

GAO

Report to the Chairman, Subcommittee  
on Investigations, Committee on Armed  
Services, House of Representatives

June 1980

# DEFENSE REORGANIZATION

## Roles of Joint Military Organizations in Resource Allocations

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United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-236916

June 21, 1990

The Honorable Nicholas Mavroules  
Chairman, Subcommittee on  
Investigations  
Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:



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In response to a letter from the late Chairman Bill Nichols, Subcommittee on Investigations, House Committee on Armed Services, and discussions with your staff, we examined the implementation of resource allocation provisions of title II of the Goldwater-Nichols Department of Defense (DOD) Reorganization Act of 1986 (P.L. 99-433). We did this by

- identifying the current systems used to implement the Chairman, Joint Chiefs of Staff's responsibility of being the principal military adviser and the combatant commanders' participation in the resource allocation process;
- assessing the means for combatant commanders to influence the resource allocation process and the Chairman to advise the Secretary of Defense on the priorities identified by the combatant commanders; and
- determining why DOD had not submitted a separate budget for the combatant commanders' activities.

To address the inability of the Joint Chiefs of Staff to provide useful and timely military advice, the act made the Chairman the principal military adviser and outlined functions for fulfilling this responsibility. To address combatant commanders' lack of authority to carry out their missions due to the services' influence over both the budget and forces, the act defined the combatant commanders' operational responsibilities and provided authority for them to accomplish their missions. This report is a follow-on to our March 1989 report<sup>2</sup> in which we reported on implementation aspects of title II of the Reorganization Act, and described how title II addressed these two problem areas of the joint military organizations.

<sup>1</sup>Combatant commanders are the commanders in chief of the unified and specified combatant commands.

<sup>2</sup>Defense Reorganization: Progress and Concerns at JCS and Combatant Commands (GAO/NSIAD-89-83, Mar. 1, 1989).

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## Results in Brief

DOD has increased the combatant commanders' influence in the resource allocation process, mainly by expanding their personal input and involvement in the Secretary of Defense's planning, programming, and budgeting system and the Chairman's joint strategic planning system.

The joint strategic planning system enables the Chairman to advise the Secretary of Defense on the military deficiencies identified by the combatant commanders. However, DOD has not updated its directive and instruction on the planning, programming, and budgeting system necessary for the Chairman to update his policy direction to the Joint Staff.

DOD did not submit a separate budget for the combatant commanders' activities. DOD said it did not submit such because it believed the commanders have adequate influence in the resource allocation process. DOD also said that the law did not specifically require it. The combatant commanders reported that they opposed the idea of a separate budget proposal for their activities. In fiscal year 1990, the Congress considered several funding proposals for combatant commanders, but did not earmark funds in the Appropriations Act specifically for that purpose. However, the Secretary of Defense has set aside \$50 million, from monies appropriated, for the combatant commanders.

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## Process for Chairman to Provide Advice

The Chairman can provide advice to the Secretary of Defense primarily because the act transferred authority and responsibility from the Joint Chiefs of Staff as a collective body to the Chairman. The Chairman as principal military adviser can ensure that the commanders' concerns are addressed by using his membership on the Defense Planning and Resources Board, which oversees the planning, programming, and budgeting system, and his role as a spokesman for the commanders. At both combatant commands we visited, the commanders stated that the Chairman had adequately represented their views before the Defense Planning and Resources Board. Moreover, the role of the Chairman was expanded by the current Secretary of Defense when he made the Chairman a member of the most senior DOD management committee. However, DOD's directive and instruction on integrating the Chairman's roles in the overall management of DOD have not been updated.

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## Process for Combatant Commanders to Influence Resource Allocations

Changes have been made in DOD's management systems that allow the combatant commanders to actively participate in the resource allocation process. Some of these changes enhanced the role of the commanders in the joint strategic planning system, which is used, in part, for allocating forces, planning for contingencies, identifying requirements, and establishing or updating operational plans. Other changes involve their active participation in the planning, programming, and budgeting system. For example, the combatant commanders now identify their key programming concerns for the Secretary of Defense through the integrated priority lists. The items on these lists are tracked through the programming and budgeting cycles. At the end of the cycle, the combatant commanders are provided feedback on how the items on these lists have been addressed.

A single overall integrated priority list, consolidated from the lists of the individual combatant commanders, is not prepared. According to DOD, the integrated priority lists express the personal programming concerns of the combatant commanders. As such, they are not a suitable tool for creating one consolidated list to use in ranking requirements.

Based on their involvement in the systems and their expanded role in defining military strategy and requirements, the combatant commanders are generally satisfied with their role in the resource allocation process.

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## Separate Budget Issue

The Reorganization Act provided for the Secretary of Defense to submit a separate budget for such activities of the combatant commanders as the Secretary deemed appropriate. The Secretary chose not to submit a separate budget. Moreover, combatant commanders reported that they opposed the separate budget concept.

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## Recommendation

We recommend that the Secretary of Defense update the DOD directive and instruction on the planning, programming, and budgeting system to reflect existing practices. In turn, the Chairman, Joint Chiefs of Staff, should then update his guidance to correspond to the Secretary of Defense's guidance and current practices.

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## Agency Comments

DOD concurred with our findings and recommendations. DOD plans to update the directive and instruction on planning, programming, and budgeting by October 1990. It will also update applicable Joint Staff directives. DOD also suggested clarifying and amplifying two points, and

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we have modified the report where appropriate to reflect these concerns.

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Appendix I describes the process for managing resources within DOD. Appendix II discusses continuing concerns regarding combatant commander control over funding resources. Appendix III contains our scope and methodology, and appendix IV contains the agency comments.

Unless you announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Chairmen, House Committees on Armed Services, Appropriations, Government Operations, and the Chairmen, Senate Committees on Armed Services, Appropriations, and Governmental Affairs; the Secretary of Defense; the Chairman, Joint Chiefs of Staff; the Director, Office of Management and Budget; and other interested parties. We will make copies available to others upon request.

This report was prepared under the direction of Paul L. Jones, Director, Manpower Issues (202) 275-3990. Other major contributors are listed in appendix V.

Sincerely yours,



Frank C. Conahan  
Assistant Comptroller General

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**Abbreviations**

DOD      Department of Defense  
GAO      General Accounting Office



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# Combatant Commanders' Influence and the Chairman's Role in the Resource Allocation Process

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The Department of Defense's (DOD) resource allocation process begins with selecting a military strategy consistent with national objectives and ends with allocating resources among combatant commanders. This appendix discusses combatant commanders' influence and the Chairman's role in this process. We describe the planning, programming, and budgeting system and the joint strategic planning system individually and then jointly regarding combatant commanders' influence. We also describe the Chairman's responsibility and authority before and after the Reorganization Act to provide the joint perspective.

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## Background

The planning, programming, and budgeting system is the primary system by which the Secretary of Defense carries out his responsibility for developing DOD's budget. The Office of the Secretary of Defense uses it to manage the development of the programs and budgets of the military services.

Civilian DOD officials run the process, and the Defense Planning and Resources Board<sup>1</sup> oversees the key decision-making phases. The Secretary and Deputy Secretary of Defense make the final decisions.

The system is used in different ways. Generally, the Secretary of Defense uses the Defense Planning Guidance<sup>2</sup> to provide policy direction and fiscal constraints to the services for formulating their programs. The Defense Planning and Resources Board explores different aspects of the service programs being developed, and makes recommendations to the Deputy Secretary of Defense. The combatant commanders advise the civilian leadership on military programs and the DOD budget directly through their involvement in the planning, programming, and budgeting system and indirectly through the Chairman.

The joint strategic planning system is the primary mechanism the Chairman uses to execute his responsibilities to provide strategic plans and directions. It is used to help balance the military's concerns in providing advice on programs, and provides supporting military advice for the planning, programming, and budgeting system.

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<sup>1</sup>It was formerly called the Defense Resources Board.

<sup>2</sup>It was formerly called the Defense Guidance.

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Military officials run the system. It is a process by which Joint Staff<sup>3</sup> directorates provide the joint perspective for their respective functional areas. Through this system, the Chairman gives combatant commanders guidance necessary for them to participate in the planning, programming, and budgeting system forums and also receives their perspectives on military strategy and requirements. The Chairman uses this system to develop assessments to provide joint military advice to the civilian leadership.

The system produces several documents, including the National Military Strategy Document.<sup>4</sup> This document provides the Chairman's advice to the civilian leadership on the national military strategy, force structure, and options to attain the national security objectives. It precedes the development of the Defense Planning Guidance, which incorporates the strategy and force option chosen by the civilian leadership. The Defense Planning Guidance and the National Military Strategy Document are the principal planning products of the Secretary of Defense and Chairman, respectively.

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## **Combatant Commanders' Influence on the Resource Allocation Process**

The combatant commanders' participation in the resource allocation process has continued to increase since the Congress passed the Reorganization Act. For example, in 1989, for the first time, combatant commanders submitted input and participated in meetings for determining the Secretary's high priorities. Generally, combatant commanders provide input into the planning, programming, and budgeting phases by communicating their views directly to the highest levels of DOD's management structure, participating in meetings of management boards, submitting their integrated priority lists, and having their staffs interact with staffs located in the Pentagon. Officials from the Joint Staff and combatant commands believed the combatant commanders' increased participation has played an important part in formulating DOD's programs and budgets.

In the planning phase, the Defense Planning Guidance is developed considering national security objectives, the national military strategy, and the need to efficiently manage resources. In the programming phase, service programs are developed within the constraints and guidance provided in the Defense Planning Guidance. The Joint Staff then analyzes

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<sup>3</sup>The Joint Staff is the organizational structure supporting the Chairman, Joint Chiefs of Staff and the Joint Chiefs.

<sup>4</sup>Formerly called the Joint Strategic Planning Document.

the programs and provides a risk assessment. A program review is also conducted resulting in program decision memoranda. In the budgeting phase, the services develop budget estimates, and the Office of the Secretary of Defense issues program budget decisions.

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### **Combatant Commander Use of Management Systems**

The combatant commanders use the joint strategic planning system for exchanging information within that system, and with the planning, programming, and budgeting system. Combatant command staffs are organized similar to the Joint Staff for facilitating this exchange of information. Consequently, the joint strategic planning system allows for formal joint perspective input into the planning, programming, and budgeting system. Examples are the National Military Strategy Document and the Chairman's Program Assessment. This system, along with other means of sharing views, such as direct communication with combatant commanders, enables the Chairman to act as their spokesperson, representing their views in meetings when the commanders are absent.

Combatant commanders' role in the planning, programming, and budgeting system is outlined in the system's implementing instructions.<sup>5</sup> Combatant commanders can make personal recommendations to the Secretary of Defense for major changes to existing defense guidance and attend meetings of the Defense Planning and Resources Board. The combatant commanders provide written input through the integrated priority lists and by commenting on such documents as the Defense Planning Guidance and the services' programming documents.

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### **Input During Planning**

During planning, the combatant commanders or their designated officials review several documents, including the National Military Strategy Document and the Defense Planning Guidance. Their staffs coordinate a position on the issues for the commanders to review. Once approved, the commanders' comments are consolidated by the Chairman and sent to the appropriate organization within DOD.

The combatant commanders' review of planning documents is an important means for them to provide input. For example, they usually propose changes to the most recent issue of the Defense Planning Guidance

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<sup>5</sup>DOD Instruction 7045.7, "Implementation of the Planning, Programming, and Budgeting System," was amended April 9, 1987, to include a new enclosure addressing the combatant commanders' participation.

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and then comment on subsequent drafts. They also participate in sessions of the Defense Planning and Resources Board to discuss how proposed changes fit in with national and individual theater strategy. In addition, combatant commanders provide significant input by developing or reviewing segments of analyses supporting the National Military Strategy Document.

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### Input During Programming

Combatant commanders provide substantial input during the programming phase. They provide priority lists and comments directly to the Secretary of Defense, and they can provide comments before the Defense Planning and Resources Board. They also review and comment on applicable service programs, the Chairman's Program Assessment, and issues the Board will review.

The list of priorities is intended to provide visibility for those few key problem areas the combatant commanders believe require priority attention by DOD. According to guidance provided by the Office of the Secretary of Defense, the commanders are to define the requirements in broad mission or functional areas, and their component commands suggest solutions in terms of platforms, systems, or items required. In developing the list of priorities, staffs at the combatant commands and component commands we visited said that formulating each combatant command's concerns has caused them to work together more closely.

At the two combatant commands we visited, the component commands had different levels of involvement. Although the combatant commanders have complete latitude in designating their priorities, the Pacific Command commander appeared to involve his components to a greater extent than did the Central Command commander. At the Central Command, officials said their primary concern dealt with non-DOD security assistance resources that are necessary to locate the command within its geographic area of responsibility. Pacific Command officials said the component commanders would probably have the same priorities as the combatant commander because they work closely together and have basically the same goals.

The unified combatant commanders also provide guidance for their components' use in developing program proposals to their respective services. No need exists for a specified combatant commander to comment since each is also the component command commander responsible for

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his portion of the service program. Each component of a unified command prepares its proposal and sends the proposal to its respective service headquarters for preparing the service program. The combatant commander generally does not raise issues while the services are developing their programs. However, six commands have staff stationed at or sent to the Pentagon during the programming cycle to be kept informed. At the end of the programming cycle, the services are required to document how they have addressed each unified commander's list of priorities.

The combatant commanders' input to the Chairman's Program Assessment and the Defense Planning and Resources Board's Issue Books is similar to input to planning documents. In addition, they suggest programming issues and have their staffs participate on issue teams. Once the issue teams finish their work, combatant commanders attend sessions of the Defense Planning and Resources Board to discuss any alternatives.

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**Input During Budgeting**

During budgeting, the combatant commanders' involvement is generally through the Chairman. This is so because of the short turnaround time for budget review activities. However, electronic communication has enabled the combatant commanders to participate to the extent that they are now afforded the opportunity to comment on budget decisions. A new electronic data system allows the combatant commands to have access to documents during the planning, programming, and budgeting cycles. It came on line at the Pacific Command in January 1988. According to a Command official, the system has greatly facilitated the commander's input by giving staff more time to review critical documents. For example, with the new system, the Pacific Command staff receives budgeting information within 24 hours and has a week to review it, whereas the opposite used to be the case. According to a command official, the Pacific staff and the Joint Staff now communicate on a daily basis by electronic means.

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**Combatant Commanders'  
and Joint Staff Views**

Participants in the joint arena believe the combatant commanders' influence in the resource allocation process has increased since the Reorganization Act. However, views vary as to what the optimal level of participation should be.

**Combatant Commanders**

In an April 1989 report to the Congress, the combatant commanders stated general satisfaction with their roles in the resource allocation

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process. Their views ranged from having adequate influence to having an optimal role in the process. For example, while the Commander, European Command, said combatant commanders have adequate influence over budgetary matters, the commanders at the Atlantic and Southern Commands stated they have an optimal role in the resource allocation process.

The commanders of the Central Command and the Pacific Command do not believe any further changes in law or policy are necessary. The commander, Central Command, believed that the Reorganization Act had brought about positive changes. He also stated that the services, within the limits of available resources, have funded those items he identified as critical warfighting requirements. He felt the act provided sufficient authority for combatant commander involvement in the planning, programming, and budgeting system.

The commander, Pacific Command, believed the optimal role of the combatant commanders was participating in the development of strategy, identifying and ranking requirements, and reviewing programs to ensure they comply with approved strategy. With the recent policy changes involving the combatant commanders in the strategy and requirements planning phases, he is comfortable with his current role. Without this involvement, he believes the commanders' influence would not have been adequate. The commander also believes that the Congress has taken a greater interest in combatant commander concerns.

**Joint Staff**

Joint Staff officials believe the changes in the resource allocation process have increased the influence of the combatant commanders. According to officials in Joint Staff directorates, combatant commanders' influence has increased over the last 2 years. For example, combatant commanders attend meetings of the Defense Planning and Resources Board, testify before the Congress more often, and receive increased support from the services. All services have staff dedicated to coordinating support for and communicating with the combatant commanders, and special offices or points of contact on the Joint Staff have been designated specifically to work with the combatant commands. Joint Staff officials said technological improvements, such as the electronic data system and voice mail, have allowed the combatant commanders to better participate in all phases of the resource allocation process.

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## Chairman's Role in Providing Advice on Resource Allocations

The Reorganization Act established the Chairman's role as principal military adviser to the President, the National Security Council, and the Secretary of Defense. He is responsible for providing joint military advice on programming and budgeting concerns. With this change the Chairman's role has increased over the last several years. Prior to the act, the Chairman functioned as one of the five members of the Joint Chiefs of Staff, and their decisions reflected more of a consensus rather than a joint perspective.<sup>6</sup> Today, the Chairman is the only military official serving as a member of the key senior planning and policy-making bodies within DOD.

The act assigned the Chairman four responsibilities concerning his advice on requirements, programs, and the budget. It also tasked him with a role as overseer and spokesman for the combatant commanders. The act made the Chairman responsible for

- advising the Secretary of Defense on the priorities of the requirements of the combatant commanders;
- advising the Secretary on the conformity of program recommendations and budget proposals with those requirements, as well as the requirements in strategic plans;
- submitting alternative program recommendations and budget proposals to the Secretary within designated fiscal constraints to achieve greater conformity with the above requirements; and
- submitting a budget to the Secretary for the activities of the combatant commanders.

The act also specified that in exercising these provisions the Chairman was subject to the authority, direction, and control of the President and the Secretary of Defense.

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## Chairman's Role Before the Reorganization Act

Before the Reorganization Act, various studies reported on the limited role of the Chairman, and criticized the limited scope of the Joint Chiefs' decisions. According to the 1985 Senate Committee on Armed Services staff report, the Chairman had five people working directly for him, and he was primarily responsible for representing the views of the Joint Chiefs. The Chairman only provided his own views to the President and the Secretary of Defense on an ad hoc, informal basis. According to the study, the Chairman possessed more influence than other members of

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<sup>6</sup>Defense Organization: The Need For Change, Senate Armed Services Committee Staff Report, Washington, D.C.: 1985.

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the Joint Chiefs but had less overall control, thus making the Chairman's personality and leadership style critical in providing the necessary input. The report recommended a stronger, more authoritative role for the Chairman.

Prior to the Reorganization Act, two DOD directives<sup>7</sup> and the Joint Chiefs of Staff Organization and Functions Manual defined the Chairman's functions. He had responsibility for presiding over and serving as a member of the Joint Chiefs of Staff, providing the agenda for their meetings, keeping the Secretary of Defense abreast of their activities and concerns, and providing advice to the Office of the Secretary of Defense. The Chairman, however, was not given specific duties regarding programs and budgets of the services, nor the authority to solely task the Joint Staff supporting the Joint Chiefs. A DOD directive also gave the Chairman the authority to act as spokesman for the combatant commands on operational requirements and to organize the structure of the Organization of the Joint Chiefs of Staff.

According to a Joint Chiefs of Staff memorandum, the Chairman was to serve as a member of the Defense Planning and Resources Board, serve as a spokesman for the combatant commanders on operational and logistics requirements, and discuss the planning, programming, and budgeting concerns of the Joint Chiefs or combatant commanders with the Secretary of Defense, Deputy Secretary of Defense, and Defense Planning and Resources Board. Even though these tasks would allow the Chairman to present his concerns, he lacked the authority to provide the civilian leadership with a joint military perspective without prior consultation with and the agreement of the Joint Chiefs.

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**Chairman's Role After the  
Reorganization Act**

The Chairman's role was strengthened by the Reorganization Act, enhanced by presidential action, and expanded by the current Secretary of Defense. The act gave the Chairman authority to provide a joint military perspective on planning, programming, and budgeting issues, and prescribed functions for the Chairman to perform. In addition, it created the position of Vice Chairman. The President ordered all communications between himself, the Secretary of Defense, and the combatant commanders to be transmitted through the Chairman. The current Secretary

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<sup>7</sup>DOD Directive 5100.1, "Functions of the Department of Defense and its Major Components," and DOD Directive 5158.1, "Organization of the Joint Chiefs of Staff and Relationships with the Office of the Secretary of Defense," dated May 1, 1985.



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of Defense created the Executive Committee as the senior decision-making body within DOD and designated the Chairman as a member.

Since the Reorganization Act, the joint strategic planning system has come under the direct control of the Chairman.<sup>8</sup> This system is now used to formulate the Chairman's advice, rather than the Joint Chiefs' advice, on strategic matters, and is used to provide supporting military advice for the planning, programming, and budgeting system. The renaming of several key joint strategic planning system documents reflects this change. For example:

- The Joint Program Assessment Memorandum has been renamed the Chairman's Program Assessment.
- The Joint Strategic Planning Document has been renamed the National Military Strategy Document, and it will incorporate a new section called the Chairman's Net Assessment for Strategic Planning.

The Chairman's functions in the 1988 Organization and Functions of the Joint Staff increased to 65 from the 14 functions in the previous edition. The new functions include the four resource allocation duties specified in the Reorganization Act. The Chairman continues to serve as a member of the Defense Planning and Resources Board. Both he and the combatant commanders have stressed that he now presents the joint military perspective and speaks for the combatant commanders when they cannot appear. The Chairman also has increased control over the Joint Staff. Prior to the act, the Chairman managed the Joint Staff on behalf of the Joint Chiefs, although the Chairman and the Joint Chiefs could prescribe the duties of the Joint Staff. Now, the Chairman officially has responsibility for the Joint Staff.

Another important change in the Chairman's resource allocation role relates to his deputy, the Vice Chairman. The Vice Chairman acts for the Chairman in his absence in all phases of the planning, programming, and budgeting system. He serves as vice chairman and sole military member of the Defense Acquisition Board, which determines the acquisition strategy for weapon systems. He also serves as the chairman of the Joint Requirements Oversight Council, a joint body that ranks mission needs and what military requirements should be passed on to the Defense Acquisition Board for the acquisition of new weapon systems.

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<sup>8</sup>Joint Chiefs of Staff Memorandum of Policy No. 84, "Joint Strategic Planning System," January 1989.

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The Council is another avenue for the combatant commanders to express concerns about military deficiencies in their theaters, and for these concerns to be communicated to the Vice Chairman and the Chairman. The combatant commanders draft mission need statements on these deficiencies, and sometimes appear before the Council during deliberations. The Council assesses mission need statements to determine their resolutions, their priority, and which should be forwarded to the Defense Acquisition Board for consideration.

In January 1987, shortly after the Reorganization Act went into effect, the President ordered all communications between the President or the Secretary of Defense and the combatant commanders to be transmitted through the Chairman. This order ensured the Chairman's access to the views of joint military organizations. It also specified that the Secretary of Defense may assign his oversight responsibility of the combatant commanders to the Chairman.

In a July 1989 report by the Secretary of Defense, the Chairman's role was expanded. To integrate DOD's management, the Secretary of Defense established the Executive Committee as the key senior deliberative and decision-making body within DOD for all major defense issues. The Chairman was designated the sole military member in recognition of his critical responsibilities for planning, advising, and policy formulation.

The joint strategic planning system continues to be adjusted to provide more meaningful and timely military advice, according to Joint Staff officials. The key documents from this system that deal most directly with resource allocation—the National Military Strategy Document (including the Chairman's Net Assessment for Strategic Planning) and the Chairman's Program Assessment—have both been revised.

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**Providing Advice on  
Requirements, Programs,  
and Budget**

The Chairman is responsible for providing military advice, particularly the joint perspective advice. The Reorganization Act provided him authority over the resources necessary to provide a joint military perspective on requirements, programs, and budget. Although the Chairman consults with the other members of the Joint Chiefs of Staff, his advice is considered the joint perspective, not a consensus view. This is understandable given his authority over the Joint Staff, which provides the studies and analyses on joint military matters of concern.

**Requirements**

The Reorganization Act tasks the Chairman to provide advice on the priorities of the requirements identified by the combatant commanders. It

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also specifies that he confer with the combatant commanders regarding their commands' requirements and make recommendations to the Secretary of Defense on these requirements.

The organizational structure at combatant commands is similar to the Joint Staff's structure, thereby facilitating the exchange of information between them. For example, the commands have an intelligence section responsible for intelligence requirements that communicates directly with the intelligence section of the Joint Staff. The various requirements can be evaluated and integrated in terms of a joint military perspective, and the Chairman provides advice and makes recommendations accordingly. The various requirements of individual combatant commanders are not integrated into a single consolidated list. According to DOD, the integrated priority lists express the personal programming concerns of the combatant commanders, and, as such, are not a suitable tool for creating one consolidated list for use in ranking requirements.

In a report to the Congress, the Chairman addressed the avenues for exchanging information to advise the Secretary of Defense on requirements. These avenues were (1) current procedures for identifying operational requirements, (2) combatant commanders' input for the Defense Planning Guidance, and (3) commanders' lists of key programming concerns. According to the report, a process is being developed to ensure that combatant commanders' requirements are addressed, and this process would feed into the Joint Requirements Oversight Council. The avenues for communicating the Chairman's advice were through a forum such as the Defense Planning and Resources Board or informally as needed. He reported that this has helped to translate warfighting needs into program and budget resources.

The report did not identify any one means the Chairman uses to rank combatant commander priorities in a single list. According to DOD officials, the Chairman's strategy guidance and his membership on the Board enables him to consolidate and rank the combatant commanders' requirements. Officials said the Chairman's recommendations during the Board's meetings is a ranking since his recommendations represent his preferences on a variety of needs. As a spokesman, the Chairman can also present the views of individual combatant commanders on specific programming issues at these meetings. In addition, he meets routinely with the Secretary of Defense.

The Reorganization Act also tasked the Chairman to advise the Secretary of Defense on how program recommendations and budget proposals

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conform with the combatant commanders' requirements and strategic plans. The Chairman meets this task, in part, by issuing his program assessment, which evaluates how the program proposals meet the Defense Planning Guidance. He also issues a Joint Military Net Assessment, which points out the strengths and weaknesses of the budget and program plans, and submits it to the Congress with each DOD budget. In addition, the Chairman can discuss the combatant commanders' needs with the Defense Planning and Resources Board and the Secretary of Defense.

In the current planning cycle, the Chairman issued his net assessment for strategic planning, which addresses the requirement for alternative program recommendations. This document contains a set of military options that vary in strategy, force structure, and resource level. The combatant commanders help to design the strategy and force options. Based on these options, the Chairman recommends a force, with alternatives, to the Secretary of Defense. This document is prepared to help frame the decisions in the formulation of the Defense Planning Guidance. The Chairman's net assessment for strategic planning can only be considered as alternative program recommendations for existing force programs, and not alternative service programs, since it precedes the Secretary of Defense's fiscal guidance to the services for development of their programs.

According to DOD, the Chairman's Net Assessment for Strategic Planning is not intended to offer alternatives to service programs. The Chairman recommends alternatives to service program proposals as a member of the Defense Planning and Resources Board and as a participant in numerous DOD reviews through out the planning, programming, and budgeting cycle. Although we agree with DOD, we also believe that the Chairman's alternatives to service program proposals are, in terms of jointness, more restrictive than may be his force program alternatives presented at the front-end of the process.

# Efforts to Obtain Separate Funding for Combatant Commanders

This appendix discusses the efforts made during 1989 to establish combatant commander funding mechanisms. Table II.1 shows the different proposals. In executing its fiscal year 1990 appropriation, DOD has set aside \$50 million for the combatant commanders. According to a Joint Staff official, as of May 8, 1990, \$2 million had been allocated.

**Table II.1: Fiscal Year 1990 Budget Proposals for Combatant Commanders**

Originator	Proposal
House Committee on Armed Services	Separate budgets for combatant commanders Addition of "command and control" as permissible activity
Senate Committee on Armed Services	A \$10-million supplemental fund managed by the Chairman
Senate Committee on Appropriations	A \$100-million supplemental fund managed by the Chairman
Authorization conference committee	A \$25-million supplemental fund managed by the Chairman <sup>a</sup>
Appropriations conference committee	A \$50-million supplemental fund <sup>b</sup>

<sup>a</sup>The DOD Authorization Act of 1990 authorized the \$25-million supplemental fund.

<sup>b</sup>The Congress did not earmark funds in the Appropriations Act specifically for the combatant commanders, but the Secretary of Defense has set aside \$50 million for the combatant commanders.

## New Proposals Regarding Funds for Combatant Commanders

The Reorganization Act authorized a separate budget proposal for combatant commanders. It provided for the Secretary of Defense to submit to the Congress a separate budget proposal for the combatant commanders covering activities he deemed appropriate, such as joint exercises, force training, contingencies, and selected operations. DOD, however, did not develop or submit such a proposal because it believed that separate budgets were not needed and that the act did not specifically require them. Because of this, the Senate and House Committees on Armed Services, as well as the Senate Committee on Appropriations, made proposals addressing funds for combatant commanders during development of the fiscal years 1989 and 1990 DOD budgets.

## House Proposal

The most recent House Committee on Armed Services proposal is identical to one it made for its fiscal year 1989 DOD authorization bill. While preparing the fiscal year 1989 bill, the Committee was aware of DOD's interpretation of the act authorizing the combatant commander budget proposal, which was that the Secretary of Defense had the discretion to submit or not submit a separate budget proposal for the combatant commanders. The Committee's report said that the Congress had actually

intended to require the Secretary to submit a separate budget, while granting him discretion over its content. The Committee believed that DOD took advantage of the phrasing of the law to not submit a separate budget. The Committee's proposal would have required separate budgets (one for each combatant commander) and added "command and control" among the activities that could be budgeted for. However, in conference on the fiscal year 1989 DOD Authorization Act, an amendment requiring reports from the combatant commanders and the Chairman addressing this resource allocation provision was adopted. Subsequently, these reports were submitted and the Committee again proposed funding for the combatant commanders in its fiscal year 1990 authorization bill.

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## Senate Proposals

The Senate Committee on Armed Services recommended establishing a special supplemental fund in DOD's fiscal year 1990 budget for the combatant commanders. Its proposal was similar to ones made by DOD in the past regarding special funds for the combatant commanders. The Committee proposed a special \$10-million supplemental fund for the combatant commanders that would be managed by the Chairman. The \$10 million was to come from the defense agencies, specifically from their operations and maintenance funds, and be used for seven different activities:

- joint exercises, including foreign country participation;
- force training;
- contingencies;
- selected operations;
- command and control;
- military education and training for military and related civilian personnel of foreign countries; and
- personnel expenses of defense personnel for bilateral or regional cooperation programs.

The Committee's report did specify that the fund could only be used for activities for which funding is not available under existing authorizations and appropriations.

The Senate Committee on Appropriations made a proposal similar to the one proposed by the Senate Committee on Armed Services. Both would have created a combatant commander initiative fund to be managed by

the Chairman and used for projects submitted by the combatant commanders. However, the Committee on Appropriations proposed a \$100-million fund for the combatant commanders.

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### Conference Reports

The authorization conference committee established a supplemental combatant commander fund under the management of the Chairman. The conferees authorized \$25 million for the fund and limited its use to the activities that were specified in the Senate proposal. The conferees also directed that the fund could only be used for activities that could not be funded in a timely fashion under existing authorizations and appropriations. The conference report directed the Chairman to report to the House and Senate Committees on Armed Services on the uses and benefits of this fund by June 1, 1990.

The appropriation conference committee as part of its direction to increase readiness funds by \$1.5 billion established a \$50-million initiative fund for the combatant commanders. It stated that these funds should be used for high priority readiness and sustainability needs of the various combatant commanders. However, \$50 million were not earmarked in the fiscal year 1990 DOD Appropriations Act for this supplemental fund.

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### DOD's Implementation

In executing its fiscal year 1990 appropriation, DOD has set aside, from monies appropriated, \$50 million for the combatant commanders. As of May 8, 1990, according to a Joint Staff official, DOD had allocated \$2 million.

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### Views by the Chairman and Combatant Commanders on Funding Concepts

In the DOD Authorization Act of 1989, the Congress directed the Chairman and the combatant commanders to report on the implementation of the resource allocation provisions of the Reorganization Act. The reports were submitted in 1989. They were asked, in part, to comment on why a separate combatant commander budget was not implemented and to give their views on the concept of a separate \$50-million budget to be managed by the Chairman for the combatant commanders.

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### Chairman

In his report the Chairman opposed the requirement for a separate combatant commander budget proposal and the concept of a separate \$50-million fund. The Chairman reported that separate budget submissions

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were not necessary because combatant commanders actively participate in the resource allocation process and the services adequately support the combatant commanders in their programs. He noted that three of the four categories of funding included in the Reorganization Act are already managed by the services or, in the case of joint exercises, by himself. The Chairman also said the fourth category—"contingencies"—was difficult to budget for since generally one cannot budget for the unforeseen. As for the \$50-million fund concept, the Chairman reported that this type of fund was unnecessary as long as the services supported the combatant commanders.

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## Combatant Commanders

In their reports the combatant commanders did not support a separate budget for themselves, but five commanders did support the concept of a separate \$50-million fund. Their reasons varied, but they primarily believed that such a fund would be beneficial for meeting immediate, critical needs, while avoiding the time associated with reprogramming. The combatant commanders opposed a separate budget because they currently receive ample service support and do not have the experienced staff in the field to perform programming and budgeting functions.

One combatant commander, the commander in chief for the Special Operations Command, already possesses his own legislatively mandated budget authority. The commander, Special Operations Command, said that he is satisfied with his budget authority.

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## Supplemental Funds Available to Combatant Commanders

The supplemental fund proposed by the conferees on the fiscal year 1990 DOD Appropriations Act is similar to an existing combatant commander command and control initiative fund. This fund allows the combatant commanders access to service funds to make timely, low-cost, near-term improvements to their command and control systems, particularly in adapting those systems to unique theater or operational requirements.

Funds in this program are for use by the combatant commanders. However, some restrictions apply to its use. For example, the combatant commanders must obtain approval for any project costing more than \$300,000, and any project started with program funds must be capable of operation, implementation, and completion within 1 year of start. Even with the restrictions, several combatant commanders strongly support this program, which is projected to cost \$13.4 million in fiscal year



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**Appendix II  
Efforts to Obtain Separate Funding for  
Combatant Commanders**

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1990. Three combatant commanders cited this fund as a successful example of supplemental funding in their April 1989 report to the Congress.

# Objective, Scope, and Methodology

In response to a request of the Chairman, Subcommittee on Investigations, House Committee on Armed Services, we examined the implementation of resource allocation provisions of title II of the DOD Reorganization Act. We did this by identifying and assessing how the Chairman, Joint Chiefs of Staff, and the combatant commanders participate in the resource allocation process and by determining why DOD had not implemented the provision addressing a separate budget proposal for the combatant commanders.

These issues were addressed by recent reports issued by the Chairman and the combatant commanders. In the DOD Authorization Act of 1989, both the Chairman and the combatant commanders were required to submit reports to the Congress on the implementation of the resource allocation provisions of the Reorganization Act. The Chairman and the combatant commanders submitted these reports. We assessed the responses by the Chairman and the combatant commanders, and the degree to which the actions they described have taken place.

Our work focused on the activities of the Joint Staff, the Office of the Secretary of Defense in Washington, D.C., and two combatant commands in the field—the Pacific Command and the Central Command. We reviewed documents implementing changes that have taken place since the passage of the Reorganization Act, and recognized new changes that are currently being implemented. We interviewed DOD officials both at DOD headquarters and at the two commands. We also looked at DOD internal documents and studies showing changes have occurred.

We evaluated DOD's actions regarding our objectives on two levels. First, we examined whether the actions have led or will lead to compliance with the Reorganization Act provisions on resource allocation. Second, we explored whether DOD's actions have met two intended results of the Reorganization Act, which were to improve joint military advice and increase combatant commander influence in the resource allocation process.

Although DOD did not provide us internal programming and budgeting documents because, according to DOD, they constituted internal, executive branch deliberations, we reached a compromise that allowed us to verify that changes in the resource allocation process had occurred. For example, we were granted access to documents showing how the highest priority requirements for two combatant commanders were treated by

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**Appendix III  
Objective, Scope, and Methodology**

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the services in the 1987 and 1988 DOD resource allocation cycle. We conducted our work between April 1989 and October 1989 in accordance with generally accepted government auditing standards.

# Comments From the Department of Defense



PROGRAM ANALYSIS  
AND EVALUATION

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1800

March 15, 1990

Mr. Frank C. Conahan  
Assistant Comptroller General  
National Security and International  
Affairs Division  
U.S. General Accounting Office  
Washington, D.C. 20508

Dear Mr Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) Draft Report, "DEFENSE REORGANIZATION: Roles of Joint Military Organizations in Resource Allocations," (GAO Code 391106 OSD Case 8235).

The Department concurs with the findings and recommendations contained in the draft report. Two areas, however, require clarification in order to describe more accurately the intended purpose and uses of certain planning and programming products. First, with respect to the Integrated Priority Lists developed by combatant commanders, no meaningful purpose would be served by creating a consolidated list. The Integrated Priority Lists--and more important, the process by which they are developed and refined--effectively serve their intended purpose of communicating to senior DoD and service officials, at the outset of the programming process, the key concerns of the combatant commanders. The lists focus solely on program issues; they are not an expression of warfighting requirements. Thus, the lists are not relevant, as the GAO report suggests, to the Chairman's role of advising the Secretary of Defense on warfighting priorities, and they could not therefore be used effectively for that purpose.

Likewise, the Chairman's Net Assessment for Strategic Planning does not provide alternative service program recommendations, nor is it intended to do so. Such recommendations are routinely provided by the Chairman in his capacity as a Defense Planning and Resources Board member and as a principal participant in reviews throughout the planning, programming, and budgeting cycle.

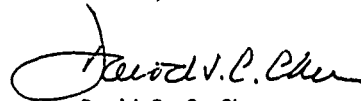
Finally, the report states that the debate about combatant commander control over funding resources continues. It should be noted that such debate is confined to the congressional arena. As evident from the reports submitted in response to the FY 1989 Defense Authorization Act, the combatant commanders and the Chairman are satisfied with their influence in the resource allocation process and do not support separate combatant command budgets.

Detailed comments on the report findings and recommendations are provided in the enclosure. (Additional technical corrections were separately provided to

Appendix IV  
Comments From the Department of Defense

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your staff at a meeting on February 26, 1990.) The DoD appreciates the opportunity to comment on the draft report.



David S. C. Chu  
Assistant Secretary of Defense  
(Program Analysis and Evaluation)

Enclosure

GAO DRAFT REPORT - DATED JANUARY 31, 1990  
(GAO CODE 391106) OSD CASE 8235

"DEFENSE REORGANIZATION: ROLES OF JOINT MILITARY  
ORGANIZATIONS IN RESOURCE ALLOCATIONS"

DEPARTMENT OF DEFENSE COMMENTS

\* \* \* \* \*

FINDINGS

- **FINDING A: BACKGROUND: Resource Allocation Process.** The GAO reported that the Planning, Programming, and Budgeting System is used by the Secretary of Defense to carry out his responsibility for developing the DoD budget--including the programs and budgets of the military services and Defense Agencies. The GAO explained that the Defense Planning and Resources Board oversees the key decision-making phases--with the Secretary and Deputy Secretary of Defense making the final decisions. The GAO found that the Secretary uses the Defense Planning Guidance to provide statements of national security policy and military strategy to guide the military services and Defense Agencies in the preparation of their Program Objective Memoranda. The GAO pointed out that the Fiscal Guidance issued in conjunction with the Defense Planning Guidance establishes fiscal constraints and distributes resources among the DoD components for program development. According to the GAO, the Defense Planning and Resources Board explores different aspects of the Service programs and makes recommendations to the Deputy Secretary of Defense.

The GAO observed that the combatant commanders advise the civilian leadership on military programs and the DoD budget directly through their involvement in the Planning, Programming, and Budgeting System--and indirectly through the Chairman of the Joint Chiefs of Staff. The GAO further observed that the Joint Strategic Planning System is used by the Chairman to develop strategic plans which support national security objectives and to express military concerns in the planning, programming, and budgeting process. According to the GAO, the Chairman amplifies guidance given to the combatant commanders by the Office of the Secretary of Defense regarding their participation in planning, programming and budgeting forums, while receiving their perspectives on military strategy and requirements--through the Joint Strategic Planning System. The GAO added that, in addition, the system is used by the Chairman to develop assessments to provide military advice to the civilian leadership. For example, the GAO noted that the National Military Strategy Document provides the Chairman's advice on the national military strategy, force structure, and options to attain the national security objectives. According to the GAO, this precedes the development of the Defense Planning Guidance, which incorporates the strategy and the force option chosen by the civilian leadership. The GAO observed that the Defense Planning Guidance and the National Military Strategy Document are the

Now on pp. 8-9.

principal planning products of the Secretary of Defense and the Chairman, respectively. (pp. 1-3/GAO Draft Report)

**DoD Response:** Concur. Significant enhancements to the Planning, Programming, and Budgeting System and the Joint Strategic Planning System have been made in response to the DoD Reorganization Act and internal DoD initiatives. These enhancements have clarified and expanded the participation of the Chairman of the Joint Chiefs of Staff and the combatant commanders in the management of the Department, and have greatly increased their influence in resource allocation. Their perspective is formally provided to decisionmaking bodies at key points in the planning, programming, and budgeting process, and informally communicated among staffs on a near-continuous basis.

- **FINDING B: Combatant Commanders' Influence on the Resource Allocation Process.** The GAO reported that the combatant commanders use the Joint Strategic Planning System to formally provide their perspective for the Planning, Programming, and Budgeting System. According to the GAO, that system--along with other means of sharing views (such as direct communication with combatant commanders)--enables the Chairman to act as a spokesperson, representing the views of the combatant commanders. The GAO explained that the combatant commanders' role in the Planning, Programming, and Budgeting System is outlined in the system's implementing instructions (DoD Instruction 7045.7, Implementation of the Planning, Programming and Budgeting System," as amended on April 9, 1987). The GAO discussed the following specifics.
  - **Input During Planning.** The GAO found that, during planning, the combatant commanders review documents and positions on issues being coordinated by the various staffs for the commanders to review. According to GAO, once approved, the commanders comments are consolidated by the Chairman and sent to the appropriate organization within the DoD. The GAO observed that normally, at the beginning of an update process, the combatant commanders propose changes to the previous issue of the Defense Planning Guidance and then comment on subsequent drafts. The GAO further observed that the combatant commanders participate in sessions of the Defense Planning and Resources Board, and provide significant input by developing sections of or reviewing analyses supporting the National Military Strategy Document.
  - **Input During Programming.** The GAO reported that, during the programming phase, the combatant commanders (1) provide priority lists and comments directly to the Secretary of Defense, (2) present comments before the Defense Planning and Resources Board, and (3) review and comment on service programs, the Chairman's Program Assessment, and issues the Board will review. The GAO observed that the combatant commanders lists of priorities are intended to provide visibility for those few key problem areas the combatant commanders want to receive priority attention by the DoD. The GAO noted that guidance provided by the Office of the Secretary of Defense states that the commanders are to define the requirements in broad mission or functional areas--and that their

service components, working with military service headquarters, are to suggest solutions in terms of platforms, systems, or items required. The GAO further reported that the combatant commander input to the Chairman's Program Assessment and the Defense Planning and Resources Board's program review Issue Books is similar to input to planning documents. According to the GAO, commanders can suggest program review issues and have their staffs participate on issue teams or serve as issue points of contact. The GAO noted that, once the issue teams complete their work, combatant commanders attend sessions of the Defense Planning and Resources Board--where alternatives are discussed.

- Input During Budgeting. According to the GAO, during budgeting the involvement of the combatant commanders is generally through the Chairman, because of the short turnaround times for budget review activities. The GAO commented that new electronic communication systems do, however, allow the combatant commands to have near real-time access to documents during the planning, programming, and budgeting cycles.

The GAO reported that, according to participants in the joint arena, the combatant commander's influence in the resource allocation process has increased. The GAO reported general satisfaction on the part of the combatant commanders with their roles in the resource allocation process. The GAO observed that the combatant commanders views ranged from having "adequate influence" to "having an optimum role in the process." (p. 3, pp. 5, pp. 4-12/GAO Draft Report)

DoD Response: Concur. Special offices or points of contact on the Joint Staff, at each Service headquarters, and within the Office of the Secretary of Defense have been designated specifically to work with the combatant commands. This action, and the development of electronic systems tailored to communicate with the combatant commands, has facilitated the timely exchange of information and fostered a greater awareness of both defense-wide and individual combatant command issues. The combatant commanders are informed and involved.

- FINDING C: Chairman's Role in Providing Advice on Resource Allocations. The GAO reported that the DoD Reorganization Act of 1986 required that the Chairman of the Joint Chiefs of Staff do the following:

- advise the Secretary of Defense on the priorities of the requirements of the combatant commanders;
- advise the Secretary on the conformity of Service program recommendations and budget proposals with those requirements as well as the requirements in strategic plans;
- submit alternative program recommendations and budget proposals to the Secretary, within designated fiscal constraints, to achieve greater conformity with requirements; and

Now on pp. 2, 9-13.



Appendix IV  
Comments From the Department of Defense

- submit a budget to the Secretary for the activities of the combatant commanders (also see Finding D).

The GAO explained that before the DoD Reorganization Act, the Chairman functioned as one of the five members of the Joint Chiefs of Staff and that their decisions reflected more of a consensus than a joint perspective. The GAO emphasized that the Chairman did not have specific duties regarding the programs and budgets of the Services, nor the authority solely to task the Joint Staff supporting the Chiefs. The GAO observed that the Chairman had previously lacked the authority to provide the civilian leadership with his principal military perspective without prior consultation with, and the agreement of, the Joint Chiefs.

The GAO reported that the Chairman's role was strengthened by the DoD Reorganization Act, enhanced by presidential action, and expanded by the current Secretary of Defense. According to the GAO, the Act gave the Chairman authority to provide his principal military perspective on planning, programming, and budgeting issues--a prescribed function for the Chairman to perform. The GAO further reported that, since the Act, the Joint Strategic Planning System has come under the direct control of the Chairman. The GAO noted that the Chairman continues to serve as a member of the Defense Planning and Resources Board, presenting the principal military perspective on requirements, programs and the budget--and speaking for the combatant commanders when they cannot appear. According to the GAO, the Vice Chairman acts for the Chairman in his absence in all phases of the Planning, Programming, and Budgeting System and is the sole Military member of the Defense Acquisition Board, which determines the acquisition strategy for weapon systems. The GAO noted that the Vice Chairman also serves as the Chairman of the Joint Requirements Oversight Council, a joint body that ranks mission needs and determines what military requirements should be passed to the Defense Acquisition Board. The GAO pointed out that the Council is another avenue for the combatant commanders to express concerns about military deficiencies in their theaters--and for these concerns to be communicated to the Vice Chairman and the Chairman. The GAO also reported that the Joint Strategic Planning System continues to be adjusted to provide more meaningful and timely military advice.

The GAO found, however, that although DoD has increased the combatant commanders' influence in the resource allocation process, the DoD has not updated its formal guidance to incorporate practices integrating the management systems. The GAO further found that the DoD has not updated its directive and instruction on the Planning, Programming and Budgeting System necessary for the Chairman to update his policy direction to the Joint Staff. (pp. 4-5, pp. 12-23/GAO Draft Report)

DoD Response: Concur. In response to the DoD Reorganization Act, the Chairman's role as principal military adviser to the Secretary has changed significantly. While the DoD concurs with the overall GAO assessment of this changing role, the purpose for the combatant commands' Integrated Priority Lists and the Chairman's Net Assessment require amplification. Though merging of the Integrated Priority

Now on pp. 2, 14-17.

Lists into a consolidated document might have some intuitive appeal, such a task would be cumbersome and unnecessary for program development. Numerous studies have concluded that the Integrated Priority List process has become the combatant commands' primary tool not only for communicating programming concerns to senior DoD officials, but also for guiding staff interaction with service components and headquarters in the development of program proposals. The Integrated Priority Lists also provide a framework for assessing how service program proposals support the combatant commands. In short, the lists and the process for preparing them are effectively accomplishing what they are designed to do. The combatant commanders and the services have repeatedly stated that the process has evolved to fit their needs and that no changes are necessary. It should be recognized that the Integrated Priority Lists are not "requirements lists"; rather, they express the personal programming concerns of the combatant commanders. As such, they are not a suitable tool for the Chairman to use in prioritizing combatant commander requirements. This function of the Chairman is not, in fact, satisfied by preparation of any single document, but through his continuing participation in the deliberations and decisions of a variety of management bodies, and through other opportunities to advise the Secretary on theater priorities. Similarly, the Chairman's Net Assessment for Strategic Planning does not offer alternatives to service programs, nor is it intended to do so. The Chairman recommends alternatives to service program proposals as a member of the Defense Planning and Resources Board and as a participant in numerous DoD reviews throughout the planning, programming, and budgeting cycle.

- **FINDING D: Requirement for a Separate Combatant Commander Budget.** The GAO reported that the issue of whether combatant commanders' involvement in the resource allocation process should include direct control over dollar resources and the extent of that control continues to be debated. The GAO noted that in a previous report to Congress on the DoD Reorganization Act <sup>1/</sup> the issue of whether a separate budget was required was discussed. The GAO reported that the DoD did not submit a separate budget for the combatant commanders' activities because the commanders have adequate influence in the resource allocation process and because the law did not specifically require doing so. The GAO observed that the Chairman and the combatant commanders, themselves, oppose the separate budget concept.

The GAO described, in detail, the legislative background related to combatant commander resource allocation. The GAO reported that the supplemental fund established in the FY 1990 DoD appropriation is similar to existing concepts for making short-term resources available to combatant commanders (without impacting their need for additional

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<sup>1/</sup> GAO/NSIAD-89-83, "DEFENSE REORGANIZATION: Progress and Concerns at JCS and Combatant Commands, " Dated March 1, 1989 (OSD Case 7815)

staff). The GAO described a similar existing concept, the combatant commander Command and Control Initiative Program, which allows the combatant commanders access to centrally-managed funds to make timely, low-cost, near-term improvements to their command and control systems--particularly in adapting these systems to unique theater or operational requirements. The GAO indicated that despite restrictions on the fund the combatant commanders strongly support the program. (p. 6, pp. 1-10/GAO Draft Report)

Now on pp. 3, 20-24.

**DoD Response:** Concur. The GAO Draft Report points out that the Reorganization Act gave the Secretary of Defense discretion to determine whether specific activities of the combatant commands should be funded in a separate budget. In view of the continuing satisfaction of the combatant commanders with the existing system, the staffing and procedural difficulties that would be encountered in administering separate budgets, and the existence of highly visible budget lines for most of the areas of congressional concern, separate budgets have not been pursued. In their reports to the Congress required by the FY 1989 DoD Authorization Act, neither the Chairman nor the combatant commanders supported the establishment of separate budgets. The GAO assertion that debate continues on this matter should be clarified to reflect that such debate is confined to the congressional arena: the DoD continues to perceive no need for separate combatant command budgets.

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RECOMMENDATIONS

- **RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense update the DoD directive and instruction on the Planning, Programming, and Budgeting System to reflect existing procedures. (p. 6/GAO Draft Report)

Now on pp. 3.

**DoD Response:** Concur. The DoD Directive (7045.14) and Instruction (7045.7) on the Planning, Programming, and Budgeting System will be revised and issued upon completion of the FY 1992-1997 Program Objective Memoranda so that procedures from the complete cycle may be incorporated. Milestones for completing this action will be for a draft revision of both documents to be developed by July, 1990, formal coordination beginning in August, 1990, and completion by October, 1990. The office of the DoD Comptroller, Deputy Comptroller (Program/Budget), will be responsible for this revision.

- **RECOMMENDATION 2:** The GAO recommended that, in turn, the Chairman should update his guidance to correspond to the Secretary of Defense guidance and current practices. (p. 6/GAO Draft Report)

Now on pp. 3.

**DoD Response:** Concur. Applicable Joint Staff directives will be updated to reflect existing procedures and policies within 180 days of approval of the updated DoD directives discussed in recommendation 1.

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