chairman or Vice Chairman of the Joint Chiefs of Staff may ultimately move to end the concept development process.

## Assessment

Although the concept development process has undoubtedly generated some positive results, such as developing ideas in relatively new mission areas that were then adopted as part of higher level strategic guidance,[2] the CSIS study team concluded that the productive output of the concept development process has been minimal. For this reason, the process as a whole should be fundamentally reevaluated.

The concept development process evolved gradually out of interest in transformation and experimentation and did not seem to address a specific pressing institutional challenge, nor did the process have a strong advocate within the Joint Staff to articulate its rationale to skeptical parties. Although the goal of the concept development process was to provide inputs into the JCIDS process, most concepts have been too broadly written to inform experimentation efforts and the capabilities development process. One interviewee stated that "it is not clear Joint Functional Concepts play any role at all." Although the JOCs and JFCs have been too broad to inform the capabilities development process, the most recent JICs are considerably more specific and have been linked more successfully to JCIDS activities.

That the JOCs are written at a very broad, strategic level is one reason they have not had more of an impact on the capabilities development process. Another reason they have not achieved their original goal is because in many cases, the actual quality of the concepts themselves has been mediocre at best. As a result, there is little incentive to link the concepts to the JCIDS process, for

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[2] For example, USNORTHCOM, the lead author for the Homeland Defense and Civil Support Joint Operating Concept asserts that the "layered defense" concept found in the *DoD Homeland Defense and Civil Support Strategy* originated in the first version of its JOC, which was published in 2004.

fear they will negatively affect the process. Moreover, experts interviewed about the concept development process observed with some frustration that while some high quality concepts had been written, the relevant expert policy and programming communities often had very little exposure to them.

The level of institutional buy-in within the Pentagon for the concept development process is low, with the exception of the J-7 Directorate and JFCOM, which play leading roles in the process. Dissatisfaction with the family of concepts is widespread, both in terms of the overall process for concept development as well as with the quality of the final products. Many of the concepts have been heavily outsourced to contractors, and with few exceptions, subject matter expert communities have not been significantly involved in the development process. Most concepts are written by committee through an extensive coordination process that tends to significantly reduce opportunities for innovation.

Tellingly, the "customers" for joint concepts within DoD (programmers, COCOM staffs participating in the JCIDS process, and members of the policy community working on areas covered by the JOCs) put little stock in the concepts. As a result, the degree of institutionalization for the concept development process is weak. The process has a certain momentum, particularly because of the large numbers of outside contractors associated with the effort, but the process is not well linked to the JCIDS process and the bureaucratic advocates for the process, J-7 and JFCOM, are not widely viewed as strong or effective players in DoD decisionmaking fora.

## Recommendations

The CSIS study team considered two major alternatives to the current, full-fledged military concept development process. The first option is to refocus the concept development process on the JICs, recognizing that they are sufficiently granular to contribute to the JCIDS process, and eliminate the other concepts in the JOpsC family. Resources currently spent on contractor development of concepts could be reallocated to other higher priorities. The second option is to revise the existing process in the following ways:

- Retain the Capstone Concept for Joint Operations.
- Refocus the Joint Operating Concepts to provide seminal thinking about the most pressing military challenges; revise only every three to four years.
- Continue developing Joint Integrating Concepts.
- Make writer groups for all of the concept categories smaller and reduce coordination processes to increase opportunities for innovative thinking.

While many involved in the concept development process remain unconvinced of the need for higher level concepts such as the JOCs, there is more widespread understanding of the utility of concepts that describe specific joint cross-cutting military tasks like the ones addressed in the JICs. Certain existing JICs have already demonstrated their ability to influence the JCIDS process, a primary purpose of the original concept development effort, and focusing the process primarily

on JICs would bring the resources expended on concept development much more into line with the useful output of the concept development process. Because the JICs are widely viewed as useful and helping to inform the JCIDS process, the institutional buy-in for JICs is much greater than for the JOCs and JFCs. Focusing the concept development process more narrowly on the integrating concepts would likely reduce resistance to the process and perhaps even encourage participants in the process to put forth even better effort because the process would be seen as a more valuable activity. At the same time, eliminating all but the JICs would be a clear admission that the broader concept development process has not been successful, and the Joint Staff and JFCOM leadership may be hesitant to pursue this alternative as a result.

The second alternative the CSIS study team considered is less radical in that it would revise aspects of the current system but not eliminate entire categories of existing concepts. This alternative is premised on the view that the current approach is not fundamentally flawed but rather could be improved with specific, tailored revisions.

Even if the current system were revised to shrink the size of concept writer groups, streamline the coordination process, and rewrite JOCs less frequently, it is not clear these changes would address the key problems with the current concept development process. The JOCs and JFCs would likely remain too broad and strategically focused to serve as useful inputs into the JCIDS process, and the resources required to develop these categories of concepts, both in terms of personnel and funding, would still appear to be disproportionate in light of the modest value these concepts provide. From an institutionalization perspective, participants in the concept development process would likely welcome shrinking the writer groups and streamlining the coordination process but it is not clear these modest process changes would overcome the much broader skepticism about the value of the concept development process as a whole.

Thus, although elements of DoD may have gleaned some modest benefits from the development of the JOpsC, JOCs, and JFCs, the concept development process needs fundamental reform to rationalize the resources invested in the process with the results generated by the concepts themselves. Narrowing the focus of the existing concept development process to center on the JICs would achieve this rationalization and ensure a better return on investment for the concept development process.

At the same time, while the more strategically oriented JOCs have not meshed well with the JCIDS process, there is a need in DoD for forward thinking about future military challenges. DoD and Joint Staff leadership should explore new mechanisms to undertake seminal thinking about joint approaches to major military challenges. Staffed with very capable strategic military thinkers, a small office in the Joint Staff or at JFCOM that is responsible for generating truly innovative thinking at the strategic level about new and pressing military challenges just over the horizon could make a real contribution. This kind of office should be explicitly decoupled from the JCIDS process however, and should report directly to a three- or four-star officer so that promising concepts and their tangible implications can be considered in appropriate DoD venues without being substantially watered down by the bureaucratic coordination process. The Future Joint

Force Advocate recommended in the Joint Requirements Process section of this report could serve this role.[3]

# Program and Budget Processes

## Issue

DoD's current programming and budgeting processes are the result of intended Bush administration reforms and of unintended enduring operational realities. Intentional reforms have largely aimed to stabilize the defense program and budget, whereas the operational environment has afforded little resource stability.

The next Secretary of Defense will inherit a DoD price tag far exceeding that in place eight years ago. Yet competing domestic and foreign affairs budget priorities, rising costs, and urgent military requirements will put enormous pressure on the Department's resources. The Department will need to use funds more efficiently and effectively than at any other time since September 11, 2001. DoD must also be able to communicate how its resources are aligned to strategic objectives if it is to optimize its precarious control over the defense budget.

## Evolution

The creation of the Planning, Programming, and Budgeting System (PPBS) by Charlie Hitch in 1961–1962 marks the beginning of modern defense resource processes. The intention of PPBS was to integrate long-range plans, programs, and near-term budgets. It focused on the generation of outputs rather than the counting of inputs used to create them. PPBS subsequently underwent numerous changes prior to 2001, including modest revisions during the Clinton administration. Although the directive has not been updated since 1990, the Bush administration made several important modifications to its practice of PPBS.

In 2002, Under Secretary of Defense for Comptroller Dov Zakheim instituted concurrent review processes that divided reviews according to the amount of money involved, the importance of the issue to the Secretary, and the extent to which the issue was a constrained to the budget year or was expected to cross future years. The intent was to streamline sometimes duplicative activity during sequential program (FYDP) and budget (one-year) reviews in PA&E and USD(C). One year later, the Deputy Secretary of Defense signed Management Initiative Decision 913, which introduced two more changes to the Bush administration practice of PPBS. First, it established the creation of an Execution phase to PPBS, altering its name to PPBE. Second, it changed the new PPBE process from an annual review to a biennial process wherein strategic guidance would be issued only every other year, with attendant biennial major program and budget reviews to ensure components' adherence to guidance. This approach created an "on-year" and "off-year" cycle wherein the "off-year" was intended to involve only modest adjustments to the budget and

[3] Compare recommendations in section on Joint Requirements Process, 63–64.

program established the prior year. Like the change to concurrent program and budget reviews, the move to biennial processes was intended to streamline resourcing activity that was viewed as overly cumbersome. It was also intended to create program stability by locking as much of the mid-term resourcing decisions as possible in the off-year and creating breathing space to focus on budget execution and program performance.

In 2004, Secretary of Defense Rumsfeld asked his departing USD(AT&L), Pete Aldridge, to undertake a study to "identify and assess options that achieve fully integrated Defense capabilities—with maximum effectiveness, at best value to the nation."[4] The resulting Joint Defense Capabilities Study generated several recommendations adopted in whole or in part by DoD. These included dividing the Defense Planning Guidance into two new documents, a Strategic Planning Guidance (SPG), intended to provide strategy and planning guidance but not programming guidance, and a new Joint Programming Guidance to cost the entirety of the defense program and make resource-constrained decisions prior to the submission of POMs. Nestled between the creations of these two documents, but extending throughout each year, there was to be an Enhanced Planning Process for substantial tradeoff analysis in key capability areas.

Although DoD adopted the nomenclature advocated by the Aldridge study, its analytic weaknesses made adoption of its intent impossible. The Enhanced Planning Process existed for only one PPBE cycle, the first casualty of the Department's lack of will and capacity to tackle major capability tradeoffs. Two SPGs were produced before being renamed the GDF. The GDF is as much an evolution of the SPG as the SPG was of the DPG, all of which since 2001 have been improving in the direction sought by Aldridge. Of the original Aldridge PPBE elements, only the JPG is still published today. It does not resemble the Aldridge group's proposed holistic costing of the Defense Program, however. Rather, the Department has in recent years issued multiple JPGs that each capture rolling resource decisions made in the DAWG.

In 2006, the QDR report stressed the need for joint capability portfolios to "optimize provision of capabilities for the joint warfighter."[5] In the intervening years, Deputy Secretary of Defense Gordon England has made capability portfolio management a hallmark of his governance reforms,[6] with nine CPMs across the Department responsible for advising him on the needs of neglected joint capability areas. In some sense, the CPM approach is the most tangible legacy of both the 2001 QDR call for a "capabilities-based planning" approach to defense capability development and the Aldridge study's desire for an Enhanced Planning Process for tradeoff analysis. These efforts, in turn, have predecessors in the original PPBS construct and its application over the past forty years. Most recently, the Clinton administration used a Front End

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[4] U.S. Department of Defense, Office of the Director for Program Analysis and Evaluation, "The New Planning, Programming, Budgeting, and Execution System," presentation for the Military Operations Research Society Workshop, *Capabilities-Based Planning: The Road Ahead* (October 19–24, 2004), 3, http://www.mors.org/meetings/cbp/cbp_read.htm.
[5] *2006 QDR,* 68.
[6] See discussion of the evolution of CPM in section on Joint Requirements Process, 58–62.

Assessment Process to fulfill the same need for independent analysis of major mission areas or pressing problems.

Were the Bush administration not leaving office, it is likely that DoD would continue to build on the CPM model, expanding the number of such joint managers and strengthening their role in the PPBE process. There is resistance to this approach, however, both within the Services, which would prefer to control their own programs, and in PA&E, which believes it is the organization best able and positioned to conduct such tradeoff analysis.

## Assessment

The defense program and budget system in place today bears little resemblance to a strategic resource management system. Deputy Secretary England's effort to inculcate a joint capability portfolio approach to resource analysis is a significant step in the direction of a rationalized marrying of ends, ways, and means. The CPM model, however, is a sub-optimal approach. It relies on the vagaries of analytic tools and expertise available to issue advocates, be they COCOMs or OSD staffs. Many of these organizations are ill-equipped to analyze capability portfolios; even if all CPMs were capable, by diffusing the talent and federating the approach for capability assessment to islands of analysis, the next Secretary and Deputy Secretary will likely suffer from DoD's continued inability to provide them with timely and effective analysis across portfolios.

Other well-intended reforms to the program process have similarly derailed major mission area analysis within the Department. The creation of a biennial approach may have been instituted to create program stability, but such stability has been impossible in the post–September 11 operational environment. Instead, the "off-year" processes have sidetracked the component program and PA&E staffs into the generation and review, respectively, of program change proposals. These proposals often focus on changes to a specific program within the purview of a single component rather than the kind of front end assessment that any Secretary and Deputy Secretary would want. The concurrence of the program and budget reviews has further blurred the lines between the PA&E and Comptroller staffs, drawing PA&E even further away from broad mission area analysis and into the costing of particular programs. This role may be necessary, but it is insufficient for the needs of a Secretary overseeing more than $600B of programs.

Budget processes have likewise failed. Much of this failure can be attributed to the near continuous generation of budget proposals: baseline budgets, bridge budgets, and emergency supplementals. Whereas the goal may have been for the Department to move from one major budget review per year to one every two years, the current pace and cost of operations has driven DoD's comptroller organizations to produce more than two each year. OUSD(C) has at the same time bled knowledgeable personnel, especially a significant number of SES budgeters who took with them needed expertise in budget oversight and execution. In the case of investment accounts, the results have been a complete denuding of DoD Comptroller oversight. This talent will not be easy to regrow.

None of the program budget reforms instituted in the past eight years has been codified in DoDD or law. Organizations and processes have been in constant states of evolution, making even recent reforms, like the CPMs, highly susceptible to revision with a new administration. Reforms in program and budget will have wide reach, however. The next set of DoD leaders will need to consider the turmoil caused by institutional reforms to program and budget processes on other major governance systems to which they are tied, such as the defense acquisition process and JCIDS.[7]

## Recommendations

The next administration could attempt to revert to the program and budget processes that existed prior to the Bush administration reforms. This would include separating the program and budget reviews and reinstituting complete annual PPBS processes that focus on major issue tradeoffs through a front end assessment rather than examine change proposals off of a relatively static baseline. It might also entail eliminating the JPGs and creating a front end assessment process prior to the issuance of the Guidance for Development of the Force.

The next administration might go even further, focusing on building a strong OSD staff capacity for analysis, performance measurement, and budget oversight. To be effective, OSD's capabilities would need to be matched by a strengthened Joint Staff capacity for operational joint capability area assessment. The CPM function could be concentrated in an entirely reformed and possibly renamed PA&E,[8] which would work closely with the Joint Staff's Functional Capabilities Boards to conduct capability portfolio assessment. This second option would require more time and resources to implement, but would provide the Secretary and Deputy Secretary with the potential for realizing the original intent of PPBS.

In an era of declining resources, the next Secretary of Defense cannot succeed with broken program and budget processes. Foremost among the Secretary's program and budget priorities is to reestablish for him or herself a vibrant, multi-disciplinary, "best and brightest" staffing element to help drive the defense agenda from strategy development to execution oversight to performance assessment. This requires a depth and mix of talent well beyond what currently exists within any existing OSD staff element. The CSIS study team recommends that the Secretary create a new Directorate for Strategy, Execution and Assessment to better link ends, ways, and means. OD(SEA) should draw together the mid- to long-range strategy and capability assessment elements currently residing within OSD(P) with the program expertise currently assigned to PA&E and placed under a non-confirmable Executive Level III adviser to the Secretary. The D(SEA) should be staffed and resourced to begin taking over the capability portfolio assessment role by calendar year 2010. It should maintain the biennial guidance approach begun under this administration, including the option to issue "off-year" guidance whenever the strategic or fiscal

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[7] See sections on Defense Acquisition Initiatives, 47–52, and Joint Requirements Process, 57–64.
[8] Compare recommendations in the section on Joint Requirements Process, 63–64.

environment warrants it. The D(SEA) should select three major issues for immediate "front end assessment" for the FY2011 program and budget process to begin inculcating a "major trade" culture and rhythm to the Secretary's deliberations. Program and budget reviews should be separated prior to the 2010 budget cycle. Program and budget review processes should be expected annually from the beginning of the next administration. Despite these reforms, the CSIS study team recognizes the limits of internal Department reforms for rationalizing the connectivity between an administration's defense objectives and its resources. The next Secretary must work closely with the White House and defense authorizers and appropriators to ensure that his or her best laid resource plans succeed on Capitol Hill.

# APPENDIX: ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| AFRICOM | See USAFRICOM |
| AP | Adaptive Planning |
| APEX | Adaptive Planning and Execution System |
| ASD | Assistant Secretary of Defense |
| ASD(GSA) | Assistant Secretary of Defense (Global Security Affairs) |
| ASD(ISA) | Assistant Secretary of Defense (International Security Affairs) |
| ASD(ISP) | Assistant Secretary of Defense (International Security Policy) |
| ASD(NII) | Assistant Secretary of Defense for Networks and Information Integration, see OASD(NII) |
| ASD(SO/LIC) | Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) |
| ASD(SO/LIC&IC) | Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict and Interdependent Capabilities) |
| AT&L | Acquisition, Technology, and Logistics, see USD(AT&L) |
| Big A | Acquisition process that includes DoD's requirements generation system, PPBS, and Defense Acquisition system |
| BTA | Business Transformation Agency |
| C2 | Command and Control |
| C3 | Command, Control, and Communications |
| C3I | Command, Control, Communications, and Intelligence |
| CBO | Congressional Budget Office |
| CCJO | Capstone Concept for Joint Operations |
| CFAST | Collaborative Force-Building, Analysis, Sustainment, and Transportation System |
| CIFA | Counter-Intelligence Field Activity |
| CIO | Chief Information Officer |
| CJCS | Chairman of the Joint Chiefs of Staff |
| CMO | Chief Management Officer |
| COCOM | Combatant Command (command authority) |
| CONOPS | Concept of Operations |

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| CPM | Capability Portfolio Management or Capability Portfolio Managers, see JC2 CPM |
| CS | Civil Support |
| CSLs | Cooperative Security Locations |
| CT | Counterterrorism |
| DAPA | Defense Acquisition Performance Assessment |
| DARPA | Defense Advanced Research Projects Administration |
| DASD(FT&R) | Deputy Assistant Secretary of Defense (Force Transformation & Resources) |
| DAWG | Deputy's Advisory Working Group |
| DBB | Defense Business Board |
| DCI | Director of Central Intelligence |
| DCMO | Deputy Chief Management Officer |
| DDR&E | Director of Defense Research and Engineering |
| DIA | Defense Intelligence Agency |
| DIRG | Defense Institutional Reform and Guidance |
| DISA | Defense Information Security Agency |
| D(J-3) | Director, J-3, see J-3 |
| D(J-5) | Director, J-5, see J-5 |
| DNI | Director of National Intelligence, see ODNI |
| DoD | U.S. Department of Defense, also "the Department" |
| DoDD | Department of Defense Directive |
| D(PA&E) | Director of Program Analysis & Evaluation |
| DPB | Defense Policy Board |
| DPG | Defense Planning Guidance |
| DPP | Defense Program Projection |
| DPS | Defense Planning Scenario |
| DSB | Defense Science Board |
| D(SEA) | Director for Strategy, Execution, and Assessment, see OD(SEA) |
| DSLC | Defense Senior Leadership Council |
| FFRDC | Federally-Funded Research and Development Corporations |
| FJFA | Future Joint Force Advocate |
| FOLs | Forward Operating Locations |
| FOSs | Forward Operating Sites |
| FYDP | Future Years Defense Program |
| GAO | U.S. Government Accountability Office |

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|---|---|
| GDF | Guidance for the Development of the Force |
| GDP | Global Defense Posture |
| GEF | Guidance for the Employment of the Force |
| GFM | Global Force Management |
| HLD | Homeland Defense |
| HUMINT | Human Intelligence |
| IC | Intelligence Community |
| IED | Improvised Explosive Device |
| IPA | Intergovernmental Personnel Act |
| IPL | Integrated Priority List |
| IPS | Illustrative Planning Scenario |
| IRTPA | Intelligence Reform and Terrorism Prevention Act of 2004 |
| ISR | Intelligence, Surveillance and Reconnaissance |
| J-3 | Operations Directorate, Joint Staff |
| J-5 | Strategic Plans and Policy, Joint Staff |
| J-7 | Operational Plans and Joint Force Development, Joint Staff |
| J-8 | Force Structure, Resources, and Assessment Directorate, Joint Staff |
| JAA | Joint Analytic Agenda |
| JC2 CPM | Joint Command and Control Capability Portfolio Management, see CPM |
| JCA | Joint Capability Area |
| JCCOM | Joint Capabilities Command |
| JCIDS | Joint Capabilities Integration and Development System |
| JFCs | Joint Functional Concepts |
| JFCOM | See USJFCOM |
| JICs | Joint Integrating Concepts |
| JIOCs | Joint-Intelligence Operation Centers |
| JOCs | Joint Operating Concepts |
| JOPES | Joint Operation Planning and Execution System |
| JOpsC | Joint Operations Concepts, renamed Capstone Concept for Joint Operations |
| JPG | Joint Programming Guidance |
| JROC | Joint Requirements Oversight Council |
| JS | Joint Staff |
| JTF | Joint Task Force |
| MIP | Military Intelligence Program |

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| MOBs | Main Operating Bases |
| MPMI | Most Pressing Military Issues |
| MRAPs | Mine-Resistant Ambush-Protected vehicles |
| MRC | Major Regional Conflict |
| MSFD | Multi Service Force Deployment |
| NDS | National Defense Strategy |
| NECC | Net-Enabled Command Capability |
| NIC | National Intelligence Council |
| NII | Networks and Information Integration, see ASD(NII) |
| NSC | National Security Council |
| NSS | National Security Strategy |
| O&M | Operations and Maintenance |
| OASD | Office of the Assistant Secretary of Defense |
| OASD(C3I) | Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, see C3I |
| OASD(NII) | Office of the Assistant Secretary of Defense for Networks and Information Integration, see NII |
| ODNI | Office of the Director of National Intelligence, see DNI |
| OD(SEA) | Office of the Director for Strategy, Execution, and Assessment, see D(SEA) |
| ONA | Office of Net Assessment |
| OSD | Office of the Secretary of Defense |
| OUSD(AT&L) | Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), see USD(AT&L) |
| OUSD(C) | Office of the Under Secretary of Defense (Comptroller), also called DoD Comptroller, see USD(C) |
| OUSD(I) | Office of the Under Secretary of Defense (Intelligence), see USD(I) |
| OUSD(P) | Office of the Under Secretary of Defense for Policy, see USD(P) and "Policy" |
| PA&E | Program Analysis & Evaluation, see D(PA&E) |
| PACOM | See USPACOM |
| PDUSDP | Principal Deputy Under Secretary of Defense for Policy |
| Policy | Office of the Under Secretary of Defense for Policy, see OUSD(P) |
| POM | Program Objective Memorandum |
| PPBE | Planning, Programming, Budgeting, and Execution |
| PPBS | Planning, Programming, and Budgeting System |
| QDR | Quadrennial Defense Review, Quadrennial Defense Review Report |

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|---|---|
| QNSR | Quadrennial National Security Review |
| SEC | Senior Executive Council |
| SES | Senior Executive Service |
| SJFP | Single Joint Force Provider |
| SLRG | Senior Leader Review Group |
| SOCOM | See USSOCOM |
| SOF | Special Operations Forces |
| SOUTHCOM | See USSOUTHCOM |
| SPG | Strategic Planning Guidance |
| SSSP | Steady State Security Posture |
| STRATCOM | See USSTRATCOM |
| SWarF | Senior Warfighters Forum |
| TPFDD | Time-Phased Force and Deployment Data |
| UCP | Unified Command Plan |
| USAF | United States Air Force |
| USAFRICOM | United States Africa Command |
| USC | United States Code |
| USD | Under Secretary of Defense |
| USD(AT&L) | Under Secretary of Defense for Acquisition, Technology, and Logistics, see OUSD(AT&L) |
| USD(C) | Under Secretary of Defense (Comptroller), also called DoD Comptroller, see OUSD(C) |
| USD(I) | Under Secretary of Defense (Intelligence), see OUSD(I) |
| USD(P) | Under Secretary of Defense for Policy, see OUSD(P) |
| USEUCOM | United States European Command |
| USJFCOM | United States Joint Forces Command |
| USNORAD | United States North American Air Defense Command |
| USNORTHCOM | United States Northern Command |
| USPACOM | United States Pacific Command |
| USSOCOM | United States Special Operations Command |
| USSOUTHCOM | United States Southern Command |
| USSPACECOM | United States Space Command |
| USSTRATCOM | United States Strategic Command |
| VCJCS | Vice Chairman of the Joint Chiefs of Staff |