The Defense Budget Process: A Place for the CINCs

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appropriate level of activity for these commanders whose prime mission is preparing to fight the next war. Preparing an independent budget is a complex, manpower intensive process. While there are few supporters for a full involvement in the budget process, even among the CINCs themselves, there is an opportunity for the enhancement of a JCS role in facilitating the final stages of the budget process during the Congressional cycle by improving the coordination between the Joint Staff, the CINC Staffs, and the Services.
THE DEFENSE BUDGET PROCESS: A PLACE FOR THE CINCs

An Individual Study Project
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by

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ABSTRACT

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Introduction

In their personal statements which opened the debate on the Goldwater-Nichols Defense Reorganization Act, Senators Goldwater and Nunn recognized that a mismatch exists between the defense commitments made by the United States, the national military strategy, and the forces required to implement that strategy. They saw as a central problem the focus on budgetary inputs rather than attention to the outputs in terms of capability to meet military mission requirements. Out of this discussion came a conclusion that the Defense Department, the Joint Chiefs of Staff organization, and the Unified Commanders in Chief (CINC's) must improve their focus on the budget outputs -- the capability of the national military strategy and forces to meet the national goals and objectives. With the current budgetary pressures, it is imperative that the defense organizations utilize such a mission orientation to make expenditures as efficient as possible.

Because of the critical role of the theater CINCs in planning and preparing to fight the next war, the Congress has felt that the CINCs have the best view of mission requirements and that input from the CINCs is most important in reaching decisions on the Defense Department budget request. The Reorganization Act even suggested the possibility of preparing direct budget requests for activities of the unified and
specified commands. At this time, there is no separate budget request from the JCS and the CINCs. The CINC budget requirements are parceled out and included in the individual Service budgets. The Defense Department Budget is an assembly of the separate budget request sections from the Army, Navy, Air Force, and Defense Agencies. The PPBS process currently depends on the Services to present and defend the budget requirements of the CINCs as an integral part of their own budget request during the Congressional review process.

Should the Joint Staff establish an organization to perform the PPBS process rather than rely on the individual Services to accomplish this function? Should the Joint Staff take a more proactive management role in the preparation and presentation of the budget to improve the interface with the Congress? These questions are reasonable and ripe for study in light of the additional attention by Congress on the Joint Chiefs of Staff and the CINCs. If this system is determined to be sufficiently effective, the Joint Staff will not need to establish its own planning, programming, and budgeting staff to develop and defend requirements of the CINCs. The CINCs can continue to utilize the knowledgeable staffs of the individual Services for this tedious but critical function. On the other hand, if the CINCs possessed the capability to prepare their own budget to carry out their strategic planning, the result could be more control over the level of "jointness" in the output of mission capability. Jointness and a mission orientation in planning and operations
have become a priority interest to the Congress. By understanding and acting on the expectations of Congress, the military has the opportunity to lead the changing process rather than reacting to directed changes made with little or no military input.

This study will review the Army's historical support of the CINC requirements, the processes which have been used, and the adequacy of the systems. The study will then suggest options to improve support to the CINCs' programs.
The Current Process

The current system for providing CINC input to the budget process can be described graphically by the figure below:

The Joint Strategic Planning System (JSPS) is at the center of the process which leads to the request for resources from the Congress. The Joint Operation Planning System (JOPS -- left circle) provides the procedural process for developing, approving and publishing military operation plans. The Planning, Programming, and Budgeting System (PPBS -- right circle) is the system which develops the Department of Defense budget for
integration with the President's budget and subsequent presentation to the Congress. These three systems are linked by three important documents from the JSPS which are the windows of influence for the CINCs. To understand these documents, more details of the JSPS must be discussed.

The Joint Strategic Planning System is a continuous process which begins with the assessment of military threats to national security from all areas of the world. These threat assessments are provided by the Intelligence Priorities for Strategic Planning (IPSP) and the Joint Intelligence Estimate for Planning (JIEP). The Joint Long-Range Strategic Appraisal (JLRSA) provides a consolidation of intelligence estimates, strategic forecasts, military force structure issues, and an analysis of alternative world environments with strategies for meeting military threats to the interests of the United States. The Joint Security Assistance Memorandum (JSAH) provides views on the US security assistance programs to other nations. Together, these documents contribute to the development of the Joint Strategic Capabilities Plan (JSCP) which kicks off the JOPS process in the left wheel of the chart.

The JSCP is critical both to the CINCs and to the Services. "It describes what major forces will be available for planning purposes, assigns tasks, provides planning guidance for development of operation plans to accomplish those tasks, and gives planning guidance to the Services for support of the unified and specified commands in the execution of assigned
tasks. The JSCP also includes sections presenting military objectives and strategy to include broad strategic policy and strategy considerations for deterrence and regional, global, and space conflict." Under the JOPS procedures, and using the information provided in the JSCP, the individual CINC staffs develop their detailed operations plans for responding to external threats to the national interest. This is a continuous, iterative process which itself feeds into the JSCP document and contributes to the key document of the JSPS process, the Joint Strategic Planning Document (JSPD).

The JSPD is a document which provides the development of both near- and mid-term capabilities and requirements to meet the wartime strategy as defined by the CINCs and the JCS. The JSPD also describes the military forces required to carry out this strategy with a reasonable assurance of success. It is the vehicle for transmitting the advice of the JCS to the Secretary of Defense, National Security Council, and the President. "It provides a comprehensive military appraisal of the threat to the US interests and objectives worldwide, a statement of recommended military objectives derived from national objectives, and the recommended military strategy required to attain national objectives in the mid-range period." This document thus serves as the starting point for the PPBS process, the right wheel of the chart.

The military objectives of the JSPD are transmitted by the Department of Defense in the Defense Guidance (DG) to give the
Services the basis for developing their five-year program and budget plans. Since 1981, under Defense Secretary Caspar W. Weinberger's "participative management" philosophy, the CINCs have been able to influence the development of the Defense Guidance document through their appearance before the Defense Resources Board, the Department of Defense's "board of directors" for resource allocation decisions. After receipt of the Defense Guidance, the Services individually develop their own Program Objective Memorandum (POM), which is their analysis of how to meet this guidance as well as their own internal initiatives within the fiscal constraints placed upon them. When completed, the Service POMs are transmitted to the Secretary of Defense for a review of how well the Services have met the Defense Guidance. The Joint Program Assessment Memorandum (JPAM) is the last step in a single cycle of the JSPS process and is the analysis by the JCS, with input from the individual CINC's, on how well the CINC requirements have been met by the Service Program plans. The Department of Defense uses the JPAM and its own internal analysis to prepare the Program Decision Memorandum (PDM). The PDM gives the Services final decisions on required adjustments to their Program before converting it into their Service Budget request.

Recent Improvements

The system described is the linking process whereby the warfighting CINC's are able to present their requirements to the Services and have those requirements presented to the Congress
for funding in the Defense budget. This process was improved in 1984, starting with an Army initiative to enhance the role of the CINCs in Army program development.

In the summer of 1984, then Chief of Staff General John A. Wickham directed his staff to develop a system to enhance the role of the CINCs in the programming and budget process. The proposal, approved in July 1984, was to have the CINCs of the unified commands prepare a list of their needs in priority order and send this list to their Army component commander so that the needs could be integrated into the planning for development of the POM.5

At approximately the same time the Army was instituting these changes, Deputy Secretary of Defense William H. Taft IV queried the CINCs and his Defense Resources Board about how well the CINC requirements were being implemented by the PPBS process. The general consensus was that they were not because the CINC comments on the Service programs were being made after the decisions had been made. As a result of suggestions from the CINCs, Secretary Taft directed four major changes to improve CINC input to the process:

(a) each CINC submit a list of prioritized needs to the Secretary of Defense, Deputy Secretary of Defense, and Chairman of the Joint Chiefs of Staff before the programming decision process begins;
(b) each CINC increase his interaction with his Service components to ensure that their POM inputs adequately
reflect his warfighting needs;
(c) Services prepare a separate annex to their POMs to address how they have met the assigned CINCs' priorities or provide a rationale if those needs were not met;
(d) CINCs will be permitted to raise Program Review issues independently to the DRB and attend meetings on the issues they have raised.

**Senate Interest**

Along with these internal changes to the role of the CINCs, other factors which have contributed to an increased role in budgeting for the CINCs are the 1986 Goldwater-Nichols Department of Defense Reorganization Act and the special attention to the CINCs by the Senate Armed Services Committee.

During the first week of October, 1985, Senator Barry Goldwater and Senator Sam Nunn released the results of a two year staff study by the Senate Committee on Armed Services. The study had reviewed the organization and decisionmaking procedures of the Department of Defense and initiated a process which resulted in the Reorganization Act the next year. Over the first six Senate business days in October, the Senators conducted a colloquy in which they summarized the staff study findings.

The fault for existing problems was not laid completely at the feet of the Defense Department. Senators Goldwater and Nunn accepted some of the criticism for the Congress for not addressing the correct issues and giving proper guidance to the
Department and the Services. Senator Nunn remarked on the first day,

"Do we have a strategy that achieves our national goals and objectives? Do we have the resources to meet these commitments and support the strategy? What alternative approaches might we adopt for overcoming the strategy-forces mismatch? Those are the questions that Congress should focus on."

Senator Nunn saw the central problem as one of a mis-direction of attention. Both the Congress and the Department of Defense had focused on inputs, that is, the hundreds of line item entries in the budget and what those entries stood for rather than focusing on outputs, the ability to accomplish the required missions to provide for the national defense. He concluded his remarks that day with the comment,

"If we want the military departments to improve mission coordination, Congress should focus hearings on joint activities of the Services instead of having each Service come up time after time after time in separate hearings. If we insist on joint testimony in hearings, they will begin to think in coordinated terms, and we will begin to think in terms of joint missions."

The possible need for an adequate advocacy role for joint interests in budgetary matters was also addressed. In discussing the role of the JCS and the Unified Commands, Senator Goldwater noted about the JCS, "...as a joint body, they have almost no role in resource allocation. In fact, their role in budgetary matters is to argue for their own Service programs as part of the resource allocation process." Senator Nunn stated that several of the field commanders supported the position that there was an imbalance between their operational responsibilities and their influence over resource decisions."
Both Senators recognized that the orientation toward inputs rather than mission outputs was due to the functional alignment of the Office of the Secretary of Defense. What is needed is an orientation which crosses the functional lines in order to integrate the mission requirements. Accomplishment of the principal missions should be the focus of the Defense Department. Senator Nunn noted that Peter Drucker's description of an organizational design like we have in DoD is one which "tends to direct vision away from results and toward efforts." Senator Goldwater indicated that the system is somewhat backwards in this quotation: "Programs determine strategy rather than strategy determining programs." The conclusion of this discussion was that the Defense Department, the Services, and the Congress have become almost hopelessly centered on investments. New weapons systems have become the focus instead of the missions and strategy. Investments are popular because the recipients of those expenditures are concentrated and identifiable. Readiness expenditures are dispersed over the world where our military units are stationed. As Senator Nunn stated, "This naturally links Congress, the defense industries, and the military Services together to favor procurement over readiness....There is no lobby for readiness." The operating commands in the field, because of their war-fighting responsibilities, are the ones with a readiness orientation. Both Senators agreed that more efficient operations and increased effectiveness of the military instrument
of power will require more emphasis on readiness. They see the Unified Commanders as the key to that emphasis.

The Senate Armed Services Committee (SASC) began to carry out its emphasis on listening to the CINCs during hearings for the first biennial Defense budget for fiscal years 1988 and 1989. For instance, the Readiness, Sustainability and Support Subcommittee decided to call witnesses from the Unified Commands to discuss the current readiness and sustainability posture of US Forces rather than collect this testimony directly from the Services as had been done in years past. Military construction issues were handled in a staff briefing instead of a formal hearing with testimony from individual Service Engineer officers. The purpose of this change was to hear about the CINC priorities because they felt this perspective was important to the members and the subcommittee staff. In making the change, the Staff knew the change might upset the Services, and they knew the CINC representatives would probably not be fully prepared for some of the questions to be asked. Their intent was not to embarrass, but instead to force an increased interest in these issues at the CINC level and to attempt to increase the CINC involvement in the decisions now principally being made by the Services.

An increased involvement in budget issues is already occurring at the JCS level. Because of changes prescribed in the Reorganization Act, the Chairman of the Joint Chiefs now has a specific responsibility to provide the Secretary of Defense advice on the extent to which the program and budget proposals of
the Military Departments conform to the priorities of the unified
and specified commands.

If the Chairman were to base his review on the planning
efforts of the Unified Commanders, he would be hard-pressed to
show the Services were able to support the CINC requests. This
is because the CINC plans, and therefore their budget
recommendations, have been based on the forces required to meet
military threats around the world without any constraint created
by the availability of resources. The current Chairman, Admiral
William Crowe, has caused a change in that method of reviewing
requirements for the fiscal year 1989 budget. He has made
certain that real-world, fiscal limitations are now considered in
the planning and has taken an unprecedented active role in
helping shrink the five-year budget plan back into a more
realistic growth line. His success in this effort will mean the
establishment of a new role for the JCS Chairman in line with the
Reorganization Act and the desires of the Congress.¹⁵

Should CINCs Budget?

This brings us to the point of addressing the question of
whether the CINCs should be more actively involved in the budget
-- to the extent they develop a budgeting staff and take over
some part of the Service budget function. Budgeting requires a
very large staff because the function is not limited to
estimating the line item requests for submission. An extensive
part of the function is involved in building the program items,
justifying those items, establishing the correct timing, defending the programs during the review process, converting the program to budget lines and defending them again in the Defense budget review process, mechanical bookkeeping exercises to place them in the total Defense budget, and presenting and defending the items before the Congress. In times of shrinking manpower, especially at headquarters locations, it does not seem prudent to attempt a staff buildup for a function which the Services are already well prepared to handle.

In addition to the larger effort required from a larger staff, there are other drawbacks. Extensive program data would have to be developed if the CINCs were to attempt to enter into the budgeting role. Already, the CINC data is redundant to and less accurate than the Service data; a major effort would be required to even duplicate the contents of the information systems which are available to the CINCs acting in their current consulting role.¹⁶

A final drawback is the possible loss of advocacy from the Chairman of the Joint Chiefs of Staff. The Chairman currently acts in this role for the CINC programs, but if separate budgets were prepared by each of the CINCs, his capability to speak up might be diluted, especially if his role in the budget decision process were minimal.¹⁷

This author proposes that one of the unstated, and perhaps subconscious, reasons that Congress seeks to hear from the CINCs during budget hearings is that the CINCs and their staffs are at
"arm's length" from the budget preparation and are not tainted with the brush of having a parochial interest in the outcomes. Their focus is on strategy and warfighting requirements, not on weapons procurement and day-to-day administrative operations. They can speak as honest brokers of mission integration and theater requirements. This is indeed a good role for the CINCs and one which should be protected.

The changes directed by the Defense Department to increase CINC participation in program development should be given additional time to work and continue to be refined so that CINC requirements receive the visibility and attention needed. In commenting before the Senate Armed Services Committee, Brigadier General Joseph K. Stapleton, then Deputy Director of Operations, US Readiness Command, said of the new process,

"...increased CINC participation has resulted in closer coordination at all levels, greater cooperation among the services, and more senior leadership involvement throughout the process. Ultimately, these improvements will provide each CINC the best mix of forces, equipment, and support attainable within fiscal realities....From a Readiness Command perspective, this cycle of budget and (program) building has demonstrated clearly that the attendant process of interaction among the unified commands, assigned components and service staffs is working well."

**Summary and Conclusions**

The budgeting function should be kept within the Service Departments. The best assistance which the CINCs can offer is to increase their support to the Services during the Congressional hearing cycle. Rather than enter into a separate budgeting process, a better utilization of manpower would be for the JCS to
establish a cell, or enhance an existing functional staff group, to help prepare the CINC's and their representatives for testimony and to provide follow-up support to the Services during the subcommittee mark-up process.

As we have already seen from the 1985 Senate staff study, the changes already being implemented by the Defense Reorganization Act, and the actions of the Senate Armed Services Committee, changes are inevitable. Lieutenant Colonel Frederick H. Black, in a recent article on the interactions between the Congress and the military, has succinctly portrayed the issue,

"More centralized Department of Defense management and less service dominance of the policy process is likely to continue to be the will of Congress. More joint-service thinking about mission, research and development, and procurement will be demanded by committees that increasingly become more specialized and better informed. By understanding and acting on the expectations of Congress, the military has the opportunity to lead the change process, rather than merely reacting to congressionally directed changes that have been based on little or no military input. 

To be effective advocates, the military must stay abreast of congressional developments and have a grasp of the problems and interests of Congress."19

A proper response to the increased joint-service thinking by Congress is to prepare an active response -- to show the Congress that the Defense Department is responding to their interest. The most logical focal point for this response is in the JCS organization. A Congressional Response Team would have several possible functions: Preparation of CINC representatives, maintaining a history of current hearing issues, collection and organization of position papers needed for testimony, and
improving coordination between CINC and Service organizations for special issue responses.

Witnesses who exude confidence and competence make the best impressions. Although general and flag officers are typically good in this role, they need thorough preparation before a hearing. Complete background material, well organized and reviewed, is a necessity. A well-thought-out statement, printed and delivered in advance, on time, to the committee is also a requirement. The verbal summary presentation, along with any needed slides and charts should also be rehearsed in advance to ensure it makes sense before a listening audience. Rehearsal of the whole process in a mock hearing setting is beneficial to being prepared for contingencies. 10

Although much of this preparatory effort would be completed by the CINC's staff, the JCS team could be especially valuable by advising the local CINC staff and providing additional information. The Secretary of Defense and Chairman of the Joint Chiefs of Staff are the first Department of Defense witnesses to testify before Congress. The CINCs need to know the themes presented and the issues raised in those hearings to be better prepared as follow-on witnesses. As the CINCs or their representatives appear at hearings, a summary history can be built. Those who are to follow deserve to know what has transpired in earlier hearings. The intent would not be to build a "lock-step" party line, but rather to keep the follow-on witnesses informed so that, if they should have a different
strategic position to present, they are at least making it with the knowledge that the committee has heard another position earlier.

In an October 1987 decision on study group recommendations for increasing the effectiveness of CINC participation in the PPB System, the Deputy Secretary of Defense decided the Vice Chairman of the Joint Chiefs of Staff should develop a plan to provide "murder boards", or mock hearings, and other steps which would be useful to support the CINCs in their preparation for Congressional testimony. For the fiscal year 1989 hearings, those CINCs being requested to testify before Congress were provided with copies of the back-up notebooks prepared for the Secretary of Defense and for the Chairman of the JCS. These books contained various position papers and potential questions and answers prepared by the staffs in the Defense Department and the JCS.

Perhaps the most important effort of the JCS team would be to improve the interaction between the JCS or CINC staff and the Services on the high priority issues being presented through the budget. The internal Defense programming and budget process has now changed in order to place those high priority items in the President's Budget, but it may take extra effort to deliver the goods in the form of a final appropriation. Currently, it is up to the Service which carries the budget item to manage the defense against any Congressional criticism. The JCS team could take the liaison role of ensuring the JCS and CINC proponents
know the individual Service staff officers who will defend their issues and that the necessary support is being provided. All of the reasons for support of the issues need to be presented to Congress and the committee staff members early in the process. An unfavorable mark-up of the administration request is difficult to overcome. If there is an unfavorable mark by one house of Congress, the proponents must work even harder with the Service representatives to try to reverse the decision in the conference committee action.

Other functions will develop to smooth the Congressional process as experience with the activity increases. Coordination of these important issues is too often left to chance under the current system. Much effort has gone into changes in the PPBS process to ensure the priorities of the CINCs are heard by the Services and that the most important of those needs are translated into the budget request. We have come too far in improving the process to hold back at the payoff stage. The establishment of a JCS group to ensure the loop is closed at the final stage, and that all the players are working as a closely knit team, is an essential final step to complete the oversight process.
ENDNOTES

1. Joint Staff Officer's Guide, AFSC Pub 1, National Defense University, Armed Forces Staff College, Norfolk, VA, July 1986, p. 5-15. The "Pretzel" chart is also used by the US Army War College, Department of Command, Leadership and Management, in its PPBS instruction.


3. Ibid., p. 10-4.


8. Ibid., p. S12342.


10. Ibid., p. 12535-12536. General Bernard Rogers, CINC European Command; General Nutting, CINC Readiness Command; and Admiral Crowe, CINC Pacific Command were quoted as providing answers to an inquiry on this question.


17. Ibid.


