Congressional Research Service
Informing the legislative debate since 1914

Goldwater-Nichols at 30: Defense Reform and Issues for Congress

Updated June 2, 2016

Congressional Research Service
https://crsreports.congress.gov
R44474

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

Thirty years after its enactment, Congress has undertaken a review of the Goldwater-Nichols Department of Defense Reorganization Act (GNA) as well as the broader organization and structure of the contemporary Department of Defense (DOD) more broadly. Most observers agree that in principle a comprehensive review of the Goldwater-Nichols legislation is warranted at this juncture. Further, a broad consensus appears to exist among observers that DOD must become considerably more agile while retaining its strength in order to enable the United States to meet a variety of critical emerging national security challenges.

Agreement seemingly ends there. There appears to be little consensus on what should be changed within DOD and what specific direction reform ought to take. Discussions have begun to coalesce around a number of proposals, including reforming defense acquisition processes, further strengthening the Joint Staff, reducing Pentagon staffs, and better empowering the services in the joint arena. Ideas vary, however, on how, specifically, to achieve those outcomes. Disagreement also exists as to whether or not reorganizing DOD alone will be sufficient. Some observers maintain that a reform of the broader interagency system on national security matters is needed.

Despite these disagreements, several fundamental, "first order" questions appear to be driving the current examination of DOD's structure. These include, but are not limited to the following:

- Why, after the expenditure of nearly $1.6 trillion and over 15 years at war in Iraq and Afghanistan, has the United States had such difficulty translating tactical and operational victories into sustainable political outcomes?
- Why, despite the expenditure of over $600 billion per year on defense, is the readiness of the force approaching critically low levels, according to military officials, while the number of platforms and capabilities being produced are generally short of perceived requirements?
- Why, despite tactical and operational adaptations around the world, is DOD often seen as having difficulty formulating strategies and policies in sufficient time to adapt to and meet the increasingly dynamic threat environment?

No single answer exists for these questions. No one decision, no one individual, no one process led to these arguably less than desirable outcomes. Taken together, however, the issues raised by these questions suggest the systemic nature of the challenges with which the Department of Defense appears to be grappling. In other words, they suggest that DOD's organizational architecture and culture may merit serious review and analysis.

This report is intended to assist Congress as it evaluates the variety of reform proposals currently under discussion around Washington.

Contents

Introduction 1
The Strategic Context Leading to the Goldwater-Nichols Act 2
DOD Challenges Prosecuting Joint Operations 2
Desert One, 1980 3
Grenada, 1983 4
Beirut, 1983 5
The Goldwater-Nichols Legislation 6
Contents of the Act 7
Evaluations of the Goldwater-Nichols Legislation 8
The Strategic Context in 2016 10
Emerging Threats 10
The Fiscal Challenge 11
Why Reform DOD Today? 13
The Defense Management and Reform Challenge 14
Conceptualizing DOD's Enterprise-Level Functions 15
Efficiency vs. Effectiveness 16
Headquarters Reductions 17
Framing the Problem: Current DOD Reform Concepts 20
Current Defense Reform Proposals 23
External Defense Expert Reform Proposals 24
Formulating Requirements 24
Managing Costs 26
Building Capabilities 27
Interagency Reform 28
The Pentagon's View on Reform Proposals 28
Formulating Requirements 29
Managing Costs 31
Building Capabilities 32
Recent Legislation on Defense Reform 34
Issues for Congress 42

Figures

Figure 1. DOD Enterprise-Level Management 16

Tables

Table 1. Select DOD Reform Proposals 35

Appendixes

Appendix. Select Defense Management and Organizational Reform Proposals since the 1980s 44

Contacts

Author Information..... 60

Introduction

Thirty years after having enacted it, Congress is reviewing the 1986 Goldwater-Nichols Defense Reform Act.[1] Deeply controversial at the time, Goldwater-Nichols augmented command relationships, strengthened the role of the Chairman of the Joint Chiefs of Staff, enhanced joint procurement, and redesigned personnel incentives in order to prioritize "jointness" among the services—a characteristic that the U.S. Department of Defense demonstrably lacked prior to the reforms. Congress is now determining whether further reforms are needed, and if so, what those might be. To that end, the Senate Armed Services Committee has held a number of hearings over the second session of the 114th Congress, specifically focused on defense reform. Spurred on by congressional interest, the DOD has undertaken its own "Goldwater-Nichols" review of its internal structures, and plans to present suggested legislative changes to Congress in the coming weeks and months.[2]

Among defense scholars, observers, and practitioners there has been a near-constant drumbeat to reform one aspect or another of the DOD since its inception in 1947.[3] Most observers agree that after 30 years, a comprehensive review of the Goldwater-Nichols legislation is warranted.[4] Further, there appears to be a broad consensus among observers that DOD must retain its strength while becoming considerably more agile in order to enable the United States to meet a variety of critical emerging national security challenges.[5]

Yet agreement seemingly ends there. There appears to be little consensus regarding what changes are needed within DOD and what specific direction reform ought to take. Discussions have begun to coalesce around a number of proposals, including reforming defense acquisition processes, further strengthening the Joint Staff, reducing Pentagon staffs, and better empowering the services in the "joint" arena. However, ideas vary on how, specifically, to accomplish those goals. Disagreement also exists as to whether or not reorganizing DOD alone will be sufficient. Some observers maintain that a reform of the broader interagency system on national security matters is needed.[6]

---

[1] Joe Gould, "HASC and SASC Chairs Want Goldwater-Nichols Review," Defense News, October 20, 2015. Accessed February 23, 2016. http://www.defensenews.com/story/defense/policy-budget/budget/2015/10/20/hasc-and-sasc-chairs-want-goldwater-nichols-review/74274490/; Colin Clark, "McCain Launches Goldwater-Nichols Review; How Far Will He Go?" Breaking Defense, March 26, 2015. Accessed February 25, 2016. http://breakingdefense.com/2015/03/mccain-launches-goldwater-nichols-review-how-far-will-he-go/

[2] It touches upon personnel and acquisition issues that are being considered as part of the broader discussion, but other CRS products treat those subjects in more detail. See, for example: CRS Report R44340, *Goldwater-Nichols and the Evolution of Officer Joint Professional Military Education (JPME)*, by Kristy N. Kamarck; CRS Report R44120, *FY2016 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by Don J. Jansen; CRS Report R43566, *Defense Acquisition Reform: Background, Analysis, and Issues for Congress*, by Moshe Schwartz; CRS Recorded Event WRE00082, *Defense Acquisitions: The 1990s: The Perry Report, Section 800 Panel, and More*, by Moshe Schwartz.

[3] The 1947 Act actually established the "National Military Establishment" with a weak Secretary of Defense (SecDef). This was revised in 1949 to strengthen the Secretary, reduce the roles of service secretaries, ensure that SecDef he was the principal advisor to the President on matters of national security, and renamed the NME to the Department of Defense. See for more details on reform initiatives after the end of the Cold War.

[4] See, for example: CRS Recorded Event WRE00135, *Defense Acquisition Reform: Is It Time for Another Goldwater-Nichols?*, by Moshe Schwartz.

[5] See, for example, Center for Strategic and International Studies, *Video: Defense Reform in the 21st Century: Guiding Principles for Reform Panel Discussion*, March 14, 2016, http://csis.org/multimedia/video-defense-reform-21st-century; Chairman Mac Thornberry, *Speech to the National Press Club*, January 16, 2016.

[6] See, for example, the Project on National Security Reform, http://www.pnsr.org/; Clark A. Murdock and Michele A.

This lack of consensus appears to result from diverging ideas as to what are the key challenges with the way DOD—and the national security architecture more broadly—is organized and operates. The variety of views reflects the complexity of these institutions. One observer refers to the present DOD reform debate as akin to a "Rorschach test," noting that defense experts tend to diagnose what they believe to be critical national security challenges based on their own experiences and priorities.[7] Without a common understanding of the root causes of these organizational frictions, solutions to the national security organization challenge differ considerably. The complex nature of the Pentagon and national security bureaucracies adds to the many challenges of DOD management reform.[8]

Despite these obstacles, the case for reforming the Department of Defense is gaining traction among observers. The international security environment has grown ever more complex, in manners unforeseen when the Goldwater-Nichols legislation was enacted.[9] This report is designed to assist Congress as it evaluates the many different defense reform proposals suggested by the variety of stakeholders and institutions within the U.S. national security community. It includes an outline of the strategic context for defense reform, both in the Goldwater-Nichols era and today. It then builds a framework to understand the DOD management challenge, and situates some of the most-discussed reform proposals within that framework. It concludes with some questions Congress may ponder as it exercises oversight over the Pentagon.

The Strategic Context Leading to the Goldwater-Nichols Act

The changes that the Goldwater-Nichols legislation made to the Department of Defense, and in particular, the way that DOD conducts military operations, are in many ways central to how the Department conducts military operations today. Indeed, many organization design decisions that were taken—in particular, clarifying the chain of command for more effective prosecution of joint operations and improving the quality of military advice provided to senior leaders—are so fundamental to the way DOD does business today that it is difficult to recall that it once conducted its operations quite differently.

DOD Challenges Prosecuting Joint Operations

Nearly 35 years ago, the Reagan Administration came into office largely convinced that the Pentagon was highly inefficient in its business and acquisition practices, and therefore established a Blue Ribbon Commission on Defense Management on July 15, 1985. The commission, which was headed by David Packard (founder of Hewlett-Packard and former Deputy Secretary of Defense), was instructed to "study defense management policies and procedures, including the budget process, the procurement system, legislative oversight, and the organizational and operational arrangements, both formal and informal, among the Office of the Secretary of

Flournoy, Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era, (Washington, DC: CSIS Press, 2005), http://csis.org/files/media/csis/pubs/bgn_ph2_report.pdf

[7] Telephone interview with a former senior official, April 1, 2016.

[8] See, for example, the spreadsheet on defense reform proposals collated and organized by the Center for Strategic and International Studies. The spreadsheet can be found at the following website (last accessed April 13, 2016), http://csis.org/images/stories/isp/160303_ISP_GN_Matrix.xlsx

[9] John J. Hamre, *Reform of the Defense Department: Testimony Before the Senate Armed Services Committee*, p. 2. November 10, 2015.

Defense, the Organization of the Joint Chiefs of Staff, the Unified and Specified Command system, the Military Departments, and the Congress."[10] While the study explored many facets of the DOD and its management, the overall objective was to identify efficiencies and associated cost savings.

Yet several prominent shortcomings with the manner in which DOD conducted its military operations suggested to some observers that deeper organizational and structural challenges were plaguing the Department, and that these issues were not being sufficiently addressed by the Packard Commission. Congress therefore saw deep concerns develop as examples mounted that significant reforms to the Department of Defense were needed. Those examples included after action reviews of the following incidents: Desert One, Operations in Grenada, and the Marine barracks bombing in Beirut.

Desert One, 1980

After six months of planning, preparation, and training, in 1980 the U.S. military initiated a raid to rescue 53 American hostages being held in Tehran after the 1979 uprising in Iran. The operation failed. Only six of the eight helicopters arrived at Desert One, the rendezvous point in the middle of Iran, and a further helicopter suffered significant mechanical problems. Determining that the remaining helicopters did not have sufficient capacity to proceed, the mission was aborted. As the helicopters departed, one crashed into a C-130 aircraft carrying fuel and other servicemembers. All told, the United States lost eight military personnel, seven helicopters, and one C-130 aircraft, and left behind weapons, communications equipment, secret documents, and maps, all without making contact with the enemy.[11]

After action reviews of the mission suggested that a key underlying problem with the mission was that the services were unable to operate together. As one observer wrote:

> [T]he participating units trained separately; they met for the first time in the desert in Iran, at Desert One. Even there, they did not establish command and control procedures or clear lines of authority. Colonel James Kyle, U.S. Air Force, who was the senior commander at Desert One, would recall that there were, "four commanders at the scene without visible identification, incompatible radios, and no agreed-upon plan."[12]

The inability of the services to operate together effectively led many to believe that the needs and interests of the individual military services were being prioritized over joint mission requirements. As the President's National Security Advisor Zbigniew Brzezinski testified before the Senate Armed Services Committee:

> One basic lesson [to be learned from the failure of the mission] is that interservice interests dictated very much the character of the force that was used. Every service wished to be represented in this enterprise and that did not enhance cohesion and integration.[13]

[10] Packard Commission Report, p. 1, http://www.documentcloud.org/documents/2695411-Packard-Commission.html.

[11] Mark Bowden, "The Desert One Debacle," *The Atlantic Monthly*, May 2006. Accessed: April 15, 2016. http://www.theatlantic.com/magazine/archive/2006/05/the-desert-one-debacle/304803/

[12] James R. Locher III, "Has It Worked? The Goldwater-Nichols Reorganization Act," *Naval War College Review* (vol. 54, no. 4 (2001) p 100.

[13] Senate Committee on Armed Services, *Defense Organization: The Need for Change, Staff Report to the Committee on Armed Services*, S.Rept. 99-86 (Washington, DC: GPO, 1985) p. 361.

Grenada, 1983

Although Operation Urgent Fury (the 1983 U.S. military operation in Grenada to rescue U.S. medical students and other American Nationals after a Marxist coup) was generally viewed as a success, tactical and operational shortcomings marred the mission and became the subject of subsequent controversy. A primary issue was that units from the different U.S. military services conducting the mission proved unable to communicate with each other.[14] Army elements could not use their equipment to communicate with sailors on the USS *Guam* to coordinate naval air support, and at times took drastic action to find ways to correct the problem. For example, some Army officers from the 82nd Airborne Division flew by helicopter to the USS *Guam* to begin coordinating air support, and even borrowed a Navy UHF radio to continue to do so while back in Grenada. Unfortunately, the Army officers operating the borrowed radio did not have the appropriate Navy clearance codes, rendering the equipment useless. It was also reported that one 82nd Airborne officer, frustrated with the situation, used an AT&T calling card from a civilian pay phone to call Fort Bragg and ask their higher headquarters to address the problem.[15] Subsequent analysis led observers to conclude that the inability of the services to formulate and execute joint equipment and communications requirements was at the heart of the problem.[16]

After action reviews also concluded that fire support from the Navy to the Army was a "serious problem," and that the coordination between the two services ranged from "poor to non-existent."[17] The two services did not coordinate their assault plans prior to the operation, and went into combat without any real sense of each other's requirements, leading observers to conclude that the episode illustrated the "inadequate attention paid to the conduct of joint operations."[18] Another issue was the lack of sophisticated mapping capabilities. Troops had to use tourist maps.[19] In conjunction with the aforementioned communications challenges, the lack of intelligence led to what some believed were unnecessary casualties. U.S. Navy Corsair airplanes accidentally attacked a mental hospital; two days later, they hit an a 82nd Airborne brigade headquarters building, wounding 17 U.S. soldiers.[20] These issues, in conjunction with others including the lack of a designated ground commander and logistics issues, led a Senate study to conclude:

> The operation in Grenada was a success, and organizational shortcomings should not detract from that success or from the bravery and ingenuity displayed by American servicemen.
>
> However, serious problems resulted from organizational shortfalls which should be corrected. URGENT FURY demonstrated that there are major deficiencies in the ability of the Services to work jointly when deployed rapidly. The Services are aware of some of these problems and have created a number of unites and procedures to coordinate communications... However, in Grenada, they either were not used or did not work. More fundamentally, one must ask why such coordinating mechanisms are necessary. Is it not possible to buy equipment that is compatible rather than having to improvise and concoct

[14] Ibid., p. 365.

[15] Ibid.

[16] Ibid.

[17] Ibid., p. 366.

[18] Senate Committee on Armed Services, *Defense Organization: The Need for Change, Staff Report to the Committee on Armed Services,* S.Rept. 99-86 (Washington, DC: U.S. GPO, 1985) p. 367.

[19] Ronald H. Cole, "Grenada, Panama, and Haiti: Joint Operational Reform," *Joint Forces Quarterly*, Autumn/Winter 1998-1999, p. 58.

[20] Ibid., p. 59.

> cumbersome bureaucracies so that the Services can talk to one another? Are the unified commands so lacking in unity that they cannot mount joint operations without elaborate coordinating mechanisms?

It further concluded:

> The inability to work together has its roots in organizational shortcomings. The Services continue to operate as largely independent agencies, even at the level of the unified commands.[21]

Beirut, 1983

Another major incident prompting congressional concern was the terrorist bombing of the Marine Barracks in Beirut, Lebanon, in October 1983, which killed 241 servicemen. Subsequent reviews of the tragic incident revealed significant shortcomings in the chain of command, which in the case of the Marine mission in Lebanon was described as "long, complex and clumsy."[22] Analysis also revealed that the Unified Combatant Commander, in this instance, the Commander of United States European Command, had limited authority to direct service components within his area of responsibility to improve standards, especially when those components came from a different service. Despite the fact that U.S. European Command sought to improve the security for U.S. forces in Lebanon, its actual authority to do so was limited. General Smith, Deputy Commander of U.S. European Command at the time, said:

> I really felt the Marines didn't work directly for me. On paper, they were under our command, but in reality, they worked for the commander in chief, U.S. Naval Forces Europe, our naval component. They had their own operational and administrative command lines, which flowed from the naval component commander. I felt that antiterrorism training was primarily a navy and marine service issue. We didn't have any control over that. We could advise, of course, but no more.[23]

Prior to the enactment of the Goldwater-Nichols legislation, the services played a much larger role in the prosecution of military campaigns than they do today. The formal, *de jure* operational chain of command led from the President, to the Secretary of Defense, to the Unified Combatant Commanders via the Joint Chiefs of Staff.[24] The services were responsible for administrative functions. In practice, however, the situation was quite different. The services played a direct role in operations through their component commands (today, examples of service component commands include U.S. Army Pacific or U.S. Navy Europe).[25] Each service had a component command within a Combatant Commander's area of responsibility, and these service component commands often prioritized orders from their service's headquarters in Washington over those of their Unified Combatant Commander.[26] This dynamic was described by former Chairman of the Joint Chiefs of Staff Admiral Crowe:

---

[21] Ibid.

[22] Admiral William Crowe, as quoted in: James R. Locher III, *Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon* (College Station: Texas A&M University Press, 2002), p. 153.

[23] As quoted in Locher, Victory on the Potomac, p. 158.

[24] At that time, the Joint Chiefs of Staff oversaw, but did not command, the Unified Commands. See David C Jones, "Why the Joint Chiefs of Staff Must Change," *Presidential Studies Quarterly* (vol 12, no. 2, Spring 1982) p. 142.

[25] Locher, *Victory on the Potomac*, p. 157

[26] Ibid. See also: Barry Blechman and William Lynn, *Toward a More Effective Defense: Report of the Defense Organization Project* (Cambridge, Massachusetts: Ballinger Publishing Company, 1985) pp. 11-13.

> Like every other unified [combatant] commander, I could only operate through the Army, Navy, Air Force and Marine component commanders, who stood between me and the forces in the field.... Component commanders reported to their own service chiefs for administration, logistics and training matters, and the service chiefs could use this channel to outflank the unified commander. There was sizeable potential for confusion and conflict.[27]

This dynamic played out during U.S. operations in Lebanon:

> Washington was bypassing EUCOM.... An investigation uncovered thirty-one units in Beirut that reported directly to the Pentagon. Orders to the carrier battle group off Lebanon came "straight from the jury-rigged 'Navy only' chain of command" that originated with the Chief of Naval Operations. Only after the Navy had set plans for fleet operations were superiors in the operational chain of command informed.[28]

Taken together, the Desert One, Grenada, and Marine Barracks bombing incidents suggested to Congress that deeper systemic and organizational issues were at work, preventing DOD from prosecuting joint operations successfully. In particular, issues with the operational chain of command, the quality of military advice given to civilian leaders, and the dominance of the services within the Department of Defense at the expense of joint requirements were all areas that Congress believed needed significant improvement.

The Goldwater-Nichols Legislation

Over time, many in Congress became convinced that the package of reforms identified by the Packard Commission–primarily focused on efficiency–were necessary, but not sufficient, to meet the challenges besetting the Pentagon at the time. Pointing to perceived operational shortcomings, some legislators, Administration officials, and military leaders became convinced that the organizational design of the Pentagon itself needed significant restructuring. The point was hammered home by then-Chairman of the Joint Chiefs of Staff David Jones, who testified:

> It is not sufficient to just have resources, dollars and weapon systems; we must also have an organization which will allow us to develop the proper strategy, necessary planning, and the full warfighting capability.... We do not have an adequate organizational structure today.[29]

The House and Senate Armed Services committees therefore decided to conduct their own independent reviews of the Pentagon's structure, processes, and incentives, a process that lasted almost five years. Through this process, Congress drew the conclusion that the structure of the Department of Defense, as configured at that time, was organized primarily to serve the needs and priorities of the military services. While sensible in theory given the history of the U.S. Armed Forces, as a practical matter this encouraged inter-service rivalry that, in turn, led to operational failures.

The Joint Chiefs of Staff

Prior to the passage of the Goldwater-Nichols Act, the Joint Chiefs of Staff (JCS)—and the Joint Staff (JS) that supported it—were both very different organizations than they are today. Just prior to the passage of the Goldwater-Nichols Act, the Chairman of the Joint Chiefs of Staff and the service chiefs of the Army, Navy, Air Force, and Marine Corps were all statutory members. Their collective responsibility was to provide military advice to the Secretary of Defense, the National Security Council and the President. The Joint Chiefs of Staff was also

[27] Locher, *Victory on the Potomac*, p. 209.

[28] Locher, *Victory on the Potomac*, Victory, p. 158.

[29] Locher, p. 13

tasked with supervising, but not commanding, the Combatant Commands, maintaining command and control networks with forces worldwide, and consulting with foreign militaries. The Joint Staff, which was dwarfed in size by the staffs of the services, supported the work of all four service chiefs and the Chairman. The structure was the result of a 1958 compromise between President Eisenhower, on the one hand, who sought to bring greater unity of command to Pentagon structures and, on the other, the military services, which sought to ensure that the needs and requirements of their individual departments were effectively represented during national security discussions.

By the 1980s, it became clear to some observers in the Pentagon and Congress that the system was not operating effectively and that the Joint Chiefs of Staff was rendering to national leaders what amounted to poor quality joint military advice. Former Secretary of State Dean Acheson is said to have quipped, "JCS papers reminded him of the little old lady who didn't know how she felt until she heard what she had to say."[30] Reasons for this inadequate advice included the following:

- Dual-hatting. A number of observers noted that the responsibility of the service chiefs to advocate and advance their service interests was in direct conflict with their requirement to provide joint military advice as statutory members of the Joint Chiefs of Staff. More often than not, the interests of the military services were prioritized over those of the joint force.
- Roles and Responsibilities. The collective JCS provided military advice to the President, the Secretary of Defense, and the National Security Council. This translated into a *de facto* veto by any service over any proposal or recommendation.
- A statutorily weak Chairman position. The Chairman was the only member of the Joint Chiefs of Staff that did not have his own deputy. He was also the only member of the JCS that did not have his own staff.
- A weak Joint Staff. The size of the Joint Staff was dwarfed by those of the services, and officers on the Joint Staff itself reported to all four service chiefs and the Chairman. The result was a cumbersome staffing process, with each service having the ability to veto initiatives or proposals at any time. Further, officers on the Joint Staff had little training or other preparation for operating in the joint environment.

The Goldwater-Nichols Act sought to address these structural deficiencies by making the Chairman, rather than the collective Joint Chiefs of Staff, the principal military advisor to the President, creating the position of Vice-Chairman of the Joint Chiefs of Staff, making the Joint Staff responsible to the Chairman of the Joint Chiefs of Staff, and creating career incentives for officers to acquire experience working in joint environments.

Sources: David C. Jones, "Reform: The Beginnings," as found in: Dennis J. Quinn (ed), *The Goldwater-Nichols DOD Reorganization Act: A Ten-Year Retrospective* (Washington, DC: National Defense University Press, 199); David C. Jones, "Why the Joint Chiefs of Staff Must Change," *Presidential Studies Quarterly* (vol 12, no. 2, Spring 1982); Barry M. Blechman and William J. Lynn, *Toward a More Effective Defense: Report of the Defense Organization Project* (Cambridge, Massachusetts: Ballinger Publishing Company, 1985).

Contents of the Act

The Goldwater-Nichols Act sought to accomplish a number of objectives designed to improve the overall effectiveness of the Department. Still, the legislation's primary thrust was to improve the interoperability, or jointness among the military services at strategic and operational levels. Section 3 of P.L. 99-433 stated:

> In enacting this Act, it is the intent of Congress, consistent with the congressional declaration of policy in section 2 of the National Security Act of 1947 (50 U.S.C. 401)—
>
> (1) to reorganize the Department of Defense and strengthen civilian authority in the Department;
>
> (2) to improve the military advice provided to the President, the National Security Council, and the Secretary of Defense;

[30] David C. Jones, "Reform: the Beginnings," as found in, Dennis J. Quinn (ed), *The Goldwater-Nichols DOD Reorganization Act: A Ten Year Retrospective* (Washington, DC: National Defense University Press, 1999) p. 9.

> (3) to place clear responsibility on the commanders of the unified and specified combatant commands for the accomplishment of missions assigned to those commands;
>
> (4) to ensure that the authority of the commanders of the unified and specified combatant commands is fully commensurate with the responsibility of those commanders for the accomplishment of missions assigned to their commands;
>
> (5) to increase attention to the formulation of strategy and to contingency planning;
>
> (6) to provide for more efficient use of defense resources;
>
> (7) to improve joint officer management policies; and
>
> (8) otherwise to enhance the effectiveness of military operations and improve the management and administration of the Department of Defense.

It sought to accomplish these goals through a number of changes, including the following:[31]

- Clarifying the military chain of command from operational commanders through the Secretary of Defense to the President;
- Giving service chiefs responsibility for training and equipping forces, while making clear that they were not in the chain of command for military operations;
- Elevating the Chairman of the Joint Chiefs of Staff relative to other service chiefs by making him/her the principal military advisor to the President, creating a Vice Chairman position, and specifying that the Joint Staff worked for the chairman;
- Requiring military personnel entering strategic leadership roles to have experience working with their counterparts from other services (so-called "joint" credit);[32] and
- Creating mechanisms for military services to collaborate when developing capability requirements and acquisition programs, and reducing redundant procurement programs through the establishment of the Office of the Under Secretary of Defense for Acquisition.[33]

Despite Congress's considerable deliberations, at the time consensus did not exist that significant DOD reforms were needed. Opposition to the Goldwater-Nichols Act was fierce in some quarters, in particular the Navy and Marine Corps; they believed that its implementation would severely degrade the ability of the services to wage the nation's wars.[34] The legislation itself passed committee by one vote.[35]

Evaluations of the Goldwater-Nichols Legislation

Five years later, the U.S. military successfully conducted Operation Desert Storm and other associated operations (such as Operation Provide Comfort). The clarification of the operational

[31] P.L. 99-433

[32] For more information on personnel reform and related issues, see CRS Report R44340, *Goldwater-Nichols and the Evolution of Officer Joint Professional Military Education (JPME)*, by Kristy N. Kamarck.

[33] The change was reflected in 10 U.S.C. §133. In 1993, "and Technology" was added; in 1999 the office was re-designated "Acquisition, Technology & Logistics."

[34] Locher, *Victory on the Potomac*, pp. 9-10; John J. Hamre, "Reflections: Looking Back at the Need for Goldwater-Nichols," *Defense360*, January 27, 2016. http://defense360.csis.org/goldwater-nichols-2016/.

[35] John J. Hamre, "Reflections: Looking Back at the Need for Goldwater-Nichols," *Defense360*, January 27, 2016. http://defense360.csis.org/goldwater-nichols-2016/.

chain of command, as well as the advances in jointness that were made as a result of the Goldwater-Nichols legislation, were viewed by many as instrumental to that success.[36] Then-Chairman of the Joint Chiefs of Staff Colin Powell testified that, "You will notice in Desert Storm nobody is accusing us of logrolling and service parochialism and the Army fighting the Air Force and the Navy fighting the Marine Corps. We are now a team. The Goldwater-Nichols legislation helped that."[37] Indeed, as Admiral Leighton Smith wrote about the mission to provide humanitarian relief to the Kurds in Northern Iraq (Operation Provide Comfort):

> The good news about this operation was that from a command relationship perspective, Jim Jamerson, and later our Chairman, General Shalikashvili, knew exactly for whom they worked and to whom they reported. That joint task force, like the five others we put together during my 21 months in the J-3 [Joint Staff Operations] job, all reported directly to the CINC, bypassing the component commanders ... and the inevitable service guidance that existed in the Pentagon in the pre-Goldwater-Nichols days ... there was none of the direct calls from Washington to the commander in Turkey or the individual service component commanders, to give operational guidance or demand information that should rightfully go through the unified commander.[38]

Still, some observers maintain that the act has produced unintended consequences that ought to be mitigated. Namely, some contend that Goldwater-Nichols may have gone too far in prioritizing joint over individual service requirements and that a better balance must be struck.[39] Specifically, one of the most commonly voiced criticisms pertains to the act's provisions for joint personnel management, and whether the joint officer requirements lead to the development of officers with an appropriate mix of service and joint experiences.[40] Others maintained (and still do) that the act did little to address perceived inefficiencies in defense spending. It also failed to curtail the growth of staffing in the Office of the Secretary of Defense and the Defense Agencies.[41] Finally, while many believe that the quality of military advice provided to the Secretary of Defense and the President has improved as a result of the act's strengthening of the Chairman of the Joint Chiefs of Staff position, some contend the Department still has room for improvement when developing its strategies and plans.[42]

Another school of thought maintains that the act introduced changes that were necessary, but not sufficient, to meet the challenges of the post-Cold War environment, and that further reform of

---

[36] See Leighton W. Smith, "A Commander's Perspective," as found in, Dennis J. Quinn (ed), *The Goldwater-Nichols DOD Reorganization Act: A Ten Year Retrospective* (Washington, DC: National Defense University Press, 1999) p. 29. See also *Clark A. Murdock, Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era, Phase 1 Report* (Washington, DC: Center for Strategic and International Studies Press, 2004). http://csis.org/files/media/csis/pubs/bgn_ph1_report.pdf, p. 14.

[37] General Colin Powell, "Testimony: Department of Defense Appropriations for Fiscal Year 1992," Hearings before a Subcommittee of the Committee on Appropriations, United States Senate, 102nd Congress, 1st Session, March 4, 1991, p. 59.

[38] Leighton W. Smith, p. 29.

[39] Steven Wills, "The Effect of the Goldwater-Nichols Act of 1986 on Naval Strategy, 1987-1994" *Naval War College Review* (vol. 69 no.2, Spring 2016) p 37; Murdock, p. 17; U.S. Department of Defense, *Remarks by the Secretary of Defense on "Goldwater-Nichols at 30: An Agenda for Updating*, Washington, DC: Center for Strategic and International Studies, April 5, 2016.

[40] John P. White, "Meeting the Needs of the Secretary of Defense," as found in Dennis J. Quinn (ed), *The Goldwater-Nichols DOD Reorganization Act: A Ten Year Retrospective* (Washington, DC: National Defense University Press, 1999), p. 61.

[41] Arnold Punaro, *Statement before the Senate Armed Services Committee: The Urgent Need to Reform and Reduce DOD's Overhead and Infrastructure,* November 17, 2015.

[42] Locher, Did It Work? p. 111.

the national security architecture was needed. In particular, the experience of post-Cold War contingency and stability operations demonstrated the benefit of adequately trained and resourced interagency partners (for example, State, USAID, Treasury, and so on).[43] Ten years after the initial passage of the Goldwater-Nichols Act, then-Chairman of the Joint Chiefs of Staff Shalikashvili observed:

> A strong, well-understood link among the Departments of Defense, State, Justice, Commerce and the entire interagency community will be vital. Look at many of the most recent challenges to U.S. national interests around the world: Rwanda and Zaire, Bosnia, Haiti, the Arabian Gulf. In every one of these operations, success required the involvement of a wide variety of interagency participants.[44]

On balance, the Goldwater-Nichols Act has generally been lauded as a major breakthrough in effective defense management, but there are differences of opinion on the ultimate outcome of the Goldwater-Nichols legislation. Some contend that the act may have produced unintended consequences and unnecessarily diminished the services; in the view of others, there are areas in which the reform agenda did not go far enough. As described in the next section, some of these views are being carried forward into the current debate on defense reform.

The Strategic Context in 2016

Thirty years later, the strategic environment has shifted dramatically. Since the enactment of the Goldwater-Nichols legislation, a number of important historical events have taken place, starting with the end of the Cold War. Subsequently, the United States performed crisis management and contingency operations globally, in theaters including Iraq, the Balkans, Somalia, and Colombia. After the September 11, 2001, terror attacks, the United States undertook major counterinsurgency campaigns in Iraq and Afghanistan, as well as a number of smaller operations as part of its "global war on terror."

Emerging Threats

The international security environment was already demanding when the Goldwater-Nichols legislation was enacted, yet most observers agree it has become significantly more complex and unpredictable in recent years.[45] This is challenging the United States to respond to an increasingly diverse set of requirements.[46] As evidence, observers point to a number of recent events, including (but not limited to)

- the rise of the Islamic State, including its military successes in northern Iraq and Syria;
- the strength of drug cartels in South and Central America;

[43] Cole, p. 64.

[44] John M. Shalikashvili, "Goldwater-Nichols Ten Years from Now," as found in Dennis J. Quinn (ed), *The Goldwater-Nichols DOD Reorganization Act: A Ten Year Retrospective* (Washington, DC: National Defense University Press, 1999), p. 74.

[45] See, for example, CRS Report R43838, *A Shift in the International Security Environment: Potential Implications for Defense—Issues for Congress*, by Ronald O'Rourke; and James Clapper "Worldwide Threat Assessment of the U.S. Intelligence Community," Testimony before the Senate Armed Services Committee, February 9, 2016.

[46] U.S. Department of Defense, *Department of Defense Press Briefing by Deputy Secretary Work and Gen. Selva on the FY2017 Defense Department Budget Request in the Pentagon Press Briefing Room*, February 9, 2016, http://www.defense.gov/News/News-Transcripts/Transcript-View/Article/653524/department-of-defense-press-briefing-by-deputy-secretary-work-and-gen-selva-on.

- Russian-backed proxy warfare in Ukraine;
- heightened North Korean aggression;
- Chinese "island building" in the South China Sea;
- terror attacks in Europe;
- the ongoing civil war in Syria and its attendant refugee crisis; and
- the Ebola outbreak in 2014.

Indeed, as Secretary of Defense Ashton Carter remarked before the House Armed Services Committee in March 2016:

> Today's security environment is dramatically different—and more diverse and complex in the scope of its challenges—than the one we've been engaged with for the last 25 years, and it requires new ways of thinking and new ways of acting.[47]

What makes today's issues uniquely problematic—perhaps even unprecedented—is the speed with which each of them has developed, the scale of their impact on U.S. interests and those of our allies, and the fact that many of these challenges have taken place—and have demanded responses—nearly simultaneously.[48] Further complicating matters, U.S. adversaries appear to be using tactics and operations that are provocative, but which tend to fall short of necessitating a large-scale military response. Adapting U.S. military and civilian defense institutions to operate effectively in these "grey zone" conflict spaces, wherein adversaries are not immediately obvious, and interests are advanced using a combination of military and nonmilitary tactics, is becoming an increasingly important priority for DOD leaders.[49] Altogether, these dynamics have created the extremely high degree of complexity with which the United States must grapple, placing increasing demands on the U.S. national security architecture generally, and the Department of Defense in particular.

The Fiscal Challenge

These changes in the international security landscape are occurring against a backdrop of U.S. defense "austerity," a common shorthand term for fiscal restrictions on the DOD budget. According to some observers as early as 2010:

> The aging of the inventories and equipment used by the services, the decline in the size of the Navy, escalating personnel entitlements, overhead and procurement costs, and the growing stress on the force means that a train wreck is coming in the areas of personnel, acquisition and force structure.[50]

---

[47] U.S. Department of Defense, *Secretary of Defense Testimony: Submitted Statement – House Armed Services Committee (FY2017 Budget Request)*, March 22, 2016, http://www.defense.gov/News/Speeches/Speech-View/Article/699631/submitted-statement-house-armed-services-committee-fy-2017-budget-request

[48] The Center for Strategic and International Studies, *Open Letter on Defense Reform*, March 14, 2016, http://csis.org/press/press-release/open-letter-defense-reform

[49] Bryan Bender, "The Secret U.S. Army Study that Targets Moscow," *Politico*, April 14, 2016, http://www.politico.com/magazine/story/2016/04/moscow-pentagon-us-secret-study-213811#ixzz45nIJIllD; Chairman of the Joint Chiefs of Staff, The National Military Strategy of the United States of America 2015: The United States Military's Contribution to National Security, June 2015, http://www.jcs.mil/Portals/36/Documents/Publications/2015_National_Military_Strategy.pdf.

[50] United States Institute of Peace, *Statement of the 2010 Quadrennial Defense Review Panel*, http://www.usip.org/sites/default/files/qdr/IntroCompilation.pdf. This statement was repeated in the 2014 QDR independent review report.

Background: The Federal Deficit and the Budget Control Act

The Budget Control Act of 2011 was enacted in response to congressional concern about rapid growth in the federal debt and deficit. The federal budget has been in deficit (spending exceeding revenue) since FY2002, and incurred particularly large deficits from FY2009 to FY2013. Increases in spending on defense, lower tax receipts, and responses to the recent economic downturn all contributed to deficit increases in that time period. In FY2010, spending reached its highest level as a share of GDP since FY1946, while revenues reached their lowest level as a share of GDP since FY1950.

The BCA placed statutory caps on most discretionary spending from FY2012 through FY2021. The caps essentially limit the amount of spending through the annual appropriations process for that time period, with adjustments permitted for certain purposes. The limits could be adjusted to accommodate (1) changes in concepts and definitions; (2) appropriations designated as emergency requirements; (3) appropriations for Overseas Contingency Operations/Global War on Terrorism (OCO; e.g., for military activities in Afghanistan); (4) appropriations for continuing disability reviews and redeterminations; (5) appropriations for controlling health care fraud and abuse; and (6) appropriations for disaster relief.

Source: CRS Report R42506, *The Budget Control Act of 2011 as Amended: Budgetary Effects*, by Grant A. Driessen and Marc Labonte

Yet some have argued that the Budget Control Act of 2011 (and subsequent amendments) placed significant constraints on the Department's ability to address these challenges, allocate monies toward critical priorities, and effectively divest from obsolete facilities and equipment programs.[51] As the 2014 Quadrennial Defense Review Panel asserted:

> the defense budget cuts mandated by the Budget Control Act of 2011, coupled with the additional cuts and constrains on defense management under the law's sequestration provision ... have created significant investment shortfalls in military readiness and both present and future capabilities. Unless reversed, these shortfalls will lead to greater risk to our forces, posture and security in the near future.[52]

The impact of financial reductions imposed by the Budget Control Act, along with the way DOD resources are allocated, has led many observers to conclude that there has been a significant, deleterious impact on the readiness and capability of the force.[53] Yet the United States now spends over $600 billion per year on activities associated with the DOD (including the base budget and Overseas Contingency Operations account)[54] which is, according to some estimates, comparable to the total spent by the next eight largest defense spending countries combined.[55] This often perceived mismatch between inputs and outputs appears to be one key strategic-level impetus for the reform of DOD's acquisition systems. According to H.Rept. 114-102:

[51] It should be noted that another view on the BCA was that the Department had sufficient flexibility to absorb the constraints imposed by BCA spending caps. See The New York Times Editorial Board, "Defense and the Sequester," The New York Times, February 24, 2013. http://www.nytimes.com/2013/02/25/opinion/defense-and-the-sequester.html. Still, most observers maintain that unpredictable funding levels and budget caps have negatively impacted the force.

[52] United States Institute of Peace, *Ensuring a Strong U.S. Defense for the Future: The National Defense Panel Review of the 2014 Quadrennial Defense Review*, July 31, 2014, http://www.usip.org/sites/default/files/Ensuring-a-Strong-U.S.-Defense-for-the-Future-NDP-Review-of-the-QDR_0.pdf

[53] See, for example: Loren Thompson, "Budget Cuts are Killing Military Preparedness," *Forbes*, May 13, 2013; Brendan McGarry, "Odierno Warns Budget Cuts Put Army At Risk," *Military.com*, October 14, 2014; U.S. Department of Defense, "Sequestration: Across-The-Board Budget Cuts Could Threaten National Security," *DOD Special Reports*, http://www.defense.gov/news/Special-Reports/Sequestration.

[54] CRS Report R44454, *Defense: FY2017 Budget Request, Authorization, and Appropriations*, by Pat Towell and Lynn M. Williams.

[55] International Institute for Strategic Studies, The Military Balance 2016, https://www.iiss.org/en/publications/military%20balance/issues/the-military-balance-2016-d6c9.

> The committee believes that reform of the Department of Defense is necessary to increase the effectiveness and efficiency of the defense enterprise to get more defense for the dollar. This is necessary to improve the military's agility and the speed at which it can adapt and respond to the unprecedented technological challenges faced by the nation.[56]

In summary, compared to the strategic context 30 years ago, the current international security environment is generally characterized by increased, and more dynamic, security challenges. Despite the considerable size of the DOD budget, fiscal constraints have forced the Department to make tough choices on priorities, and have significantly affected force readiness, among other things. In short, some scholars have found that requirements are going up while resources are plateauing, at best.[57] This is leading many observers to wonder whether necessary programmatic "belt tightening" will sufficiently enable the Department of Defense to effectively meet today's and tomorrow's threats.

Why Reform DOD Today?

It is within this context that Congress has undertaken its review of the Goldwater-Nichols legislation, as well as a broader review of DOD's organization and structure. Observers in this process seem to approach the problem differently, based upon their own experiences with, or within, the Department of Defense.[58] Some maintain that Goldwater-Nichols led to the positioning of the United States military as the "finest fighting force" in the world, and therefore question whether major DOD reforms are needed.[59] Yet there are several fundamental, first order questions that seem to be driving the current examination of DOD's structure. These include, but are not limited to the following:

- Why, after the expenditure of nearly $1.6 trillion and over 15 years at war in Iraq and Afghanistan, has the United States had such perceived difficulty translating tactical and operational victories into sustainable political outcomes?[60]
- Why, despite the expenditure of now over $600 billion per year on defense, is the readiness of the force approaching critically low levels, according to senior military officials, while the number of platforms and capabilities being produced are generally short of perceived requirements?[61]

---

[56] Report of the Committee on Armed Services, House of Representatives on H.R. 1735, May 5, 2015, p. 3.

[57] Andrew Krepinevich, *Statement before the Senate Armed Services Committee on Defense Strategy*, October 28, 2015, p. 12.

[58] See, for example, the CSIS spreadsheet that organizes DOD reform proposals presented in SASC testimony into nine categories. See also: Frank Hoffman and Michael Noonan, "Defense Reform Redux," *E-Notes*, Foreign Policy Research Institute, February 2016, http://www.fpri.org/article/2016/02/defense-reform-redux/

[59] John J. Hamre, *Reform of the Defense Department: Testimony Before the Senate Armed Services Committee*, November 10, 2015, p. 2.

[60] See, for example, "Lessons encountered," page 147; William Martel, "Why Policymakers are Confused about Victory," *The Fletcher Forum of World Affairs*, May 15, 2011, http://www.fletcherforum.org/2011/05/15/martel/. Linda Robinson, Paul D. Miller, I. V. Gordon, Jeffrey Decker, Michael Schwille, and Raphael S. Cohen. *Improving Strategic Competence: Lessons from 13 Years of War*. RAND Arroyo Center Santa Monica CA, 2014; James M. Dubik, "A National Strategic Learning Disability?" *ARMY Magazine* 61, no. 9 (2011): 19.

[61] Frank Hoffman and Michael Noonan, "Defense Reform Redux," *E-Notes*, Foreign Policy Research Institute, February 2016, http://www.fpri.org/article/2016/02/defense-reform-redux/; CRS Recorded Event WRE00135, *Defense Acquisition Reform: Is It Time for Another Goldwater-Nichols?*, by Moshe Schwartz; Remarks by Senator John McCain, "Senate Armed Services Committee Holds Hearing on the Defense Department Budget Posture," *Congressional Quarterly*, March 1, 2016; Lucas Tomlinson and Jennifer Griffen, "Budget Cuts Leaving Marine Corps Aircraft Grounded," *Fox News*, April 17, 2016; General John Paxton, "Statement Before the Senate Armed Services

- Why, despite tactical and operational level adaptations around the world, is DOD often seen as having difficulty formulating strategies and policies in sufficient time to adapt to and meet the increasingly dynamic threat environment of the 21st century?[62]
- What challenges, in either structure or process (or both), might lead to perceived DOD difficulties in executing current military operations while simultaneously planning for and obtaining resources for future capabilities?

No single answer exists for these questions. No one decision, no one individual, no one process led to these arguably less than desirable outcomes. Taken together, however, the issues raised by these questions suggest the systemic nature of the challenges with which the Department of Defense appears to be grappling. In other words, they suggest that DOD's organizational architecture and culture may merit serious review and analysis.

A Secretary at War

In his memoirs, former Secretary of Defense Robert Gates expresses considerable frustration with the manner in which the Pentagon prosecuted wars. "Even though the nation was waging two wars, neither of which we were winning, life at the Pentagon was largely business as usual."[63] He goes on to identify a number of structural issues he experienced with DOD, including the following:

- The absence of a senior DOD official whose specific job is to ensure commanders and troops in the field have what they need;
- The size and structure of the Pentagon's bureaucracy, which requires a large number of organizations be involved in "even the smallest decisions," leading to paralysis when it came to decision-taking;
- The large number of "filters" between the field commanders and the Secretary of Defense, which could delay or altogether halt the acquisition of urgently required equipment or other capabilities;
- The necessity to work outside of the Pentagon's formal staffing structures to accomplish key tasks, such as fielding Mine Resistant Ambush Protected (MRAP) Vehicles;
- The services' view that complex counterinsurgency operations were an aberration, and their subsequent prioritization of training and equipping of troops to fight future conflicts for which they had natural comparative advantage, such as conventional force-on-force battles, instead of adapting to the counterinsurgency fight.

Noting DOD's overall lack of agility, Gates finally concludes that "[t]he Department of Defense is structured to plan and prepare for war, but not to fight one."

Source: Robert M. Gates, *Duty: Memoirs of a Secretary at War* (New York: Alfred A. Knopf Press, 2014)

The Defense Management and Reform Challenge

DOD's mission is to "provide the military forces needed to deter war and protect the security of our country."[64] In order to do so, DOD must plan for current and future threats and then prepare military forces with the training and other military capabilities necessary to meet those threats. It must also propose and manage a budget appropriate to the nation's defense needs and articulate

Committee on Readiness on U.S. Marine Corps Readiness," March 15, 2016, p. 7.

[62] Michael G. Vickers, *Testimony Before the Senate Armed Services Committee*, December 8, 2015; Eliot A. Cohen, *Global Challenges, U.S. National Security Strategy, and Defense Organization*, Testimony before the Senate Armed Services Committee, October 22, 2015, p. 5.

[63] Robert M. Gates, *Duty: Memoirs of a Secretary at War* (New York: Alfred A. Knopf Press, 2014), p. 115.

[64] Department of Defense, "About DOD," Accessed: November 30, 2015, http://www.defense.gov/about-DoD.

acceptable levels and areas of risk. While simple in theory, orchestrating and synchronizing these activities is a highly complex endeavor.

Hundreds of studies, comprising thousands of recommendations and tens of thousands of pages, have been dedicated to reforming the Department of Defense and its many facets. The scale and complexity of the DOD make it a uniquely challenging organization to manage. As one management expert stated in 1997:

> The most difficult problem in the entire world right now is the transformation of Russia into a democratic, free-market economy. You may not realize that the second most difficult problem I can possibly envision is that of reforming the Defense Department.[65]

Over the duration of the Department's history, a number of Administrations have sought to improve its management and efficiency. These reforms have generally taken one of three approaches. The first advocates for more centralization, shifting more authority and resources from the military departments to joint institutions and/or Office of the Secretary of Defense (OSD) control in order to improve interoperability and efficiency. The second approach favors more decentralization, through retaining or bolstering semi-autonomous military services, properly guided by OSD decisionmaking and resource allocation processes, thereby promoting creativity and innovation through competition. The third "business matrix" approach attempts to infuse business management structures into existing Pentagon architectures using cross-functional teams, boards, and councils to promote collaboration.

Yet, as noted by the U.S. Commission on National Security in the 21st Century (the Hart-Rudman Commission):

> The current structure of DOD's major staffs (and their functions) represents a meshwork of all three models, and the net result has been a diffusion of authority, responsibility and accountability. In many cases, the three different paradigms work at cross-purposes to obstruct and block each other. This dilutes the Department's ability to transform itself internally. It hinders the identification of problems, the development of alternative solutions, and the elevation of decisions to senior officials for resolution.[66]

Conceptualizing DOD's Enterprise-Level Functions

The diagram below depicts one way to think about managing the defense enterprise (see **Figure 1**). On behalf of the President, the Secretary of Defense must oversee and balance three distinct but highly interrelated functions that support all of DOD's activities: requirements, capabilities, and costs. These broad functions can usefully be conceptualized as three points of a triangle.

- The first, *requirements*, refers to the Department's work to analyze the current and future threat environment, define the missions and tasks that different DOD components must be prepared to accomplish, and organize itself in order to do so (i.e, through the Unified Command Plan).[67]
- DOD must then define, develop, and manage the military *capabilities*—in terms of equipment, training, and posture—necessary to accomplish those missions and tasks.

[65] U.S. Commission on National Security in the 21st Century, "Creating Defense Excellence: Defense Addendum to Road Map for National Security" May 15, 2001. See http://www.au.af.mil/au/awc/awcgate/nssg/addendum/Creating_Defense_Excellence.pdf p. 1.

[66] Ibid., pp. 12-13

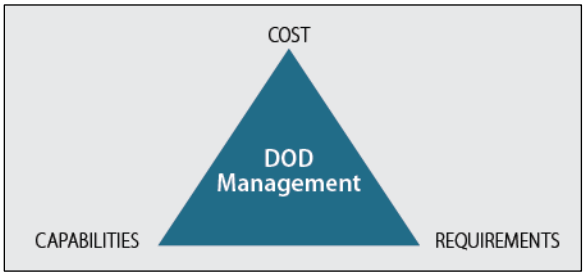
[67] CRS Report R42077, *The Unified Command Plan and Combatant Commands: Background and Issues for Congress*, by Andrew Feickert.

- Finally, DOD must *manage its costs* in a manner that accounts for current and future expenditures on its worldwide operations, as well as the personnel, facilities, and processes comprising the defense institution itself.

In each of these "points," the Department must identify, and to the extent possible mitigate, any risks associated with under- or over-prioritizing any particular activity or program.

Figure 1. DOD Enterprise-Level Management

Three Core Activities



Source: Congressional Research Service.

Managing a government organization the size of the Department of Defense—with over 3 million civilian and military employees (of which 450,000 are overseas) and several hundred thousand individual buildings and structures located at more than 5,000 different locations—cannot, nor will it ever, be straightforward.[68] This, in turn, makes managing and balancing the "points" of the triangle comprising DOD's activities extremely difficult.

Each point of the triangle in **Figure 1** represents the actions and programs of hundreds of different organizations and units, at multiple echelons at the strategic, operational, and tactical levels. The enormity of the DOD management challenge is exacerbated by the Department's internal complexity and the wide variety of external stakeholders in DOD's operations and activities (including Congress, industry, allies, and partners). As such, in many ways the challenge of DOD reform presents the characteristics of a "wicked" problem, commonly thought of as a social or cultural problem that is difficult or impossible to solve, and one in which solving one aspect of the problem often leads to new, equally formidable challenges.[69] If past trends hold, reforming one aspect of the Department will almost inevitably have unintended consequences that will create new problems, likely necessitating further reform.

Efficiency vs. Effectiveness

Efficiency and effectiveness are often conflated in the defense reform debate. This is because a number of scholars and practitioners maintain that reforming the Department of Defense in order to improve its overall efficiency—defined as the "ability to do something or produce something without wasting materials, time, or energy"—will also improve DOD's effectiveness, or, its ability to accomplish its assigned tasks.[70] As the logic goes, taking actions such as constraining the resources associated with DOD's bureaucracy and headquarters, or requiring the services to procure equipment in conjunction with each other, forces the Department to better prioritize its activities and allocate its resources. Yet while effectiveness and efficiency can be interrelated

[68] Ibid.

[69] Horst W.J Rittel and Melvin M. Webber, "Dilemmas in a General Theory of Planning," *Policy Sciences* (4), 1973, 155-169, http://www.uctc.net/mwebber/Rittel+Webber+Dilemmas+General_Theory_of_Planning.pdf.

[70] http://www.merriam-webster.com/dictionary/efficiency

objectives, it is important to note that they are not the same thing. In fact, if not carefully managed, the two goals can actually work at cross-purposes with each other when pursued simultaneously.

Within the Department of Defense, the reduction and subsequent increase in the acquisition workforce may provide an example of efficiency coming at the expense of effectiveness. According to the Government Accountability Office:

> The acquisition workforce of the Department of Defense (DOD) must be able to effectively award and administer contracts totaling more than $300 billion annually. The contracts may be for major weapons systems, support for military bases, consulting services, and commercial items, among others. A skilled acquisition workforce is vital to maintaining military readiness, increasing the department's buying power, and achieving substantial long-term savings through systems engineering and contracting activities.[71]

Concerns during the 1980s that the acquisition workforce (AW) was under-skilled and over-manned prompted the Department to reduce the number of personnel associated with the AW in the 1990s. As part of Defense budget reductions and efficiency improvements, the civilian and military acquisition workforce was reduced by 14%, and the Department began relying on contractors to perform a variety of acquisition-related functions.[72] DOD also lost workers with critical acquisition skill sets.[73] Subsequently, experts found that the AW was ill-prepared or suited to manage the complex and urgent contracting requirements associated with expeditionary operations in Iraq and Afghanistan.[74] The Section 1423 report also noted, "[i]n general, the demands placed on the acquisition workforce have outstripped its capacity."[75] Efforts to reconstitute the acquisition workforce in order to make it more effective began in earnest in 2009.[76]

Headquarters Reductions

Reducing the size of various headquarters has been a consistent theme of defense reformers for decades. Indeed, participants in the Goldwater-Nichols debates over 30 years ago saw the growth in Pentagon and headquarters bureaucracy as a key challenge to DOD efficiency and effectiveness. Today, the preponderance of defense scholars and experts maintain that reducing DOD bureaucracy and headquarters staffs is necessary in order to improve the Department's decisionmaking and agility while simultaneously controlling costs.[77] In their view, doing so will

---

[71] U.S. Government Accountability Office, *Defense Acquisition Workforce: Actions Needed to Guide Planning Efforts and Improve Workforce Capability*, December 2015, http://gao.gov/assets/680/674152.pdf, p. 1.

[72] Ibid.

[73] Ibid. See also: Susan M. Gates, *Shining a Spotlight on the Defense Acquisition Workforce – Again*, (Arlington, VA: RAND Corporation Press, 2009), http://www.rand.org/content/dam/rand/pubs/occasional_papers/2010/RAND_OP266.pdf

[74] Report of the Commission on Army Acquisition and Program Management in Expeditionary Operations, http://www.acq.osd.mil/dpap/contingency/reports/docs/gansler_commission_report_final_report_20071031.pdf

[75] Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, January 2007, page 19, http://www.ndia.org/Policy/AcquisitionReformInitiative/Documents/4-24102_GSA.pdf

[76] U.S. Government Accountability Office, *Defense Acquisition Workforce: Actions Needed to Guide Planning Efforts and Improve Workforce Capability*, December 2015, http://gao.gov/assets/680/674152.pdf, p. 1.

[77] See, for example, John J. Hamre, *Reform of the Defense Department: Testimony Before the Senate Armed Services Committee*, November 10, 2015; Michele A. Flournoy, *The Urgent Need for Reform: Testimony Before the Senate Armed Services Committee*, December 8, 2015; Clark A. Murdock et al., Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era (Washington, DC: CSIS Press, 2004).

force components across the Department to prioritize their activities and divest themselves of unnecessary functions. This rationale has, in part, led DOD to reduce its headquarters staff by 25% and Congress to restrict the amount of funding available to DOD for headquarters, administrative, and support activities.[78]

Implementing these reductions, however, is proving problematic. Many of the roles and missions performed by different offices around the Department have been mandated by senior leaders or Congress; staff reductions mean that the same workload is being shouldered by fewer people, leading in some instances to overworked staffs.[79] Unless the Department finds ways to divest itself of certain functions or tasks, headquarters reductions could compromise DOD's effectiveness. As one observer describes this dynamic:

> [A]ny reduction in staff will save a commensurate amount of resources, but it will not—without needed reforms—generate greater effectiveness. Just cutting staff ignores real problems, like our inability to collaborate across organizational lines on multifunctional problems.[80]

Efforts to improve fiscal efficiency without balancing the ramifications for overall mission effectiveness can create significant challenges for the Department. A number of observers maintain that the Department of Defense is a bloated organization, with too many staffs at higher headquarters. Yet the fact remains that most offices or agencies are responsible for a task or mission that was, at least at one point (if not at present), deemed critical. For example, one reason the Joint Staff is now 4,000 persons—considered by many to be too large—is due to the fact that during the disestablishment of Joint Forces Command, essential joint service functions were transferred to the Joint Staff.[81] Unless or until Congress or DOD leadership deems those functions no longer indispensable, cutting staffs to improve efficiency may result in degraded mission effectiveness.

[78] P.L. 114-92, §346.

[79] Interviews with current Pentagon employees, March 2016.

[80] James R. Locher III, "Statement before the Senate Armed Services Committee: 30 Years of Goldwater-Nichols Reform," November 10, 2015, p. 14.

[81] Statement of General Raymond T. Odierno, "Preserving and Developing the Future Joint Force," House Armed Services Readiness Subcommittee, March 31, 2011, http://www.dod.mil/dodgc/olc/docs/testOdierno03312011.pdf.

The Challenge of Organization Design

In some ways, the design of an organization can be likened to the plumbing of a house: unseen, yet essential to its functioning. Much like plumbing, when the design of an organization proves unable to enable its intended functions, the consequences can be ugly. As an example, some maintain that one of the critical reasons that Kodak has deteriorated to such a significant degree was because it could not adapt its organization to better comprehend, and then respond to, changing market circumstances.[82] As one management scholar writes, "[p]oor organizational design and structure results in a bewildering morass of contradictions; confusion within roles, a lack of coordination among functions, failure to share ideas, and slow decision-making, bring[ing] managers unnecessary complexity, stress and conflict."[83]

Optimizing an organization's design is a challenge that is not unique to the Department of Defense. Every organization—be it a business or public sector agency—must organize its people, processes, and structures in a manner that enables the group as a whole to achieve its objectives. Accordingly, there is no one "right" answer to organization design; rather, an organization is effectively structured when it helps its leaders define their strategy and enables that strategy to be predictably executed.[84] This is why many large companies routinely revisit their organizational structures in order to remain competitive in the marketplace.

Organization design theory offers an analytic lens through which observers can evaluate whether DOD is effectively structured to meet current and future objectives. Different management consultants utilize a variety of different models when testing whether an organization's structures enable the group to accomplish its objectives. In so doing, some of the key questions they ask include:[85]

Design Question	...Applied to DOD
The "First Principles" Test. What is the business's value proposition and its sources of competitive advantage? *Rationale*: A clear statement of what a business is good at, relative to other competitors, illuminates the core activities around which an organization ought to be designed.	What are DOD's unique advantages in the advancement of national security, relative to other agencies and departments? *Challenge:* The international security environment in which DOD must operate has arguably led the Department to take on roles and missions, such as post-conflict stabilization, that some observers believe it is not ideally suited toward.
The Market Advantage Test. Which organizational activities directly deliver on that value proposition—and by contrast, which activities can the company afford to perform in a way equivalent to its competition? Does the design direct sufficient management attention to the sources of competitive advantage in each market? *Rationale*: Those activities that are *crucial* to delivering on a value proposition should be prioritized and resourced above other functions.	What are the activities DOD engages in that enable it to make its unique contribution to national security? What are the functions or areas in which the Department must build and maintain excellence? Are there functions or tasks that are better suited to other USG agencies? *Challenge:* the blurring of lines between peacetime and conflict, as well as DOD's assumption of many tasks that have historically been accomplished elsewhere in the executive branch, has made it difficult to establish what tasks must be accomplished to advance U.S. interests, and whether the Department of Defense ought to be prepared to conduct those broader

[82] Gareth R. Jones, Organization Theory, Design and Change (Upper Saddle River: Pearson, 2010) pp. 15-16 and 463-474.

[83] Gill Corkendale, "The Importance of Organizational Design and Structure," *Harvard Business Review*, February 11, 2011.

[84] John Beeson, "Five Questions Every Leader Should Ask About Organizational Design," *Harvard Business Review*, January 23, 2014.

[85] Questions drawn from material found in Gill Corkendale, "The Importance of Organizational Design and Structure," *Harvard Business Review*, February 11, 2011; John Beeson, "Five Questions Every Leader Should Ask About Organizational Design," *Harvard Business Review*, January 23, 2014; and Gareth R. Jones, Organization Theory, Design and Change (Upper Saddle River: Pearson, 2010) pp. 15-16 and 463-474.

	national security missions that fall outside of military engagement.
The People Test. Does the design reflect the strengths, weaknesses, and motivations of its people? What kind of leadership and culture are needed to achieve the value proposition? Which organizational practices are required to reinforce organizational intent? ***Rationale*:** Cultural values are woven into the way people behave in the workplace. Without addressing leadership and culture, employees often adhere to old practices and work around, instead of working with, a new system.	What kinds of behavior ought DOD incentivize to achieve its organizational aims, such as promoting innovation? *Challenge:* augmenting personnel systems is significantly more challenging to leaders in the federal government than their counterparts in the private sector, due to the variety of internal and external stakeholders, including Congress, that influence personnel decisions. This often leads to risk-averse management, which can stifle innovation.
The Redundant-Hierarchy Test. Does the design of the organization have too many levels? What, specifically, does each level of the organization add to the accomplishment of core tasks? How do "parent" units enable subordinate teams to accomplish key missions? *Rationale:* Too much hierarchy within an organization can impede agile decisionmaking and stifle innovation (seven or eight layers between an employee and CEO is generally believed to be the maximum supportable number of layers).[86] Those levels within an organization that cannot demonstrate their value added could be candidates for elimination.	What levels might DOD usefully eliminate in order to improve agility and encourage innovation? **Challenge:** In part due the fact that DOD has taken on so many roles and missions, DOD is now an organization that is simultaneously highly vertical (with many layers of management) and highly horizontal (with many offices "clearing" on any given memorandum). This is leading to what Former Under Secretary for Policy Michele Flournoy describes as the "tyranny of consensus," and poor-quality civilian and military advice.[87]

Drawing analogies between DOD and the private sector has clear limitations. Unlike businesses, the Department of Defense is not organized to deliver profits to its stakeholders. Further, the consequences of risks taken are measured in casualties; while failing corporations go bankrupt, DOD failure can result in national failure. Still, these design questions can help observers understand whether the organizational architecture of the Department of Defense is optimized—or not—to enable its personnel to meet current and emerging national security challenges.

Framing the Problem: Current DOD Reform Concepts

While consensus on specific reform solutions remains elusive, many scholars and practitioners agree on the characteristics that DOD must have if it is to grapple effectively with current and emerging strategic challenges. Namely, many believe that the Department must be better able to respond to multiple complex contingencies around the world, both anticipated and unforeseen. Rapid adaptation and "agility" is therefore necessary.[88] With respect to the latter point, as noted by Chairman of the House Armed Services Committee Mac Thornberry in January 2016:

[86] Jones, p. 125.

[87] Michele A. Flournoy, *The Urgent Need for Defense Reform: Testimony before the Senate Armed Services Committee*, December 8, 2015.

[88] Center for Strategic and International Studies, *Video: Defense Reform in the 21st Century: Guiding Principles for Reform Panel Discussion*, March 14, 2016, http://csis.org/multimedia/video-defense-reform-21st-century.

> I think there are two primary characteristics that describe the military capability that we need. And they are strength and agility. We know from sports that you can't do with one and not the other. You have to have both.[89]

In March 2016, Senate Armed Services Committee Chairman John McCain fleshed out his own concept of what DOD must be able to do:

> I believe we have a rather clear definition of the challenge that we all must address. The focus of Goldwater-Nichols was operational effectiveness, improving our military's ability to fight as a joint force. The challenge today is strategic integration. By that, I mean improving the ability of the Department of Defense to develop strategies and integrate military power globally to confront a series of threats, both states and non-state actors, all of which span multiple regions of the world and numerous military functions.[90]

The Center for Strategic and International Studies (CSIS) "Open Letter on Defense Reform," signed by a bipartisan group of senior defense observers and practitioners, frames the DOD reform challenge slightly differently. Instead of articulating the desired characteristics of a future DOD, they focus on some of the key organizational problems that, in their view need to be overcome:

> the Defense Department, and even more so the broader U.S. national security complex, appear[s] sclerotic in their planning, prioritization, and decision-making processes. We should identify better ways to pace and get ahead of this changing environment.
>
> Second, the defense enterprise is too inefficient. These two problems are intertwined. There appears to be significant duplication of responsibilities and layering of structure, which contributes materially to the perception that we are at risk of being outpaced and outwitted by adversaries. Moreover, our military and defense civilian personnel systems, requirements and acquisition systems, security cooperation and foreign military sales systems, and strategy, planning, programming, and budgeting systems reflect twentieth-century approaches that often seem out of step with modern best practices.[91]

While experts convened by CSIS could not agree on specific reform proposals, they did note that two principles should guide defense reform efforts:

> First, we must sustain civilian control of the military through the secretary of defense and the president of the United States and with the oversight of Congress.
>
> Second, military advice should be independent of politics and provided in the truest ethos of the profession of arms.[92]

On April 5, 2016, Secretary of Defense Ashton Carter articulated his ideas regarding defense reform and the areas within the Department that need improvement:

> It's time that we consider practical updates to this critical organizational framework, while still preserving its spirit and intent. For example, we can see in some areas how the pendulum between service equities and jointness may have swung too far, as in not involving the service chiefs enough in acquisition decision-making and accountability; or where subsequent world events suggest nudging the pendulum further, as in taking more steps to strengthen the capability of the Chairman and the Joint Chiefs to support force

[89] Chairman Mac Thornberry, *Speech to the National Press Club*, January 16, 2016.

[90] Remarks by Senator John McCain, Senate Armed Services Committee Holds Hearing on the Defense Department Budget Posture, *Congressional Quarterly*, March 1, 2016

[91] Center for Strategic and International Studies, *Open Letter on Defense Reform*, March 14, 2016, http://csis.org/press/press-release/open-letter-defense-reform

[92] Ibid.

> management, planning, and execution across the combatant commands, particularly in the face of threats that cut across regional and functional combatant command areas of responsibility, as many increasingly do.[93]

Secretary Carter further intimated that DOD will be augmenting some of its internal processes as well as submitting statutory changes to Congress for consideration.

[93] U.S. Department of Defense, *Remarks by the Secretary of Defense on "Goldwater-Nichols at 30: An Agenda for Updating,* Washington DC, Center for Strategic and International Studies, April 5, 2016. http://www.defense.gov/News/Speeches/Speech-View/Article/713736/remarks-on-goldwater-nichols-at-30-an-agenda-for-updating-center-for-strategic

Lessons Encountered from the Long War

Seeking to enable the Department of Defense to better prepare itself for future conflicts, the National Defense University conducted a study of the strengths and weaknesses of the U.S. approach to its post-September 11th campaigns. Some of the key outcomes from that study include the following:

Civilian-military relations. The study identified significant strategic-level disconnects between the military staffs and the civilian leadership they supported in both the Bush and Obama Administrations. As conditions on the ground in Iraq deteriorated in 2006, President Bush decided to go against the recommendations of his military and defense leadership, and instead authorized a "Surge" of forces that was advocated by external advisors. After a series of unfortunate media missteps by several senior military leaders under the Obama Administration, a "perception formed in the minds of senior White House staff that the military had failed to bring forward realistic and feasible options, limiting serious consideration to only one, and that it had attempted to influence the outcome by trying the case in the media, circumventing the normal policy process" (p. 412). In summary, "[t]he military did not give President Bush a range of options for Iraq in 2006 until he insisted on their development, nor did they give President Obama a range of options for Afghanistan in 2009" (p. 143).

Strategy Formulation and Adaptation. A gap in overall national strategy formulation and evaluation was identified by the authors. In the first instance, the authors maintain that the United States failed to fully appreciate the strategic context in which it was operating, as well as the on-the-ground political and military realities in Iraq and Afghanistan. With respect to Iraq, the study also points out that the lack of mechanisms for strategic-level reevaluation and adaptation prevented needed reassessment—and readjustment—until it was clear that the United States was on the verge of failing (p. 143).

National-level decisionmaking. Noting that "both civilian and military leaders are required to cooperate to make effective strategy, yet their cultures vary widely," the authors maintain that "[c]ivilian national security decision-makers need a better understanding of the complexity of military strategy and the military's need for planning guidance." The authors go on to note that "strategy often flounders on poorly defined or overly broad objectives that are not closely tied to available means" (p. 413). In their view, military leaders must improve their ability to work with their civilian counterparts in strategy formulation.

Unity of Effort. "Whole-of-government efforts are essential in irregular conflicts.... The United States was often unable to knit its vast interagency capabilities together for best effect." Furthermore, "Policy discussions too often focused on the familiar military component (force levels, deployment timelines and so forth) and too little on the larger challenge of state-building and host-nation capacity" (p. 145).

Strategic Communications. "Making friends, allies, and locals understand our intent has proved difficult.... our disabilities in this area—partly caused by too much bureaucracy and too little empathy—stand in contradistinction to the ability of clever enemies to package their message and beat us at a game that was perfected in Hollywood and on Madison Avenue" (p. 15).

DOD guidance has specified that the United States will no longer plan to conduct large-scale counterinsurgency or stability operations. Still, some observers maintain that these challenges, if left unresolved, will hamper DOD's efforts to wage any future military campaigns, and particularly those that require U.S. military forces to operate in "grey zone" conflicts.

Source: Richard D. Hooker and Joseph J. Collins, *Lessons Encountered: Learning from the Long War*, (Washington, DC: National Defense University Press) 2015.

Current Defense Reform Proposals

As noted earlier in this report, no consensus currently exists regarding specific recommendations to "fix" the Pentagon. This, in part, stems from a lack of agreement on the nature of the bureaucratic challenges currently besetting the Department of Defense and preventing it from accomplishing what many perceive to be core tasks.

During hearings held in the second session of the 114th Congress, experts recommended scores of proposals to reform DOD. These are in addition to the many other proposals advocated by a variety of scholars and practitioners across the defense and national security policy community. For purposes of bringing a degree of analytic coherence and clarity to the present discussion, CRS grouped together and condensed similar DOD reform proposals raised by experts in their testimonies to the Senate Armed Services Committee. Reform suggestions tabled outside the

context of the hearings were not included. CRS then sought to better link each set of recommendations with the problems they are attempting to solve through organizing the proposals into one of four categories. Three of these categories align with the core areas of defense enterprise management articulated earlier in this report: managing costs, formulating requirements and building capabilities. The fourth category includes proposals for reforming the broader interagency national security system. This listing of defense reform proposals should be treated as illustrative of the state of the debate at present; evaluating the relative strengths and weaknesses of each set of proposals is beyond the scope of this report.

External Defense Expert Reform Proposals

During the second session of the 114th Congress, the Senate Armed Services Committee held a series of hearings to discuss areas ripe for reform within the Department of Defense. Through the duration of the proceedings, various national security experts proposed over 160 different recommendations for reforming the Pentagon. What follows below is an illustrative sample, rather than an exhaustive listing, of the many proposals suggested by experts.

Formulating Requirements

There is widespread belief among observers that the processes the Department uses to formulate its strategies and strategic requirements in order to grapple with current and emerging security challenges are "broken."[94] Still, there is very little agreement on what ought to be done to address this. This category of recommendations pertains to problems identified with the way in which the Department prepares its strategies, particularly global strategies,[95] and organizes itself to execute its policies. Proposals for possible reform include the following.

- Improving DOD strategy-making by:
  - ***Generating better strategy documents***. Proposals included replacing the Quadrennial Defense Review (now the Defense Strategy Review) with a classified internal defense strategy, and creating a comprehensive strategy review akin to President Eisenhower's Project Solarium.[96]
  - ***Reforming the central institutions for strategy formulation***. Proposals included creating an Operations versus Plans division of labor within the Office of the Secretary of Defense (akin to the J3/J5); institutionalizing "red teaming" of strategies; building a competitive process for alternative future force planning, run by the Deputy Secretary of Defense; and creating a Joint General Staff exclusively focused on strategy formulation (more on this recommendation below).
- Improving the way DOD organizes itself to accomplish strategic objectives and execute operations by:
  - ***Augmenting the Unified Command Plan***. Proposals vary, but included the elevation of United States Cyber Command to a four-star Unified Combatant

[94] Flournoy, p. 3

[95] Center for a New American Security, "General Dunford's Remarks and Q&A at the CNAS Inaugural National Security Forum," December 14, 2015, http://www.cnas.org/transcripts/dunford-remarks-national-security-forum#.VxUR2L-PO84.

[96] Project Solarium was a national strategy-making exercise convened by President Eisenhower in order to build consensus on how to deal with the Soviet Union and its expansionism.

Command (COCOM), the collapse of U.S. European Command and U.S. Africa Command into one COCOM,[97] and the collapse of U.S. Northern Command and U.S. Southern Command into another single COCOM. Others recommended against merging the regional combatant commands. Another recommendation was to revisit altogether the regions of responsibility for geographic Combatant Commands.

- ***Augmenting existing command structures***. Proposals vary, and are in some ways in opposition. These included placing the Chairman of the Joint Chiefs of Staff in the operational chain of command; giving Service Secretaries more authority for military operations and operational planning; retaining the current "J-code" staff structures of the Joint Staff; and disestablishing service component commands and instead replacing them with Joint Task Forces. It should be noted that the proposal to grant greater operational responsibility to the Service Secretaries (promoting decentralization) is in some ways the opposite recommendation to putting the CJCS in the operational chain of command (promoting jointness). Others recommended against any proposal that diminishes the authority of the Secretary of Defense to make key decisions, including placing the CJCS (or others) in the operational chain of command.
- ***Creating New Services, Agencies, and Institutions.*** Proposals included elevating U.S. Special Operations Command to a military service rather than a Combatant Command; the creation of a new U.S. cyber service; creating a Remotely Piloted Aircraft agency; and establishing a separate Joint General Staff (in addition to the current Joint Staff) that focuses exclusively on strategic-level issues, reports to CJCS, and has its own career path (rather than drawing personnel from the services). Others recommended against the creation of new services.
- ***Revisiting roles and missions***. Proposals included reforming Special Operations Command to become the preferred option for irregular conflict; establishing a commission to review roles and missions for space; shrinking regional Combatant Commands and focusing them on engagement and relationships with foreign counterparts; and creating a better division of labor on irregular warfare.

- Streamlining and improving the decisionmaking by:
  - ***Removing unnecessary management layers.*** Proposals included consolidating Secretariats and Service Staffs while retaining the Service Secretary positions; reducing the number of management layers in the bureaucracy; encouraging the Department to conduct a top-down de-layering study according to pre-agreed organization design principles, and examining areas of overlap between different DOD components (for example OSD and the Joint Staff) with a view to eliminating redundancy; reducing the number of three- and four-star commands; and eliminating the Joint Requirements Oversight Council.
  - ***Empowering the DOD workforce.*** Proposals included increasing the bureaucracy's autonomy; providing staffs with better training; building

[97] U.S. European Command had responsibility for the African theater until 2007, when U.S. Africa Command was founded.

greater expertise in the civilian workforce through stopping frequent assignment rotations; and better facilitating horizontal collaboration across DOD components at lower levels than the Office of the Secretary of Defense.

- ***Extending the tenure of the Chairman and Vice Chairman of the Joint Chiefs of Staff.*** Proposals included shifting from a two-year renewable term to one four-year term or shifting to a five-year (or longer) term.

Managing Costs[98]

Responding to perceptions that DOD has difficulty reigning in its finances and delivering an "appropriate" (however defined) return on its investments, recommendations in this category pertain to perceived issues in the way the Department of Defense accounts for and controls its costs. Since the Department's establishment, many of its leaders have taken issue with the way the Department manages its finances; a number of reform efforts have therefore been focused on controlling DOD costs and identifying more efficient ways to do business. In terms of recent proposals for reform proposed by defense experts in their testimonies during the first and second sessions of the 114th Congress, areas such as acquisition reform and efforts to improve efficiency, eliminate redundancies, and better prepare defense budgets are included in this group. Recommended changes include the following:

- ***Creating Efficiencies****:* Proposals included immediately cutting every program behind schedule or over budget; minimizing documentation requirements for program managers; avoiding "gold plating" (shorthand for incorporating costly and unnecessary features) of procurements; shifting jobs from active duty personnel to civilians or contractors; reviewing command relationships for cost savings; reviewing Combatant Command J-8 functions (responsible for evaluating and developing force structure requirements) to avoid duplication; authorizing another round of Base Realignment and Closure (BRAC); and outsourcing depot maintenance.
- ***Improving collaboration with industry.*** Proposals included loosening requirements to share all relevant information on technologies with commercial analogues with the government; revising contract incentives to reward success and penalize failure; reauthorizing A-76 public-private competitions processes; and encouraging leaders from industry to serve in DOD.
- ***Improving business practices****.* Proposals included running DOD personnel management like a business; taking more leaders from industry into Pentagon positions; removing requirements for incoming political appointees to divest their assets or equity in companies doing business with DOD; creating greater transparency among stakeholders; changing the measure of a program's merit from unit cost to cost per effect (i.e., cost per target engaged); establishing a management "reserve" account to address execution risks inherent in every program; and creating a Deputy Secretary position for business transformation.
- ***Cutting overhead/civilian workforce management.*** Proposals included establishing a performance management system for civilian employees; creating greater flexibility in civilian pay levels; reducing the civilian workforce but

[98] Although this report is focused on strategic and organizational reforms to the Pentagon, details on budgetary and financial matters is briefly included due to the fact that observers and policymakers consistently discuss acquisition and cost management as part of the current reform agenda. For more information on this and related topics, see CRS Report R43566, *Defense Acquisition Reform: Background, Analysis, and Issues for Congress*, by Moshe Schwartz.

increasing compensation for high-level civilians; cutting the civilian system in half or more; permitting DOD to downsize or eliminate inefficient healthcare systems; combining the Defense Logistics Agency and Transportation Command; and legislating end strengths for military, civilians, and contractors associated with overhead and infrastructure.

Building Capabilities

Other observers have focused on whether DOD is acquiring the right personnel and materiel capabilities, in sufficient quantities and with sufficient readiness to meet 21st century security challenges. Recommendations in this category include suggested augmentations to military personnel management and training; more effectively leveraging emerging technologies; and suggested priority areas for capability development:

- Augmenting military career paths by[99]
  - ***Improving military training and education*.** Proposals included strengthening top-level (above O-6 & O-6) military education; unifying service professional military education under a joint three-star General or Flag officer; and giving the CJCS authority to direct joint training.
  - ***Creating more flexibility in military careers*.** Proposals included giving technical track officers opportunities equal to those of their colleagues in the command track; expanding "early promote" quotas and accelerating rates of advancement; reviewing DOPMA to create a more dynamic management system; making it easier to seek out and promote promising young officers; relaxing joint duty requirements; and shifting requirements for joint credit to O-8 or O-9 levels.
  - ***Prioritizing key skill sets***. Proposals included augmenting the selection and promotion of general and flag officers to prioritize strategic-level thinking; adding psychological resilience to recruiting standards; and developing foreign language requirements for serving in regional combatant commands.
- ***Building and leveraging technology by creating processes and systems for rapid prototyping of new capabilitie****s*. Proposals included following the JIEDDO model for lower risk technologies;[100] and adopting a more tolerant approach to risk and failure on technology development.
- ***Revisiting force structure decisions***. Proposals included increasing overall military size and end strength; maintaining superiority in undersea and strike warfare, electronic warfare operations, and air warfare; focusing the Marine Corps and United States Special Operations Command on irregular warfare; and focusing the Army on decisive land battle rather than full-spectrum operations.

[99] For more information related to this topic, see CRS Report R44120, *FY2016 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by Don J. Jansen; CRS Report R44340, *Goldwater-Nichols and the Evolution of Officer Joint Professional Military Education (JPME)*, by Kristy N. Kamarck.

[100] "JIEDDO" stands for Joint Improvised Explosive Device Defeat Organization, which used rapid experimentation and prototyping to develop new battlefield capabilities.

Interagency Reform

A number of observers point out that DOD is but one part of a broader set of U.S. national security institutions. In this view, other institutions (State and USAID, for example) are often better suited to take on security tasks that do not involve the application of military power. Better enabling the United States to grapple with emerging threats may therefore require revisiting interagency national security structures. As one observer noted, "the brokenness of the overall national security system will hamper the effectiveness of U.S. foreign and security policy no matter how well DOD transforms its internal operations or its performance at the operational level of war."[101] Accordingly, recommendations included in this category were proposals to better synchronize DOD efforts with other U.S. government departments and agencies, and strengthen other, non-DOD national security institutions:

- ***Synchronizing DOD activities with those of other USG departments***. Proposals included adjusting Combatant Command headquarters to accommodate increased collaboration with U.S. government agencies and international partners; merging the Department of State and Department of Defense at the regional level; renaming Combatant Commands to "Unified Commands" to signal a whole-of-government approach; expanding the number of State Department foreign policy advisors (or "Political Advisors") at Combatant Commands; better aligning how the Department of State and DOD divide up geographic regions of the world; and giving regional COCOMs a civilian deputy.
- ***Augmenting and strengthening interagency institutions***. Proposals included creating interagency regional centers as regional headquarters for foreign and defense policy; increasing funding for the National Security Council; and designing a "Goldwater-Nichols" act for the interagency. Other observers recommended against such an interagency reform act.

While many of these recommendations are interrelated and could be mutually reinforcing if executed properly, others are in tension with each other. For example, some maintain that adopting proposals currently being tabled such as establishing a Joint General Staff, or placing the Chairman of the Joint Chiefs of Staff in the chain of command, would diminish the Secretary of Defense's control over the Department of Defense.[102] Another example pertains to more effective interagency collaboration. Some believe that a "Goldwater-Nichols" for the broader, interagency national security establishment is needed in order to better prepare the Department to conduct complex operations.[103] Others believe that top-down interagency organizational reform might be counterproductive.[104]

The Pentagon's View on Reform Proposals

Using the congressional interest as an impetus, in the fall of 2015 Secretary of Defense Ashton Carter initiated "a comprehensive review of Goldwater-Nichols legislation and related

[101] James R. Locher III, *Statement before the Senate Armed Services Committee: 30 Years of Goldwater-Nichols Reform*, November 10, 2015, p. 4.

[102] John J. Hamre, "Reflections: Keep America's Top Military Officer Out of the Chain of Command," *Defense360*, March 21, 2016, http://defense360.csis.org/reflections-keep-americas-top-military-officer-chain-command/.

[103] Statement of General James L. Jones, Senate Armed Services Committee, December 3, 2015.

[104] Vickers, p. 6.

organizational issues in the DOD."[105] To that end, a series of working groups was established in order to "assess key issue areas," and find "additional opportunities for efficiencies and other improvements in the Department's organization."[106] The published results of their deliberations, including recommendations that are supported and not supported by the Department, are organized into the DOD management framework outlined above (the text below is taken directly from the DOD document, with only small alterations for clarification):[107]

Formulating Requirements

Actions recommended:

- ***Global Integration:*** Strengthen the Chairman's capability to support the Secretary in management, planning, and execution across the Combatant Commands (COCOM). This would be achieved without placing the chairman in the chain of command, through appropriate delegation of authority from the Secretary to the Chairman and to prioritize military activities and resources across COCOM boundaries. The Department will submit legislative proposals clarifying the Secretary's discretionary authority to delegate such authority to the Chairman.
- ***Strategy Development:*** Strengthen the capability of the Joint Staff to contribute to strategy development to inform the development of operational plans and the identification of military alternatives to address contingencies, subject to policy guidance and review by the civilian leadership. Improved capabilities should be focused on trans-regional, multi-domain and multi-functional threats, and multiple threats with overlapping timeframes.
- ***Streamlined staffing for Regional and Functional Matters*:** Review and streamline the organization of DOD "communities of interest" that address regional or functional topics in OSD, Joint Staff, Services, COCOMs and DOD Agencies, to bring together multiple staffs addressing closely related issues, reduce duplication of functions, and better align roles, responsibilities and relationships across the Department.
- ***Improved Vertical Integration of Staffs:*** Analyze the staffing of functions such as logistics, intelligence and plans in the Joint Staff, the COCOMs, and subordinate commands for potential redundancies and opportunities for savings. This would specifically include consideration of "skipping an echelon" in functional alignment where that can be done without loss of capability.
- ***Improved Strategic Guidance Documents:*** Review the Department's strategic guidance documents and the processes for developing them, with goals of providing greater clarity and cohesion, minimizing complexity, and reducing offices that exist to write and staff these documents that are often overlapping and sometimes contradictory. For example, [DOD] will reconsider ... the Defense Strategy Review (formerly known as the Quadrennial Defense Review) the

[105] Peter Levine and Lt. Gen Thomas Waldhauser, *Goldwater-Nichols Working Group Recommendations*, Deputy Chief Management Officer, Information Memorandum, March 2016.

[106] Ibid.

[107] Although the content is reorganized into this CRS report's analytic framework, the actual recommendations are taken verbatim from a DOD memo on the subject. An online copy of the memo can be found here: http://1yxsm73j7aop3quc9y5ifaw3.wpengine.netdna-cdn.com/wp-content/uploads/2016/04/DoD-G-N-WG-recommendations.pdf.

extensive processes used to develop it, most of which duplicate existing strategic planning activities.

- ***Elevate Cyber Command (CYBERCOM) to a unified combatant command,*** with Title 10/sec 164 authorities to include joint force provider, cyber capabilities advocacy, and theater security cooperation.
  - Retain relationship between CYBERCOM and National Security Agency (NSA). Provide that any separation must be conditions-based, with consideration to (1) separation of personnel and platforms; and (2) institution of mechanisms to ensure NSA continues to respond to COCOM operational requirements as a critical combat support enabler providing strategic and operational threat warning.
  - Maintain current relationships between CYBERCOM and DOD/Service organizations in the near term; assess relationships between cyber organizations to achieve overall mission effectiveness as a follow-on task.
  - Consider organizational and mission changes to rationalize cyber authorities, capabilities, personnel and resources. Examine these potential efficiencies to provide department-wide offset options for $128m 150 billets) over the Future Years Defense Program (FYDP) to make elevation of CYBERCOM resource neutral.

Actions not recommended:

- ***Establishment of a General Staff***. The working groups concluded that a General Staff would quickly become a new bureaucracy that is removed from the needs of our fighting forces and less responsive to those needs than the Joint Staff. This view was supported by virtually all of the current and former DOD leaders interviewed by the review team.
- ***Inclusion of the Chairman in the Chain of Command.*** Placing the Chairman in the chain of command would undermine the principle of civilian control over the military and reduce the Chairman's ability to provide independent military advice to the President and the Secretary of Defense. The working groups concluded that the capabilities of the Chairman and the Joint Staff could be appropriately enhanced without taking this step.
- ***Elimination of COCOM role in warfighting in favor of Joint Task Forces.*** The regional combatant commands build strategic relationships with foreign leaders (military and civilian), foster trust, and assure access across their areas of responsibility in a manner that is essential to projecting military power and furthering our policy objectives around the globe. No Joint Task Force could perform its operational mission without the personnel, planning, logistical and communications support provided by the Combatant Commands.
- ***Merger of EUCOM and AFRICOM.*** AFRICOM was established as a separate unified combatant command less than a decade ago because EUCOM did not have the capacity to address the wide array of military challenges emerging on the African continent. These capacity challenges have not gotten any easier (and in fact have grown more complex) with the increasing Russian threat in Europe and the continuing rise of terrorist threats across Africa.
- ***Merger of NORTHCOM and SOUTHCOM***. Central and South America have long felt neglected and ignored by the United States. The existence of SOUTHCOM is one of the few signals we have given that we care about the

region. A merger of NORTHCOM and SOUTHCOM would likely reduce U.S. resources and U.S. influence in the region even further.

- ***Merger of DLA and TRANSCOM.*** The Department has examined the functions of DLA and TRANSCOM and determined there is minimal overlap between the two. A merger would risk loss of focus on essential missions and a reversal of the substantial progress the Department has made over the last decade in improving the management of these two large businesses.

Managing Costs

Actions recommended:

- ***Ensure that the Service Chiefs are fully included in the acquisition process by:*** (1) requiring the Chiefs to advise the Milestone Decision Authority and concur in cost, schedule, technical feasibility, and performance trade-offs that have been made with regard to the program; and (2) including the Chiefs, or their representatives, on Defense Acquisition Boards for the programs of their services. The Service Chiefs will be responsible and accountable for trade-offs between cost, schedule and performance throughout the life of an acquisition program.
- ***Evaluate the feasibility of conducting combined or joint reviews of major Defense Acquisition Programs between the military services and OSD.***
- ***Reduce Defense Acquisition Board (DAB) membership.*** Current DAB membership includes approximately 35 principal members and advisors, each of whom is likely to feel empowered as a "gatekeeper" for acquisition decisions. The Department will consider combining organizations and realigning membership from individual organizations to functional areas to reduce memberships in order to free up staff time and focus discussions on issues critical to program outcomes.
- ***Reduce Acquisition Documentation Touch Points.*** The current acquisition process includes 14 documents that must be coordinated by the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD/AT&L) in cases where OUSD/AT&L is the Milestone Decision Authority. The Department will seek opportunities for pushing approval authority down to a lower level in cases where a program remains on course in order to eliminate redundant reviews and shorten review timelines.
- ***Streamline documentation*** and review processes, and examine potential efficiencies from Big Data for acquisition efforts to more effectively address requirements for acquisition data at all levels of the organization.
- ***Identify core elements required for developing Capabilities-Based Assessments,*** including component-led Study Advisory Groups with external stakeholders, to bolster up-front analytic rigor to decisions that impact materiel solutions.
- ***Conduct a review of human capital requirements*** needed to improve analytical expertise for the identification, assessment, and approval of requirements.

Building Capabilities

Actions recommended:

- ***Revise the statutory definition of "joint matters" to broaden the number and type of billets for which an officer may receive joint credit.*** Under the current system, for example, a Joint Task Force commander for disaster relief might not be eligible for joint duty credit, while a staff officer serving in a COCOM headquarters would be. The Department will propose revisions that broaden the types of activity for which officers may receive joint credit to include operational and tactical-level experiences that are "joint" in nature.
- ***Modify the statutory requirements which prescribe a three-year duty length for all joint duty positions.*** The lack of flexibility in the current system effectively precludes some highly qualified officers from competing for command positions in which they are needed. The Department will propose revisions to provide the Secretary with maximum flexibility to recognize intensity and duration of joint duty assignments with the intention of reducing friction with service and individual officer developmental requirements and Defense Officer Personnel Management Timelines.
- ***Remove the statutory provisions which require a 10-week, in-residence course, addressing 21 specific issues, to achieve Joint Professional Military Education II accreditation.*** These detailed requirements were enacted because the Department resisted the JPME requirement when Goldwater-Nichols was enacted almost 30 years ago and are no longer needed. The Department seeks more flexible and tailorable delivery methods that will meet Phase II requirements in a manner consistent with JS/Combatant Command (COCOM) needs while maintaining academic rigor.
- ***Establish a dedicated program or fellowship experience*** to produce joint strategists who are well-credentialed, specifically trained, and operationally informed to take part in development, production, and implementation of national military strategy.

Many of these recommendations were subsequently highlighted by Secretary of Defense Carter in a speech at the Center for Strategic and International Studies on April 5, 2016. In his remarks, he stressed that the Department needs better mechanisms to synchronize its global activities, particularly with respect to those issues that cut across the areas of responsibility of the different Combatant Commands. He also sought to codify some of the functions the Chairman of the Joint Chiefs of Staff currently performs. Additional areas for reform highlighted by the Secretary include headquarters staffing reductions and cutting the numbers of four-star officers across the force. Excerpts from the speech wherein he explains his rationale for certain proposals are below (emphasis added):

> accordingly, we need to clarify the role and authority of the Chairman, and in some cases the Joint Chiefs and the Joint Staff, in three ways: one, **to help synchronize resources globally for daily operations around the world, enhancing our flexibility, and my ability, to move forces rapidly across the seams between our combatant commands; two, to provide objective military advice for ongoing operations, not just future planning; and three, to advise the Secretary of Defense on military strategy and operational plans, for example, helping ensure that our plans take into account in a deliberate fashion the possibility of overlapping contingencies.**

> These changes recognize that in today's complex world, we need someone in uniform who can look across the services and combatant commands and make objective recommendations to the department's civilian leadership about where to allocate forces throughout the world and where to apportion risk to achieve maximum benefit for our nation. **And the person best postured to do that is the Chairman of the Joint Chiefs.**
>
> As some of you may know, DoD is currently in the process of reducing our management headquarters by 25 percent—a needed step—and we're on the road to accomplish that goal thanks to the partnership of the congressional defense committees, which once again we deeply appreciate. We can meet these targets without combining Northern Command and Southern Command, or combining European Command and Africa Command—actions that would run contrary to why we made them separate, because of their distinct areas of emphasis and increasing demands on our forces in them. And indeed those demands have only further increased in recent years, with each command growing busier. **So instead of combining these commands to the detriment of our friends, our allies, and in fact our own command and control capabilities, we intend to be more efficient by integrating functions like logistics, intelligence, and plans across the Joint Staff, the combatant commands, and subordinate commands, eliminating redundancies while not losing capability, and much can be done here.**
>
> Additionally, in the coming weeks the Defense Department will look to simplify and improve command and control where the number of four-star positions have made headquarters either top-heavy, or less efficient than they could be. The military is based on rank hierarchy, where juniors are subordinate in rank to their seniors; this is true from the platoon to the corps level, but it gets complicated at some of our combatant and component command headquarters, where we have a deep bench of extremely talented senior leaders. **So where we see potential to be more efficient and effective, billets currently filled by four-star generals and admirals will be filled by three-stars in the future.**
>
> The next area I want to discuss today is acquisition.... One way we're improving is by **involving the service chiefs more in acquisition decision-making and accountability,** consistent with legislation Congress passed last year—including giving them a seat on the Defense Acquisition Board, and giving them greater authority at what's known as "Milestone B," where engineering and manufacturing development begins; that is, where programs are first defined and a commitment to fund them is made... Another way we'll seek to improve is by **streamlining the acquisition system itself. This will include evaluating and where appropriate reducing other members of the Defense Acquisition Board[.]**
>
> ... as we've learned over the years what it takes to operate jointly, it's become clear that we need to change the requirements for joint duty assignments, which are more narrow and rigid than they need to be. **Accordingly, we're proposing to broaden the definition of positions for which an officer can receive joint duty credit, going beyond planning and command-and-control** to include joint experience in other operational functions, such as intelligence, fires, transportation and maneuver, protection, and sustainment, including joint acquisition.[108]

Reactions to the proposals put forward by Secretary Carter have been mixed. Some observers describe these initiatives, when taken together, as an "aggressive" change to the Pentagon's organization, and the most sweeping package of reforms suggested in decades.[109] Others take a

[108] Secretary of Defense Ashton Carter, *Remarks on "Goldwater-Nichols at 30: An Agenda for Updating,"* Center for Strategic and International Studies, April 5, 2016, http://www.defense.gov/News/Speeches/Speech-View/Article/713736/remarks-on-goldwater-nichols-at-30-an-agenda-for-updating-center-for-strategic?source=GovDelivery\.

[109] Ryan Faith, "Secretary of Defense Ash Carter Wants to Fix Everything Wrong With The Pentagon," *Vice News*, April 10, 2016. https://news.vice.com/article/us-secretary-of-defense-ash-carter-wants-to-fix-everything-wrong-with-

more skeptical view, noting that the package of recommendations proposed by the Pentagon represents incremental changes. In this view, these changes are perhaps necessary, but not sufficient, to prepare the Department to meet emerging strategic challenges.[110] Among those with this view reportedly is Senate Armed Services Committee Chairman John McCain, who noted to the press that his suggested changes to the way the Department does business will be "more comprehensive and more controversial."[111] Finally, some observers believe that an incremental approach to changing the Department is preferable absent a common diagnosis of the challenges beleaguering the Pentagon.[112]

Recent Legislation on Defense Reform

The House Armed Services Committee formally expressed its diagnosis of the defense reform challenge in H.Rept. 114-537, stating

> The committee recognizes that security challenges have become more transregional, multi-domain, and multi-functional; that U.S. superiority in key warfighting areas is at risk with other nations' technological advances; and that the Department of Defense lacks the agility and adaptability necessary to support timely decisionmaking and the rapid fielding of new capabilities.... The proposals contained in this subtitle are focused on increasing accountability and oversight, enhancing global synchronization and joint operations, and strengthening strategic thinking and planning, while preserving civilian control of the military and the role of the Chairman of the Joint Chiefs of Staff as the principal, independent military advisor to the President and the Secretary of Defense.[113]

While the Senate Armed Services Committee declined to state its formal view on the overall goals for its defense reform agenda in S.Rept. 114-255, Chairman John McCain has previously noted

> The focus of Goldwater-Nichols was operational effectiveness, improving our military's ability to fight as a joint force. The challenge today is strategic integration. By that, I mean improving the ability of the Department of Defense to develop strategies and integrate military power globally to confront a series of threats, both states and non-state actors, all of which span multiple regions of the world and numerous military functions.[114]

This sentiment appears to provide a logical underpinning for a number of the defense reform proposals presented in S. 2943.

The following table organizes the various legislative proposals included in "Title IX–Department of Defense Organization and Management" sections of both H.R. 4909 and S. 2943. As the Obama Administration did not send formal legislative proposals to Congress to inform these

---

the-pentagon-1.

[110] Aaron Mehta and Joe Gould, "Carter's Goldwater-Nichols Plan Leaves Big Changes for Hill," Defense News, April 10, 2016. http://www.defensenews.com/story/defense/policy-budget/budget/2016/04/10/carters-goldwater-nichols-plan-leaves-big-changes-hill/82790942/.

[111] Ibid.

[112] Mark Cancian, "We Need A Roadmap for Goldwater-Nichols so We Don't Get Lost," *War On The Rocks*, March 17, 20116, http://warontherocks.com/2016/03/we-need-a-map-for-goldwater-nichols-reform-so-we-dont-get-lost/.

[113] H.Rept. 114-4909, Title IX, "Department of Defense Organization and Management," p. 223.

[114] Remarks by Senator John McCain, Senate Armed Services Committee Holds Hearing on the Defense Department Budget Posture, *Congressional Quarterly*, March 1, 2016.

debates, when possible and appropriate the table refers to recommendations formulated by DOD in conjunction with its own Goldwater-Nichols review.[115]

Table 1. Select DOD Reform Proposals

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
Strategy Formulation			
§902 & §903 Eliminate the Quadrennial Defense Review (QDR) and Defense Strategy Review (DSR) processes and replaces them with • top-down strategic guidance on force structure and priorities from the Secretary of Defense, issued every four years; • annual policy guidance to DOD components for their preparation and review of program recommendations and budget proposals; and • a new, independent commission on the National Defense Strategy of the United States.	§921 Augments CJCS responsibilities in strategy formulation, to include • develop strategic frameworks and plans to guide the use of military force across all regions, military functions, and domains; • advise the Secretary of Defense (SecDef) on production of national defense strategy and national security strategy; • provide advice to the President and SecDef on ongoing military operations; • prepare alternative military analysis, options, and plans to recommend to SecDef, as CJCS considers appropriate; • prepare joint logistic, mobility, and operational energy plans to support the national defense strategy; and • provide for preparation and review of contingency plans.	"Strengthen the capability of the Joint Staff to contribute to strategy development to inform the development of operational plans and the identification of military alternatives to address contingencies, subject to policy guidance and review by the civilian leadership. Improved capabilities should be focused on trans-regional, multi-domain and multi-functional threats, and multiple threats with overlapping timeframes."	N/A
§905 Requires that the National Military Strategy, as prepared by the CJCS • develops the military ends, ways, and means to support national objectives;	§921 Recalibrates the National Military Strategy as prepared by CJCS, including a requirement to identify the priority of joint force capabilities, capacities, and resources, as well as establish military guidance for the	"Review the Department's strategic guidance documents and the processes for developing them, with goals of providing greater clarity and cohesion, minimizing complexity, and reducing offices that exist to write	

[115] Peter Levine and Lt. Gen Thomas Waldhauser, *Goldwater-Nichols Working Group Recommendations*, Deputy Chief Management Office, Information Memorandum, March 2016. Available at http://1yxsm73j7aop3quc9y5ifaw3.wpengine.netdna-cdn.com/wp-content/uploads/2016/04/DoD-G-N-WG-recommendations.pdf.

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
• assesses strategic and military risks, including risk mitigation options; • establishes a strategic framework for development of operational and contingency plans; • prioritizes joint force capabilities, capacities, and resources; and • establishes military guidance for the employment of the joint force. §906 Updates requirement in P.L. 114-92 §1064 (b)(2) for an independent study of national security strategy formulation to include workforce ability to conduct strategic planning. §904 Requires the Secretary of Defense prepare policy guidance on contingency planning at least every two years, and submit that guidance to relevant congressional committees.	development of the joint force.	and staff these documents that are often overlapping and sometimes contradictory. For example, [DOD] will reconsider ... the Defense Strategy Review (formerly known as the Quadrennial Defense Review) the extensive processes used to develop it, most of which duplicate existing strategic planning activities."	
Office of the Secretary of Defense (OSD) Management			
N/A	§901 Redesignates Under Secretary of Defense (USD) Business Management and Information to USD Management & Support and adds responsibilities to the position, including oversight of agencies associated with execution of acquisition functions.	"Review and streamline the organization of DOD 'communities of interest' that address regional or functional topics in OSD, Joint Staff, Services, COCOMs and DOD agencies, to bring together multiple staffs addressing closely related issues, reduce duplication of functions, and better align roles, responsibilities and relationships across the Department."	N/A

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
	§903 Establishes an Assistant Secretary of Defense for Information (Chief Information Officer) in OSD, responsible for cyber and space policy, information network defense, policies and standards governing information technology systems and related activities across DOD.		
	§906 Establishes a 30-person defense management reform and business transformation unit to help senior managers develop management reform roadmaps and monitor their implementation.		
	§923 Modifies the roles and responsibilities of Assistant Secretary of Defense for Special Operations/Low Intensity Conflict to have overall supervision of special operations activities within DOD, and to allow it to better perform service secretary-like functions.		
	§923 Creates Special Operations Functional Integration and Oversight Teams to integrate functional activities of DOD to provide capabilities required for special operations missions.		
	§941 Requires SecDef to establish "cross-functional mission teams" on priority issue areas to produce comprehensive and fully integrated policies, strategies, plans, and resourcing and oversight.		
	§941 Requires SecDef issue a directive on the purposes, values, and principles for the operation of OSD, as well as a directive on collaborative behavior. Also ties career progression to collaborative behavior.		

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
	§941 Requires SecDef to take actions to streamline the organizational structure of OSD to increase spans of control, reduce management layers, and eliminate unnecessary duplication between OSD and the Joint Staff. §941 Mandates that positions requiring advice and consent of the Senate successfully complete a course of instruction on leadership, modern organizational practice, collaboration, and the operation of mission teams (described earlier in the act). §942 Requires SecDef formulate and implement management strategies through 2022 on human capital, personnel cost savings targets, elimination of functions, force management authorities, and de-layering of organizations.		
Chairman of the Joint Chiefs of Staff (CJCS) Authorities and Responsibilities			
§907 Extends length of CJCS tour from two to four years, in a manner designed to bridge Administrations.	§921 Extends length of CJCS tour from two to four years, beginning on an odd-numbered year, with a possible two-year further extension.	"Strengthen the Chairman's capability to support the Secretary in management, planning, and execution across the Combatant Commands (COCOM). This would be achieved without placing the chairman in the chain of command, through appropriate delegation of authority from the Secretary to the Chairman and to prioritize military activities and resources across COCOM boundaries."	N/A

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
§908 Codifies CJCS role in advising the President and SecDef on ongoing military operations, as well as the allocation and transfer of forces among geographic and functional combatant commands to address transregional, multi-domain, and multi-functional threats.	§921 Amends Title X U.S.C., Section 153 by codifying primary focus of CJCS as developing military elements of national and defense strategy, assisting the President and SecDef in integration of military operations and activities worldwide, and advocating for current and future joint force requirements. §921 Paragraph (4) amends Title X, U.S.C. §153 by establishing a new joint capability development role for CJCS. §922 Allows SecDef to delegate some authority to CJCS for the worldwide reallocation of limited military assets on a short-term basis. §921 Extends the term of service for VCJCS from two to four years, specifies that VCJCS is not eligible for promotion to any other position in the armed forces, and requires VCJCS appointment not take place in same year as CJCS appointment.		

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
Headquarters Reductions and "De-layering"			
§910 Reduces the number of general and flag officer positions by five.	§904 Augments Title X, U.S.C. by placing a 15% growth cap on numbers of personnel assigned to Army, Navy, and Air Force staffs in times of war.	"Analyze the staffing of functions such as logistics, intelligence and plans in the Joint Staff, the COCOMs, and subordinate commands for potential redundancies and opportunities for savings. This would specifically include consideration of 'skipping an echelon' in functional alignment where that can be done without loss of capability." Secretary Carter also stated at CSIS that: "the Defense Department will look to simplify and improve command and control where the number of four-star positions have made headquarters either top-heavy, or less efficient than they could be."[b]	
§910 Requires that the rank of a commander of a service or functional component command under a combatant command be no higher than lieutenant general or vice admiral.	§904 Reduces number of General and Flag Officers that can be assigned to military departments.		
	§905 Limits use of funds for contractors for staff augmentation at DOD headquarters and military departments.		
Combatant Commands (COCOMs)			
§911 Augments the Unified Command Plan by elevating U.S. Cyber Command (CYBERCOM) to a unified command.	§921 Requires CJCS to recommend budget proposals for each combatant command, establish a uniform system for evaluating COCOM preparedness, and advise SecDef on the extent to which major programs and policies support national defense strategy and COCOM contingency plans.	"Elevate Cyber Command (CYBERCOM) to a unified combatant command, with Title 10/sec 164 authorities to include: joint force provider, cyber capabilities advocacy, and theater security cooperation."	N/A

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
§914 Requires SecDef contract an independent entity to assess COCOM structures and recommend areas for improvement.	§921 Requires COCOM commanders consult with CJCS in the performance of their duties.		
	§921 Establishes a provision in Title X U.S.C. specifying the primary duties of combatant commanders, focusing on planning for employment of forces, responding to significant military contingencies, and deterring conflict.		
	§921 Establishes a Combatant Commanders Council to inform requirements, production periodic review, and implementation of the national defense strategy (NDS) and to assist SecDef with global integration of military operations.		
	§923 Clarifies the administrative chain of command for SOCOM.		
	§923 Gives the Commander, USSOCOM the authority to monitor promotions of special operations forces and coordinate with military departments regarding assignment, retention, training, professional military education, and special and incentive pays of special operations forces.		
	§924 Requires SecDef carry out a pilot program to organize subordinate commands of a unified combatant command around joint task forces rather than through service component commands.		
	§925 Expands eligibility for Deputy Commanders of COCOMs that have the United States among their geographic areas of responsibility to include officers from the reserves.		

HASC-Reported Bill (H.R. 4909)	SASC-Reported Bill (S. 2943)	Administration Recommendations (Goldwater-Nichols Working Group Memo)[a]	Conference Report
	Innovation and Acquisition		
N/A	§901 Re-establishes the Under Secretary of Defense for Research and Engineering (USD R&E) and ensures they are the highest-ranking Under Secretary in DOD.	N/A	N/A
	§901 Establishes an Assistant Secretary of Defense for Acquisition Policy and Oversight that reports to the new USD (R&E).	N/A	N/A
	Military Services		
§909 Allows U.S. forces in the continental United States be assigned to the military services rather than a combatant command.	§902 Requires that Service Secretaries have experience managing large and complex organizations.	N/A	N/A
	Joint Requirements Oversight Council (JROC)		
N/A	§943 Modifies JROC joint and service specific requirements-setting process by ensuring that service chiefs are responsible for service specific requirements, and JROC validation is not required before commencing a service specific acquisition program, except in instances wherein CJCS decides that a service-specific requirement should be made joint.	N/A	N/A

a. See "The Pentagon's View on Reform Proposals" section above.

b. Secretary of Defense Ashton Carter, *Remarks on "Goldwater-Nichols at 30: An Agenda for Updating,"* Center for Strategic and International Studies, April 5, 2016. http://www.defense.gov/News/Speeches/Speech-View/Article/713736/remarks-on-goldwater-nichols-at-30-an-agenda-for-updating-center-for-strategic?source=GovDelivery.

Issues for Congress

As the debate on reforming the Department of Defense begins to take shape, Congress may consider the following questions:

- What kinds of characteristics must DOD have if it is to be able to effectively respond to the nation's current and future national security challenges? Is improved global synchronization, as proposed by the DOD, sufficient to enable DOD to achieve desired characteristics (e.g., agility or innovativeness)?

- Will the proposed changes to DOD's structures and processes enable the Department to achieve the overall aim of strengthening strategic integration and strategic planning? Will they enable the DOD to be more flexible and agile?
- What might be some of the unintended consequences of each reform proposal? How might those be mitigated?
- What kinds of missions are national leaders likely to require U.S. military forces to perform? Is the Department configured in a manner that enables the performance of those missions? Should other government departments perform certain critical tasks currently being performed by DOD?
- Will reforming DOD sufficiently enable the United States to grapple with emerging national security challenges, or is a broader examination of the interagency national security architecture required?
- What processes within the Department are working well? Which are not working well? What functions are currently accomplished by working outside existing or established DOD processes?
- What changes to DOD's culture might be necessary to foster a climate of innovation and experimentation?
- What, if anything, might be done to improve the quality of military and strategic advice delivered to senior defense and national security leaders?

Appendix. Select Defense Management and Organizational Reform Proposals since the 1980s

Over DOD's history, reform efforts have tended to be prompted when leaders in the executive branch or Congress perceive deficiencies in the way that the Department formulates requirements, build capabilities, or manages its costs. For example, cost overruns in the 1980s led the Reagan Administration to establish the Packard Commission, tasked with identifying ways to improve efficiency across the government, with particular attention paid to DOD. Simultaneously, congressional concern that DOD was failing to build the institutional capabilities necessary to effectively prosecute joint operations led to the Goldwater-Nichols Reform Act of 1986. After the end of the Cold War, concerns that DOD strategy was no longer keeping pace with changing strategic realities led to the formulation—and institutionalization—of the Quadrennial Defense Review (QDR) process; concerns that the QDR was not effectively articulating and accounting for U.S. national security risks led Congress to reform the quadrennial strategy process (now called the Defense Strategy Review) in the FY2015 NDAA (P.L. 113-291).

Key reform initiatives and proposals, with particular emphasis on reforms and changes to defense strategy, management, and organization, since 1980 include the following:

1983-1984—President's Private Sector Survey on Cost Control (The "Grace Commission")[116]

On June 30, 1982, President Reagan signed Executive Order 12369 formally establishing the President's Private Sector Survey on Cost Control in the Executive Branch. An Executive Committee under the chairmanship of J. Peter Grace was established, consisting of 161 high-level private sector executives—mostly chairmen and chief executive officers—from many of the nation's leading corporations. The report delivered nearly 2,500 recommendations to President Reagan to improve efficiency and deliver cost savings across the executive branch. With respect to Defense specifically, in June 1983 the Grace Commission stated that the Department of Defense could save $92 billion over three years by reducing major weapon purchases, closing military commissaries in the United States, consolidating or shutting down military bases, and reforming the military health care system. The Grace Commission also identified federal retirement programs, specifically including the uniformed services retirement system, as potential sources of substantial cost savings. It also proposed alternatives formulated solely on the basis of cost savings rather than on uniformed services manpower force requirements. President Reagan endorsed, and implemented, a large proportion of the Commission's recommendations across the executive branch. As a result, the DOD's acquisition system was improved, the Department of Veteran's Affairs health system was overhauled, and the Base Realignment and Closure process closed dozens of facilities.

1985—"Defense Organization: The Need for Change"

In January 1985, Senators Barry M. Goldwater and Samuel A. Nunn (chairman and ranking Member of the Senate Armed Services Committee respectively) reinvigorated a defense reform study initially directed in June 1983 by their respective predecessors. James Locher, committee staff member and study director, submitted a 645-page study, entitled "Defense Organization: The Need for Change," on October 16, 1985. SASC began a 10-day series of hearings on DOD reform

[116] *The President's Private Sector Survey on Cost Control*, January 12, 1984.

that same date; Locher's findings informed those deliberations. The study identified 16 key problems with the Department and its operations:

- Limited mission integration at DOD's policymaking level;
- Imbalance between service and joint interests;
- Imbalance between modernization and readiness;
- Inter-service logrolling;
- Inadequate joint advice;
- Failure to implement adequately the concept of unified command;
- Unnecessary staff layers and duplication of effort in the top management headquarters of the military departments;
- Predominance of programming and budgeting;
- Lack of clarity of strategic goals;
- Insufficient mechanisms for change;
- Inadequate feedback;
- Inadequate quality of political appointees and joint duty military personnel;
- Failure to clarify the desired division of work;
- Excessive spans of control;
- Insufficient power and influence of the Secretary of Defense; and
- Inconsistent and contradictory pattern of congressional oversight.

Of the 91 recommendations that Locher made in order to address this problem, the 12 generally deemed most important were the following:

- Establish three mission-oriented Under Secretary positions in the Office of the Secretary of Defense for (a) nuclear deterrence; (b) NATO defense; and (c) regional defense and force projection.
- Disestablish the Joint Chiefs of Staff and, thereby, permit the Service Chiefs to dedicate all their time to service duties.
- Establish a Joint Military Advisory Council consisting of a Chairman and a four-star military officer from each service on his last tour of duty to serve as principal military advisors to the President, the National Security Council, and the Secretary of Defense.
- Authorize the Chairman of the Joint Military Advisory Council to provide military advice in his own right.
- Designate one of the members of the Joint Military Advisory Council, from a different service pair (Army/Air Force and Navy/Marine Corps) than the Chairman, as Deputy Chairman.
- Specify that one of the responsibilities of the Joint Military Advisory Council is to inform higher authority of all legitimate policy alternatives.
- Authorize the Chairman of the Joint Military Advisory Council to develop and administer a personnel management system for all military officers assigned to joint duty.
- Establish in each service a joint duty career specialty.

- Make the Chairman of the Joint Military Advisory Council (JMAC) the principal military advisor to the Secretary of Defense on operational matters and the sole command voice of higher authority within the JMAC system while ensuring absolute clarity that the JMAC Chairman is not part of the chain of command.
- Remove the service component commanders within the unified commands from the operational chain of command.
- Fully integrate the Secretariats and military headquarters staffs in the Departments of the Army and Air Force and partially integrate the Secretariat and military headquarters staffs in the Department of the Navy (the Department of the Navy is treated differently because of its dual-service structure).
- Create the position of Assistant Secretary of Defense (Strategic Planning), who would be responsible for establishing and maintaining a well-designed and highly interactive strategic planning process.[117]

While the study proposed some radical changes, only a few of them were adopted, mostly in the areas of personnel management and the chain of command, through the Goldwater-Nichols legislation (see below).

1986—The Packard Commission[118]

President Ronald Reagan established his Blue Ribbon Commission on Defense Management on July 15, 1985. The commission, which was headed by David Packard (founder of Hewlett-Packard and former Deputy Secretary of Defense), was instructed to "study defense management policies and procedures, including the budget process, the procurement system, legislative oversight, and the organizational and operational arrangements, both formal and informal, among the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Unified and Specified Command system, the Military Departments, and the Congress." While the study explored many facets of the DOD and its management, the overall objective was to identify efficiencies and associated cost savings. Ultimately, the commission found that "establishment of strong centralized policies implemented through highly decentralized management structures" would improve DOD's efficiency and effectiveness. The recommendations themselves were organized into four areas: national security planning and budgeting; military organization and command; acquisition organization and procedures; and government-industry accountability. The report noted:

> Meeting these challenges will require, we believe, a rededication by all concerned to some basic principles of management. Capable people must be given the responsibility and authority to do their job. Lines of communication must be kept as short as possible. People on the job must be held accountable for results. These are the principles that guide our recommendations on defense organization and acquisition. They apply whether one is fighting a war or managing a weapons program.[119]

Many of the Packard report's recommendations pertained to defense acquisition; of note, it argued for the creation of two-year defense budgets in order to find efficiencies in the defense program through fiscal stability. This recommendation was somewhat implemented in the 1986

[117] Defense Organization: The Need for Change, Staff Report to the Committee on Armed Services, U.S. Senate Report No. 99-86, October 16, 1984 (Washington DC: GPO, 1985), pp. 1-12.

[118] Packard Commission Report, p. 1. http://www.documentcloud.org/documents/2695411-Packard-Commission.html.

[119] Packard Commission Report, p. 2. http://www.documentcloud.org/documents/2695411-Packard-Commission.html.

Defense Authorization Act, which required DOD to submit two-year budgets to Congress. However, DOD never received both authorizations and appropriations to cover this biennial period; and therefore the Department had to submit an additional one-year budget to the second session of Congress.[120] This biennial budgetary provision was repealed in the FY2008 NDAA.

1986—National Security Decision Directive (NSDD) 219[121]

President Ronald Reagan established his Blue Ribbon Commission on Defense Management on July 15, 1985 (discussed below). One month after President Ronald Reagan received the Packard Commission's interim report he issued NSDD 219 in order to implement the Commission's findings. Key provisions included the following:

- Improving the integration of national security strategy with fiscal guidance provided to the Department of Defense. This included issuing provisional five-year budget levels to DOD; developing procedures for producing a military strategy to support national objectives; a net assessment of military capabilities; and the selecting by the President of a military program and the associated budget level.
- Strengthening military command, control, and advice. This included improving procedures for the Chairman, Joint Chiefs of Staff to channel the reports of the Combatant Commanders to the Secretary of Defense and channel presidential and Secretary of Defense orders to the Combatant Commanders; revising the Unified Command Plan and other related publications to provide broader authority to the Combatant Commanders to structure subordinate commands, joint task forces, and support activities; providing options on Combatant Command (CoCom) organizational structures to accommodate the "shortest possible" chain of command; increasing flexibility to deal with situations that overlap CoCom geographical boundaries; and repealing the statutory provision against the establishment of a single Unified Command for transportation.
- Improving Acquisition Management. Anticipating the establishment of a new Under Secretary of Defense for Acquisition, NSDD 219 directed the Secretary of Defense to develop a directive outlining the roles and responsibilities of the new Under Secretary, to include defining the scope of the "acquisition" function; setting policy for procurement and research and development; supervising of the entire Department acquisition system; establishing policy for oversight of defense contractors; and developing appropriate guidance for auditing defense contractors.

1986—Goldwater-Nichols Act[122]

The Goldwater-Nichols Act was the first major defense organizational reform legislation since the Defense Reorganization Act of 1958. Building on the results of its own investigations, as well as Packard Commission findings, Congress sought to address what it believed were fundamental systemic problems in DOD. These included serious organizational defects in the organization of the Joint Chiefs of Staff, an inability of the military services to work together, a lack of mission

[120] United States Government Accountability Office, "Budget Process: Biennial Budgeting for the Federal Government," Testimony by Susan J. Irving, March 10, 2000, pp. 10-11.

[121] See http://www.reagan.utexas.edu/archives/reference/Scanned%20NSDDS/NSDD219.pdf.

[122] P.L. 99-433.

focus in the Office of the Secretary of Defense, weaknesses in the budget process, and deficiencies in congressional oversight of DOD programs and plans. Its five main titles dealt with the organization of DOD, including the Office of the Secretary of Defense, and the powers and duties of the Secretary; the Joint Chiefs of Staff and the combatant commands; defense agencies and field activities; joint officer personnel policy; and the military departments. The Goldwater-Nichols Act, which was resisted by members of the Administration and the military, specifically focused on areas for improving "jointness" among the military services.

In late 1986, Senators Nunn and Cohen introduced legislation to promote jointness for the Special Operations Community. The resulting public law amended the Goldwater-Nichols Act by establishing a four-star Special Operations combatant command, as well as an Assistant Secretary position within the Office of the Secretary of Defense responsible for Special Operations/Low Intensity Conflict.

1989—Defense Management Review[123]

In February 1989, President George Bush addressed a joint session of Congress, announcing he was directing the Secretary of Defense to develop a plan to improve the defense procurement process and management of the Pentagon, and to "accomplish full implementation of the recommendations of the Packard Commission and to realize substantial improvements in defense management overall."[124] Key recommendations included the following:

- Achieving better management of defense agencies and components through better synchronization of senior leaders' roles and responsibilities, and by assigning overall responsibility for DOD's day to day management, operations, and the Planning, Programming, and Budgeting System (PPBS) to the Deputy Secretary of Defense;
- Establishing a Defense Executive Committee of DOD senior leadership, replacing the Defense Resources Board with a Defense Planning and Resources Board;
- Better prioritizing programs and incorporating alternative planning scenarios in the PPBS, thereby making it more responsive to emerging requirements while operating on a two-year budgeting cycle (consistent with Packard Commission recommendations) in order to achieve better programmatic stability;
- Streamlining acquisition and procurement processes;
- Reducing the acquisition workforce and requiring each military service to submit plans for a dedicated corps of officers who would make a full-time career as acquisition specialists;
- Streamlining the number of directives and issuances associated with acquisition; and
- Improving logistics management, to include reducing supply, repair parts, and transportation costs.

The report also suggested several legislative changes, particularly pertaining to acquisition.

[123] See http://www.ndia.org/Advocacy/AcquisitionReformInitiative/Documents/1989_Defense_Management_Review.pdf.

[124] Ibid., p. 1.

1992—Base Force Review

Developed under then-Chairman of the Joint Chiefs of Staff Colin Powell, the "Base Force" Review was an initiative to understand the minimum required force structure for the emerging post-Cold War security environment. Although the Base Force Review was presented to Congress in 1991, it was not until the 1992 National Military Strategy (NMS) was released that its full implications would become clear. The 1992 NMS identified four "foundations" for national military strategy: strategic deterrence and defense; forward presence; crisis response; and reconstitution (or, the capacity to rebuild forces if necessary). U.S. force structure would be designed to accomplish these tasks and advance U.S. interests in regions vital to the United States, rather than on the basis of fighting multiple major regional conflicts (as later defense plans would argue for). Three force packages comprised the core of the Base Force's conventional structure:

- **Atlantic forces.** To meet threats and secure interests across the Atlantic in Europe, Southwest Asia, and the Middle East. These forces were to be "heavy," and were to have a significant reserve component.
- **Pacific forces.** These forces were to advance U.S. interests in East Asia and the Pacific. Pacific forces were to be "light" and predominantly maritime, and were to include some Army and Air Force forward-deployed presence, and less of a reserve component than the Atlantic forces.
- **Contingency forces.** These were to consist of light, mobile forces that were CONUS-based and "ready to go on a moment's notice." These rapidly mobile, highly lethal forces were seen as likely to serve as the leading edge of forces being introduced for major regional contingencies and were to be less reliant on reserve components than the Atlantic and Pacific forces.

Thus, the "Base Force" would comprise 20 Army Divisions (12 active, 6 reserve, and 2 reserve cadre divisions); 26.5 USAF tactical fighter wing equivalents (15.25 active, 11.25 reserve); 4 Marine Expeditionary Forces (MEFs); and 12 Navy carriers. These force packages entailed a reduction in major force elements and manpower ranging from 20% to 40%, depending on service/component (with an approximate 25% reduction Department-wide). With respect to acquisition, longer-term investment accounts were prioritized while procurement spending declined in order to meet top-line defense spending reductions.

1993—Chairman of the Joint Chiefs of Staff Report on the Roles, Missions, and Functions of the U.S. Armed Forces[125]

Informed by the findings of the Base Force Review, in February 1993, Chairman of the Joint Chiefs of Staff Colin Powell released a roles and missions report. Key recommendations included

- removing any and all Marine Corps and Army requirements for nuclear forces;
- closing some 800 bases overseas and cutting of some 100 defense acquisition programs;
- putting forces based in the United States under a Joint command (Atlantic Command); and
- placing U.S. Space Command under U.S. Strategic Command.

[125] See Gen. Colin Powell, Press Briefing on the Roles and Missions Report, February 12, 1993, http://fas.org/man/docs/corm93/brief.htm. For more information, see http://fas.org:8080/man/docs/corm93/index.html.

1993—The Bottom-Up Review (BUR)[126]

In order to further reorient the Department away from the Cold War threat environment, in 1993 Secretary of Defense Les Aspin directed a comprehensive review of the "nation's defense strategy, force structure, modernization, infrastructure and foundations." The Bottom-Up Review (BUR) sought to find further efficiencies (the "peace dividend") while simultaneously reconceptualizing the threat environment in which U.S. forces would be required to operate. The BUR organized the Department and its capabilities into four "building blocks":

- **Major regional contingencies**. This pertained to the U.S. ability to fight a major regional conflict against a substantial regional threat. The operational concept for this kind of campaign was broken into four phases: (1) halt an invasion; (2) build up U.S. combat power in the region while reducing the enemy's ability to operate; (3) decisively defeat the enemy; and (4) provide for post-war stability.
- **Peace enforcement and intervention operations.** This block was to be capable of forcing entry into, seizing, and holding key facilities; controlling troop and supply movements; establishing safe havens; securing protected zones from internal threats such as snipers, terrorist attacks, or sabotage; and preparing the environment for relief by peacekeeping units or civilian authorities.
- **Overseas presence operations**. This block was designed to deter adventurism and coercion by potentially hostile states, reassure friends, enhance regional stability, and underwrite a larger strategy of international engagement, prevention, and partnership. It also was to help improve U.S. ability to respond effectively to crises or aggression, provide the leading edge of a rapid response capability needed in a crisis, and improve interoperability.
- **Address Nuclear Dangers.** This block included activities associated with reducing the threat of WMD use by adversaries against the United States and its interests. In addition to retaining the capacity for nuclear retaliation against those who might use WMD against the United States, other activities included cooperative threat reduction, nuclear nonproliferation, counter-proliferation, and active and passive defenses against nuclear, biological, and chemical weapons and their delivery systems.

The BUR also stipulated a further reduction in forces from FY1990, seeking to reduce the size of the Armed Forces by approximately 33%—well beyond the Base Force's planned overall 25% force reduction.

1995—Commission on the Roles and Missions of the Armed Forces[127]

John P. White, former Assistant Secretary of Defense from 1977 to 1978, chaired the Commission on Roles and Missions, which issued its report, *Directions for Defense*, in May 1995. It concluded that in the 21st century, every DOD element must focus on supporting the operations of the Unified Commanders in Chief (CINCs)—now referred to as Combatant Commanders (CoCOMs). Recommendations were designed to strengthen this support and included

- Improving Jointness. The Chairman of the JCS should propose to the Secretary of Defense a unified vision for joint operations to guide force and materiel

[126] Secretary of Defense Les Aspin, "Report on the Bottom-Up Review," October 1993.

[127] Roles and Missions Commission of the Armed Forces, "Report to Congress, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff," May 24, 1995, http://fas.org/man/docs/corm95/di1062.html.

development; integrate support to CINCs in such critical areas as theater air/missile defense and intelligence; improve joint doctrine development; develop and monitor joint readiness standards; and increase emphasis on joint training;

- Elevating CINCs. Larger roles for the CINCs in structuring and controlling command, control, and intelligence support; joint training; and theater logistics;
- Establish a new "Jointness" CINC. Creation of a new, functional unified command responsible for joint training and integration of all forces based in the continental United States (note, this resulted in the re-designation of Atlantic Command as U.S. Joint Forces Command);
- Planning for Peace Operations. Differentiating peace operations from "operations other than war" (OOTW) in order to give them greater prominence in contingency planning;
- Increasing service focus on "core competencies." Rather than attempt to eliminate duplication of assets between services (i.e., eliminate the "four air forces" problem), the report found that existing problems with service roles are symptoms of the need for DOD to concentrate more intensely on unified operations;
- Improving Health Care. Giving beneficiaries of DOD health care more choice between military and civilian care; and
- Improving Acquisition Infrastructure. Rejecting a "monolithic" acquisition organization independent of the services, as it could undermine core combat capabilities. Instead, infrastructure supporting the purchase and maintenance of equipment should be improved.

The report also called for better DOD coordination with other USG agencies for tasks including combating proliferation of weapons of mass destruction, information warfare, operations other than war, and in overall national security strategy development.

1996—Joint Vision 2010[128]

In 1996, Chairman of the Joint Chiefs of Staff Shalikashvili issued a "conceptual template for how America's Armed Forces will channel the vitality and innovation of our people and leverage technological opportunities to achieve new levels of effectiveness in joint warfighting."[129] While not a Secretary of Defense or congressionally mandated reform initiative per se, the document formed the intellectual foundation for subsequent defense organization reform proposals through the remainder of the Clinton Administration. The vision of future warfighting that Shalikashvili proposed "embraces information superiority and the technological advances that will transform traditional warfighting via new operational concepts, organizational arrangements, and weapons systems."[130] In other words, Joint Vision 2010 explored the ways in which the United States military might build upon—and take advantage of—its technological superiority (the "Revolution in Military Affairs"). The necessity of building and exploiting U.S. technological advantage in the battle space subsequently became a key concept in defense strategy and planning, especially as it

[128] Joint Chiefs of Staff, "Joint Vision 2020" http://www.dtic.mil/jv2010/jv2010.pdf.

[129] Ibid., p. 1.

[130] U.S. Department of Defense, "Report of the Quadrennial Defense Review," May 1997, Section VII. See http://www.DOD.mil/pubs/qdr/sec7.html.

enabled (at least in theory) force structure reductions through improving effectiveness of the joint force.

1997—Quadrennial Defense Review[131]

The 1997 Quadrennial Defense Review, which was congressionally mandated, embraced the notion of defense transformation (or, the adoption of, and investment in, technology to improve the manner in which the United States conducts its military operations). In particular, it argued for improving command and control capabilities through advanced command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) architectures. It also noted the Department's intent to leverage new technologies to harness the "Revolution in Military Affairs" through new operational concepts, doctrine, and organizational changes. This QDR reaffirmed the "two major theater war" force sizing construct, and accordingly justified the need to retain a nuclear deterrent based on a triad of forces, as well as to retain 10 Army divisions, 12 aircraft carriers, 20 fighter wings, and 3 Marine Expeditionary Forces. It also reaffirmed the requirement to keep approximately 100,000 personnel forward deployed both in Europe and in the Pacific and to regularly deploy naval, air, ground, and amphibious forces around the world. Additional recommendations included

- Further reducing civilian and military personnel associated with infrastructure beyond the initiatives in the DOD budget for FY1998 by 109,000, bringing the total reduction to infrastructure employment since 1989 to 39%;
- Requesting authority for two additional rounds of BRAC, one in 1999 and the second in 2001;
- Improving efficiency and performance of DOD support activities by adopting innovative management and business practices of the private sector. These include "reengineering" or "reinventing" DOD support functions, for example, streamlining, reorganizing, downsizing, consolidating, computerizing, and commercializing operations;
- Considering far more non-warfighting DOD support functions as candidates for outsourcing—inviting commercial companies to compete with the public sector to undertake certain support functions.[132]

Other recommendations in the QDR were included in the Defense Reform Initiative.

1997—Defense Reform Initiative[133]

Based on the findings of the 1997 Quadrennial Defense Review (QDR) Process, Secretary of Defense William Cohen established a Task Force on Defense Reform to find ways to improve the organization and procedures in the Department. It was asked to recommend organizational reforms, reductions in management overhead, and streamlined business practices in the Department, with emphasis on the Office of the Secretary of Defense, the Defense Agencies, DOD field activities, and the military departments. The task force specifically looked at the

[131] U.S. Department of Defense, "Report of the Quadrennial Defense Review," May 1997. See http://www.DOD.mil/pubs/qdr/sec7.html.

[132] U.S. Department of Defense, "Report of the Quadrennial Defense Review," May 1997, Section VIII. See http://www.DOD.mil/pubs/qdr/sec7.html.

[133] U.S. Department of Defense, "Defense Reform Initiative Report," November 1997. See http://www.dod.mil/pubs/dodreform/fullreport.pdf.

private sector and sought to adapt best practices and lessons learned from industry to Pentagon operations. The report recommended reforms in four broad categories:

- Adopting modern business practices to achieve world-class standards of performance. This included moving toward electronic (versus paper) business operations; adopting prime vendor contracting at key facilities for maintenance, repair, and operating materials; consolidating logistics and transportation; reengineering DOD travel procedures and systems; and giving greater options to servicemembers for movement of household goods.
- Streamlining organizations, particularly OSD, the services, and CoCOMs, to remove redundancy and maximize synergy. This included reducing personnel in OSD (reduced by 33% from FY1996 levels), the defense agencies (21% reduction) and field activities (36% reduction), the Joint Staff (29% reduction), the Service Headquarters (10% reduction), and the Combatant Command headquarters (10% reduction). Further actions included
    - Establishing the Defense Threat Reduction and Treaty Compliance Agency to help manage the WMD threat;
    - Establishing a Chancellor for Education and Professional Development;
    - Requiring that the Deputy Director of Military Support for domestic civil emergencies be a General Officer from the National Guard Bureau; and
    - Recommending that OSD policy consolidate from four Assistant Secretary of Defense offices to three.
- Applying market mechanisms to improve quality, reduce costs, and respond to customer needs. This included looking for opportunities to outsource services and functions to the private sector and improve competition for depot maintenance.
- Reducing excess support structures to free resources and focus on core competencies. This included base closures and revitalizing base housing and utilities with private sector capital.

1997—National Defense Panel Report[134]

Established as an independent panel by the Secretary of Defense under Section 924 of the Military Force Structure Act of 1996, "Transforming Defense: National Security in the 21st Century" provided Congress with an alternative view of the 1997 Quadrennial Defense Review. While it noted that important reforms were ongoing under Secretary of Defense Cohen, the report argued that the pace of DOD transformation should be broader as well as accelerated. Key findings included the following:

- The United States should undertake a broad transformation of its military and national security structures, operational concepts, and equipment, and DOD's key business processes;
- Transformation should go beyond operational concepts, force structures, and equipment, and should include procurement reform and changes to the support structure, including base closures;

[134] Report of the National Defense Panel, Transforming Defense-National Security in the 21st Century, December 1997. See http://www.dtic.mil/dtic/tr/fulltext/u2/a402688.pdf.

- The concept of "jointness" should be extended beyond the military to the broader national security establishment (a "Goldwater-Nichols for the interagency");
- The Unified Command Plan should be augmented through:
  - The establishment of an "Americas Command," to address the challenges of homeland defense as well as those of the Western Hemisphere;
  - The establishment of a Joint Forces Command to be the force provider to the geographic CINCs (later to be called Combatant Commands), address standardization among the various unified commands, oversee joint training and experimentation, and coordinate and integrate activities among the networked service battle labs;
  - Elimination of U.S. Atlantic Command, subordination of Southern Command;
  - Establishment of a Logistics Command that merges necessary support functions divided among various agencies;
  - Assignment of the information domain to Space Command;
- Initiation of planning and preparedness for urban operations as a matter of priority;
- Enhanced defense intelligence capabilities, and in particular prioritization of Human Intelligence (HUMINT) collection capabilities;
- Reconsideration and/or redesign of the PPBS.

2000—The Hart-Rudman Commission[135]

Perhaps picking up from themes touched upon in the 1995 Roles and Missions report and the 1997 National Defense Panel report, the U.S. Commission on National Security in the 21st Century was established in 1998 by Secretary of Defense William Cohen to examine whether U.S. national institutions were appropriately designed to meet the complex challenges of the current and future security environment. It did so in three phases: by first "describing the emerging world in the first quarter of the 21st century, then to design a national security strategy appropriate to that world, and finally to propose necessary changes to the national security structure in order to implement that strategy effectively." With respect to DOD, the Commission issued a 91-page report outlining key reform proposals,[136] which included

- Restructuring the Office of the Under Secretary of Defense for Policy (USD(P)) by creating a new Assistant Secretary dedicated to Strategy and Planning (S/P) and abolishing the office of the Assistant Secretary for Special Operations and Low-Intensity Conflict;
- Establishing a 10-year goal to reduce infrastructure costs by 20% to 25% through outsourcing and privatizing as many DOD support agencies and activities as possible;

[135] U.S. Commission on National Security/21st Century Hart-Rudman Commission. See http://www.au.af.mil/au/awc/awcgate/nssg/.

[136] U.S. Commission on National Security in the 21st Century, "Creating Defense Excellence: Defense Addendum to Road Map for National Security" May 15, 2001. See http://www.au.af.mil/au/awc/awcgate/nssg/addendum/Creating_Defense_Excellence.pdf.

- Creating a BRAC-like commission on DOD infrastructure reduction that would report to both the legislative and executive branches;
- Moving the QDR to the second year of an Administration, and using the QDR as a foundation for the PPBS process;
- Requiring the Secretary of Defense to produce defense policy and planning guidance that defined specific goals and established relative priorities;
- Requiring those conducting the QDR to aim at defining defense modernization requirements for two distinct planning horizons: near-term (1 to 3 years) and long-term (4 to 15 years);
- Introducing a new process, different from the PPBS, that would require the services to compete for allocation of some resources within the overall DOD budget;
- Revising the Major Force Programs (MFPs) used in the Defense Program Review to focus on a different mix of military capabilities. The 11 MFPs should be expanded into 13 different programs divided into three major categories: combat force programs, combat support programs, and service support programs;
- Updating and modernizing Defense war gaming tools used to assess capabilities and size forces;
- Establishing and employing a two-track acquisition system—one for major acquisitions and a second, "fast track" for a limited number of breakthrough systems, especially those in the area of command and control;
- Returning to the pattern of increased prototyping and the testing of selected weapons and support systems, specifically to foster innovation;
- Implementing two-year defense budgeting solely for the modernization element of the DOD budget (R&D/procurement) because of its long-term character, and expanding the use of multi-year procurement;
- Rewriting the Defense sections of the Federal Acquisition Regulations; and
- Shifting from a threat-based, two major theater war force sizing process to one that measures against recent operational activity trends, actual intelligence estimates of potential adversary's capabilities, and national security objectives once formulated in the new Administration's national security strategy.

2001—Quadrennial Defense Review Report[137]

The 2001 QDR report argued for the recalibration of U.S. strategy to focus on four core goals: assuring allies and friends; dissuading adversaries; deterring aggression and coercion; and defeating enemies. Accordingly, it argued that the Department ought to move from a "threat-based" model to a "capabilities based" model that focused more on how an adversary might fight rather than specifically who the adversary might be or where a war might occur. Still, it retained the essentials of the "two major theater war" construct, noting that "U.S. forces will remain capable of swiftly defeating attacks against U.S. allies and friends in any two theaters of operation in overlapping timeframes," while also building in the planning requirement to conduct

[137] U.S. Department of Defense, "2001 Quadrennial Defense Review Report" See http://www.comw.org/qdr/qdr2001.pdf.

limited, smaller-scale contingencies. It also sought to better account for risk in defense policy formulation. Other recommendations included the following:

- Maintaining regionally tailored forces forward stationed and deployed in Europe, Northeast Asia, the East Asian littoral, and the Middle East/Southwest Asia to assure allies and friends, counter coercion, and deter aggression;
- Enhancing security cooperation with allies and partners;
- Reorienting the U.S. global military posture to enhance deterrent presence, flexibility, and rapid response in crises;
- Strengthening joint operations through technology;
- Introducing "modularity" to the joint forces;
- Streamlining DOD overhead structure and flattening the organization;
- Consolidating and modernizing defense facility infrastructure; and
- Recalibrating the deploy-to-dwell ratios in order to better control the amount of time DOD personnel are deployed away from home station.

2003—Transformation Planning Guidance[138]

Two years into the Global War on Terror, Secretary of Defense Donald Rumsfeld issued his Transformation Planning Guidance with the goal of transitioning the U.S. military from the industrial age to the information age. As the logic went, particularly after the September 11th attacks, the United States could not afford to react to threats slowly or have large forces tied down for lengthy periods. Rather, the United States needed forces that could take action from a forward position, rapidly reinforce from other areas, and defeat adversaries swiftly and decisively while conducting an active defense of U.S. territory. The roadmap was broken out into eight task categories, to include shaping transformation policy; concept development and experimentation; interoperability; transformation roadmaps; innovative processes; testing; training and education; and measuring progress. It also sought to ensure that transformation activities were included as part of the PPBS cycle.

2004—Joint Defense Capabilities Study[139]

In March 2003, Secretary of Defense Rumsfeld chartered a study—formally named the Joint Defense Capabilities Study—to examine how DOD developed resources and provided joint capabilities. Key findings included the following:

- Services dominate the current requirements process. Much of DOD's focus is on service programs and platforms rather than capabilities required to accomplish Combatant Command missions;
- Service planning does not consider the full range of solutions available to meet joint warfighting needs; and
- The resourcing function focuses senior leadership effort on fixing problems at the end of the process, rather than being involved early in the planning process.

Key recommendations included that

[138] U.S. Department of Defense, "Transformation Planning Guidance," April 2003. See http://www.acq.osd.mil/brac/Downloads/Prior%20BRAC%20Rounds/transformationplanningapr03.pdf.

[139] Office of the Secretary of Defense, "Joint Defense Capabilities Study," December 2003.

- Joint needs should form the foundation for the defense program;
- Planning for major joint capabilities should be accomplished at the Department rather than the component level;
- Senior leaders should focus on providing guidance and making decisions at the "front end" of the process; and
- A Strategic Planning Council, chaired by the Secretary of Defense, should be established to provide senior leaders with a venue to offer formal inputs to shape defense strategy and support effective oversight of a "capabilities-based" planning system.

On October 31, 2003, Secretary of Defense Rumsfeld issued a memorandum adopting many of these recommendations. These included the planned issuance of a fiscally informed Strategic Planning Guidance document that would replace the policy/strategy sections of the Defense Planning Guidance; the initiation of an enhanced, collaborative joint planning process that articulated metrics for success in the defense program; the planned issuance of fiscally constrained Joint Programming Guidance replacing the programmatic elements of the Defense Planning Guidance; and the issuance of a defense budget informed by all the above activities.

2006—Quadrennial Defense Review[140]

The 2006 QDR process was a key opportunity for DOD to assess the progress it was making, both with respect to the Global War on Terror as well as its implementation of the transformation agenda. Accordingly, it focused on key requirements emerging from operational and defense managerial necessity. Of note, it articulated the need for greater collaboration with other agencies in the national security interagency system to manage a variety of challenges, from counterinsurgency and stability operations to humanitarian assistance and disaster response missions. In its reorientation, it argued for a shift in DOD capabilities from its "traditional" portfolio to one better suited to defeat terrorist networks, prevent acquisition or use of weapons of mass destruction (WMD), defend the homeland in depth, and shape choices of countries at a strategic crossroads. Key reforms contained within the document included the following:

- A Department-wide emphasis on irregular warfare, building partnership capacity, strategic communication, intelligence, and defense institutional reform and governance;
- An increase of Special Operations Forces by 15%;
- Establishment of a Marine Corps Special Operations Command;
- Adoption of a "more transparent, open and agile decision-making process" using common information sources, combining Department-level financial databases, and standardization of analytic processes;
- Establishment of "capital accounts" for major acquisition programs;
- Development of "joint capability portfolios"; and
- Establishment of the Defense Business Systems Management Committee to improve governance of the Department's transformation efforts.

The 2006 QDR was accompanied by a series of implementation "road maps," overseen by the Deputy Secretary of Defense.

[140] U.S. Department of Defense, "2006 Quadrennial Defense Review." See http://archive.defense.gov/Home/features/2014/0314_sdr/qdr/docs/Report20060203.pdf.

2010—Quadrennial Defense Review Report[141]

This QDR sought to rebalance the Department and its activities to accomplish the following key priorities: prevail in today's wars; prevent and deter conflict; prepare to defeat adversaries and succeed in a wide range of contingencies; and preserve and enhance the all-volunteer force. It also paid specific attention to alliance relationships and basing and posture agreements. Key proposed reforms to DOD business practices in the 2010 QDR include the following:

- Reforming security assistance;
- Reforming defense acquisition through a revitalization of the acquisition workforce, bolstering cost analysis, and better integrating risk into cost assessments;
- Institutionalizing rapid acquisition capability; and
- Reforming the U.S. export control system.

2010—Secretary of Defense Gates's Reforms[142]

During his tenure as Secretary of Defense, Robert Gates sought to recalibrate the Department away from fighting future wars, and instead prioritize fighting and winning the conflicts in which the nation was embroiled at the time, to include Iraq and Afghanistan. He also sought to reduce DOD bureaucracy while at the same time rebuilding the defense civil service.[143] In particular, Secretary Gates

- Disestablished Joint Forces Command; and
- Directed the Department to find $100 billion in overhead savings over five years, and redirect those savings toward personnel and units, force structure, and investment in future capabilities.

In addition, he sought to

- Institutionalize the capabilities necessary to wage asymmetric conflicts;
- "Right-size" the DOD workforce through "in-sourcing"—hiring 13,600 civil servants to replace contractors and hire an additional 33,600 civil servants over five years;
- Reinvigorate the acquisition workforce through adding 4,080 acquisition professionals; and
- Improve medical support during combat operations, for wounded soldiers, and for veterans.

2012—Defense Strategic Guidance[144]

On January 5, 2012, Secretary Leon Panetta released strategic guidance intended to articulate priorities for the Department. It argued that four missions would be used to size the force:

---

[141] U.S. Department of Defense, "2010 Quadrennial Defense Review." See http://www.comw.org/qdr/fulltext/1002QDR2010.pdf.

[142] See Robert. M. Gates, "A Balanced Strategy: Reprogramming the Pentagon for a New Age," Foreign Affairs, January/February 2009.

[143] DOD Comptroller, Budget Justification Briefing, 2010.

[144] U.S. Department of Defense, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," January 2012. See http://archive.defense.gov/news/Defense_Strategic_Guidance.pdf.

counterterrorism; deterring and defeating aggression; countering WMD; and homeland defense. It specifically stated that the Department would no longer plan for "large-scale" counterinsurgency or stability operations missions. Key recommendations and decisions taken include

- Managing the force in ways that protect its ability to regenerate capabilities that might be needed to meet future, unforeseen demands;
- Ensuring "reversibility" of decisions—including the vectors on which DOD places its industrial base, so that capabilities that have been divested can be reconstituted if necessary;
- Rebuilding force readiness;
- Reducing defense costs, including growth of manpower costs, and finding efficiencies in headquarters, business practices, and other support activities;
- Examining the mix of Active Component and Reserve Components.

2013—Secretary of Defense Hagel's Reforms[145]

The Budget Control Act of 2011 eventually resulted in "sequestration," or mandatory budget reductions for the Department of Defense. This prompted Secretary of Defense Hagel to initiate a "Strategic Choices and Management Review," which sought to help DOD balance strategic ends, ways, and means under different budget scenarios. It also scrutinized "every aspect" of DOD's budget, including contingency planning, business practices, force structure, pay and benefits, acquisition practices, and modernization portfolios. Key findings/recommendations included

- Reducing the Department's major headquarters budgets by 20%, beginning with the Office of the Secretary of Defense, the Joint Staff, Service Headquarters and Secretariats, Combatant Commands, and defense agencies and field activities. Organizations should strive for a goal of 20% reductions in civilian and military personnel on headquarters staffs;
- Reducing the number of direct reports to the Secretary of Defense and eliminating positions; and
- Reducing intelligence analysis and production at Combatant Commands.

2014—Quadrennial Defense Review Report[146]

In part due to fiscal austerity prompted by budget restrictions associated with the Budget Control Act, the 2014 QDR refocused the Department on three strategic objectives: defending the homeland; building security globally by projecting U.S. influence and deterring aggression; and remaining prepared to win decisively against any adversary. This QDR announced force structure reductions, while protecting investments in key capability areas including cybersecurity; missile defense; deterrence; space; air/sea battle; precision strike; intelligence, surveillance and reconnaissance (ISR); counterterrorism; and special operations capabilities. It also sought to rebalance the Department's "tooth to tail" ratio.[147] The 2014 QDR did not announce many reforms *per se*; rather, it was focused on recalibrating the defense budget.

---

[145] Cheryl Pellerin, "Hagel Announces New Defense Innovation, Reform Efforts," DoD News, Defense Media Activity, November 15, 2014. See http://www.defense.gov/News-Article-View/Article/603658.

[146] U.S. Department of Defense, "2014 Quadrennial Defense Review Report." See http://archive.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf.

[147] "Tooth to tail" refers to the amount of military personnel ("tail") it takes to supply and support each combat soldier ("tooth").

Author Information

Kathleen J. McInnis
Analyst in International Security

Acknowledgments

The author would like to thank Heidi Peters, CRS research librarian, for her contributions to this report.

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.