



BEYOND
GOLDWATER-NICHOLS
BG-N
DEFENSE REFORM FOR
A NEW STRATEGIC ERA

Beyond Goldwater-Nichols: DoD and USG Reform for a New Strategic Era

Vetting Brief
Phase 2 Report
June 13, 2005



Problems Addressed in BGN Phase 2



- Part 1
 - Interagency operations
 - Interagency policy development and execution
 - Integrating homeland security and national security
- Part 2
 - Determining Joint Requirements
 - Acquisition reform
 - Defense agencies
 - Officer management system
 - Professional military education



Interagency Operations



The Problems:

- Presidential direction not always implemented
- Agencies plan and operate independently
- Funding too slow and inflexible
- Little rapidly deployable capacity outside DoD

The Solutions:

- Strengthen integration mechanisms
 - At the strategic, operational and tactical levels
- Create more responsive funding mechanisms
- Build operational capacity in non-DoD agencies



Strengthen Integration in Washington



- Poor interagency planning at strategic level undermines USG effectiveness, increases risk

Recommendations:

- Create NSC Senior Director/Office for Complex Contingency Planning
- Establish planning capacity in key civilian agencies
- Establish standard NSC-led approach to interagency planning for complex contingencies
 - Based on PDD-56, NSPD XX and S/CRS template



Strengthen Integration at Operational Level



- Lack of interagency campaign planning
- War planning eclipses winning the peace planning
- Reconstituting (in some instances) and training indigenous security forces is a critical challenge

Recommendations:

- Create rapidly deployable Interagency Crisis Planning Teams, chaired by NSC
- COCO and CJTF should fully integrate security, stability, transition and reconstruction operations into campaign plan
- Enhance USG capacities for training and equipping indigenous security forces by amending Titles 10 and 32 to permit DoD direct funding



Strengthen Integration in the Field



- Civilian and military operations conducted in stovepipes, undermining unity of effort

Recommendation:

- For each operation, establish an Interagency Task Force to integrate USG efforts on the ground
 - Led by President's Special Representative (PSR)
 - PSR reports to NSC Adviser, President
 - CJTF reports to COCOM, SecDef, President
 - PSR has no directive authority, but can raise any disagreement to DC level for resolution
 - Fully integrated civil-military staff
 - DoD provides C2 backbone, logistics, etc.
- Create standing, deployable IATF HQ core element



Responsive Funding for Operations



- Slow, inflexible funding impedes USG ability to jump-start reconstruction, win over indigenous population, and create conditions for transition

Recommendations:

- Create a “Stabilization and Reconstruction Fund”
 - \$350-400 million account
 - Dispersed by President’s Special Representative
 - Modeled on Emergency Refugee and Migration Assistance (ERMA) Account
- Authorize transfer of monies from other accounts
- Increase Commanders’ Emergency Response Funds in DoD
- Provide more flexible contracting authorities



Increase Operational Capacity in Civilian Agencies



- As a start: Fully resource State S/CRS and deployable civilian corps/teams
 - 250 full-time USG personnel + 500 in “reserve”
 - \$200 million in salaries, training, overhead, etc.
- Longer term: Develop much larger operational cadre and separate field operating agency
- Broaden State Dept’s contracting authorities
- Provide authorities, incentives and mechanisms to rapidly deploy civilian personnel from across USG
- Strengthen USAID’s operational capacities
- Create Interagency and Coalition Training Center



Strengthening USG Policy Development and Execution



- Interagency strategic planning
- Interagency division of labor
- Interagency mission area reviews
- Policy execution at regional level
- Enhancing “jointness” of interagency personnel



Interagency Strategic Planning



- The urgent crowds out the important
- Little long-range planning on national security

Recommendations:

- Conduct a Quadrennial National Security Review
- Issue classified National Strategic Planning Guidance (SPG) signed by President
- Establish “over the horizon” interagency reviews of potential future crises and challenges
- Conduct semi-annual table top exercises for senior national security officials
- Create new NSC Senior Director/Office for Strategic Planning



Interagency Division of Labor



- No integrated USG approach for key mission areas
 - Homeland security, combating terrorism, combating WMD, and stability operations

For each mission area, NSC should lead effort to:

- Develop common terminology
- Develop an interagency “concept of operation”
- Determine agency roles and responsibilities
 - Codify in NSPDs and legislation
- Assess agency capabilities to execute and develop action plan to remedy shortfalls



Ensuring Budgets Reflect Policy Priorities



- Strategic priorities not always reflected in budgets

Recommendations:

- Conduct NSC-OMB review of high priority mission areas
 - Identify baseline programs as part of President's Strategic Planning Guidance
 - OMB and NSC co-chair interagency mission area reviews before budgets finalized
 - Programs requiring implementation by multiple agencies presented in cross-cut form to Congress

- Weak mechanisms for integrating day-to-day policy execution of USG agencies at regional level

Recommendations:

- Establish common regional framework for USG
- Conduct regular, NSC-chaired interagency “summits” in each region
 - Focus on preventing crises and identifying planning requirements
- Enhance interagency info sharing networks
- Longer-term vision: Establish standing Regional Security Councils



Enhancing “Jointness” of Interagency Personnel



- Build human foundation for interagency operations

Recommendations:

- Create National Security Career Path
 - Modeled on Goldwater-Nichols JSO concept
- Career GS rotate to “interagency duty assignments” (IDA) across national security agencies
- Path requires interagency education and training
- Incentives:
 - IDA designation required for SES
 - Accelerated/preferential promotion
- Requires 10% personnel float in civilian agencies



Integrating Homeland and National Security



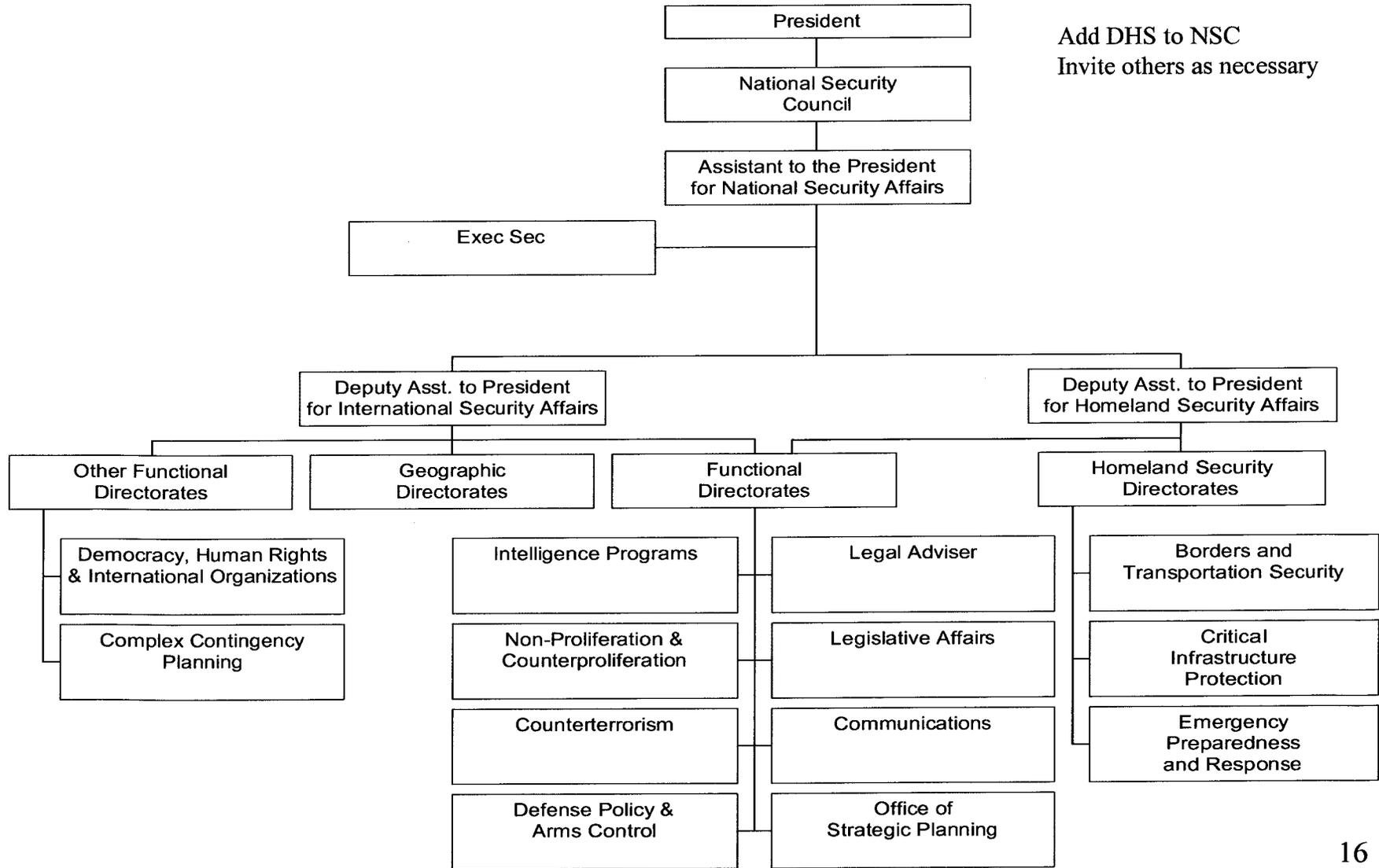
- Threat is now seamless
- Historical division (HSC vs. NSC) is counterproductive
- Effective integrated security demands integrated system

Recommendations:

- Elevate and integrate HSC into NSC
- Integrate staffs



Indivisible NSC with Integrated Staff



Add DHS to NSC
Invite others as necessary



Homeland Security Recommendations for DoD



- DoD planning and programming for homeland security inadequate

Recommendations:

- Develop validated requirements for homeland security, particularly for CBRNE civil support
- Export DoD planning expertise to DHS, NSC
 - Provide “seed corn” to jump start interagency planning
- Define the role of the Guard and Reserves in HLS
 - Establish division of labor with AC, assess requirements and address capability and training shortfalls



Changing the Way We Do Business



- For civilian agencies:
 - Investing in planning and training
 - Developing more operational culture and capabilities
- For DoD:
 - Sharing information/plans with other agencies
 - Willingness to play supporting rather than lead role
- For Congress:
 - Increasing resources in civilian agencies
 - Approving flexible funding mechanisms
 - Creating incentives for jointness at interagency level



Part 2

Joint Requirements, Defense Acquisition, Defense Agencies, OMS & PME

- Goldwater-Nichols acquisition reforms were designed for a different world:
 - Produced huge amounts of platforms each year: 585 aircraft, 2,031 vehicles; 24 ships; 32, 714 missiles; etc.
 - Multiple new starts
 - Had 20+ primes
- Intended to address two big problems
 - Avoid embarrassing mistakes -- \$600 toilet seats
 - Get a businessman in charge of defense acquisition
 - Going into high rates of production before technology ready
 - “Fly before you buy”



Defense Acquisition – Problems/Issues (2)



- Today the world is much different:
 - 4.5 primes that DoD can't live without
 - Few new starts, but many are technologically complex, very expensive
 - Low rates of production -- 188 aircraft; 190 combat vehicles; 8 ships/subs; 5,702 missiles
 - Need to respond quickly to operational needs
- But encumbered by a top-heavy, extremely complex acquisition process
 - Focused on mechanics of acquisition – “how we buy” – rather than strategic issue of “what we buy”
 - Risk-averse culture
 - USD (AT&L): 1500-2000 personnel (500 billets and ~1,000-1,500 contractors)



Defense Acquisition – Problems/Issue (3)



- G-N deliberately empowered the CJCS and CINCs at the expense of the Service Chiefs and Department Secretaries
 - Services now force providers to the Combatant Commands
- Acquisition reform (based on Packard Commission) worked in parallel with G-N; not well integrated
 - Took Service chiefs (and systems command heads) out of PM-PEO-SAE-DAE structure
- But Chiefs now center of long-term resource allocation & management
 - Should integrate acquisition and resource allocation processes in meeting joint capability requirements
- Need more accountability in a more streamlined acquisition process



Defense Acquisition – Overview



- Restore Service Chief's authority over PEOs/PMs
 - SAEs report to Service Chiefs & Secretaries, not USD (AT&L)
 - Restore strategic direction to defense acquisition by elevating DDR&E function in AT&L
 - Re-named USD (TL&A) to underscore priority given to how technology can enable future capabilities to meet joint needs
 - OSD acquisition focus limited to acquisition policy guidelines and milestone decisions for select major programs and acquisition policy guidelines
 - Sharply reduce AT&L personnel levels
 - Expand and fund rapid acquisition process
- BUT**
- Must be combined with robust process for determining joint capability needs
 - Only the CoComs have operational requirements



Defining Joint Capability Needs (1)



- Problem/Issue:
 - No authoritative identification of joint capability requirements, both near-term and long term
 - IPL process improving but COCOMs lack planning capability and leverage in Washington-centric PPBES
 - JCIDS useful in educating senior leaders, but not yet providing basis for assessing capabilities or identifying long-term joint capability needs
 - Service-centric acquisition processes producing only partially interoperable capabilities
 - In Joint C2, for example, continued disarray:
 - Since BG-N Phase 1, multiple roadmaps/checklists from five different organizations



Defining Joint Capability Needs(2)



- Build a COCOM-centric process for identifying and advocating joint capability requirements that has the following elements:
 - Identify and prioritize short-term joint capability requirements through an enhanced IPL process
 - Enhanced J-8 capability in the Commands; CJCS responsible for aggregating and prioritizing joint requirements
 - Functional commands take lead on determining long-term capability needs in their respective areas
 - As interim step, create a Washington-based, JFCOM capability, headed by a 3-star, to determine and advocate the longer-term joint capability needs of the regional commands
 - Decide after two years whether a Joint Capability Command is necessary for this critical function
 - Or whether JFCOM should divest its operational responsibilities into a Joint Readiness Command and focus on JCC-like role.



Defining Joint Capability Needs (3)



- To build a truly joint, demand-oriented JROC, replace the Service Vices with the COCOM Deputies and add civilian representation
 - Provides a clean division between advocacy of the supply and demand side of the process
 - Military Services and Functional Commands compete on how best to meet the operational requirements of the Combatant Commands
 - Implement Phase 1 recommendation for a strong PA&E that both manages a NSC-like process for making strategic choices and provides analysis to inform those choices and add to JROC
 - Also add refocused OSD (AT&L) and (Policy) to bring a defense-wide, demand-side and technology-push perspective



Defining Joint Capability Needs (4)



- Implement BG-N Phase 1 recommendation to form a JTF with budgetary and acquisition authority for Joint C3
 - Able to acquire joint systems/capabilities and to fund Service-executed programs
 - Reports to STRATCOM with its responsibility for Global C4ISR
 - Already plans to merge its JTF for Global Network Operations and DISA and co-locate with NSA
 - Need to revisit UCP 04 division of labor between STRATCOM and JFCOM with respect to Joint C3
 - Must have one provider of this critical capability
 - Addresses a glaring problem and serves as an experiment in joint acquisition.



Restore Strategic Direction to OSD Acquisition



- Before 1986, DDR&E was #3 OSD official and was the strategic architect for how technology could enable step-level increases in future capabilities
 - Served as SecDef's Chief Technology Officer and drove investments that led to current U.S. military dominance (e.g., precision, stealth, etc.)
 - Reforms of 1986 eclipsed this function with process management
- Elevate DDRE function to primacy in an Under Secretary for Technology, Logistics & Acquisition
 - DDR&E as Principal Deputy
 - With a DoD-wide budget line to promote transforming investments and enhanced approval authority over service S&T programs
 - Seat on JROC



OSD Oversight of Acquisition



- USD (TL&A) chairs Defense Acquisition Board
 - Focused on milestone decisions for select major programs
 - Most ACAT 1C/1D programs delegated to the Departments
 - End proliferating IPTs
- Role of new ASD for Acquisition Policy
 - Supporting the USD (TL&A) in role of DAE
 - Helps formulate and implement acquisition policy guidelines
 - Cries foul when acquisition policies breached



Rationalizing Rapid Acquisition



- DoD now has 7-8 rapid acquisition processes but very little then-year funding (apart from supplementals)
- Need to define responsibilities clearly and put on firm financial basis:
 - Managed jointly:
 - Build on JRAC and current IPL process
 - Operates under predetermined, streamlined process, regulations and waivers
 - Supported by a \$1B fund initially sourced with unobligated funds but eventually through appropriations
 - Congressional oversight patterned after reprogramming process



Organizing for Operational Logistics



- Providing TRANSCOM “distribution process ownership” of supply chain management a good first step, but needs institutionalization
 - Absent operational pull of OIF and TRANSCOM leadership, current gains may be lost
- Fuse the logistics and transportation functions into an integrated U.S. Logistics Command (LOGCOM)
 - Integrated and transparent “factory-to-fox hole” approach to supply chain management
 - Follows private sector model: distribution = transportation + supply
 - Postured for greater efficiency and civilianization of function
- Implement BG-N Phase 1 recommendation to merge most and DUSD (Logistics, Material Readiness) and J-4 into an integrated office
 - Provides integrated policy support to SecDef (and CJCS)
 - Operational logistics support to CJCS provided by Deputy J-3

- Problem/Issue:
 - Current management of Defense Agencies by under and assistant secretaries inherently flawed
 - Staff elements oversee line functions
 - Few PSAs (principal secretarial assistants) take the job seriously
 - Little business management expertise on OSD staffs
 - Although tools for measuring performance (e.g., balanced scorecards) have improved, still no substitute for a flawed governance structure



Governance of Defense Agencies (2)



- Establish new position -- Under Secretary of Defense for Management [USD (M)]
 - Manages all commercial-like agencies
 - Except DLA (which goes to LOGCOM) and DISA (much of which goes to new JTF for Joint C2)
 - Responsible for executing “contracts” with former PSAs on output goals for defense agencies
 - Move all OSD-managed programs to USD (M)
 - Also responsible (along with Comptroller) for putting “E” into PPBEs
 - Implement BG-N Phase 1 recommendation to create an Implementation and Execution office, but put under USD (M)
 - As called for in BG-N Phase 1, create an ASD for Administration for housekeeping functions
 - Needs an “OSD Property Book” vice reliance on Military Services as executive agents.

- The Officer Management Systems (OMS) was designed to meet Cold War needs
 - A “one-size-fits-all” system with too many gates
 - Services have limited flexibility to keep needed specialists or divest before 20-yr vesting point
 - Manpower is becoming prohibitively expensive
- Amend DOPMA to provide alternative paths for non-combat specialties
 - Expand on current experiments (e.g., Army with FAOs)
 - Provide incentives for longer careers to retain needed expertise
 - Different promotion rates and time in grade to promotion

- Need a comprehensive DoD human resources strategy that anticipates looming manpower crisis
 - Define the competencies needed at all levels for all MOSs and reassess which capabilities will be provided by the uniform military, civilians or contractors
 - Institute long-term plan to rebalance tooth-to-tail ration
 - Leverage technology to move non-combat MOSs out of theater
 - Greater pay flexibility is needed
 - Provide more incentives for those risking their lives (hazard pay)
 - Explore alternative retirement systems and incentives
- DoD personnel cost to grow from 25% to 33% in 20 years -- this subject needs much more urgency



Joint Officer

Management System (1)



- Widespread frustration with inequities in JOMS for granting joint credit
- Service personnel systems do not rigorously track joint experience
 - Cannot leverage officers' skills where needed most
- Joint Duty Assignment List (JDAL) has persistently vacant slots and does not capture JTF experience
- DOD routinely grants waivers to G-N mandated requirements
- No joint career paths (e.g., experience as JTF J-3 before taking command of JTF) to ensure adequate joint experience



Joint Officer

Management System (2)



- Adapt JOMS to changing needs of the force / profession
 - Broader & more equitable standards for awarding joint credit
 - Maintain joint duty requirement, but update JDAL
- CJCS should develop integrated assignment & education paths for joint careers in critical MOS (e.g., command, acquisition, Joint C2, etc.)
 - Structure pathways to joint command through joint experiences, rather than tying promotion to joint assignments
 - Use Service personnel systems, but with much greater JS input
 - Too soon to experiment with joint promotion boards

- Problems/Issue:
 - Universal need for PME throughout careers
 - 21st century challenges require flexible and adaptable leaders
 - Nature of “Jointness” changing rapidly
 - Interservice jointness increasingly being pushed down to tactical level
 - Jointness now includes inter-service, interagency and multinational interagency operations
 - Large percentage – perhaps as high as 50% in the late 90’s -- of graduates of senior service schools leave the service after next tour (within 24 months)

- Need a comprehensive strategy for PME
 - Endorse CJCS vision for expanding and improving joint education and build on it
 - Many initiatives already underway
- Elements of a vision (1):
 - Continuing education part of maintaining the profession of arms
 - Universal need for some JPME at all levels necessitates reliance on distance learning (DL)
 - Establish a “Joint Virtual University” providing DL courses for all levels of JPME
 - Competency-based testing to avoid “social promotion”
 - Phase I JPME available only by DL
 - Promotion tied to meeting JPME requirement for new grade
 - Ensuring time for study a command responsibility

- Elements of a vision (2):
 - Smaller, reinvigorated senior service schools focused on building 21st century leaders
 - Resident education (with its face-to-face interaction in small classes facilitated by committed teachers) a key tool in developing flexible, adaptable leaders
 - Model on business, medical schools; focus on teaching
 - Student body consisting of those likely to hold leadership positions
 - Attendance at SSC should entail 5-year service obligation
 - » Makes both services and students more selective
 - Allowing senior service schools to offer JPME Phase II a positive step, but must be monitored carefully
 - To ensure standards for composition of faculty and class are met and faculty-student ratios maintained

- Elements of a vision (3):
 - Convert the National Defense University into a National Security University
 - Focused at the national security level, both theory and practice
 - From a DoD-centric to a USG-centric institution
 - Need (as called for in BG-N Phase 1) 10% personnel float for civilian professionals
 - Attendance limited to those likely to assume future leadership positions and willing to make commitment to serve at least two tours beyond school.
 - Give senior service schools a role in determining who attends
 - To ensure selection boards really are sending the best and brightest
 - Create more educational opportunities
 - Revive support to pursue degrees in civilian universities



Organizing for Space & Cyberspace (1)



- Significant steps taken in both domains
 - Key issues remain, yet too soon to assess impact of recent changes
- Space
 - Still little merger of “black” & “white” space
 - Must improve jointness in acquisition
 - Need to provide affordable capabilities in civilian, national security and military space
 - May need to consider future merger of these functions
 - Premature to move to a Space Force
 - Not likely or necessary until Space an AOR



Organizing for Space & Cyberspace (2)



- Cyberspace & Network Operations (NETOPS)
 - Need to organize both for the network operations function and cyberspace domain
 - NETOPS = Offense, Defense and Exploitation of networks
 - Cyberspace = Where Computer Network Operations are conducted in support of JTF-GNO (STRATCOM)
 - Urgently need JTF for C3 (with budget and acquisition authorities)
 - Need seamless interoperability
 - May evolve into a SOCOM-like command for NETOPS from JTF-GNO and JTF-C3



BG-N Phase 2 Timelines



- Vetting process underway
 - 28 March: PA&E
 - 30 March: AT&L
 - 1 April: JFCOM Cdr
 - 6 April: 3-Star tank, JCB
 - 8 April: OSD (Policy)
 - 13 April: 4-star tank, J-4
 - 18 April: NSC directors
 - 19 April: TRANSCOM Cdr
 - 22 April: McCain and Lieberman staffers
 - 25 April: DSB Sub-Panel on DoD Business Practices
 - 27 April: State Coordinator for R & S
 - 28 April: AT&L, L&MR, DLA, J-6
 - 2 May: Lockheed-Martin corporate execs
 - 4 May: OSD (A&M)
 - 10 May: TRANSCOM Cdr
 - 12 May: STRATCOM Cdr
 - 23 May: State PP
 - 25 May: IDA Roundtable
 - 31 May: Dep Under (L&MR)
 - 7 June; JFCOM J-5
- Revised Draft report circulated on 10 June
- Report release late June/early July