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reviewing individual Service POMs did not produce a truly joint product that funded programs to support national strategy. Instead individual line items of the Service POMs or budgets were reviewed without consideration for the impact decisions on one line item might have on another line item, perhaps from another Service. This paper explores the changes that the Goldwater-Nichols Act and other administrative decisions by the President and Secretary of Defense had on the DOD Planning, Programming, and Budgeting System (PPBS). It then pursues whether or not a joint POM produced by the Joint Chiefs of Staff (JCS) is needed to meet national strategy requirements or other improvements in the system can be made. Recommendations are then made and conclusions drawn for improving the DOD PPB System.

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USAWC MILITARY STUDIES PROGRAM PAPER

JOINT PROGRAM OBJECTIVE MEMORANDUM VERSUS INDIVIDUAL  
SERVICE POM

AN INDIVIDUAL STUDY PROJECT

by

Lieutenant Colonel James E. Record, FA

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Project Advisor



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U. S. Army War College  
Carlisle Barracks, Pennsylvania 17013  
31 March 1989

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## PREFACE

Most of my career has been either as an operator or commander in the field. I never really wanted to come in contact with the PPBS system or its political ramifications. Like most field officers my attitude was one of "Give me my mission and tell me what I have; then I will figure how to accomplish it." Now, after serving a year on the Department of the Army Staff as a Systems Integration Officer in ODCSOPS it has become apparent to me that we all must get involved in the PPBS process if we are to resource the needs of our CINCs in the field and build our forces for the future. This project was developed by the Army War College's Department of Command, Leadership, and Management. I accepted it because of the frustration I experienced on the DA staff trying to gain funding approval for systems based on warfighting requirements only to be reformatted into business arguments for the Defense Resources Board (DRB). Though I learned much from my experience at DA, interviews with twenty personnel at the JCS, service, and CINC levels broadened my experience and gave me greater insight into the PPBS process, particularly the Defense Resources Board, and its problems. I am extremely grateful to all the officers and civilians who took time from their busy schedules to answer my questions concerning PPBS. A special thanks goes to those who assisted me in coordinating visits to their offices: Lieutenant Colonel Chuck Whitechurch of JCS J8; Lieutenant Colonel Randy Rigby of the Army staff; Lieutenant Colonel Mike Chester of the Air Staff and Commander Barry Kelly of the Navy staff. Additionally, those personnel on the CINCs staffs Colonel Art Greiner of LANTCOM, Colonel Hondo Hernanadez of CENTCOM, Colonel J.G. Driskill of FORSCOM and Lieutenant Colonel Lou Baxter of SOCOM deserve special recognition and gratitude. Finally, to the faculty members of the Army War College who rendered outstanding advice and assistance, Colonels Jim Jagielski and Bob Tinsman, I am eternally grateful. Their professionalism and depth of knowledge were extraordinary.

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## ABSTRACT

AUTHOR: James E. Record

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The Goldwater-Nichols Department of Defense Reorganization Act of 1986 had a more profound impact on the services than any other congressional action in recent history. However, the Act did not change any responsibility for resourcing the Armed Forces. This was left up to the various services (Army, Navy, Air Force, and Marine Corps) in the development of their Program Objective Memoranda (POMs) and budgets. Some argued during the development of the Goldwater-Nichols Act that the current Department of Defense (DOD) process of reviewing individual service POMs did not produce a truly joint product that funded programs to support national strategy. Instead individual line items of the service POMs or budgets were reviewed without consideration for the impacts decisions on one line item might have on another line item, perhaps from another service. This paper explores the changes that the Goldwater-Nichols Act and other administrative decisions by the President and Secretary of Defense had on the DOD Planning, Programming, and Budgeting System (PPBS). It then pursues whether or not A joint POM produced by The Joint Chiefs of Staff (JCS) is needed to meet national strategy requirements or other improvements in the system can be made. Recommendations are then made and conclusions drawn for improving the DOD PPB system. (K5) —

# **A JOINT PROGRAM OBJECTIVE MEMORANDUM (POM) VERSUS INDIVIDUAL SERVICE POM**

## **CHAPTER I INTRODUCTION**

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 had a more profound impact on the Services than any other congressional action in recent history. The purpose expressed by its drafters was, "... to strengthen the position of the Chairman of the Joint Chiefs of Staff, to provide more efficient and effective operation of the Armed Forces, and for other purposes...."<sup>1</sup> A detailed review of the Act revealed that distinctly absent from any of its provisions or purposes was a change in responsibility for resourcing the Armed Forces. This was left up to the various services (Army, Navy, Air Force and Marines) in the development of their Program Objective Memoranda (POM) and budgets.

There are those who argued during the development of the Goldwater-Nichols Act that the current Department of Defense (DOD) process of reviewing individual service developed POMs did not produce, in the end, a truly joint product that supported the National Strategy of the United States. They claimed that the process focused too much on service oriented slices of general purpose forces; prevented joint planning and programming of the nation's strategic forces across service lines; and segregated the nation's research, acquisition and development effort from an explicit link to the forces to be built in each mission area.<sup>2</sup> In other words, DOD did not properly cross-level assets and integrate the individual service POM into one joint POM that best met the needs of national strategy.

It is the purpose of this paper to determine what changes the Goldwater-Nichols Act did make in the DOD Planning, Programming, and

Budgeting System (PPBS); assess their impact on the system; and make recommendations for future change if required. Particularly, the study will focus on whether or not the current system of DOD program review produces a joint POM that resources the needs of national strategy. It will then assess if the Joint Chiefs of Staff should prepare a joint POM as suggested by some or if improvement can be made in the current system. The assessment will be derived from interviews with planners and programmers at all levels of DOD to include the Office of the Secretary of Defense (OSD) Staff, the Joint Staff, Service staffs, and some of the Commander-in-Chiefs (CINCs) of unified and specified commands staffs. Finally, conclusions will be drawn and recommendations made for improvement to the current system.

#### **ENDNOTES**

1. U. S. Congress, The Goldwater-Nichols Department of Defense Reorganization Act of 1986, Public Law 99-433, 99th Congress, October 1, 1986, (U. S. Code and Administrative News, No. 9, November 1986), p. 1010.

2. Ellsworth, "Long Overdue," Armed Forces Journal, May 82, p. 76.



## **CHAPTER II**

### **THE PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS) BEFORE AND AFTER GOLDWATER-NICHOLS**

#### **BACKGROUND**

The Goldwater-Nichols Act did not occur overnight. It represented over four years of study, testimony and revision by both Houses of the United States Congress and was the culmination of almost thirty years of bickering between the executive, the services, and congressional experts. When President Reagan signed it into law October 1, 1986, it marked the first major change in defense organization since the creation of the Department of Defense in the National Security Act of 1947.<sup>1</sup>

President Eisenhower recommended as early as 1958 a shifting of power away from the services to the Chairman of the Joint Chiefs of Staff, but his efforts and all subsequent efforts were successfully defeated by the services and Congress until 1982. In that year, then Chairman of the JCS, General David C. Jones, and Army Chief of Staff, General Edward C. Meyer, called for sweeping changes in DOD and the JCS. These two far-sighted Generals saw the failure of several military operations, such as the Iran Hostage Rescue Attempt, stemming from the inadequate ability of the Chairman of the JCS to bring cohesion to the Joint Chiefs and the Joint Staff; and the lack of power of the Unified commanders to obtain the required forces from the services. Their initiative supported by other retired senior officers gradually won over some of Capitol Hill's most prominent Pentagon allies.<sup>3</sup>

The House Armed Services Committee (HASC) under the leadership of Chairman Richard D. White (D-Texas) began hearings in April 1982 in response to Jones and Meyer. These hearings, conducted mostly by the Subcommittee on

Investigations, concluded August 11, 1982 before the full committee with a report, H. R. 6954, The Joint Chiefs Reorganization Act of 1982.... rendered and favorably reported. The Senate Armed Services Committee (SASC) led by Senator John Tower (R-Texas) followed with a hearing to discuss the issue in December of 1982, but no further action took place during the 97th Congress.<sup>3</sup>

Both Houses resumed action in 1983, but nothing substantial resulted until 1985 when Senator Barry Goldwater (R-Arizona), the new Chairman of the SASC and Senator Sam Nunn (D-Georgia), new ranking minority member, increased emphasis on an ongoing Senate study of defense reorganization. The House, led by Congressman Bill Nichols, Chairman of the HASC Investigative Subcommittee, also continued its study focusing on JCS reform. It should be noted that the Senate focus on Defense Reorganization and the House concentration on JCS reform probably resulted in the best possible compromise when the conference committees began their work in August 1986 to draft the final version of what would become the Goldwater- Nichols Department of Defense Reorganization Act of 1986.<sup>4</sup>

Executive participation was also included in the developmental process as President Reagan appointed a "Blue Ribbon Commission on Defense Management" in 1985. Also known as the Packard Commission, the organization's purpose was to study defense organization and management. This commission maintained constant liaison with Congress throughout 1985 and 1986. Many of its recommendations were included in the final version of the Goldwater-Nichols Act. President Reagan also implemented some of the changes administratively on April 2, 1986 in the form of National Security Decision Directive 219 (NSDD 219). He also issued a letter to Congress April 24, 1986 stating that legislative action would be required to implement other recommended changes and provide greater impetus to the administrative action he had already taken. He cautioned, however, that any statutory changes, "... must not infringe on the constitutionally protected

responsibilities of the President as Commander-in-Chief."<sup>5</sup>

Neither the Congress nor the President's Blue Ribbon Commission recommended a change in the system for resourcing the Armed Forces. Instead, fundamental changes were recommended in the roles played by the Chairman of the JCS and the CINCs of the unified and specified commands during the POM and budget process. This they hoped would provide more centralized direction from the top during the planning phase with decentralized execution by the services during the programming and budgeting phases using the CINCs as checks and balances.<sup>6</sup> What then were these changes? What was their impact on the PPBS system? A comparison is required.

### **PPBS BEFORE GOLDWATER-NICHOLS**

Prior to 1961 the services prepared budgets with little guidance because there was no PPBS system. The Secretary of Defense (SecDef) divided the budgets among the services as he saw fit and reduced them when they exceeded an established ceiling. The service programs were rarely reviewed or changed. Secretary of Defense Robert S. MacNamara injected the PPBS system into the DOD process in 1961 to provide a cost benefit analysis to the provision of the nation's defense. Planning would occur in an unconstrained manner to determine the true requirements for defense; then programs would be developed to meet those requirements within fiscal constraints. The initial system was better than anything that preceded it, but flawed in that it placed too much centralized control at OSD, allowed OSD initiation of program proposals, and enabled OSD to second-guess the services. This was changed eight years later as Secretary of Defense Melvin Laird revised PPBS to have OSD review service proposals under specific budget ceilings instead of initiating detailed program proposals.<sup>7</sup>

The next revision of the system occurred under the Carter Administration in 1976 when Zero Based Budgeting was instituted throughout the Federal Government. This process required the services to develop decision packages which would give OSD the opportunity to adjust service proposals. The Army's decision package was the Program Development Increment Package (PDIP) which is still used today. Carter's Secretary of Defense, Harold Brown, also established the Defense Resources Board (DRB) in 1979 to improve management of the PPBS process through review of service programs. Its membership included the Deputy Secretary of Defense (DepSecDef) as chairman, all under and assistant secretaries in OSD, and the Chairman, JCS. Noticeably absent were the services and the CINCs.<sup>8</sup>

The Reagan administration sought to improve the PPBS process even further and eliminate what it saw as some of the weaknesses of the Carter Administration. This process began early in the administration even before hearings began on DOD reorganization. Then DepSecDef Frank Carlucci developed some initiatives known as the "Carlucci Initiatives". These included greater emphasis on long-range planning, greater decentralization of authority to the services, and refocus of the DRB to major issues only rather than reviewing each program line-by-line. Additionally, the DRB membership would now include the service secretaries as full members, would review and approve policy and strategy in the planning phase (Defense Guidance, DG), and would invite CINCs to participate (brief) in the initial planning and programming deliberations (DG & DRB Program Review).<sup>9</sup> These latter initiatives reflected some of the continuing impetus of ongoing investigations in the Congress. DOD was trying to stay ahead of mandatory change coming from Congress; thus, mere discussion and investigation by Congress and the Packard Commission was creating more efficiency and effectiveness within DOD.

The problem before the Carlucci Initiatives was that resource flow was distinctly different from the operational command of U. S. Forces. Operational flow was from the President to the SecDef to the JCS to the CINCs of Unified and Specified Commands in contrast to Resource Flow which was from the Congress to the President to OMB to OSD to the Services to the CINCs (See Figure 1 below).<sup>10</sup>

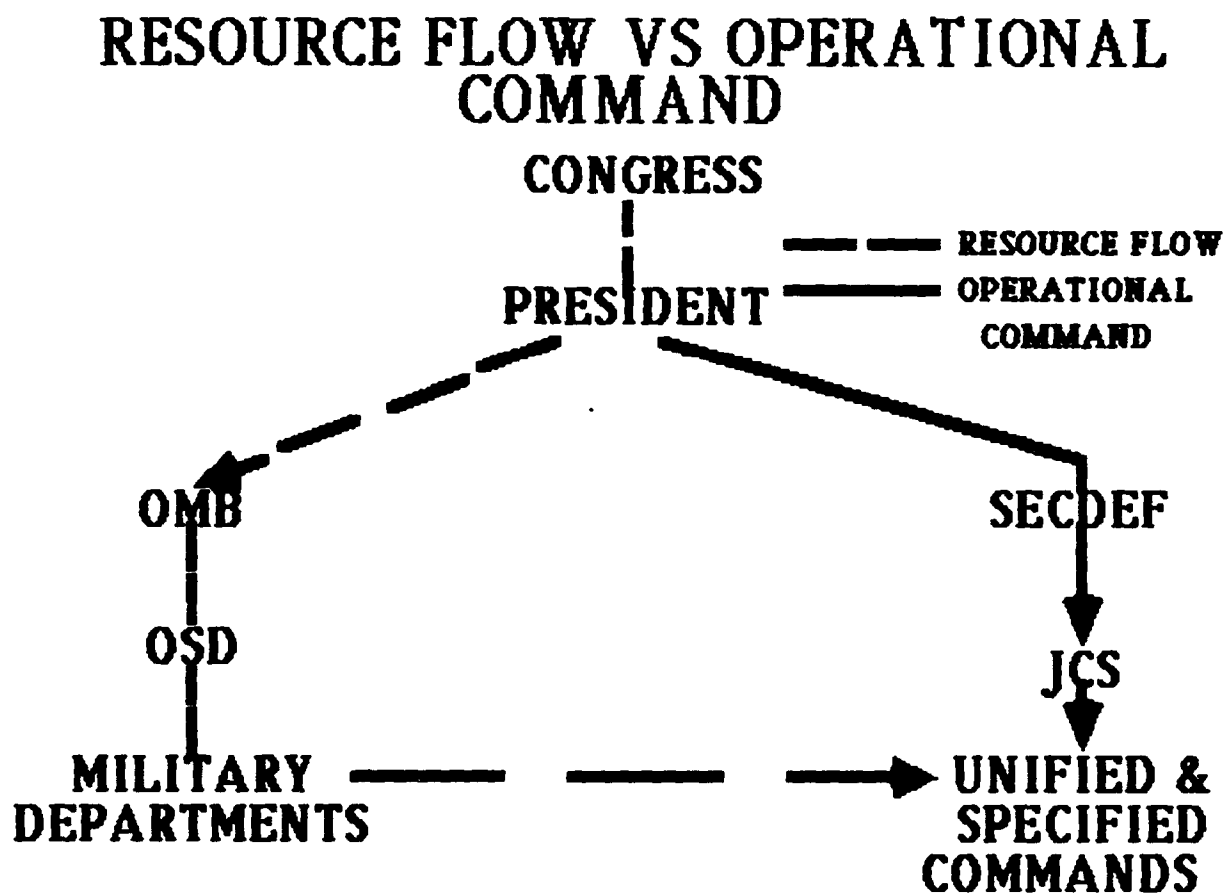


FIGURE 1. RESOURCE FLOW V. OPERATIONAL COMMAND

The Carlucci Initiatives laid the groundwork for even more substantial improvement in the way CINCs participated in the PPBS process, and the services became more accountable for their support to the CINCs. These were to come in DRB Memorandum 84-50 signed by DepSecDef William H. Taft IV November 14, 1984.<sup>11</sup> Since they were to become the foundation for many of the recommendations of the Packard Commission and included in both NSDD 219 and the Goldwater-Nichols Act, these changes will be addressed as part of the PPBS after Goldwater-Nichols discussion.

### **PPBS AFTER GOLDWATER-NICHOLS**

The PPBS process after Goldwater-Nichols Act implementation is actually a consolidation of efforts beginning with the Carlucci Initiatives in 1984, followed by the Taft Memo in November 1984, Presidential NSDD 219 signed April 1, 1986 and the Goldwater-Nichols Act of October 1, 1986. The search for refinement and improvement continues today; thus, any discussion is fleeting as everyone at all levels seeks improvement. However this discussion will center on changes immediately following the Goldwater-Nichols Act as a baseline for further analysis. The framework for analysis will be the PPBS process. First, the major changes implemented by the Goldwater-Nichols Act and other administrative directives mentioned above will be addressed; then their impact at each phase of the PPBS process.

Major changes in DOD organization and the PPBS process resulting from the Goldwater-Nichols Act and other administrative actions of the President and DOD were:

- The President submitted a National Strategy to Congress for the first time in history (February 1988) with biennial update required.

- The SecDef submitted a report stating how well the DOD budget supported national strategy (FY88/89 report submitted 11 FEB 88).

- The SecDef assumed a more prominent role over the service secretaries who previously could circumvent him in dealing with the President and Congress.

- The Joint Chiefs of Staff were granted more power vice the services:

- The Chairman was designated the principal military advisor to the President and SecDef.

- A Vice Chairman was appointed to represent the Chairman in his absence and sit on the Defense Acquisition Board (DAB) and Joint Requirements Council (JROC).

- The joint staff was made responsible to the Chairman only, ensuring unity of effort on the staff.

- An operational specialty was designated for joint trained officers to enable assignment to key positions.

- A joint training program was established to provide uniformity of training in all services.

- The Chairman was directed to review for the SecDef all promotion lists for equity in the promotion of officers in a joint track.

- The joint staff added two new directorates without a manpower increase: J7 to oversee joint training and interoperability; and J8 to review service POM and budgets and conduct assessments in support of the Chairman.

- The Chairman was directed to prepare an independent Net Assessment of the ability of the service POMs to meet the requirements of national strategy with alternative courses of action; then submit an update biennially.

- The services also made some changes under the law:

- Merger of some secretariat and military staffs as required with a proportionate reduction in officer strength (The Army merged the Secretariat and military staffs in the functional areas of Research, Development, and Acquisition [RDA] and Financial Management [FM]).

- The layers of management between a Program Manager (PM) and the Service Acquisition Executive (AAE) could not exceed two (Created formation of Program Executive Officer system in the Army).

- CINCs of unified and specified commands gained power as their chain of command was clarified from the SecDef to the President with all communication passing through the Chairman JCS for his review as principal military advisor. Additionally, the CINCs were granted authority to approve assignment of their Component Commanders to reduce those situations where some component commanders had shown greater loyalty to their service than their Commander-in-Chief.

The changes listed above were the primary ones contained in the Goldwater-Nichols legislation.<sup>12</sup> Others mandated by administrative action of the President or SecDef were:

- A two year budget was implemented at DOD beginning with the FY88/89 Budget.

- The CINCs' Role in the PPBS process was increased:

- Participation would begin early in the planning process as CINCs submitted input to the Defense Guidance (DG)

and reviewed the Draft DG before finalization.

- Integrated Priority Lists of requirements would be submitted at the start of the cycle to OSD/JCS.



- CINCs and the services would track the CINCs concerns during POM development and execution.

- CINCs' requirements would be visible in the POM as services prepared a CINC annex delineating their support for each item.

- Participation in the DRB would be enhanced as CINCs prepared major issues concerning service support of their command for brief at the DRB.

- Greater participation in the Budget Review and execution process would be granted as each service was required to identify change to any item on the joint staff list with their budget submission, and the CINC granted the ability to reclama Program Budget Decisions (PBDs) equal to the participation of the military departments.

While the Goldwater-Nichols Act was aimed at increasing the operational efficiency of DOD, the JCS and the Unified and Specified commands, its corollary effects on the resourcing process were made evident in the administrative changes to the system reflected above.<sup>13</sup> The impact these changes had on the resourcing process may now be reviewed in terms of each phase- Planning, Programming, Budgeting and Execution.

### **INTENDED IMPACTS OF LEGISLATION OR ADMINISTRATIVE ACTION**

**Planning Impact.** The least impact of all was in the planning phase of the PPBS process. CINCs have always been asked for comment on the Defense Guidance; thus, the mandated requirements for CINC participation were merely a formalization of what was already occurring with the exception of CINC attendance at the DRB Review of National Military Strategy and the DG. This attendance has provided the opportunity to express differences with OSD and the service positions

on the Defense Guidance prior to finalization of the DG in December of even-numbered fiscal years. Though the President's statement of National Strategy was new to Congress, OSD received NSSDs and NSDDs prior to the beginning of each planning cycle from the National Security Council (NSC) stating national security strategy. One benefit of the requirement for the President to submit an unclassified strategy to Congress might be a more stable, long term strategy against which resourcing can be applied. However, the national strategy and the key documents of the planning system (the Joint Strategic Planning Document [JSPD] and the DG) continue to be prepared in a fiscally unconstrained manner. This leaves the services with the responsibility to sort out the priorities in resourcing the unconstrained guidance.

**Programming Impact.** The greatest impact on the resourcing process was felt in the programming phase. Prior to Goldwater-Nichols the services developed their POM with little regard for CINCs concerns unless they supported an item the service was also concerned about. The CINCs communicated with the services exclusively through their component commanders with no recourse when the service or the component commander failed to support them. The need for the services to look long term (five to 15 years) in their POM development process with a global perspective, while the CINC tended to focus on short to mid term (two to five years) operational deficiencies in his region or theater, created a dichotomy of interests. This did not disappear with the implementation of the changes mentioned previously, but the changes did create a more balanced approach from both the service and CINC perspective. The submission of CINCs IPLs and requirement for the services to track them in their POM development process required the CINCs to think more deeply about their real priorities in the face of global requirements and modernization; and the services to be more concerned about meeting the CINCs demands. The ability of the CINCs to provide direct input to the DRB concerning

issues where the services fail to support them caused the services to be more objective in their review of CINC needs before saying no. The participation of the JCS in the program review process ensured CINCs representation early in the process and provided the weight of the JCS in their support on items selected for DRB review. The Chairman's assessment of the ability of the POM to meet National Strategy requirements also provided OSD the ability to cross service lines in resourcing the strategy as critical deficiencies were identified. However, there was no change to the way the DRB reviewed individual service POMs. They still discussed single issues contained in those POMs; then wrote individual Program Decision Memoranda (PDM) on each issue with no statement as to how that decision applied to national strategy. There was no effort to integrate the service POMs into a single, joint POM.

**Budgeting Impacts.** The impact on the budgeting phase was of less importance than the programming phase, but greater than the planning phase. Neither the JCS nor the CINCs participated in the budget process before. Since budgets were a reflection of programs with more severe fiscal restraints it, was left to the services and OSD to determine which items received funding prior to submission to congress. PBDs were not distributed in advance; thus, there was no chance for reclama. The ability of the CINCs and the JCS to intervene in the process, as reflected in the 1987 DRB Memo signed by Mr. Taft, provided new opportunity for the CINCs to influence decisions. The quick reaction time in the Budget process provided less opportunity than might appear at first glance. Advance information was often sketchy and of little value. The close coordination and cooperation of the Program Review had not been possible since services and the JCS often did not have the information in sufficient time to pass to the CINCs; however, the system worked better than before, and the CINCs had the chance to weigh-in on items of serious concern. Similar to the programming phase however, the DRB reviewed Major

Budget Issues (MBI) of individual service budgets with no integration nor statement as to how decisions on those issues applied to national strategy. The Program Budget Decisions (PBDs) were written on each issue and forwarded to the appropriate service.

**Execution Phase.** The impact on this phase of the PPBS process was small. OSD formalized a Program Implementation Review, now called an Execution Review, for which the Services, CINCs, and OSD nominated candidates for review. It afforded the CINCs the opportunity to save a program specific to their theater or region when it was in danger of being terminated by a service. This had not been provided before, but the jury is still out on how well works. Additionally, it is not definite that candidates nominated will be the ones most critical to the national strategy.

## **SUMMARY**

The Goldwater-Nichols Act and its ancillary administrative mandates impacted greatly on the PPBS process. The largest impact was on the programming phase of the process. There, new participation by the CINCs and JCS provided cross checks to ensure the services develop balanced POMs supporting both the requirements of long term force modernization and short term CINC readiness and sustainment. The requirement for an independent Net Assessment by the Chairman JCS of the ability of the service POMs to meet the needs of national strategy should have provided a viable tool for the SecDef to cross-level resources in the DRB or recommend a change in strategy to the President. However, the mechanism for that to happen has not been emplaced. The DRB continued to discuss single issues in both the POM program review and the budget issue cycle about individual programs contained in service POMs with no statement of how they support national strategy.

The PDM and PBD resulting from DRB deliberations were written on the individual issues for the particular service program in which they appeared. The CINCs gained more participation in the DOD Execution Review by nomination of candidate systems or programs for review, but submission of nominations by all participants of issues to OSD may not ensure those issues nominated were the most urgent in terms of national strategy requirements.<sup>14</sup>

### ENDNOTES

1. Towell, Pat, "Major Defense Reorganization is Cleared," Congressional Quarterly, Sept. 20, 1986, p.2207.

2. Ibid.

3. United States Congress, 99th Congress 2d Session, "P.L. 99-433 Hearings," Congressional Information Service Index Legislative Histories, January-December 1986, pp. 247-248.

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5. Reagan, Ronald, "Message to the Congress Outlining Proposals for Improvement of the Defense Establishment," Weekly Compilation of Presidential Documents, April 24, 1986, pp. 539-546.

6. Woodbeck, Colonel Charles A; Lieutenant Colonel Douglas V. Johnson, II; and John F. Scott. Historical Linkages Between DOD Resource Allocation and Army Capability to Support Warfighting CINCs, U. S. Army War College, June 1, 1988, p. vi.

7. Ibid.

8. Ibid.

9. U. S. Army War College, Department of Command, Leadership and Management, Army Command and Management: Theory and Practice, Reference Text, 1988-89, p. 14-2.

10. Felletter, Lieutenant Colonel Vincent J., The Role of Commanders of Unified and Specified Commands in the Program Objective Memoranda (POM) Development Process, U. S. Army War College, May 28, 1985, p. 3.

11. ibid, pp.15-17.
12. Towell, pp2207-2208.
13. Woodbeck, et. al., pp.1-3.
14. Army Command and Management, pp. 14-3 thru 14-8.

### **CHAPTER III**

#### **PERCEPTIONS AT VARIOUS LEVELS OF DOD ORGANIZATION**

Since many provisions of the Goldwater-Nichols Act were implemented administratively in 1984, prior to its inactment, enough time has lapsed for preparation of one POM and two budgets. The joint staff actually participated in the budget process only once during the the most recent budget review and once in the POM build. There was, however, sufficient time for members of the OSD, joint, service, and CINC staffs to evaluate how well the changed system performed in relation to its intended purpose. This was the basis for a series of interviews with members of planning and programming staffs at all the levels mentioned above.

A complete list of interview questions is at Appendix 1 of this paper. The basic purpose was to determine how well the various staffs perceived the new system functioned in regard to their own organization; and if the final DRB POM and Budget process produced a POM and budget that best met the needs of national strategy. Specifically, the interview sought to determine how well JCS and the services perceived they were assisting the CINCs in the PPBS process; then see how well the CINCs perceived JCS and the services were doing. It then attempted to determine if JCS was providing enough leadership and guidance in the view of the CINCs and the services. Questions were then asked to evaluate how CINC participation in the DRB impacted on the assessment process, particularly the Joint Program Assessment Memorandum (JPAM). Finally, interviews focused on how well the DRB produced a POM or budget that best met the needs of national strategy and asked for recommendations for improvement. Respondents were asked if the Joint staff should integrate and prioritize IPLs prior to the POM build, and if they should then develop a joint POM from the service POMs before the DRB program review.

Naturally, the generic list of questions at Appendix 1 was modified for whatever staff level was being interviewed. For example a question asked of the JCS might have been, "How well do you feel you are supporting the CINCs since the inactment of Goldwater-Nichols?" The corollary question to a member of a CINC staff would have been, "How well Does the JCS support you since inactment of the Goldwater-Nichols Act?" The persons interviewed were Division Chiefs and action officers who daily operate in the PPBS system and best know the effects of the changes resulting from the Goldwater-Nichols Act. Many of the officers and civilians had worked in the system prior to Goldwater-Nichols and were able to provide first-hand experience as to how the changes impacted on their current and previous organizations. Summary results of the interviews follow with the joint staff, services, CINCs and OSD presented in order.

### **JOINT STAFF**

The joint staff maintains that it has assisted the CINCs greatly in the POM review process, but not the budget process. They state that their new PPBS Electronic Distribution System (PEDS) with secure electronic transmission capability provides the CINCs almost instantaneous information on issues, and allows their quick response to J8 enabling greater dialogue than has ever been previously acheived. The process worked remarkably well during the POM review cycle, but was not of much use during the Major Budget Issue (MBI) cycle. They claim OSD reneged on their 1987 requirement for enclusion of the joint staff and the CINCs in the budget review process. Therefore they never received information on draft PBDs in time to transmit them to the CINCs and obtain a response via PEDS. JCS support of CINCs issues proved substantial in POM and budget deliberations. Virtually all issues supported by the joint staff were approved in DRB deliberations under the leadership of General Herres, Vice Chairman of the JCS. Not all CINCs



issues were supported by the joint staff however.

The joint staff also provided support to the services. In fact, nearly all respondents on the joint staff said that the service POM were considered to be the best possible solution to resourcing national security, and any deviation from the service position must have very strong justification. Normally, a CINC would complain to both the joint staff and the service when differences arose. The joint staff would then query the service staff prior to developing a joint staff position for submission to the Vice-Chairman. The services often found it advantageous to consult the joint staff and obtain their support on issues before DRB deliberations.<sup>1</sup>

The joint staff J8 personnel argue that they should not develop an integrated POM because they are not resourced to do it, and the POM focuses on more than warfighting capability. The joint staff total focus is on warfighting, and not concerned with installation management, housing policies, or day care centers to name a few examples of nonwarfighting items that appear in a POM. Congressional approval would have to be obtained to increase the size of the J8 resource management staff to manage cumbersome programs and produce a truly joint POM. They maintain that they can best serve by focusing on macro issues at the strategic and operational warfighting levels.<sup>2</sup>

The joint staff perceives their position in the planning and assessment process was enhanced as a result of Goldwater-Nichols. The J7 is attempting to develop integrated CINCs Warfighting Requirements to assist in the requirements review and POM development process. This they believe will enhance program development by prioritizing requirements and safeguarding unique CINC requirements called "orphan requirements". The J8's conduct of assessments, the JPAM, the Joint Military Net Assessment (JMNA), and the Chairman's Net Assessment (CMNA), should enhance planning in the future as the ability of the POM and alternative courses of action for programs to meet national security strategy are assessed and compared.<sup>4</sup> Alternative strategies also may result. The CMNA was a direct result of recommendations in the

Packard Commission Report and is unique in that it requires no consensus from the other members of the JCS.<sup>5</sup> Though the assessments are considered to be an improvement over the past, the inability of assessment analysts to include the black programs limits their risk assessment.

## THE SERVICES

The services were not in agreement on all issues covered in the interviews reflecting the difficulty in developing or implementing reform. A brief summary of the Army, Air Force and Navy positions are presented in order.

**Army.** The Army staff said that the joint staff did not provide enough leadership in the POM development role. Goldwater-Nichols took power from the services and transferred it to the JCS, but the JCS has been unwilling to assert themselves in the process. Additionally, the Goldwater-Nichols Act also created problems internally as power shifted from the military to the Secretariat staff in the Army and from the services to the Secretary of Defense externally. The changing relationships caused confusion in coordinating and approving actions vis a vis JCS, OSD and the CINCs. The Army did not feel the JCS had resources to develop a joint POM currently, but they could provide more leadership in integrating and prioritizing CINCs IPLs and the Defense Guidance. The Army would support JCS development of a joint POM if they had resources to develop it. The joint staff position on supporting issues concerning only warfighting requirements hurts the Army's efforts in obtaining funding for OPTEMPO or BASEOPS requirements. The Air Force fights from their bases making their BASEOPS easy to express in warfighting terms. Similarly, their flying hours are expressed in warfighting terms. This causes joint

staff support for Air Force programs that the Army cannot get.<sup>6</sup>

The Army also felt that the joint staff could have provided more leadership in standardizing CINC IPL formats and providing standard guidance for the recent Planning Estimate Development directed by OSD. In each case, CINCs and services all develop their products in different formats, and in the case of the Planning Estimate, with different budget growth assumptions. This caused hours of work on the service and CINC staffs that may have to be redone. The Army welcomed the J7 CINC Warfighting Requirements initiative as an effort by the joint staff to provide some leadership.<sup>7</sup>

**Air Force.** The Air Force was content with reforms created by the Goldwater-Nichols Act. They viewed CINC participation in the process as a benefit and developed their own automated systems for communicating with the CINCs. They did not see a need for more leadership on the part of the joint staff. J8 was providing the proper amount of leadership and guidance while J7 was seen as an organization searching for a mission in its effort to integrate CINC Warfighting Requirements. They saw no need for integration of CINCs IPLs nor the Warfighting requirements. CINCs IPLs were becoming too long, but that could be controlled in meetings or Memos without increasing joint staff participation in the POM process. They felt that the current process produced the best POM for supporting national strategy, though they admitted that the DRB Program Review and Budget Review processes were flawed. The system reviewed only major issues individually by service with no requirement to match decisions to national strategy. Also political appointees on the OSD staff often had hidden agendas or "gold watches", but they could not suggest a better alternative for reviewing and approving POM. Service match-up of resources to ensure no duplication of effort in mission areas could be accomplished in the MIL-5 forum where resource managers from the four services and OSD meet and exchange data. The JPAM was becoming a useless document

since it preceded CINC testimony at the DRB by only a short period, and the CINCs' briefing carried more weight. It should be discontinued to give CINCs and services more time for DRB issue preparation. The other NET Assessments, however, could provide a valuable tool in determining the ability of the POM to support national strategy. The Air Force felt the assessments were too scenario dependant, however. Since Air Forces could travel quickly anywhere in the world, their force structure is developed strictly on a worldwide threat basis. When asked what they would do to improve the PPBS system, representatives claimed that they would reduce OSD oversight to macro issues versus micro management. Part of this could be accomplished if the 30-50% reduction in OSD staff would be taken as recommended by the Vanderschaft committee. Services were forced to take cuts while OSD grew stronger. Second, the Air Force would reduce congressional oversight to the macro level. Staffers with no military experience devour large amounts of service staff time trying to equate military budgeting to a credit-debit business. Finally, they would combine the POM review and budget issue process; then compare the results against the DG and/or strategy. This would give the services more time to work together on issues, but diminishes OSD Comptroller and PAE influence. It would also tie program and budget decisions to strategy.<sup>8</sup>

**Navy.** The Navy shared many of the Air Force views on impacts of the Goldwater-Nichols Act. Though admitting they were the last to jump on the CINC bandwagon, they felt CINC participation in the DRB benefited all. Consequently, the Navy completely revamped the way they include CINCs in their POM and budget development process. They stated, however, that component commanders continued to be the vital link in communicating with the CINC, similar to Army and Air Force comments. They welcomed JCS participation in the DRB POM review and Budget Issue process as CINCs representatives, but saw no need for integration of CINC IPLs nor Warfighting Requirements. The IPLs were becoming too long as one CINC had

over 140 items on his priority list with another 150 supporting items submitted as an addendum. They thought this could be controlled by restricting the number of items a CINC could submit.

The Navy stated that the current processes resident in the DRB review, Service review, etc. balanced the requirements of all the services and produced the POM that best satisfies all needs. Their perspective was that the services produce the POM; not OSD. The last POM did seem to be built more on a business perspective than wartime requirements, however. They said sometimes holes were left in the POM and budgets because one service would attempt to obtain funds from another service's Total Obligation Authority (TOA) during DRB deliberations and the DepSecDef would not make a decision on it. A corollary response regarding joint staff preparation of a joint POM was that the joint staff should specify what national military objectives are required to support national strategy; then the services and CINCs develop the programs to meet the national strategy. They felt that the joint staff was providing about the right amount of guidance and leadership now. The OSD failure to include the joint staff and CINCs in the Budget Review process was a mistake, however, and should be corrected before the next budget cycle. The Navy position on the JPAM and NET assessment process matched that of the Air Force. The JPAM had become worthless and should be discarded. The JMNA and CMNA could be valuable tools for measuring the POM ability to meet national strategy needs. When asked what they would do to improve the PPBS system, they responded that they did not perceive the system as being broke, but would make the existing system function as designed by enforcing discipline.<sup>9</sup> Measures for enforcing discipline were:

- Restrict the size of CINCs IPLs.
- Establish a top line in budget and POM guidance; then hold to it.
- Have CINCs stop duplicating service jobs (i. e., CINC testimony before Congress drives quest for information by both Congress and the CINC's staff.)
- Further reduce OSD, Joint and service staffs where duplication of staff effort exists. there is no need for secretariat and military staffs to perform the same functions.
- Reduce congressional staff if possible.

## THE CINCS

CINCs representatives displayed a large degree of commonality in their interview responses. This section will therefore address CINC responses collectively for the most part and identify separate CINC answers only where differences occur. Because of travel budget constraints, only four CINCs staffs were interviewed: Atlantic Command (LANTCOM), Forces Command (FORSCOM), Central Command (CENTCOM), and Special Operations Command (SOCOM).

All CINCs agreed that the Goldwater-Nichols Act had significantly enhanced their role in the Program Review process, but not the Budget process. They felt betrayed by the OSD failure to include them in the budget process this past year and recommended that the provision for them and JCS to participate be reinstated. One representative commented, "CINCs fight in the POM build and DRB only to lose in the Budget MBI cycle. There needs to be the same level of intensity."<sup>10</sup>

CINCs continued to work with the services through their component commanders , but the intensity of communications was higher. On issues where the

component commander could not obtain resolution with a service, the CINC would personally communicate with the service. If the problem still could not be resolved, the CINC would submit an issue to JCS. The joint staff would then decide whether or not to support the issue in the DRB review. This was greater participation and attention than ever before.

The Joint staff greatly expedited the flow of information through their PEDS system, but failed to provide information concerning the joint staff position on the matter. Some CINCs felt the need for a joint staff position to prevent hours of staff work developing issue papers that would fail for lack of support.<sup>11</sup> Others understood the difficulty in obtaining a JCS position quickly. They said often the joint staff can not agree among themselves until the problem is resolved by the Vice Chairman.

All the CINCs welcomed greater participation of the joint staff in the POM and budget process, but were vehemently opposed to integrating either IPLs or CINCs Warfighting Requirements. They did not think the joint staff was resourced to do that, and they felt each IPL was built on a different theater with a different regional strategy that should be viewed by the services without modification. Many said it was impossible to do without a standardized format.

Most CINCs responded that the POMs produced at the DRB were produced more on a dollar or business basis than national strategy requirements, but they quickly point out no one can meet the force requirements of the JSPD or the DG. Amazingly, they said, the process gives the services a fair shake. One commented that it was impossible for the FY90-94 POM to meet the DG since the DG was published almost simultaneously with the POM. Though the CINCs had a copy of the draft DG they were not able to submit changes to their IPLs when the final DG changed. This disconnect is being reviewed for correction by OSD.<sup>12</sup>

Most saw the JPAM as a worthless endeavor and recommended its discontinuance to allow more time for work on CINCs issues for the DRB. The other Net Assessments would be useful they felt, particularly the Chairman's, as a catalyst for change in the national strategy or resourcing priorities. The problem was the Net assessments are not in sychronization with DRB deliberations.

The failure to have Net assessments as a reference during the DRB causes the DRB to focus on issues from individuel service POM with no regard for national strategy. Often the discussion becomes a business one of production capacity or milestones rather than contribution to accomplishing national strategy requirements. Thus, balanced programs that support each of the services are produced, but not necessarily ones that meet national strategy needs.<sup>13</sup> One CINC representative said, 'The CINC and Services provide input to the DG, but once the programming phase gets to rolling there is very little referral back. I'm not sure OSD or anyone ensures theDG is met in the end. The process is more issue driven than from enforcement of joint guidance.'<sup>14</sup>

Most differences in CINC responses were in their replies concerning how they would improve the system, though some other differences did occur. These differences are addressed by individual CINC in bullet format below:

- LANTCOM - CINCs need to be allowed to attend other issue meetings of the DRB than just the one titled CINC Issues because of the controlled agenda.



- CENTCOM - Determine what information the CINCs need and develop a push system from the joint staff to the CINC staff.
- FORSCOM - Disparity between Planning guidance and resource availability is too great.
  - Cannot allow security of our country to be dollar driven.
  - Determine requirements; then let politicians determine strategy and dollars.
  - JCS needs to be honest broker in process.
- SOCOM - Allow CINC participation in DRB review of more than just the session titled CINC Issues. CINCs have vital issues in other issue books that they could not address in the DRB.

#### **OFFICE OF THE SECRETARY OF DEFENSE (OSD)**

Data concerning OSD was based on one interview and personal experience during the program review cycle for the FY90-94 POM. Since many responses were common to those expressed by the services and CINCs, only unique or important ones will be discussed here for the sake of brevity.

OSD agreed that the Program Review process discusses individual service POM issues in isolation with no tie-back to national strategy or DG. The last review did produce the first consolidated PDM which was a step closer to integration, but the system still requires work. Not all OSD staff agencies may agree with that comment.

Recommendations for improvement to the process include:

- Find a way to focus cross-service discussions (ones that affect two or more services and impact on national strategy)
- OSD should look at Macro instead of Micro level of detail.

- Linkage between the program review and DG needs to be tightened.

There is none now.

- OSD Comptroller needs to take a programmatic perspective in budget review. Currently they manipulate budget years with no consideration for the long range impact on a program (the result of looking at budgets in isolation of the entire program).

- Need to provide the FYDP to the "Hill". It will create more success in the budget approval process when they know how systems fit-in for the future.

- Need to take a systems approach in program review process where the DRB can see how delaying funding for one line item of equipment in a system impacts on others.<sup>15</sup>

## SUMMARY

It can be seen that there were some differences in perception at the various levels of DOD organization. It was also apparent that there was an amazing amount of commonality in perceptions. The data provided in the above responses must now be analyzed to determine whether or not a joint POM can and should be produced by the joint staff or if modification to the current system is required. This will be done in the following chapter.

## ENDNOTES

1. Whitechurch, Charles, Lieutenant Colonel, Air Force. Defense Resource Manager, Program, Analysis and Evaluation Division, J8 Force Structure and Resource Assessment Directorate, Joint Chiefs of Staff. Personal Interview, Pentagon, Washinton D. C., 6 December 1988.

2. Howard, Wayne, Lieutenant Colonel, Air Force. Deputy Chief, Program, Analysis and Evaluation Division, J8 Force Structure and Resource Assessment Directorate, Joint Chiefs of Staff. Personal Interview, Pentagon, Washinton D. C., 6 December 1988.

3. Baldwin, Miles, Lieutenant Colonel, Air Force. Defense Resource Manager, Program, Analysis and Evaluation Division, J8 Force Structure and Resource Assessment Directorate, Joint Chiefs of Staff. Personal Interview, Pentagon, Washinton D. C., 6 December 1988.

4. Dougherty, Roger, Lieutenant Colonel, U. S. Marine Corps, General Purposes Forces Planner, Force Planning Division, J8 Force Structure and Resource Assessment Directorate, Joint Chiefs of Staff. Personal Interview, Pentagon, Washinton D. C., 6 December 1988.

5. President's Blue Ribbon Commission on Defense Management, A Quest for Excellence: Final Report to the President, June 1986, pp. 18-19.

6. Cato, Robert, Colonel, Army. Chief, Programs Division, Program Analysis and Evaluation Directorate, Department of the Army. Personal Interview, Pentagon, Washington, D. C., 6 December 1988.

7. Rigby, Randy, Lieutenant Colonel, Army. Analyst, Programs Division, Program Analysis and Evaluation Directorate, Department of the Army. Personal Interview, Pentagon, Washington, D. C., 6 December 1988.

8. Chester, Michael, Lieutenant Colonel, Air Force. Chief, CINC and Joint Issues/Legislative Liaison Branch, Programs and Evaluation Directorate, Department of the Air Force. Personal Interview, Pentagon, Washington, D. C., 26 January 1989.

9. Kelly, Barry, Commander, Navy. Assistant CINC and Joint Service Programs, OPNAV801B1, Department of the Navy. Personal Interview, Pentagon, Washington, D. C., 26 January 1989.

10. Baxter, Lou, Lieutenant Colonel, Air Force. J8 Programs Division, Special Operations Command. Personal Interview, McDill Air Force Base, Florida, 14 December, 1988.

11. Greiner, Art, Colonel, Air Force. J8, LANTCOM. Personal Interview, Norfolk Naval Base, Virginia, 12 December 1988.

12. Baxter.

13. Helmly, Ronald, DAC. Chief, Policy and Plans Branch, J5 Policy and Programming Division, FORSCOM. Personal Interview, Fort McPherson, Georgia, 13 December 1988.

14. Smoot, James, Major, U. S. Marine Corps. Program Analyst, J8, LANTCOM. Personal Interview, Norfolk Naval Base, Virginia, 12 December 1988.

15. Cooper, Walt, Lieutenant Colonel, Army. Cost Analyst, Program Analysis and Evaluation Directorate, OSD. Personal Interview, Pentagon, Washington, D. C., 26 January 1989.

## CHAPTER IV

### ANALYSIS AND PROPOSALS FOR IMPROVING PPBS

#### ANALYSIS

The analysis of information provided in chapters II and III must be conducted in terms of the purpose of this study: to determine if the current PPBS process produces POMs that best meet needs of the national strategy or, if a joint POM should be produced by the JCS.

The answer to the first part of the question is the easiest. Several respondents from all levels of DOD answered that the system provides a balanced program that best meets the needs of all the services and CINCs, but does not tie-back to national strategy. They claimed that they could not think of a better way to do it, but those answers do not solve the delimma. Should the JCS produce a *Joint POM* prior to the DRB, and if not, what can be done?

Everyone agreed that the Joint staff did not have the resources to develop or manage a Joint POM. The trend for military staffs is reduction; not plus-ups, even for the Joint staff. It is therefore unlikely the joint staff will ever have the capability to do more than they are currently doing in reviewing service POM and Budgets as the "Honest Broker" between services and CINCs. What then can be done to produce a POM that best meets the needs of National Strategy by cross-leveling assets across services? The question begs further analysis.

The President's Blue Ribbon Commission on Defense Management recognized the problem in 1986 when they wrote, "The commission finds that there is a great need for improvement in the way we think through and tie together our security objectives, what we spend to achieve them, and what we decide to buy."<sup>1</sup> They also quoted some members of Congress who recognized the problem as Senator Sam

Nunn (D, Ga.) said, "The budget process distorts the nature of congressional oversight by focusing primarily on the question of how much before we answer the key questions of what for , why, and how well."<sup>2</sup> They made recommendations which were implemented by DOD; yet, the problem of matching resources to national strategy still exists. The question is, why?

The Packard Commission recommended that the President with advice from the SecDef, Chairman, NSC, and others develop a comprehensive national strategy that would begin the planning process. Nothing demanded, however, that the strategy realistically reflect fiscal constraints on resources. A national strategy that demands the military forces of the nation be prepared for anything from strategic nuclear conflict, to conventional global war, to counterinsurgency/counterterrorism and finally, drug interdiction creates a great demand for resources. This necessitates prioritization in the event all the demands cannot be met. It also requires all members of DOD share a common perception of the strategy and its prioritization. This does not happen; thus, the process is flawed at the very beginning of the Planning Phase of PPBS.

Prioritization does not occur, and the services do not share a common perception of the strategy. That is why the Army wants more leadership from the JCS, while the Air Force and Navy are content with the status quo . The Navy builds requirements based on their Maritime Strategy which sees global requirements much the same at any end of the spectrum of conflict. Similarly, the Air Force structures their forces on their vision of the Air Campaign with the ability to move forces anywhere in twenty-four hours. The Army, on the other hand, structures its forces to fight the Air-Land Battle but depends on the other services to get them to the battle; then support them with firepower and sustainment while they are in theater. The CINCs program based on OPLANS for their specific theater or functional area depending on the services for their resources. They fear

prioritization may cause them to suffer at the expense of another CINC or service modernization programs. Therefore, a natural conflict occurs in prioritization. That is why only the Army would like to see prioritization of the Defense Guidance and integration of CINC IPLs and Warfighting Requirements at JCS or OSD. It will not occur without first prioritizing National Strategy.

A Department of the Army civilian with many years of experience in the PPBS process wrote in 1986 that, "...the National Security process does not and, indeed, cannot provide the kind of stable pattern from which a comprehensive, definitive, and stable strategy and doctrine can be developed."<sup>3</sup> He maintained that the primary reason for the process' inability to provide a stable strategy upon which to build forces over the long term was the changing political objectives from changing political administrations. While the peacetime development of strategy focused on the Clausewitzian precepts of matching ends, ways and means, it suffered from lack of identification of a center of gravity. He maintained that the center of gravity for the U. S. was Central Europe and that development of strategy should be concentrated on it instead of the Navy's focus on the Northern Flank as a basis for a 600 ship Navy and the Air Force focus on the global air threat.<sup>4</sup> Analysts may not agree on his center of gravity today, but the center of gravity concept could be useful in determining long term strategy that would endure between administrations and lend stability to the modernization and development of forces.

Assuming the development and prioritization of a stable National Strategy, would the programming process produce a POM that met the needs of that strategy? The answer would still have to be no. The reason is the business focus on line item systems of the program vice an operational approach tying the systems to National Strategy. Again, this deficiency was identified by the Packard Commission, though in a more macro sense, pertaining to congressional budget oversight, "... the commission believes that the Congress, DOD, and the Office of Management and

Budget must together begin the hard work necessary to reduce an overly detailed line-item review of the defense budget and to bring a broader, operational perspective to the defense budget and its companion Five-Year Defense Program."<sup>5</sup>

## **PROPOSALS**

All the service, joint staff, and CINC staff respondents agreed that the business view of programs versus operational perspective represented the biggest problem. While the bigger problem of changing the way Congress reviews budgets looms over DOD, at least the problem could be solved within the DOD process by changing issue formats and issue book topics to operational ones that crossed the lines of two or more services. This would require the services to change the way in which they format their data. An example could be to structure topics such as Strategic Mobility or Deep Fires. Each of the services would then have to present their equipment or manning portion of the operational system to ensure they were developing and fielding compatible systems in consonance with each other. This would focus on long term operational problems in executing programs rather than business focus on individual lines of the budget.

The Army began to look at their systems in these terms in 1987 under the leadership of Major General Wilson S. Shoffner. The main purpose was to enable General Shoffner to make decisions on equipment modernization across Army Mission Areas, but it has application for the broader aspects of crossing service functional areas. The area with which this author was most familiar was Fire Support. The Fire Support Mission Area was divided into two Battlefield Operating Systems (BOS): the Counterfire System and The Deep Fire System. The Counterfire System consisted of several items of modernizing equipment whose development and modernization were linked: The Firefinder II Target Acquisition Radar, The

Howitzer Improvement Program (HIP) Howitzer, the Multiple Launched Rocket System (MLRS) with its varied warheads, and the Army Field Artillery Tactical Data Distribution System (AFATDS). If one system was delayed due to funding or developmental problems, it would have implications for the others' ability to perform the operational or strategic mission to satisfy National Strategy. Similarly, the Deep Fires System involved several equipment systems, but from more than one service. Since inception of the program much of the Army's ability to acquire deep targets lay in Air Force acquisition systems coupled with the requisite command, control and communications systems to receive those targets. Thus, Army capability to fire deep with newly procured missile systems depends on the Air Force fielding the deep target acquisition system simultaneously. Failure for this to occur would not be detected in the current DRB because the systems would be reviewed in isolation on separate days.

While the Battlefield Operation System concept worked fine within the Army, it was not adopted at the DOD level; thus, Army issue sheets submitted to OSD during the FY90-94 DRB reflected impacts on warfighting capability, but OSD focused on the business impacts.<sup>6</sup>

If Battlefield Operating Systems or a systems approach in general were developed and agreed upon by OSD, JCS, the services and CINCs, the Program and Budget review processes would then be more easily tied to National Strategy. Those programs identified as nonwarfighting could be reviewed separately if they presented problems. Assessments could also be performed in a more coherent and realistic manner.



Everyone agreed CINC participation ensures balance in the program between the long term needs of force modernization in a global context and short term requirements of readiness, sustainment and manpower in a theater or regional perspective. It should be continued at the current level in the Program Review process. CINC participation in the Budget process should be reinstated to the level promised by OSD in 1987.

What of the assessment process and its feedback in the Program or Budget Review? As mentioned previously, almost all respondents in the interviews stated that the JPAM had become overcome by events since the CINCs issues were presented shortly after the JPAM and carried more weight. It should be discontinued in favor of the Joint Military Net Assessment (JMNA). Since the JMNA is based on the budget force from the previous year it could have valuable implications for programmers in developing programs for the following year and the DRB in reviewing the battlefield operating systems. The Chairman's Net Assessment (CMNA) would have broader implications since it is based on the Planning Force. Its utility would come in the planning phase during the development of National Security Strategy and the follow-on Joint Strategic Planning Document and the Defense Guidance. That makes the improvement in the assessment process mandated by the Goldwater-Nichols Act even more worthwhile.

The above proposals still would not produce a Joint POM or budget unless the OSD staff were required to write their PDM and PBD in a joint manner with a statement as to how that decision document supported National Security Strategy. This would have to be the final check before the process started all over again with Net Assessments and review of National Strategy for update of the Defense Guidance.

## ENDNOTES

1. President's Blue Ribbon Commission on National Defense, p. xvii.
2. Ibid, p. xviii.
3. Gray, W. Bruce, DAC. Implication's of the Military Reform Movement for the Army's PPBES, U. S. Army War College, 15 May 1986, p. 19.
4. Ibid, pp.22-24.
5. President's Blue Ribbon Commission on National Defense, p. 27.
6. Based on the author's experience on the Army staff from July 1987 through July 1988.

## **CHAPTER V**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **CONCLUSIONS**

The current PPBS process for Program and Budget Review does not produce a POM nor Budget that best meets the needs of National Strategy. The services develop their individual POM and budget based on their perception of National Strategy and in the paradigm of their own doctrine.

The process is flawed in the beginning of the Planning Phase of the PPB System since National Strategy is developed in a fiscally unconstrained manner and not prioritized. This creates a broad conceptual approach in the development of the Joint Strategic Planning Document (JSPD) and the Defense Guidance (DG) with no prioritization. The services then develop and prioritize their programs based on their own unique perspective of National Strategy and doctrine.

Problems are then exacerbated in the Programming and Budgeting phases of PPBS as services, CINCs, and the Joint Staff are forced to review program and budget items by lines in decision packages instead of an operational format. This causes everyone in the chain to be driven by comptrollers seeking short-term business solutions to long-term operational requirements. CINC participation in the process ensures a good balance between the services long-term modernization requirements from a global view and their own mid-term operational requirements from a theater perspective. Their participation should be invited in all phases of the process.

The DRB review focuses on major issues only, and reviews them with each individual service separately. These issues cover line items of equipment rather than operational systems that cut across service lines. There is no tie back to

National Strategy in the process; thus many decisions are made on the best articulated issue or "pet rocks" rather than what best fits National Strategy. The format of issues and topics in issue books forces the services to focus on business impacts rather than warfighting ones. This is possibly a result of business appointees to the OSD staff being more comfortable with business management graphs and solutions than warfighting requirements.

The Goldwater-Nichols Act and Presidential/SecDef administrative directives resulting from study of the Defense Department attempted to rectify some of the problems. They made the Chairman of the JCS the Senior Military Advisor to the President and SecDef, and required him to submit an independent assessment of the service POM ability to meet National Strategy needs on a biennial basis. The first Chairman's Net Assessment is being conducted at this writing ; so it is too early to evaluate its impact on the system.

Neither the Goldwater-Nichols Act nor the Packard Commission Report recommended any changes to the way POM and Budgets are built. They felt improving the power of the Chairman, JCS and inviting CINC participation would result in a balanced POM and budget that would satisfy the needs of National Strategy. They also focused more on the macro level at congressional overmanagement of the process. The Packard Commission did mention the need for an operational perspective in support of National Strategy rather than a line-item systems approach by Congress in its review of the budget and FYDP. It was thought that internal mechanisms in DOD should be left up to the SecDef.

The Joint Staff is not resourced to develop a Joint POM, nor is it likely to be in view of budget constraints. They can best assist the services and the CINCs by asserting themselves in the planning phase and performing as the "honest broker" in the program review and budget issue phases of the PPB System. That requires

solution of the resource/strategy mismatch within the current system of DRB review.

## **RECOMMENDATIONS**

The following recommendations are provided as a method to improve the current system's ability to produce a POM and budget that best supports National Strategy Requirements:

- National Security Strategy should be developed using Center of Gravity analysis. Components of that strategy should then be prioritized.
- The Chairman, JCS should be preeminent in that process as the primary military advisor to the President and SecDef.
- The JSPD and Defense Guidance should be prioritized in consonance with the National Military Strategy to ensure unity of effort in POM preparation.
- CINCs IPLs and Warfighting Requirements should be in a standard format and integrated/prioritized by the JCS to ensure conformance with National Strategy priorities.
- CINC participation should continue at the current level in the Program Review and be increased in the Major Budget Issue process. During the Program Review CINCs should be allowed to attend more issue sessions than the one titled CINCs Issues.
- DRB Issue Topics and Issue Books should be reformatted to reflect Operational Systems that cross service lines. The Army's Battlefield Operating System (BOS) is a good example.
- Services should reformat internally to the battlefield operating system format to cross Mission or functional Areas in developing their programs.
- Program Decision Memoranda and Program Budget Decisions should be

written to tie every DRB decision to National Strategy Requirements. The Joint Military Net Assessment and Chairman's Net assessment should be used during DRB deliberations.

- The Joint Program Assessment Memorandum should be discontinued since it has been overcome by CINCs testimony and Net Assessments.

These recommendations should strengthen the linkages between service POM and Budgets and National strategy. While they do not produce a joint POM in the literal sense, they do provide the DRB the capability to make decisions on operational requirements that support National Strategy. It gives them a better basis for cross-leveling assets between services and a longer term focus on battlefield requirements. It inhibits making business decisions on a single line-items of equipment without consideration for the long range consequences on other components of the Battlefield Operating System.

## EPILOGUE

The focus of this study was on improving the ability of the DOD PPBS system to produce Program Objective Memoranda and budgets that support the National Strategy of the United States. It did not address what happens to those programs and budgets in the Congressional Review. Both the Goldwater-Nichols Act and the Packard Commission called for considerable congressional reform in their oversight of the Defense Budget. To date none has been taken.<sup>1</sup>

Though DOD's PPBS process requires improvement as shown throughout this paper, Congress is happy with the Pentagon's progress in implementing requirements of the Goldwater-Nichols Act and recommendations of the Packard Commission. They now realize that it is time for them to act on such things as a biennial budget already implemented by DOD. Hopefully, they will also reformat

their budget categories to match operational systems that support national strategy rather than concentrating on line-items of equipment. Under the strong leadership of Senator Sam Nunn (D-Ga), Chairman of the Senate Armed Services Committee, it is possible.<sup>2</sup>

#### ENDNOTES

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## APPENDIX 1

### INTERVIEW QUESTIONS

Lead in. Colonel \_\_\_\_\_: The Goldwater-Nichols Department of Defense Reorganization Act of 1986 has changed, significantly, the way the services, the Joint Staff and the Office of the Secretary of Defense prepare, review and approve Program Objective Memoranda (POM) and budgets. Paramount is the involvement of the Commanders-in-Chief of the Unified and Specified Commands such as yours. Based on your experience at all levels of the POM and Budget process before and after the Goldwater-Nichols Act, I would like to ask you a series of questions for the next thirty or so minutes concerning the impact of that legislation. Particularly, I will be attempting to determine if the legislation has been effective and if it went far enough in meeting the needs of our national strategy. I am interested in your perceptions in your current job and in any recommendations you may have for the future.

#### Questions.

1. The Goldwater-Nichols Act reportedly gave more power to the CINCs in the POM and Budget process. Do you feel this is true?
2. What is different about the way you formulate POM and budgets today?
3. Prior to Goldwater-Nichols you were working through your component commanders to their respective services. Do you still use this approach?
4. How is the Joint Staff assisting you?
5. Do you feel the Joint Staff provides enough leadership in establishing priorities and guidance?
6. How do you assess the mid-range programs (FYDP)?
  - a. Are you staffed adequately to perform mid to long range programming?

- b. What threat do you use?
  - c. Do you feel the CINCs should do this or focus strictly on the short range (2 year) budgeting?
7. Do you think the 90-94 POM completed last summer reflects accurately the Defense Guidance (DG) and Joint Strategic Planning Document (JSPD) requirements within limitations?
8. When you prepare the CINC's Integrated Priority List, do you attempt to do it in a constrained manner or does it become a long wish list for the services to sort out and prioritize?
9. Do you think the Joint Staff should integrate CINCs IPLs before distributing them to the services?
10. OSD is responsible for assuring the POM is truly joint and reflects accurately the requirements of the DG and the JSPD. Do you feel they do a good job of this?
11. Should the Joint Staff be more involved in the POM or Budget building process?
12. Many items in the service POM and budgets are individual service systems, but have impact on future theater operational capability. Some are killed or terminated in the service decrement drills prior to reaching the Defense Review Board (DRB) or Defense Acquisition Board (DAB). How can you influence decisions on such items prior to the DRB?
13. How do you track systems under development in the services to ensure ones you really need are protected?
14. What is your input to the Joint Program Assessment Memorandum (JPAM)? Do you feel it is effective?
15. The Joint Staff is now working two Net Assessments:

- Joint Military Net Assessment (JMNA)- Focus on DG and Illustrative Planning Scenario (IPS) using the Budget Force.

- Chairman's Net Assessment (CNAS)- Focus on JSPD and IPS using the planning force (Direct result of Goldwater-Nichols Act).

Do you provide input? Are you consulted?

16. Some of the services feel the joint staff does not adequately address priorities in terms of warfighting capabilities. How do you feel about that?

17. Some of the services also think that OSD does not really produce a joint POM (one reflecting national strategy requirements) because too many long term political appointees are on the staff who have hidden agendas or pet systems. What is your opinion?

18. The joint staff has the capability to update you within minutes on major budget issues or DRB issues. Do you feel they keep you informed and give you time to prepare?

19. If you were "King for a Day" what would you do to improve the programming and budgeting system?