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Recommendations are made to give the reorganized Special Operations community sufficient control over its resources to meet its responsibilities.

Recent legislation mandating a new organization for managing Special Operations forces and the resulting responsibilities of the Assistant Secretary of Defense (Special Operations and Low Intensity Conflict) [ASD(SO/LIC)] and the Commander in Chief, United States Special Operations Command (CINCSOC) are discussed. Options for meeting these responsibilities through the PPBS and acquisition system are considered and a preferred option recommended.

The preferred option is for the CINC(SOC) to prepare a Program Objectives Memorandum, budget for special-operations-peculiar items and services, and establish an organization for acquiring special-operations-peculiar items and services. Changes in the current systems and procedures necessary for implementing this option should be coordinated by the ASD(SO/LIC).

Relevant sections of Public Law are given and the salient features of the current PPBS and acquisition system are explicated.

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August 1988

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Executive Summary

THE NEXT STEP FOR SPECIAL OPERATIONS: GETTING THE RESOURCES TO DO THE JOB

Attempts by DoD to organize, train, equip, and use special operations forces have often been unsuccessful. As a consequence, Congress legislated new organizations and unique management responsibilities for special operations: an Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) [ASD(SO/LIC)], a U.S. Special Operations Command (USSOCOM), and a separate major force program for special operations (MFP-11).

DoD has put into place the new organizations and MFP-11. However, the organizations do not have sufficient authority to control the development of MFP-11 or the allocation of resources to special operations forces. The roles of the ASD(SO/LIC) and USSOCOM must be aligned with their unique responsibilities. Thus, we recommend that the ASD(SO/LIC) develop policies and guidance for issuance by the Secretary of Defense giving USSOCOM authority:

- To plan all requirements necessary for a balanced, integrated special operations capability and prepare and justify to the Office of the Secretary of Defense (OSD) a Program Objective Memorandum (POM) for MFP-11.
- To prepare and control execution of a budget for research, development, and acquisition of special-operations-peculiar equipment, material, supplies, and services.
- To create an acquisition organization within USSOCOM for controlling acquisition by the Services, Defense agencies, and USSOCOM of special-operations-peculiar equipment, material, supplies, and services. That organization should be headed by a Special Operations Acquisition Executive who will work with the Defense and Service Acquisition Executives in coordinating management of special operations acquisition programs.

The ASD(SO/LIC)'s role should be to supervise these activities and serve as an advocate for the special operations community, in particular, as a member of the Defense Resources Board. He must take the lead in working with other OSD officials and with the DoD Components to revise policies and procedures as necessary to permit the recommended actions. Specific coordination is required with the Under

Secretary of Defense (Policy) to ensure that special operations forces are appropriately resourced in the Defense Guidance; with the Assistant Secretary of Defense (Program Analysis and Evaluation) to accommodate a USSOCOM POM; with the Assistant Secretary of Defense (Comptroller) to establish a process to coordinate budget formulation and execution activities among USSOCOM, the Services, and the Defense agencies; and with the Chairman, Joint Chiefs of Staff, to reorganize USSOCOM and staff it with sufficient personnel with the right skills to accomplish the Command's mission.

We believe that these actions are essential in aligning the roles of special operations principals with their legislative and assigned responsibilities. It must be expected, however, that implementation will require considerable time, initiative, and persistence by the Assistant Secretary and his staff.

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CHAPTER 1

INTRODUCTION

GENERAL

Historical Background

Special operations is embedded in our Nation's military history. Each war has had some significant special operations; e.g., General Francis Marion, the "Swamp Fox," in the Revolutionary War; Colonel John Mosby's Raiders in the Civil War; Brigadier General Frank Merrill's Marauders in World War II, and the Green Berets in Vietnam.

Over time, a pattern has emerged for special operations force structure. In wartime, the United States builds up special operations capability to perform essential wartime missions' and then in peacetime it largely disbands the capability rather than scaling it down normally.

Since World War II, the nature of warfare has changed. As a superpower, the United States and its allies have immense strategic nuclear and conventional military capabilities – capabilities that at the high end of the spectrum of conflict are almost self-defeating in their use. At the low end of the spectrum, however, confrontation between nations and groups continues, particularly in the Third World. Since those conflicts can threaten the security of the United States, both directly and indirectly, we need a standing, ready capability to deal with them.

After the war in Vietnam, the United States retained only a small portion of its special operations capabilities. In addition, events in the 1970s and 1980s showed that DoD had serious problems in the ways in which it organized, trained, equipped, and used the retained special operations forces. While some successful operations were conducted during that period, events and operations, such as the *Mayaguez* in 1975, Desert One in 1980, Grenada and Beruit in 1983, and the *Achille Lauro* in 1986, illustrated the problems with U.S. special operations.

In recognition of those problems, DoD took a number of actions. The Defense Guidance (DG) in 1981 specified that DoD would develop a special operations capability. That specification was expanded in 1983 to include the ability to conduct special operations worldwide by 1990. By early 1984, DoD set up an advisory organization to the Joint Chiefs of Staff (JCS) and the Joint Special Operations Agency (JSOA), headed by a two-star general officer, to ensure the responsiveness of special operations forces worldwide. In spite of these and other actions, special operations forces remained "scattered among the Services, badly underfunded, and lacking any clear and coherent mission."[1]

Congress was also concerned about special operations, and in 1986 the issues came to a head. In response to congressional criticisms, DoD proposed a special operations command located in the National Capital Region headed by a three-star flag or general officer to supplement the JSOA. Congress did not agree with that approach, believing that the three-star commander would not have access to the National Command Authorities when necessary.

Meanwhile, in the House Armed Services Committee, the late Representative Dan Daniel (D-VA) introduced legislation that would have set up a separate "National Special Operations Agency." In the Senate Armed Services Committee (SASC), Senators Sam Nunn (D-GA) and William S. Cohen (R-ME) proposed another alternative – a unified combatant command led by a four-star officer.

Work leading to passage of the Goldwater-Nichols Defense Reorganization Act of 1986 set the stage for reorganizing special operations. That Act strengthened the role of the unified and specified commanders in DoD. Thus, the environment at that time favored the SASC approach of organizing special operations forces under a separate, unified combatant command. This change was mandated in the National Defense Authorization Act for FY86.

That law sets up a unique organization for special operations forces. It includes a new Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) [ASD(SO/LIC)], who is to provide overall supervision (including oversight of policy and resources) of special operations activities in DoD, and a unified combatant command, the United States Special Operations Command (USSOCOM),

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[1] Sen. William S. Cohen (R-ME) quoted by Col. James B. Motley, USA (Ret.). "Washington's Big Tug-of-War Over Special Operations Forces." *Army*. Nov 1986. p. 24.

whose principal function is to prepare all United States-based active, Guard, and Reserve special operations forces to carry out their assigned missions.[2] In addition, special operations program elements in DoD's Five Year Defense Program (FYDP) were collected into a new major force program, MFP-11.

Congress viewed DoD's lack of progress in implementing the provisions of the 1986 law as "foot dragging." So, in the National Defense Authorization Act for FY88–89, it provided additional legislation. For example, it required a charter for the ASD be submitted to Congress within 30 days of the signing of the law, required the Secretary of the Army to carry out the duties of the ASD until the position of the ASD(SO/LIC) could be filled for the first time, specified the number of personnel to be assigned to USSOCOM by the end of FY88, and amplified responsibilities for acquiring and controlling special operations resources.

The Current Situation

Clearly, Congress has taken bold steps in reorganizing special operations within DoD. The creation of the ASD(SO/LIC) and a unified combatant command, USSOCOM, effectively makes the special operations community a distinct entity within DoD. The ASD(SO/LIC) is the only ASD who communicates directly with a CINC and who has overall supervision of a combatant command. In addition, the provisions of the law give the Commander in Chief, USSOCOM (USCINCSOC) many unique functions for preparing special operations forces for their assigned missions.

The changes mandated by Congress have received a less than enthusiastic reception by some DoD Components. Some see these changes as dangerous precedents: organizing and funding along mission lines rather than traditional Service lines; gravitation of influence away from the Pentagon toward the unified and specified commands; and a loss of prestige, resources, and control for the Services.

Part of the resistance to change is due to the widespread misconception about the dual nature of USSOCOM. The law identifies USSOCOM as a "unified

[2] Currently, consisting of the Army's Special Forces, Rangers, psychological operations units, civil affairs units, and some helicopter aviation units under the 1st Special Operations Command; the Navy's SEALs under the Naval Special Warfare Command; and the Air Force's 1st Special Operations Wing under the 23rd Air Force.

combatant command," but its wide-ranging statutory responsibilities for preparing special operations forces make USSOCOM a supporting unified command also. As expressed by General James Lindsay, USCINCSOC, "[O]ur supporting mission is, in my opinion, 95 percent of what this command is supposed to do.... I view myself as.... a supporting CINC supporting those 5 regional CINCs except when directed to plan and conduct selected special operations missions."[3]

Those who do not want change, view USSOCOM solely as a combatant command; as such, USSOCOM does not need the "burden" and "worry" of participation in DoD's resource allocation process. Those who advocate change, view USSOCOM primarily as a supporting command; as such, control of programs and resources is essential to performance of the command's mission.

Nevertheless, DoD has put into place some of the key changes required in the law. USSOCOM raised its flag in Tampa, Florida in April 1987; the Office of the ASD(SO/LIC) has been set up, and its staffing is in progress; and MFP-11 was created, and it provided a basis for decisions concerning special operations during the current Planning, Programming, and Budgeting System (PPBS) cycle for FY90-94.

However, implementation of the law is incomplete. While the special operations community is organizationally distinct, it does not now control the resources needed to do its job. Those resources are still controlled by the Services as has been the case traditionally.

In this report we examine ways that the special operations community can participate more fully in the resource allocation decisions and acquisition management processes in DoD. We recognize that there is no single, best way to make the changes required. We provide a range of options, along with their advantages and disadvantages, so that decision-makers will have flexibility in negotiating a solution among the parties concerned. We provide our recommendations as appropriate.

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[3] General Lindsay's testimony before the House of Representatives. Special Operations Panel. Committee on Armed Services. Washington, DC. 24 Feb 1987.

SCOPE AND ORGANIZATION OF THIS REPORT

Scope

This report is prepared for the ASD(SO/LIC) to assist him in deciding what needs to be done about control of resources for special operations forces. It provides descriptions of, and options for, developing the interfaces among the special operations community, the Office of the Secretary of Defense (OSD), and other DoD Components in the PPBS and defense acquisition systems.[4]

How this office and the rest of the special operations community should proceed depends on what combination of options are selected for implementation. Thus, the detailed plans and procedures needed to implement a future course of action are beyond the scope of this report.

Organization

This chapter has provided an historical overview of long-standing problems with the use, training, and equipping of special operations forces, and a review of the current situation. Chapter 2 presents our findings, conclusions, and recommendations for action to be taken by the ASD(SO/LIC) in completing implementation of the requirements of the Public Laws covering special operations.

Chapter 3 provides the details of the law and describes a series of unique management opportunities that are made available by the law.

Chapter 4 deals with the development and execution of the special operations program and budget. The major portion of the chapter is devoted to a discussion of the way the special operations community currently participates in the PPBS and identifies alternative ways for them to participate in the future. The alternatives are designed to respond to the major shortcomings of the current system in meeting the statutory responsibilities assigned to the special operations community.

Chapter 5 describes how special-operations-peculiar equipment, material, supplies, and services should be developed and acquired. It focuses on the challenges facing the special operations acquisition community, defines what they should be

[4] This report does not address special access programs.

acquiring, what goals they should pursue, how they should be organized and staffed, and how they should relate to other acquisition organizations.

A glossary defines the key terms. Finally, five appendices cover additional areas that were part of our original tasking. Appendices A and B present an overview of DoD's PPBS and the Defense Acquisition System, respectively. The material in those two appendices, which is intended for the lay reader, provides the background detail for the technical discussion in Chapters 4 and 5. Appendix C provides additional comments on programming, budgeting and budget execution; Appendix D provides our recommendations for the charter for ASD(SO/LIC); and Appendix E provides an outline of the information requirements of the Deputy Assistant Secretary of Defense (Resources).

CHAPTER 2

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

IMPLEMENTING CHANGE

Finding. Congress perceived severe problems in the organization, training, equipping, and use of special operations forces. In response, it legislated the establishment of a new organization for special operations forces with a correspondingly unique assignment of responsibilities.

Finding. DoD's implementation of the law is incomplete. Although new organizations have been established and staffed, the organizations have inadequate control over the resources needed to perform their job.

Conclusion. Much additional work needs to be done to implement the changes required by the law. Until it established the Office of the Assistant Secretary of Defense (SO/LIC), OSD did not have a permanent advocate for special operations forces to ensure an integrated, balanced special operations capability, or to effectively and fully implement the congressionally mandated changes for special operations forces.

Recommendation. The ASD(SO/LIC) should take the lead and work with other officials in the OSD and the Defense Components to revise the policies and procedures needed to fully implement the provisions of the law.

PLANNING, PROGRAMMING, AND BUDGETING

Finding. The law grants the special operations community many "Service-like" responsibilities to prepare special operations forces for their assigned missions. Those responsibilities include validation and prioritization of requirements and developing or acquiring special-operations-peculiar equipment, material, supplies, and services.

Finding. The extent of participation by the special operations community in the current resource allocation process — the PPBS — is not sufficient for them to

discharge their responsibilities for preparing special operations forces to meet potential mission requirements.

Finding. An appropriate level of participation in the PPBS by the special operations community does not require any fundamental changes in PPBS policies, procedures, or schedules.

Finding. The special operations community's appropriate share of resources appears to be understated in the FYDP.

Finding. The extent to which special-operations-peculiar program elements in the FYDP were completely and consistently transferred to MFP-11 is generally not understood or well documented.

Conclusion. The appropriate role for the special operations community in the resource allocation process must be defined and implemented.

Conclusion. Until experience with resourcing special operations as a distinct entity is gained, the Total Obligational Authority (TOA) for MFP-11 needs to be administratively adjusted accordingly.

Recommendation. The ASD(SO/LIC) through the Secretary of Defense, should develop policies to require USCINCSOC to plan all requirements necessary for an integrated special operations capability; prepare and justify a balanced Program Objectives Memorandum (POM) for MFP-11; and prepare and control the execution of a budget for research, development, and acquisition (RDA) of special-operations-peculiar equipment, material, supplies, and services.

Recommendation. The ASD(SO/LIC) should supervise these actions and should serve as an advocate for special operations, in particular, as a member of the Defense Resources Board (DRB). Furthermore, he should coordinate with the Under Secretary of Defense (Policy) to ensure that special operations forces are appropriately resourced in the DG, with the Assistant Secretary of Defense (Program Analysis and Evaluation), to accommodate a USSOCOM POM for MFP-11, and with the Assistant Secretary of Defense (Comptroller) [ASD(C)] to ensure the completeness and consistency of MFP-11 and to establish a process and procedures to coordinate budget formulation and execution activities among USSOCOM, the Services, and the Defense agencies.

ACQUISITION MANAGEMENT

Finding. The law grants USSOCOM the authority to develop and acquire special-operations-peculiar equipment and to acquire special-operations-peculiar material, supplies, and services.

Finding. USSOCOM is not currently organized, staffed or sufficiently experienced to effectively perform the complex tasks associated with developing or acquiring special-operations-peculiar equipment, material, supplies, and services.

Conclusion. USSOCOM must have an acquisition management organization with sufficient numbers of skilled personnel to manage or control development and acquisition of special-operations-peculiar equipment, material, supplies, and services.

Recommendation. The ASD(SO/LIC) should, through the Secretary of Defense, direct USCINCSOC to create an acquisition organization under his command. That organization should be responsible for acquisition of (including research, development, test, evaluation, procurement, and support) special-operations-peculiar equipment, material, supplies, and services. It should be headed by a Special Operations Acquisition Executive who will work with the Defense Acquisition Executive (DAE) and the Service Acquisition Executives (SAEs) to coordinate management of special operations acquisition programs. The work of that acquisition organization will be to fund, oversee, and coordinate the acquisition of the majority of special-operations-peculiar systems by the Services and Defense agencies and to manage acquisition of special-operations-peculiar systems that the Services or Defense agencies are not able to acquire in a timely manner.

Recommendation. The ASD(SO/LIC) should work with the Chairman, Joint Chiefs of Staff (CJCS), to reorganize USSOCOM and staff it with sufficient personnel with the right skills to accomplish its acquisition mission.

CHAPTER 3

PUBLIC LAW FOR SPECIAL OPERATIONS: UNIQUE ORGANIZATIONS, RESPONSIBILITIES, AND MANAGEMENT OPPORTUNITIES

In Chapter 1 we describe briefly the changes in the special operations community that took place within DoD since the end of the Vietnam war along with the changes legislated by Congress. Here we discuss in detail the changes in the special operations community that are in the law.

The body of Public Law on special operations sets up an organizational structure with unique missions and responsibilities. The result is a unified combatant command with responsibilities above and beyond those of other unified or specified commands.

In this chapter we also discuss the management opportunities that are now available as a result of the law. The ASD(SO/LIC) and USCINCSOC have the opportunity and the authority to simplify, integrate, and expedite virtually all aspects of special operations activities. In doing so, they can correct many of the conditions that have led to failures of past special operation missions.

THE LAW

Continuing congressional concern about the lack of an integrated, well trained and equipped special operations force was incorporated into the National Defense Authorization Act for FY87 (Public Law 99-661). The legislation directed the establishment of two major new organizations within DoD:[1]

- An ASD(SO/LIC)
- A unified combatant command for special operations forces, USSOCOM.

[1]The law also set up a board within the National Security Council to coordinate interagency policy for low-intensity conflict.

The primary responsibility of the ASD(SO/LIC) is to exercise overall supervision (including oversight of policy and resources) of special operations activities and low-intensity conflict activities of DoD. The principal function of USSOCOM is to prepare special operations forces to carry out assigned missions.

The more specific responsibilities of the ASD(SO/LIC) and USSOCOM are elaborated on in subsequent portions of Public Law 99–661. That law specifies the following responsibilities for the ASD(SO/LIC):

- He shall have as his principal duty the overall supervision (including oversight of policy and resources) of special operations activities and low-intensity conflict activities of DoD.
- With the advice and assistance of the Commander in Chief USSOCOM (USCINCSOC), he shall provide overall supervision of the preparation and justification of program recommendations and budget proposals to be included in a major force program category of the FYDP, i.e., MFP-11.

The Law specifies the following responsibilities for USSOCOM:

- The principal function of the command is to prepare special operations forces to carry out assigned missions.
- Unless otherwise directed by the Secretary of Defense, all active and Reserve special operations forces stationed in the United States shall be assigned to USSOCOM.
- The USCINCSOC shall exercise command of a selected special operations mission if directed to do so by the President or the Secretary of Defense. Otherwise, a special operations activity or mission shall be conducted under the command of the unified combatant command in whose geographical area the activity or mission is to be conducted.
- USCINCSOC shall be responsible for, and shall have the authority to conduct all affairs of USSOCOM relating to special operations activities, including the following functions:
  - Developing strategy, doctrine, and tactics
  - Training assigned forces
  - Conducting specialized courses of instruction for commissioned and noncommissioned officers
  - Validating requirements
  - Establishing priorities for requirements

- Ensuring combat readiness
- Developing and acquiring special-operations-peculiar equipment and acquiring special-operations-peculiar material, supplies, and services
- Ensuring the interoperability of equipment and forces
- Formulating and submitting requirements for intelligence support
- Monitoring the promotions, assignments, retention, training, and professional military education of special operations force officers.

- USCINCSOC shall be responsible for monitoring the preparedness of special operations forces assigned to other unified combatant commands to carry out assigned missions.
- In addition to the activities of a combatant command, for which funding may be requested under Section 166(b),[2] the budget proposed for USSOCOM shall include requests for Title 10, USC funding for the following:
  - Development and acquisition of special-operations-peculiar equipment
  - Acquisition of other material, supplies, or services that are peculiar to special operations activities.
- Special operations activities include each of the following insofar as it relates to special operations:
  - Direct action
  - Strategic reconnaissance
  - Unconventional warfare
  - Foreign internal defense
  - Civil affairs
  - Psychological operations
  - Counterterrorism
  - Humanitarian assistance
  - Theater search and rescue

[2] Such funding may include: joint training, force training, contingencies, and selected operations.

- Such other activities as may be specified by the President or the Secretary of Defense.

The following selected elements of Public Law 99-661 can only be implemented by either the President or the Secretary of Defense:

- Establishing USSOCOM: With the advice and consent of the CJCS, the President, through the Secretary of Defense, shall establish the special operations command. (USSOCOM was established on 15 April 1987.)
- Special Operations Mission: The commander of the special operations forces shall exercise command of a selected special operations mission if directed to do so by the President or the Secretary of Defense.
- Regulations: The Secretary of Defense shall prescribe regulations for the activities of USSOCOM.
- MFP-11: The Secretary of Defense shall create for the special operations forces an MFP category for DoD's FYDP. (MFP-11 has been set up and is being used in the current PPBS cycle.)
- Revisions of Program and Budget Execution: If authority to revise programs and budgets is approved by Congress for special operations forces, such authority may be exercised only by the Secretary of Defense after consulting with USCINCSOC.

DoD was given 180 days to implement the special operations provisions of Public Law 99-661. The reception in DoD to these provisions was not particularly enthusiastic. Congress perceived that DoD was "foot dragging" on implementation, and as a result, in 1987, it incorporated additional legislation regarding special operations forces into the National Defense Authorization Act for FY88-89 (Public Law 100-180).

Public Law 100-180 added the following provisions to be implemented during the reorganization of special operations forces:

- ASD(SO/LIC) is to be the principal civilian advisor to the Secretary of Defense on special operations and low-intensity conflict matters and (after the Secretary and Deputy Secretary) is the principal special operations and low-intensity conflict official within the senior management of DoD. (This provision makes it clear that the ASD(SO/LIC) is the number three person in DoD on matters pertaining to SO/LIC.)

- The Secretary of Defense is to publish a charter setting forth the responsibilities of the ASD(SO/LIC). (The charter was developed, published, and sent to Congress in January 1988.)

- Until the office is filled for the first time, the Secretary of the Army shall carry out the duties of the ASD(SO/LIC).

- Specified that until the first individual appointed to the position of ASD(SO/LIC) leaves that office, that Assistant Secretary [and the Secretary of the Army when carrying out the duties and responsibilities of the ASD(SO/LIC)] shall report directly, without intervening review or approval, to the Secretary of Defense personally or, as designated by the Secretary, to the Deputy Secretary of Defense personally. [This provision emphasizes that the ASD(SO/LIC) is at least initially the number three man within OSD for the management of SO/LIC matters.]

- The Secretary of Defense shall provide sufficient resources to USCINCSOC for special operations forces established pursuant to Public Law 99-661 to carry out his duties and responsibilities, including particularly his duties and responsibilities relating to the following functions:

  - Developing and acquiring special-operations-peculiar equipment and acquiring special-operations-peculiar materiel, supplies, and services

  - Providing advice and assistance to the ASD(SO/LIC) in the ASD's overall supervision of the preparation and justification of the program recommendations and budget proposals for special operations forces

  - Managing assigned resources from the major force program category for special operation forces (MFP-11) of the FYDP of DoD. (This is a new provision in the 1987 law.)

- USCINCSOC shall be assigned no less than 450 military and civilian personnel by the end of FY88. The civilian employee portion of the 450 spaces would be 111 unless otherwise directed by USCINCSOC or the Secretary of Defense. (DoD actually authorized 472 total personnel spaces.)

- Subject to the authority, direction, and control of the Secretary of Defense, USCINCSOC, in carrying out his functions, shall have authority to exercise the function of the Head of Agency under Chapter 137 of Title 10, USC.

Clearly, the special operations provisions of Public Law 99-661 coupled with those of Public Law 100-180 presents a strong congressional statement on how special operations forces should be organized, supported, and managed within DoD. The establishment of the OASD(SO/LIC) and USSOCOM removes a significant degree of management, control, and responsibility for special operations forces from other elements of DoD (the Services). Their establishment centralizes and

streamlines special operations force support and at the same time leaves combat operational control with the combatant CINCs. The only exception to that operational control is a special operations activity or mission directed by the President or the Secretary of Defense to be specifically conducted under the command of USCINCSOC. This latter possibility appears to be the exception not the rule. The legislation centralizes much of the control of special operations forces in the two newly created organizations.

MANAGEMENT OPPORTUNITIES FOR SPECIAL OPERATIONS

The ASD(SO/LIC) and USCINCSOC have the opportunity and the authority to simplify, integrate, and expedite virtually all aspects of special operations activities. Some of the management areas that could be most affected by the new legislation are discussed in the following subsections.

Program Integration

Prior to the establishment of the OASD(SO/LIC) and USSOCOM, program development, acquisition, and special operations force training were fundamentally unilateral actions by the Services. Those separate forces were integrated at the time of, or shortly before, a mission was scheduled.

The opportunity now exists to take a fresh approach to integrate special operations forces activities concerned with program development, budget development, budget execution, acquisition, doctrine development, training, and joint exercises. This new approach should help minimize problems in communications, interoperability, priorities, readiness, and resource allocation. The combined efforts of the ASD(SO/LIC) and USCINCSOC can now assure that the many facets of special operations activity are integrated.

Program Development

In the past, special operations programs have been developed unilaterally by each Service based on its actual or perceived needs. When a Service special operation unit was assigned to a combatant CINC, its capability was primarily that which it attained as a Service special operations unit. Joint training and indoctrination conducted by the CINC could augment the capability of such units somewhat, but the degree of overall readiness and interoperability of equipment, especially communications, was, for the most part, inadequate. While the imple-

mentation of MFP-11 has improved program development somewhat, MFP-11 still moves through the resourcing process as fragments in each Service and Defense agency.

Acquisition

The acquisition of all special operations items and services is currently a Service responsibility. Included in acquisition are all aspects of life-cycle management: requirements validation and prioritization, research, development, testing, procurement, fielding, operations and support, and disposal. Leadtimes for developing and acquiring special operations items today are no better than the leadtimes experienced by the Services for items for other forces. When time constraints for special operations activities are severe, the current system is not very responsive.

The law states that USSOCOM "shall include requests for funding for development and acquisition of special-operations-peculiar equipment, and acquisition of other material supplies, or services that are peculiar to special operations activities." It is clear that congressional intent is to provide USSOCOM sufficient funding and acquisition authority to enable critical special-operations-peculiar items or services to be acquired on an urgent basis using a streamlined system developed and operated by USSOCOM. This of course does not mean that all special-operations-peculiar items or services would be developed and procured by USCINCSOC. It does mean that funding authority for these items and services must reside with USSOCOM. Because of other constraints, the majority of funds would actually be allocated to the appropriate Services or Defense agency for execution. USCINCSOC would retain for his expenditures sufficient funds to develop and acquire only those items and services that cannot be obtained in a timely manner elsewhere. USCINCSOC would, however, retain an oversight responsibility for the expenditure of all funds.

Logistic Support

All logistics support for special operations units is now the responsibility of the Services and Defense agencies. That support includes both common and peculiar special operations items. Items are furnished to special operations units based on priority systems that exist for all DoD forces: the Forces Activity Designator (FAD) System and the Uniform Materiel Movement and Issue Priority System (UMMIPS).

The FAD establishes the urgency or strategic priority for a unit, and UMMIPS provides an issue and movement (air or surface) priority for an item. While these systems work very well generally, they may not in all cases provide, or respond to, the sudden needs required to support a special operations mission.

The legislation gives USCINCSOC the responsibility to establish priorities for requirements, to ensure combat readiness, to ensure the interoperability of equipment and forces, and, as discussed earlier, to develop and acquire special-operations-peculiar equipment. The implementation of these responsibilities implies a need for USCINCSOC to develop some means of supply support to augment the current system when necessary. Such means must be developed with care. The current DoD supply system should be used to the maximum extent possible. Only in those rare and urgent situations when additional support is needed for a highly select group of items should a USSOCOM-developed supply support system be used or needed. The process for determining how to identify such items, where they would be stocked, who would be accountable, and how they would be procured, maintained, and issued is a major question that needs considerable study before any implementing action.

Exercises

Public Law 99-433, the Goldwater-Nichols Department of Defense Reorganization Act of 1986, states that the DoD budget submitted to Congress may include funding of activities of a combatant command as the Secretary of Defense determines to be appropriate, to include, among other things, funding for "joint exercises." The same legislation in Section 212(a) under *Matters to be Considered* listed among such matters the following:

> "(2) Creation of a unified combatant command for special operations missions which would combine the special operations missions, responsibilities, and forces of the armed forces."

Section 1311 of Public Law 99-661 followed through by establishing a "unified combatant command for special operations forces." Those two laws provide USCINCSOC the authority as a unified combatant commander to seek funds for joint special operations force exercises subject to a favorable determination of the Secretary of Defense to that effect. Assuming the Secretary of Defense concurs, USCINCSOC would then be in a position to fund for and execute joint exercises.

In summary, the new laws governing the activities of special operations forces assign a variety of significant functions to the ASD(SO/LIC) and USCINCSOC. The legislation is intended to strengthen the special operations community, and improve special operations forces integration and effectiveness. To do that, the right mix of management personnel must be assembled, particularly at USSOCOM. It must have expertise in such diverse functional fields as supply, transportation, acquisition, procurement, contract administration, quality control, distribution, maintenance, training, and materiel requirements.

CHAPTER 4

OPTIONS FOR RESOURCING SPECIAL OPERATIONS

GENERAL

Public law defines the responsibilities of the Secretary of Defense, ASD(SO/LIC), and USCINCSOC for ensuring that resources are available for special operations. In summary, it states that the Secretary of Defense shall provide sufficient resources to USCINCSOC for special operations forces, and the ASD(SO/LIC) shall supervise the preparation and justification of program recommendations and budget proposals. It further states that the USCINCSOC shall validate requirements and establish their priorities (i.e., ensure an integrated, balanced capability); develop and acquire special-operations-peculiar equipment and acquire special-operations-peculiar material, supplies, and services; train assigned forces; and conduct a special operations activity or mission if directed by the President or Secretary of Defense. (Appendix A presents an overview of DoD's PPBS.)

The law specifies that the "develop" and "acquire" aspects shall be included in the proposed budget for USSOCOM. We believe that inherent in USCINCSOC's responsibility to "prioritize requirements" is the implied notion of preparing a POM as one of the logical steps between planning special operations requirements and executing a budget.

Within OSD, differences of opinion exist on the interpretation of the law related to the extent of special operations community participation in the PPBS. Those differences obscure the process of deciding the best approach to ensure an integrated, balanced special operations program and implement the law. In this chapter, we attempt to clarify the situation by documenting and evaluating the status quo in a description of the current system, Option 0, and then presenting and evaluating four alternatives to the current system, Options 1 – 4. While we recognize that additional options can be constructed, we consider the four options presented to represent the major alternatives.

We recommend Option 3. If special operations is to represent an integrated, balanced capability, it must flow out of a single set of requirements. A prioritized program disciplined by an appropriate, fixed level of resources should be developed to satisfy those requirements. The requirements must be established and the programs developed by the community responsible for preparing special operations forces for their mission, i.e., USCINCSOC and its subordinate commands under the overall supervision of the ASD(SO/LIC). Special operations forces, however, should retain some appropriate links to their parent Services to ensure continued interoperability. This requirement could be met by involving the Services in some aspects of special operations budget development and the RDA process.

OPTIONS FOR SPECIAL OPERATIONS COMMUNITY PARTICIPATION IN THE PLANNING, PROGRAMMING, AND BUDGETING SYSTEM

Summary: The Options and Their Merits

We have formulated a set of options for making decisions on the allocation of DoD resources for special operations. Those options, shown in Table 4-1, indicate the ways that the special operations community could participate in the PPBS.

TABLE 4-1

OPTIONS FOR MAKING DECISIONS ON MFP-11

Option	Categories	PPBS phase			Budget execution
		Planning	Programming	Budgeting	
0 Current	RDA[a] O&S[b]	Services[c] Services	Services Services	Services Services	Services Services
1	RDA O&S	USSOCOM[d] USSOCOM	Services Services	Services Services	Services Services
2	RDA O&S	USSOCOM USSOCOM	USSOCOM USSOCOM	Services Services	Services Services
3	RDA O&S	USSOCOM USSOCOM	USSOCOM USSOCOM	USSOCOM Services	USSOCOM Services
4	RDA O&S	USSOCOM USSOCOM	USSOCOM USSOCOM	USSOCOM USSOCOM	USSOCOM USSOCOM

[a] RDA includes research, development, test and evaluation, and procurement.
[b] Operations and Support.
[c] Services entries include both Services and Defense agencies.
[d] USSOCOM entries denote USSOCOM activities that are under the overall supervision of ASD(SO/LIC).

In addition to the current system (Option 0), the table shows four other options (1 – 4). The options are arranged sequentially so that as the option number increases, the special operations community gains additional control over decision-making for MFP-11. Arrayed against each option are the three phases of the PPBS (planning, programming, and budgeting) and budget execution.

Each option is viewed in terms of two major resource categories: RDA and operations and support (O&S). (The logic of such a division is explained in Appendix C.) An example of an RDA item would be a new airlift capability; that of an O&S item would be personnel costs.

Our evaluation of the merits of each option is shown in Table 4-2.

TABLE 4-2

ASSESSMENT OF THE MERITS OF EACH OPTION

Measures of merit	Option				
	0	1	2	3	4
Ensures an integrated, balanced special operations capability.[a]	No	No	Yes	Yes	Yes
Ensures OSD-level determination of special operations TOA.	No	No	?[b]	Yes	Yes
Ensures the retention of *intra*-Service interoperability.	Yes	Yes	Yes	Yes	No
Complies with congressional intent.	No	No	No	Yes	Yes
Could be successfully implemented by the ASD(SO/LIC) and USCINCSOC.	Yes	Yes	Yes	?	No
Uses existing Service and Defense agency capabilities where feasible.	Yes	Yes	Yes	Yes	No

[a] The objective of the resourcing process is to have an integrated, balanced special operations capability; integrated in the sense that special operations forces can all work together effectively to perform assigned missions (i.e., special operations forces have *inter*-Service interoperability), and balanced in the sense that no component of that capability (force structure, modernization, readiness, or sustainability) is either a limiting factor or in excess relative to other components. Validation is the tool to ensure integration during planning, and prioritization is the tool to ensure balance during programming.

[b] "?" means questionable.

Detailed Discussion

In the following sections, we discuss each option in terms of participation by the special operations community and provide our comments on the option.

Option 0 – The Current System

Participation by the Special Operations Community. In the current system, the Services and Defense agencies are responsible for planning, programming, and budgeting for the special operations capability. However, USSOCOM does plan, program, and execute its own headquarters budget, with the Air Force acting as its executive agent.

Special operations community participation in the PPBS is essentially the same as that of other unified and specified commands. However, unified and specified command participation was designed to accommodate their missions, i.e., operations and warfighting, not to accommodate their resource and acquisition management. The basic issue is whether the current system meets the needs of USSOCOM, which is a supporting unified command, in preparing special operations forces for their assigned missions.

Under the current system, the special operations community has multiple opportunities to *influence* the allocation of resources during the PPBS process, congressional deliberations, and budget execution but no opportunity to *control* that allocation. The community influences resource allocation through procedures available to all unified and specified commanders (the CINCs) and through a separate set of procedures currently available only to the special operations community.

Since 1981, the unified and specified commanders have been given more influence in the allocation of resources within DoD. As head of a unified command, USCINCSOC uses the following means to influence resource allocation in the PPBS:

- Participation in the development of the DG
- Documentation of significant requirements in an Integrated Priority List (IPL), which is a set of critical shortfalls and remedial programs
- An accounting of the Services' treatment of the IPL in the Services' POMs

- Recommendations for Issue Paper outlines and, as appropriate, preparing Issue Papers for shortfalls not met in the POMs
- Access to the DRB, where he may raise special operations issues
- Influencing Program Budget Decisions (PBDs)
- Access to the highest levels of DoD as well as the national command authorities as a four-star general officer.[1]

A separate set of provisions and procedures is available to the special operations community as a matter of law and policy. The law created ASD(SO/LIC), and within the OASD(SO/LIC) are a DASD (Resources) and DASDs for special operations and low-intensity conflict; no other community in DoD has such focused, high-level representation. In addition, the law created a separate program, MFP-11, for special operations program elements within the FYDP.

As a matter of policy,[2] the special operations community receives the following preferential treatment during the PPBS and budget execution:

- Decisions on special operations issues are recorded in all appropriate PPBS decision documents. Those decision documents as well as reprogramming requests and fund releases are coordinated with ASD(SO/LIC). Furthermore, as appropriate, those documents are accompanied by dissenting views so that the Secretary of Defense, and Deputy Secretary of Defense, may be fully informed of differing positions before they make decisions.
- Special operation budget exhibits are included in the justification material that accompanies the President's budget to Congress.
- Documents that release appropriated funds to the Components display all identifiable special operations resources. Those documents specify that funds released for special operations may be used only for special operations programs. Furthermore, below-threshold reprogramming actions are prohibited without the approval of the Secretary of Defense or the Deputy Secretary of Defense. Such reprogramming actions must be staffed by the ASD(C). (Normally, below-threshold reprogramming actions can be processed within a Service or Defense agency.)

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[1] After the PPBS process is completed, USCINCSOC can further influence resource decisions for the special operations program. After the President's Budget is submitted to Congress, USCINCSOC, as are other CINCs, is invited to brief congressional committees on his requirements.

[2] Deputy Secretary of Defense Memo of 29 Sept 1987, Subject: *Control of Major Force Program 11 Resources, Special Operations.*

- The ASD(SO/LIC) is a member of the DRB and can serve as an advocate for the special operations community.

Comments. The current system has a number of advantages – it ensures the retention of intra-Service interoperability, is currently implemented by the special operations community, and uses existing systems. However, it fails three key tests – it does *not* ensure an integrated, balanced special operations capability; does *not* ensure OSD-level determination of program TOA; and does *not* meet the intent of Congress.

The current system is advantageous from the Services' point of view. Since they develop the program and prepare and execute the budget for the special operations forces, they can ensure *intra*-Service interoperability.[3] However, they cannot ensure *inter*-Service interoperability.

USSOCOM has implemented and participated fully in the current system. The staff developed an IPL for FY90–94, participated in the FY89 Amended Budget Submission (ABS), reviewed the Services' POMs (although they had to obtain copies of the Services' POM through indirect means because the Services would not distribute copies to them), participated in an Issue Paper cycle, and participated on the DRB.

Option 0 makes full use of existing Service and Defense agency capabilities since it is the current system.

A major shortcoming in the current system is that it fails to ensure an integrated, balanced special operations capability. In the current process, each Service individually and without significant coordination with the other Services develops special operations requirements, it then programs the time-phased acquisition of forces, equipment, and support to meet those requirements. This unilateral approach has led to the duplication of effort and capabilities, which is almost guaranteed in an environment in which no single organization is responsible for development of the special operations capability.

[3] The Navy stressed this aspect of the current system to us during interviews. Naval special warfare units, the SEALs (Sea, Air, Land), are an integral part of Fleet operations in peacetime and wartime in addition to their joint special operations missions. For the Navy, the SEAL force structure and modernization are most important.

RDA of special operations equipment provides an illustration. During presentations by the Services at the USSOCOM Special Operations RD&A Workshop and Master Plan/Resourcing Review at USSOCOM on 9 – 12 February 1988, we observed that the Services were duplicating a number of RDA efforts, including small arms, infiltration equipment (e.g., parachutes), translation devices, demolition devices, etc. Such duplication is difficult to eliminate under the current system.

In theory, special operations with its high-visibility mission should receive a proportional share of each Service's resources as determined by OSD in the FYDP. Such has not been the case. Special operations has fared poorly when the Services have set priorities for their needs. For example, in the FY89 ABS, the Services eliminated 33 percent of the nonpersonnel resources from special operations programs when the Services were required to take only an 11 percent cut overall. In that instance, timely action by key OSD staff members restored and actually slightly increased the budget for special operations programs. However, special operations has no assurance that such OSD action would be taken in the future unless the special operations program TOA is determined at the OSD level.

The limitations of the IPL as a programming tool further illustrate the shortcomings of the current system with respect to establishing priorities for requirements. The IPL is only a partial list of requirements (i.e., in the case of USSOCOM, some 20 "critical need items"); it represents USSOCOM's few key problem areas which in the judgment of the CINC, require the highest priority attention by DoD.

In reality, the IPL is not constrained by a TOA, and as such, difficult trade-offs are not made nor are they required. Finally, the IPL is not designed to indicate when any of the requirements must be met. The appropriate tool to establish priorities for requirements is the POM.

The last major shortcoming of the current system is that it fails to meet the intent of Congress. Since the Services and Defense agencies, not USCINCSOC, develop (validate) special operations requirements, develop the program (prioritize), and prepare and execute the budget to satisfy those requirements, the current system is not in compliance with the law.

In summary, USCINCSOC has a clear responsibility to validate and prioritize those special operations requirements needed to ensure the interoperability and combat readiness of special operations forces for their assigned missions. Under the current system, USCINCSOC has little control over the resources to do that job. At best, he can merely influence the way that others – the Services and Defense agencies – provide resources and can only exert that influence after the fact in an ad hoc manner. One of the key reasons that Congress gave USCINCSOC unique responsibilities is failure of the Services in the past to give adequate priority to special operations.

Option 1 – USSOCOM Plans Special Operations Requirements

Participation by the Special Operations Community. Option 1 differs from the current system in that, as part of planning, USSOCOM would identify and validate the full range and time-phasing of its technical requirements (mission needs) in terms of required force structure and modernization, readiness, and sustainability programs. USSOCOM's subordinate Components and the regional unified combatant commands would provide their requirements to USSOCOM as part of this validation process. This set of integrated technical requirements would reflect the DG.

During programming, these requirements would then be submitted to OSD, JCS, and the Services. The Services would consider these requirements in developing their programs (i.e., their POMs) and budgets. In this approach, an expanded IPL would be used to communicate the full range of time-phased special operations technical requirements to the Services. As with the current system, the Services would be required to account for their treatment of these technical requirements in their POMs.

Comments. Option 1 has essentially the same advantages and disadvantages as the current system. It would ensure the retention of intra-Service interoperability, could be implemented with little change within the special operations community, and would use existing systems. Option 1, however, would *not* ensure an integrated, balanced special operations capability, would *not* ensure OSD-level determination of program TOA, and would *not* meet the intent of Congress.

In summary, Option 1 offers only a slight improvement over the current system.

Option 2 – USSOCOM Develops and Balances the Special Operations Program

Participation by the Special Operations Community. Option 2 differs from Option 0 and 1 in that the special operations community would develop a POM based on validated and prioritized requirements and submit it to OSD with copies to the JCS and the Services. This special operations POM would go through the same process as other POMs: an Issue Paper cycle and a DRB review.

Another difference between this option and Options 0 and 1 is the way in which the PDMs are handled. In preparing the PDMs in this option, the OSD staff would allocate all elements of the special operations PDM to a Service or Defense agency, as appropriate, for inclusion in its budget estimates. The main purpose of this approach is to encourage Service involvement in special operations with the view toward retaining intra-Service interoperability. This approach is somewhat analogous to the way in which the Navy Department and the Marine Corps develop their programs and submit their POMs in parallel. Differences in those programs are reconciled during the budgeting phase of the PPBS.

Comments. Under Option 2, the special operations community would control both the planning and programming aspects of the PPBS. As such, some of the disadvantages of Options 0 and 1 are minimized. Under this option, an integrated, balanced special operations capability would be ensured along with the potential for retaining intra-Service interoperability. This option could be implemented successfully by USSOCOM and would use existing Service and Defense agency capabilities where feasible. However, Option 2's ability to ensure retention of an OSD-level determination of program TOA after the programming phase is questionable, and it is not in compliance with the intent of Congress.

In developing its own program from its set of requirements, the special operations community could ensure an integrated, balanced special operations capability at least through the programming phase of the PPBS.

As noted above, intra-Service interoperability could be retained by the Services' involvement in the budgeting process. The process of allocating program

elements of MFP-11 to other Components might be an administrative challenge, but can be done.

The special operations community should be able to implement this option. USCINCSOC has stated that his staff will prepare a Special Operations POM for the next PPBS cycle, i.e., for FY92 – 96. He has organized a portion of his staff to plan that preparation. These personnel have gained some experience since they recently observed Army and Air Force preparation of the FY90 – 94 POM.

Option 2 would help retain special operations ties to the Services by involving the Services in budgeting and budget execution and thus using existing Service capabilities.

Whether Option 2 would ensure OSD-level determination of TOA is open to question. If the special operations community had a sufficient resource base (TOA), it could control its resources through POM preparation. However, it would yield control to the Services and Defense agencies for the balance of the PPBS process where poorly coordinated changes could result in program imbalances.

In this option, the Services are responsible for executing the budget for all of the special operations program. This option is not in compliance with the law.

Adoption of Option 2 would necessitate some administrative changes in the current system. USCINCSOC would no longer need to submit an IPL; the POM would take its place. Also, since the CINC has a POM, he would not author Issue Papers. However, ASD(SO/LIC) would still prepare issue papers and represent the special operations community. Also, USCINCSOC could still raise issues and comment on the Issue Papers of others as well as attend the DRB.

In summary, Option 2 is closer to an acceptable solution than Option 1. It meets all the tests for merit with the exception of retention of the OSD-level determination of program TOA and compliance with congressional intent.

Option 3 – USSOCOM Prepares a Budget for Appropriate Portions of the Special Operations Program

Participation by the Special Operations Community. Option 3 retains all the provisions of Option 2 through the programming process. The key difference is that at that point the OSD staff would allocate all elements of the special operations PDM

to USSOCOM or the Services and Defense agencies. Specifically, USSOCOM would prepare the RDA budget for special-operations-peculiar items and services, and the Services and Defense agencies would prepare the budget for O&S (and common items). In Option 3, after the PPBS process, USSOCOM would execute the budget for RDA of special-operations-peculiar items and services. (The details are presented in Appendix C.)

Comments. The advantages of Option 2 also apply to Option 3. The key feature of Option 3 is that the special operations community would prepare and execute the RDA budget for special-operations-peculiar items and services, thus eliminating the major disadvantage of Option 2 – compliance with congressional intent. It would ensure the retention of the OSD-level determination of program TOA, at least for the RDA portion of the program

Currently, USSOCOM would have difficulty implementing this option successfully. It does not have the staff to prepare its own RDA budget, nor does it have an organization or sufficient, experienced staff to take on the complex task of executing the RDA portion of the budget. To do those jobs, USSOCOM will need to build a new, dedicated organization.

Nevertheless, Option 3 provides the best fit to the evaluation criteria. Specifically, it meets the needs of the special operations community and the intent of Congress.

We recommend adoption of this option.

Option 4 – USSOCOM Functions Like an Independent Agency

Participation by the Special Operations Community. In Option 4, the special operations community would have autonomous control over the programs and resources and its mission performance. In this option, USSOCOM would define its requirements, prepare and justify a program to meet those requirements, submit a budget for the program, and execute that budget *in toto*. This option completes the cycle of possibilities, starting with the current system in which the Services control the resources for special operations and ending with the special operations community having total control.

Comments. As viewed from the perspectives of the PPBS and Defense acquisition systems, the special operations community would be similar to a Defense

agency.[4] While this autonomy presents some advantages for the special operations community, the relatively small size of that community would be disadvantageous in the long run.

Option 4 has some advantages. It would ensure an integrated, balanced special operations capability, ensure an OSD-level determination of program TOA, and comply with the intent of Congress.

One of the major problems with Option 4 is that it would not ensure the retention of intra-Service interoperability. By giving the special operations community a large measure of autonomy, *intra*-Service interoperability of special operations forces would be traded-off for *inter*-Service interoperability. This situation would cause the Services to lose interest in special operations forces since those forces would then be someone else's problem.

This large measure of autonomy could jeopardize the viability of the special operations community over time. Although Congress intended the special operations forces to be considered as a separate part of DoD in preparing for their missions, the special operations community remains heavily dependent on the Services and other DoD Components for such support functions as recruiting, supplying, servicing, mobilizing, demobilizing, and real property management. All of those functions are assigned to the Services by law, and without them, the special operations community could not operate.

A new bureaucracy of unspecified, but probably very large size, would have to be developed to manage an autonomous special operations community. That bureaucracy would probably negate any efficiencies that might be gained under the approach specified by current law and would certainly require duplication of capabilities that the Services have now.

In summary, Option 4 offers few advantages over Option 3 and has some critical disadvantages, principal among which is that, over time, the compatibility of special operations forces and other DoD forces would probably degenerate. In addition, Option 4 probably cannot be implemented at this time without adding a large bureaucratic structure to the community and enacting additional legislation to

[4]Adoption of this option would probably result in adding most special-operations-common program elements and other operations and support program elements to MFP-11.

make the community more like a Service. Option 4 would make no use of existing Service or Defense agency capabilities. Finally, the provisions of this option would unnecessarily exceed the current congressional intent for special operations.

The Need for Prompt Selection of an Option

The five options described here are the basic approaches for providing the resources needed by special operations forces. Establishing the procedures necessary to implement the chosen option is a detailed process, and that process cannot even begin until the option is chosen. Further, the approach to acquisition management for special-operations-peculiar systems is dependent on the option chosen. Thus, we recommend that the ASD(SO/LIC), in consultation with the USCINCSOC, choose an option at the earliest possible date.

CHAPTER 5

PROPOSALS FOR SPECIAL OPERATIONS ACQUISITION MANAGEMENT

GENERAL

Several avenues are open to USSOCOM for managing acquisition of special operations systems.[1] The appropriate choice depends on which of the options is selected for USSOCOM participation in the PPBS cycle. To understand the most demanding case we assume that USSOCOM will execute the budget for the RDA of special-operations-peculiar systems. (Options 3 and 4). (Appendix B presents an overview of the Defense Acquisition System.)

Special Operations Acquisition Management: The Challenges

The special operations community faces many challenges in fulfilling its responsibilities for developing and acquiring special-operations-peculiar systems:

- The USSOCOM acquisition organization is small compared to the Services' counterparts. Because USSOCOM was established as a unified combatant command, it is currently neither organized, staffed, nor sufficiently experienced to successfully manage a significant acquisition program.
- USSOCOM's acquisition responsibilities are complex. In fulfilling its overall mission, it must acquire special-operations-peculiar systems that range from slightly modified standard items to many that are state-of-the-art. In some cases, these systems must be acquired expeditiously to ensure mission success. In others, USSOCOM must shepherd acquisition programs through lengthy Service or Defense agency acquisition processes.
- USSOCOM must be able to influence the acquisition and distribution by the Services and Defense agencies of many common items because a large part of a special operations unit's basic military capability depends on having authorized common items on hand.[2]

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[1] For this discussion we define systems to include special operations equipment and their supporting material, supplies, and services.

[2] Problems with shortages or maldistribution of common items are often systemic and thus, are difficult to address directly. Information contained in the JCS Status of Resources and Training System (SORTS) (formerly Unit Identity and Status Report) can be used to identify and analyze problems with common items.

Those challenges suggest approaches to systems acquisition management. USSOCOM's small size implies that it must rely on and not attempt to duplicate the established capabilities of the Services and Defense agencies for the life-cycle support of systems.

The timely acquisition of systems recommends a responsive approach. While steps in the process may be compressed for some special access programs, the majority of special operations systems must be acquired through conventional processes controlled by the Services and Defense agencies. The key to successful use of these conventional processes is timely identification of requirements, sufficient funding, and streamlined acquisition, where feasible.

In cases in which the Services and Defense agencies are unable to acquire special-operations-peculiar systems in the time required, USSOCOM must elect to use its own streamlined acquisition procedures or, if necessary, a quick-reaction capability. However, it must be selective in so doing because acquisition management is a complex, labor-intensive process. To avoid failure, USSOCOM must take on acquisition responsibilities only to the extent that staff capability and experience are available.

A quick-reaction acquisition capability is an important issue for the special operations community. Many in the community have expressed a strong desire for such a capability in support of urgent mission requirements. Much of their desire seemed rooted in frustration with the current system.

Development of quick-reaction capability is, of course, a moot point until the special operations community gains control of its resources through an appropriate level of participation in the PPBS. Even then, any quick-reaction capability must comply with Federal regulations (the FAR, DFARS, etc.). Until the special operations community has its own capability, it must continue to rely on the existing quick-reaction capabilities of the Services and Defense agencies.

Definitions

The allocation of responsibilities between USSOCOM and the Services and Defense agencies for acquisition hinges on what constitutes "special-operations-peculiar." Since the special operations community will control the special operations program, it will exercise the authority to categorize any particular item

as "peculiar" or "common." However, we provide the following criteria to help make that distinction.

Special-Operations-Peculiar. Special-operations-peculiar systems should meet one of the following criteria:

- Systems that are designed for, or are used solely by, special operations forces or other units in support of special operations missions (e.g., a SEAL delivery vehicle).
- Standard systems used by other DoD units but modified for special operations forces. In the case in which the primary use or mission of the system then becomes a special operations mission or special operations mission support, the standard system and the modification constitutes a special-operations-peculiar system (e.g., the AC–130U or the MC–130H). In the case in which the mission or use of the standard system is not primarily a special operations mission or mission support, only the modification is special-operations-peculiar (e.g., a dry-deck shelter used on a submarine).
- Systems initially designed for, or used by, special operations forces but subsequently considered for standardization by other DoD forces. These systems will be considered special-operations-peculiar until they are standardized by other DoD forces (e.g., a lightweight communications device).

Special-Operations-Common. All systems for special operations forces that are not special-operations- peculiar (e.g., a tactical vehicle).

Systems Acquisition Process

Systems acquisition management provides the environment for the life cycle of special operations systems. Acquisition management is a time-phased, life-of-the-system approach that provides management of systems and their associated support from the time an idea is generated to meet a requirement through acquisition, use, and eventual disposal of the system. Figure 5-1 shows the sequence of acquisition phases.

These acquisition phases can also be grouped into three general functions: requirements development, acquisition, and operations and support. That functional grouping relates to the responsible management organization. The Services' planning communities manage the requirements function using Service-unique procedures; the acquisition function is managed by the Services' acquisition communities using the organizations and processes described in Appendix B; and after

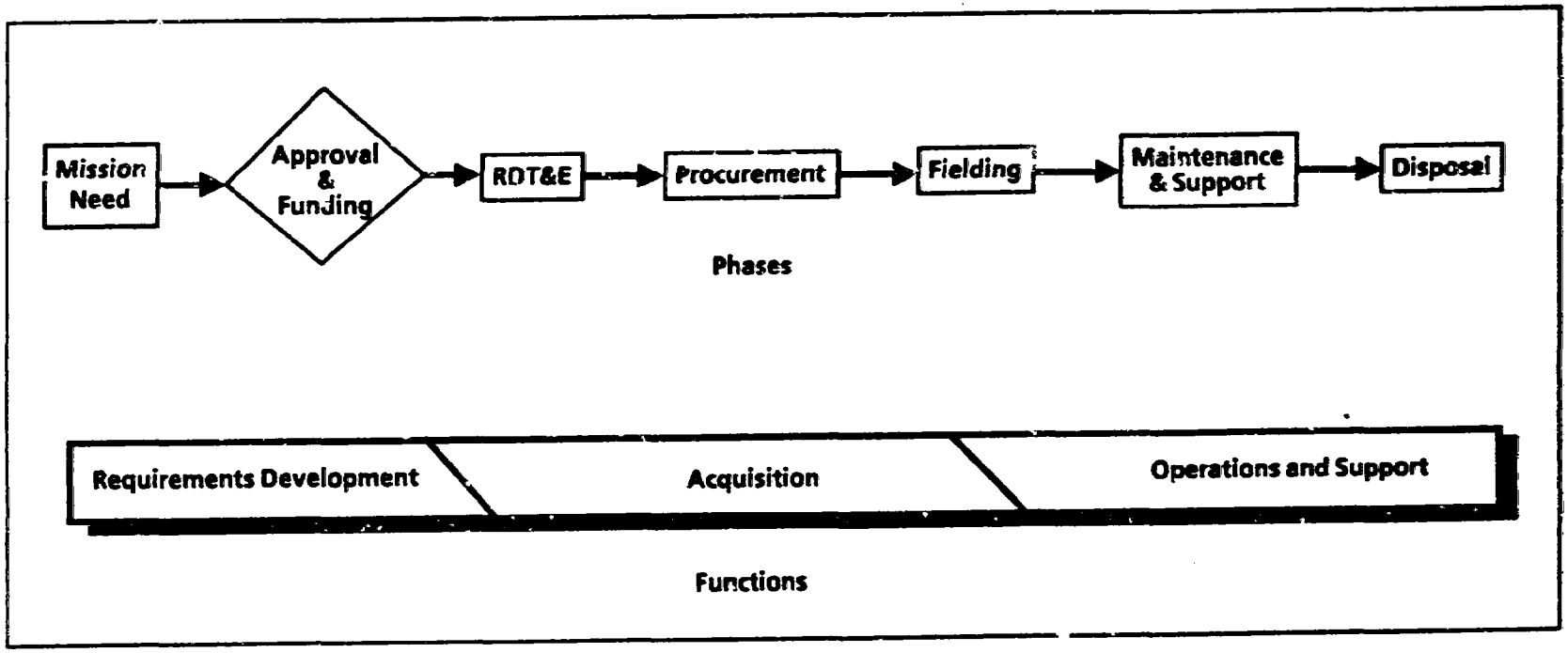

FIG. 5-1. ACQUISITION MANAGEMENT LIFE CYCLE

systems are acquired and fielded, various communities operate and support the systems.

This concept of life-cycle management has important implications for USSOCOM. To the extent that, in the future, USSOCOM assigns itself responsibility for a particular acquisition management function or its associated phases, it must have the organization, staffing, resources, and experience to execute that responsibility effectively, in some cases for the life of a system. Otherwise, USSOCOM must work with and depend on the Services and Defense agencies for acquisition management.

Requirements (Mission Needs) Function

The Services use the requirements development function to identify needed improvements to their warfighting capabilities. It is a regimented process designed to ensure that the Services obtain the best solution to meet a threat. Improvements can be made through doctrinal, organizational, training, or equipment changes. This phase takes place before Milestone 0 in the Defense acquisition cycle (see page B-5 for definition of milestones).

The requirements phase begins with the search and identification of shortfalls or opportunities, which are then staffed and validated as requirements. Requirements are then studied to determine the best solution to fulfilling them. The staffed solution is forwarded to the appropriate approval level as a Justification For Major System New Start (JMSNS) or in a Service-unique document, such as an Army Operational and Organizational (O&O) Plan, a Navy Operational Requirement (OR), or an Air Force Statement of Need (SON). The requirements process provides a method for defining a shortfall, a means for correcting that shortfall, a procedure for validating and approving the solution, and the authority and justification for budget requests.

The Services' requirements procedures are extensive to ensure that acquired systems are interoperable and supportable. The requirements function can be extremely time-consuming, sometimes taking more than 2 years to complete. In addition, each Service has a completely different procedure for determination and approval of its requirements.

Acquisition Function

The research, development, test and evaluation (RDT&E) phase starts with an approved requirement and then develops and tests the system that fulfills that requirement.

The RDT&E phase includes concept exploration, demonstration and validation, and full-scale development (acquisition Milestones 0 through II). At each of these milestones, the project must be approved by the Defense Acquisition Board (DAB), a Service System Acquisition Review Council, or a Service Review Panel before it can proceed. A program may remain in research and development (R&D) up to 8 years. Even "off-the-shelf" items can take as long as 4 years in R&D to ensure integration and complete Service testing.

The Procurement Phase includes the process of purchasing the equipment approved for Service use. It includes Milestone III of the acquisition management life cycle and leads to the operations and support function. Its procedures are rigidly controlled by the Federal Acquisition Regulation (FAR), DoD FAR Supplement (DFARS), and Service FAR Supplements. It is a step-by-step process that normally takes 12 to 24 months from request to contract award. Actual production and delivery of systems can extend over a period of years.

Operations and Support Function

This function consists of the fielding, maintenance and support, and disposal phases. It follows the procurement of new equipment in Milestone III of the acquisition cycle. Support is a Service function under the logistics community. It requires extensive personnel, facilities, and funds to operate.

PROPOSALS FOR ACQUISITION OF SPECIAL OPERATIONS SYSTEMS

This section presents the goals for special operations acquisition and outlines the special operations community's organization responsible for acquisition management. A detailed description of this organization and its staffing is not feasible at this time. Such a description must be based on a detailed analysis of the organization's missions, functions, and workloads.

Goals for Acquisition Management

Goals form the basis for management control. We believe that special operations systems acquisitions should meet four goals:

- They should satisfy valid requirements
- They should be timely
- They should maintain inter-Service interoperability
- They should be supportable.

Satisfaction of valid requirements means that systems are designed with features that meet only stated needs. This goal can be met by streamlining acquisition management – relying on nondevelopmental or off-the-shelf items where possible, keeping changes to a minimum, and eliminating excessive specifications.

Timely acquisition means that the special operations community must have control over the acquisition process. This control starts with requirements validation and prioritization in the PPBS process and continues through budget execution.

Control must be differentiated from responsibility for execution. USSOCOM should control the RDA of special-operations-peculiar systems through control of the resources. Because USSOCOM does not have the staff to execute the total program directly and it should not duplicate Service or Defense agency capabilities, USSOCOM should delegate as much program execution to the Services and Defense agencies as appropriate.

Figure 5-2 depicts that relationship. USSOCOM would define all the requirements for special operations. Special-operations-common requirements would be satisfied directly using Service or Defense agency acquisition systems. Valid, funded, special-operations-peculiar requirements would be carried forward and supported by USSOCOM.

USSOCOM would delegate acquisition responsibility for many of these systems to the Services or Defense agencies. The relationship of USSOCOM's acquisition

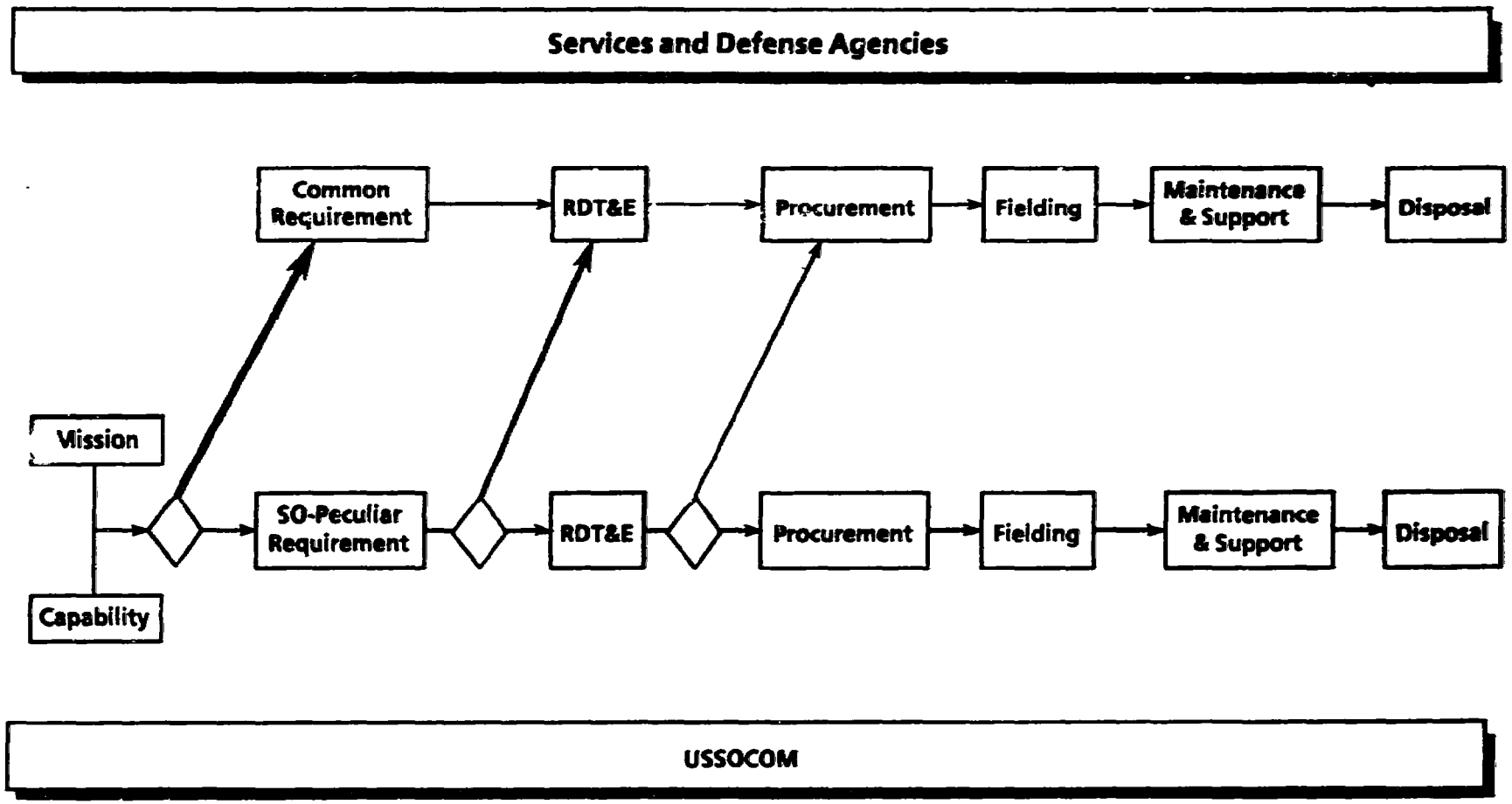

FIG. 5-2. ACQUISITION MANAGEMENT LIFE CYCLE FOR SPECIAL OPERATIONS SYSTEMS

organizations to those of the Services and Defense agencies is discussed later in this chapter.

USSOCOM would support the balance of special-operations-peculiar systems through its own acquisition process to do the research, development, test, evaluation, procurement, etc., as necessary. After completion of RDT&E, some of these systems may be moved to a Service or Defense agency for the balance of the acquisition process.

Maintenance of inter-Service interoperability will be a difficult but essential undertaking. Success in this area is dependent on the systems engineering capabilities of USSOCOM's RDA organization and on the ability to identify and control the configuration of special operations systems – systems that are not now demonstrably interoperable and ones that, in the future, may not be acquired by USSOCOM directly.

Ensuring the supportability of systems is also a difficult undertaking. Success in this area is dependent on tailoring and managing integrated logistics support over the life cycle of the system.

Acquisition Management Organization and Staffing

The starting point for developing the acquisition structure for the special operations community is DoD Directive 5000.1, *Major and Nonmajor Defense Acquisition Programs*. Figure 5-3 shows a special operations acquisition organization with staffing options. Depending on the selection of staffing at each level, this organization would meet the requirements of DoDD 5000.1 for a streamlined acquisition organization (i.e., an organization that has no more than two management tiers between a program manager (PM) and the acquisition executive in the case of a major program, or one management tier between the PM and the acquisition executive in the case of a nonmajor program.)

Acquisition Structure

Service Acquisition Executive (SAE). At the head of each Component's acquisition organization is the SAE who is responsible for overall supervision of the acquisition process, establishment of acquisition policy, appointment of program

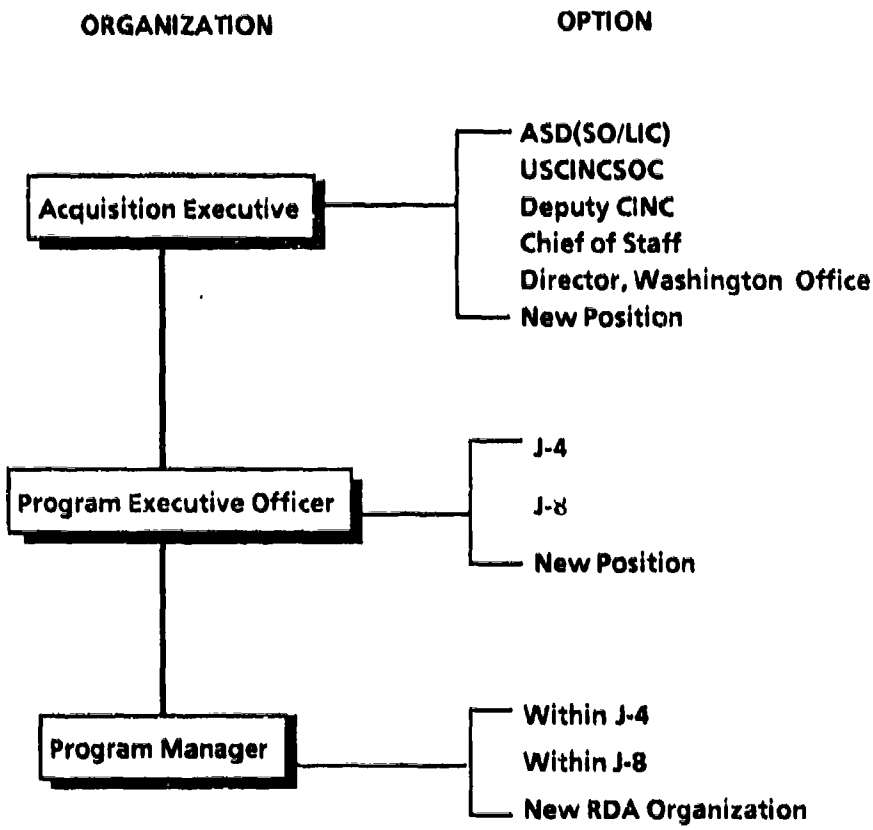

FIG 5-3. ACQUISITION STRUCTURE FOR SPECIAL OPERATIONS

executive officers (PEOs), and approval of system acquisition program baselines (i.e., functional specifications, cost, and schedule objectives and requirements).

Heads of Components appoint SAEs. Within the special operations community, USCINCSOC in consultation with ASD(SO/LIC) would appoint a Special Operations Acquisition Executive (AE). The current SAEs are the Under Secretary of the Army; the Under Secretary of the Navy; the Assistant Secretary of the Air Force for Acquisition, and the Director of the Strategic Defense Initiative.

The organizational location of the Special Operations AE within the special operations community is most important. The AE must have enough seniority so that he can "weigh in" with the SAEs and sufficient management perspective so that he can coordinate system acquisition efforts into overall special operations planning

and management activities. The person filling the AE position should have an acquisition management orientation.

The Special Operations AE position could be filled in a variety of ways:

- ASD(SO/LIC) – The ASD has sufficient seniority but does not have an appropriate management perspective to coordinate management of functional areas within USSOCOM (i.e., he is not "within the Component" as specified in DoDD 5000.1). However, the ASD(SO/LIC), as discussed in the next section, has a key role in acquisition management as a participant on the DAB.
- USCINCSOC – The CINC has the seniority and management perspective, but acquisition management is only one aspect of the CINC's overall responsibilities for managing USSOCOM and he should not be encumbered with this important and probably time-consuming responsibility.
- DCINC – While the Deputy CINC has the management perspective, the position is currently a two-star billet. As the Special Operations AE, the DCINC would be junior to the other AEs.
- Chief of Staff – The Chief of Staff has the management perspective, but lacks the required seniority.
- Director, Washington Office – This position has neither the required management perspective nor the seniority required for the AE. However, the geographic location of the office is ideal for working with the DAE, SAEs, and the ASD(SO/LIC).

We believe that the DCINC is the best choice for the AE within the current organizational structure, at least initially. However, the position should be a three-star billet to give the DCINC the necessary seniority.

As the special operations community involvement in acquisition grows, creation of a new career civilian position within USSOCOM should be considered (or "a top-level Presidential appointee," in the words of the *Report of the President's Blue Ribbon Commission on Defense Management*, 30 June 1986). In recognition of the dual nature of USSOCOM (i.e., both a supporting and a combatant unified command) the new position AE should be a counterpart to the DCINC and report directly to USCINCSOC. He should be located in Washington and could have congressional, OSD, and Service liaison and PPBS coordination as related, additional responsibilities.

Program Executive Officer (PEO). A PEO reports to the AE for acquisition program matters and has overall responsibility for technical integration of related system acquisitions. Specifically, the PEO oversees execution of related acquisition programs, screens staff reviews, reviews baselines, and ensures program balance and interoperability.

Normally, PEOs administer several acquisition programs within the Services. However, the relatively small number of special operations acquisition programs and the need to ensure inter-Service interoperability suggests that USSOCOM needs only a single PEO, who would be appointed by USCINCSOC. Some of the possibilities for the USSOCOM PEO are the J-4, J-8, or a new position.

In the current USSOCOM organization, the functions of the J-4 Director of Logistics, and that of acquisition are complementary but not identical. The J-4's functions are mainly performed during the operations and support phase of a system, while the acquisition functions are all performed over the life cycle of the system. In this capacity, the J-4 would have to split his efforts between the logistics and acquisition functions, possibly to the detriment of both functions.

The Director of Resources, J-8, could serve as PEO within the current USSOCOM organization. That position is now filled by a general officer, which would facilitate interaction with other PEOs. The R&D Division (SOJ8-R) is already in J-8. However, the J-8's overall responsibilities for financial resources (the PPBS and budget execution) are not related to the technical responsibilities of the acquisition process and represent a major function if Options 3 or 4 are implemented.

Another option is to develop a new position with a supporting staff to handle the acquisition function. That position would be responsible for all phases of acquisition. This new organization would give equal status to acquisition vis-a-vis other USSOCOM functions. It would not require the staff principal to be responsible for two separate and important functions as would be the case if the J-4 or J-8 served as PEO. All personnel with acquisition management functions from other J-staffs could be transferred to this new organization to get it started.

Program Manager (PM). In the Services, PMs report to PEO for program matters and are responsible for baseline formulation and acquisition program execution. The scope of actual program execution for special operations suggests a

single PM, who would be appointed by USCINCSOC and work for the special operations PEO.

A multisystem or "basket" program management organization appears best suited for the special operations program. A multisystem organization is one in which acquisition management specialists (e.g., systems engineering, configuration management, maintenance, supply support, training, etc.) each support many small systems acquisitions to make best use of skilled personnel.

Contracting Structure

The contracting structure should include the following positions.

Senior Procurement Executive (SPE). Per DoDD 5000.1, the SPE and the AE are the same person.

Head of Contracting Activity (HCA). The Head of Agency may establish contracting activities and delegate to the heads of such contracting activities broad authority to manage the agency's contracting function. In the Services, the HCA is normally the commander of a major command or systems command. In the Defense agencies, the Director of the agency is normally the HCA. Some of these Directors have also been designated as "Head of Agency" by DoD, so they hold both positions. HCA normally delegates the contracting function to his senior acquisition executive. The possible USSOCOM HCA candidates are USCINCSOC, SAE, or PEO.

USCINCSOC is a logical choice as HCA consistent with Service and Defense agency precedents. Since the SAE is not in command of an organization doing acquisition, he would not be a good choice although he may elect to review contracts prior to release.

The PEO would be the best choice as HCA if he were in charge of a separate organization with responsibility for all the acquisition. This would be an element with acquisition responsibilities under the Head of Agency. If the PEO was a staff section under the CINC, the HCA responsibility should remain with the CINC.

Contracting Officers. USSOCOM should warrant its own contracting officers from assigned personnel. Initially, a small office should suffice.

Structural Relationships

Figure 5-4 depicts the relationships between the special operations community's acquisition structure and those of the Services and Defense agencies.

A key feature of this relationship is the DAB which is the primary forum for acquisition matters. It is used to resolve issues, provide and obtain guidance, and make recommendations to the Secretary of Defense through the DAE. Specifically, the DAB reviews acquisition programs and makes recommendations on milestone decisions for DAB programs (normally major acquisition programs). The DAB is chaired by the DAE and includes the Service acquisition executive; Vice Chairman, JCS; and key Assistant Secretaries and Directors in OSD.

The ASD(SO/LIC) charter specifies that he participates in the DAB. There are two approaches the ASD(SO/LIC) can take to DAB membership. The first is to request appointment as a permanent member of the DAB. This will allow him to participate in all the acquisition decisions of DoD. However, this can be very time-consuming. The second is to participate only in those matters where the special operations community has significant, specific interest. Initially, this latter approach is probably the better one.

The Special Operations AE coordinates with the SAEs and the DAE to resolve program-level function, cost, and schedule problems with special operations acquisitions by the Services and Defense agencies and problems of special operations acquisition programs vis-a-vis other acquisition programs. The Special Operations PEO works with other PEOs to ensure the inter- and intra-Service interoperability of special operations systems. The Special Operations PM works with other PMs to execute acquisition of special operations programs.

The PMs will be faced with an extremely complex management task in coordinating acquisition of systems with different technologies, schedules, vendors, etc., across Services and Defense agencies. We envision that much of the work of the special operations acquisition management organization will be involved with coordination and liaison. In some cases, special-operations-qualified personnel will be detailed to other Service and Defense agency acquisition management organizations for some acquisition phases as the Marine Corps does when the Army or Navy acquires systems for it.

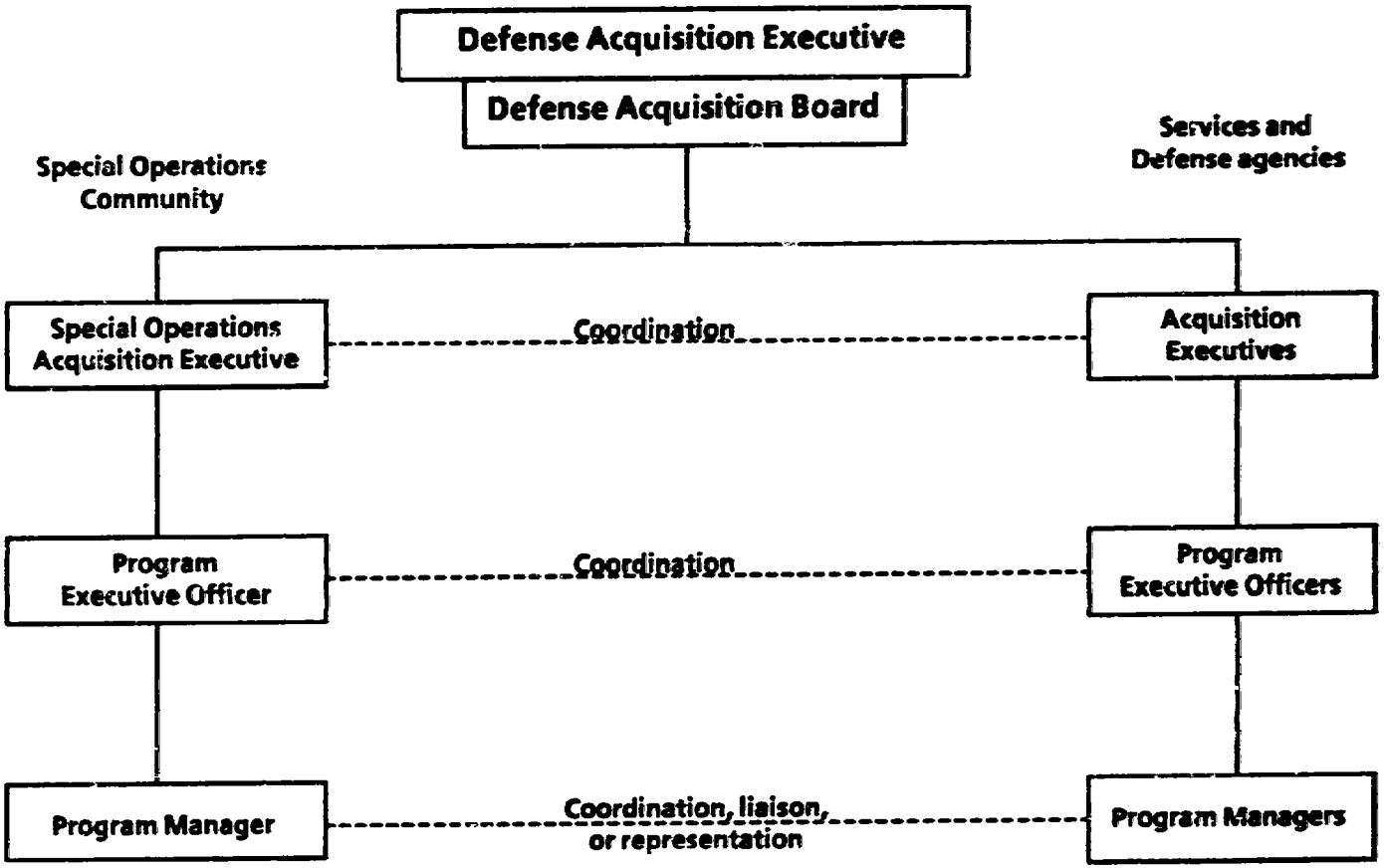

FIG. 5-4. RELATIONSHIP BETWEEN THE SPECIAL OPERATIONS COMMUNITY AND OTHER ACQUISITION MANAGEMENT ORGANIZATIONS RESPONSIBLE FOR SPECIAL OPERATIONS SYSTEMS

SUMMARY

Effective participation in the PPBS provides the financial resources necessary to carry out the special operations program. To fully discharge their responsibilities, the special operations community needs to be a full participant in the Defense acquisition system. However, USSOCOM is not now organized, staffed, or sufficiently experienced to control or manage any significant acquisitions.

When the USSOCOM staff fully gains control of its program resources, they should move forward into RDT&E and other phases of acquisition with deliberate speed. They must keep in mind that they should take on responsibilities only as rapidly as their staffing and experience allow.

USSOCOM should take the initiative now to establish the acquisition management organization needed to control the execution of special operations acquisition program. This includes programs executed by USSOCOM as well as those executed by Services and Defense agencies.

GLOSSARY

This glossary defines some specific terms used in this report:

Acquisition Phase. That part of the DoD acquisition system from concept to Milestone III. It consists of two parts -- Mission Needs and Research and Development.

Acquisition Structure. The organizational structure that supports the decision-making for the DoD acquisition system in accordance with DoDD 5000.1, .2, and .3.

Congressional Intent. The law covering special operations is unique and subject to continuing interpretation. In developing this report, we relied on our own interpretation. We believe that the congressional intent underlying the law has been clearly expressed. As is stated in one source:[1]

> . . . there is a substantial need to create a multi-Service, multi-functional, organizational focus for low intensity conflict and special operations. This is so for six reasons: (1) the threat to U.S. interest from the lower end of the conflict spectrum is becoming more serious; (2) the capabilities needed to respond to these threats are not among the traditional ones of the Services; (3) the Services have a tendency in force planning to focus on high intensity conflicts; (4) there is a need to coordinate the activities of the Services as they seek to develop required capabilities in order to avoid unnecessary duplication; (5) there is a need for innovative thinking and new approaches to these threats [i.e., threats at the lower end of the conflict spectrum]; and (6) a clear organizational focus may help to ensure that these capabilities receive proper attention and priority.

Contracting. The purchasing, renting, leasing, or otherwise obtaining of supplies or services from non-Federal sources.

Contracting Structure. The organizational structure that supports the decision-making for the Defense procurement in accordance with Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation (DFAR), and Service supplements to the DFAR.

Defense Contracting System. The organization that provides the contracting support for the DoD Acquisition System in accordance with the FAR, DFARs, and Service FAR supplements.

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[1] Senate Armed Services Committee Report, 99-86. *Defense Organization: Need for Change.* 14 Oct 1985. p.103.

DoD Acquisition System. Defined in DoDD 5000.1 as the single system whereby all equipment, facilities, and services are planned, developed, acquired, maintained, and disposed of within DoD. It consists of two phases, the acquisition phase and the operational phase.

Low-Intensity Conflict. "Political-military confrontation between contending states or groups below conventional war and above the routine, peaceful competition among states. It involves protracted struggles of competing principles and ideologies. Low-intensity conflict ranges from subversion to the use of armed force. It is waged by a combination of means employing political, economic, informational, and military instruments. Low-intensity conflicts are often localized, generally in the Third World, but contain regional and global security implications."[2]

Mission-Needs Phase. That part of the acquisition cycle to Milestone 0 that determines the shortfalls and opportunities to the current warfighting capabilities.

Operational Support Phase. That part of DoD acquisition system after Milestone III. It consists of production to disposal.

Production Phase. Milestone III is the acquisition cycle that procures the desired equipment.

Research and Development (R&D) Phase. That part of acquisition cycle from Milestone 0 to Milestone III that provides the research and development of new equipment.

Special Operations. "Operations conducted by specially trained, equipped, and organized DoD forces against strategic or tactical targets in pursuit of national military, political, economic, or psychological objectives. These operations may be conducted during periods of peace or hostilities. They may support conventional operations, or they may be prosecuted independently when use of conventional forces is either inappropriate or infeasible."[3]

Special Operations Community. The ASD(SO/LIC), and his staff, and USCINCSOC, his staff, and subordinate commands.

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[2] Department of Defense. *Dictionary of Military and Associated Terms, JCS Pub 1.* The Joint Chiefs of Staff, Washington, D.C. 20301-5000. 1 Jun 1987.

[3] Ibid.

APPENDIX A

PLANNING, PROGRAMMING, AND BUDGETING SYSTEM

The Planning, Programming, and Budgeting System (PPBS) is used by DoD to translate force requirements into an authorized program that becomes the basis for the DoD portion of the President's Budget. It is important that special operations personnel and organizations understand the PPBS process and become an integral part of the system. DoD's resource requirements and fund allocations are predicated on the missions and roles of the Department as identified and contained in the PPBS.

The DoD is currently on a 2-year cycle for the PPBS, e.g., in April 1988, the Program Objective Memoranda (POMs) for FY90 – 91 were submitted. Congress has agreed in concept to this approach, but it still retains an annual approach to both authorizations and appropriations. Thus, DoD prepares a biennial budget and then an amended budget for inclusion in the annual President's Budget.

PLANNING

The planning portion of the PPBS process is a critical part of the overall system. It involves such national considerations as threat and capability assessments, long-term trends, national strategy, and economic considerations. These and many other elements are considered in developing the Defense Guidance (DG), which then becomes the basis for DoD Components to produce POMs and the revised Five-Year Defense Program (FYDP).

The planning process begins with the Joint Chiefs of Staff (JCS) furnishing a number of background and guidance documents and data to the Secretary of Defense for consideration in developing the DG. Some of the more important JCS documents involved in this phase include:

- *Joint Long-Range Strategic Appraisal (JLRSA).* This document is published every 4 years and contains long-range intelligence estimates for 20 years into the future. It provides a framework for broad force structure implications and assessments.
- *Joint Strategic Planning Document (JSPD).* The JSPD and its Supporting Analysis (JSPDSA I, II, and III) contain military strategy and force

planning guidance, the minimum risk force, and the JCS-approved planning force. The data used to develop the JSPD is furnished by the Commanders in Chief (CINC) and identifies the minimum force required to achieve national military objectives with virtual assurance of success. The resulting planning force is the level of forces considered by the JCS to be necessary to execute the national strategy with reasonable assurance of success.

The JCS provides three other documents that are used in the PPBS planning process:

- The Joint Intelligence Estimate for Planning (JIEP), published biannually for JCS
- The Intelligence Priorities for Strategic Planning (IPSP), published annually by 15 March to provide guidance to the CINCs and intelligence organizations on priorities for intelligence requirements, planning, and collection
- The Joint Strategic Capabilities Plan (JSCP), which annually provides the capability of U.S. forces to meet current operational requirements.

Those documents are furnished by the JCS to the Secretary of Defense and are provided to the Under Secretary of Defense for Policy [USD(P)], who is responsible for drafting the DG. The DG, Program Decision Memorandums (PDMs), and budget estimates from the prior year are considered along with the JSPD and other JCS data in constructing the draft DG. The Deputy Assistant Secretary of Defense (Policy) [DASD(P)] chairs a DG Steering Group, which helps develop and coordinate the DG. During this process, considerable dialog takes place among OSD, JCS, CINCs, and the Services.

Draft chapters of the DG are provided to the Military Departments, CINCs, and other appropriate DoD Components for review and comment as they are produced. The draft DG is reviewed by the Services, JCS, and CINCs, with comments furnished to the Defense Resources Board (DRB) for resolution of major outstanding issues. The DG is issued with the signature of the Secretary of Defense and provides official planning guidance to the DoD Components for preparation of their POMs. It becomes the official link between planning and programming.

PROGRAMMING

The DG establishes the goals, priorities, and mid-term objectives for appropriate DoD Components to use in developing their Program Objective Memorandums (POMs) and revisions to their FYDP submissions. POMs include an assessment of the risks associated with current-year funding and the proposed force structures and their planned support. POMs also include total balanced programs for the years covered by the DG with its associated FYDP. Total program dollars must be within the fiscal guidance provided by the Secretary of Defense, and major issues must be identified.

The Secretary of Defense receives POM submissions from appropriate DoD Components by 1 April biennially. A copy of the POM goes to the JCS, which assesses the extent to which the composite POMs comply with the DG and respond to the threat. That assessment is provided to the Secretary of Defense in the Joint Program Assessment Memorandum (JPAM). The CINCs provide their warfighting requirements to the Services during POM preparation. The CINCs also furnish their priority requirements to the Secretary of Defense and Chairman, Joint Chiefs of Staff (CJCS).

After POMs have been received in OSD, the staff prepares a set of potential issues to include alternatives where appropriate. Other issues are prepared by the CINCs and the Office of Management and Budget (OMB). Potential issues are presented to the Program Review Committee (PRC) which makes the final selection of which issues will be ultimately decided by the DRB. Once that decision is made, the OSD staff begins to develop individual issue papers with assistance and input from the Services, OMB, JCS, and the CINCs. Each issue paper discusses the issue and provides alternatives. Finally, all issues are combined into eight issue books and circulated to other OSD offices, the JCS, the CINCs, and Services for review and comment before the issues are presented to the DRB.

The DRB meets for 2 to 3 weeks to resolve the issues, and the Service chiefs attend as observers. The CINCs are invited to explain their concerns to the DRB. The Deputy Secretary of Defense makes tentative decisions on each of the eight issue books. After all books have been reviewed individually, a wrap-up meeting is held to evaluate the total effect of the tentative decisions on the DoD program. Any open issues are resolved and final decisions are made and recorded in PDMs. The PDM is

published around the middle of July, and that publication signals the end of the programming phase and provides the program and fiscal basis for developing the DoD budget estimate.

BUDGETING

Currently, each Service and Defense agency develops and forwards a biennial budget estimate to the Assistant Secretary of Defense (Comptroller) [ASD(C)]. Those estimates include prior year, current year, budget year (first year of the FYDP), and budget year plus one (authorization year) data based on guidance contained in the Budget Guidance Manual, approved PDMs, and detailed budget guidance. DoD Component budget estimates are due in OSD in September. The Services and Defense agencies provide an amended budget submission in the off years. This submission describes changes resulting from the most current information.

The Office of the Assistant Secretary of Defense (Comptroller) [OASD(C)] schedules joint OSD and OMB hearings to review budget submissions. The Services and Defense agencies defend their submissions at the joint hearings. Also attending and participating in the hearings are representatives of the JCS.

The primary purpose of the hearings is to obtain the additional information for program justification. The review also helps assure that the budget is correctly priced and consistent with the plethora of guidance documents furnished to DoD Components for budget preparation purposes. As hearings are completed, the responsible OASD(C) budget analyst drafts a Program Budget Decision (PBD). Other OSD staff members assist in this process as appropriate. These draft PBDs evaluate and adjust resources in the DoD budget request and cover the current year, the budget year, the authorization year, and an estimate for the other succeeding program years. The draft PBDs are coordinated with OMB and the Under Secretaries and Assistant Secretaries of Defense and commented on by the DoD Components. Each PBD includes a discussion of the area, identification of issues, and provides one or more alternatives. PBDs are sent to the Deputy Secretary of Defense with a covering memorandum that discusses major issues. The Deputy Secretary of Defense chooses an alternative or directs a new one, then signs the PBD, which is forwarded to the Services or Defense agencies.

Service and Defense agency reclamas of PBD decisions are processed through the same channels used to develop the PBD. If any major issues remain, the Deputy

Secretary of Defense may convene a "major issues DRB" attended by selected participants. Near the end of the PPBS cycle, the Departmental Secretaries and Service Chiefs are offered an opportunity to discuss with the Secretary of Defense those major budget issues that merit his personal review. During this same time period, the JCS and the CINCs assess the impact of PBDs on warfighting capabilities of the unified and specified commands. Any concerns are then presented to the CJCS for discussion with the Secretary of Defense. The Secretary of Defense makes final decisions on the PBDs.

The DoD process is finally completed in December. If at that time unresolved issues remain between DoD and OMB, such issues are raised by the Secretary of Defense when he meets with the President. Once all the decisions are made, the DoD budget becomes a part of the President's Budget and is forwarded to Congress.

The PPBS cycle is complete.

APPENDIX B

THE DEFENSE ACQUISITION SYSTEM

The recent legislation that focused on special operations activities and organizations within DoD also raised questions concerning the proper acquisition process to be used in developing and acquiring special operations equipment, material, supplies, and services. The details of the special operations legislation and a discussion of the Planning, Programming, and Budgeting System (PPBS) process are contained in Chapter 3 and Appendix A, respectively.

The defense acquisition system is concerned with "major" and "nonmajor" systems. Most of the funds for special operations research, development, and acquisition (RDA) are allocated for a few major systems, mostly aircraft (AC-130U, MH-47E, MH-60K, etc.). The balance of the funds are then allocated to numerous smaller, but essential, programs that are currently scattered throughout the Services and Defense agencies.

Each Service and Defense agency has a unique acquisition process for major and nonmajor systems that is patterned after, and integrated with, the process described below. In a like manner, the United States Special Operations Command (USSOCOM) must develop an acquisition process and organization. Considerations for USSOCOM's acquisition system are discussed in Chapter 5 of the main text. This appendix provides an overview of the defense acquisition system to show the links between the PPBS described in Appendix A and related material in Chapters 4 and 5.

CURRENT ACQUISITION SYSTEM

The DoD PPBS provides a structured means for determining materiel requirements, developing an approved program, formulating a budget, and finally, providing the actual funding authority as approved by Congress to execute a DoD acquisition program.

The Defense acquisition system applies to all equipment, facilities, and services that are planned, designed, developed, acquired, maintained, and disposed

of within DoD. It covers all policies and practices needed to govern the acquisition process, establish priorities, provide contracting procedures, and prepare reports for Congress or internal DoD use.

Two separate organizational structures are involved in management of the defense acquisition system, the acquisition structure and the contracting structure (see Figure B-1). The acquisition structure provides the decision-making process throughout the life cycle of a system. The contracting structure provides contracting support throughout the life cycle.

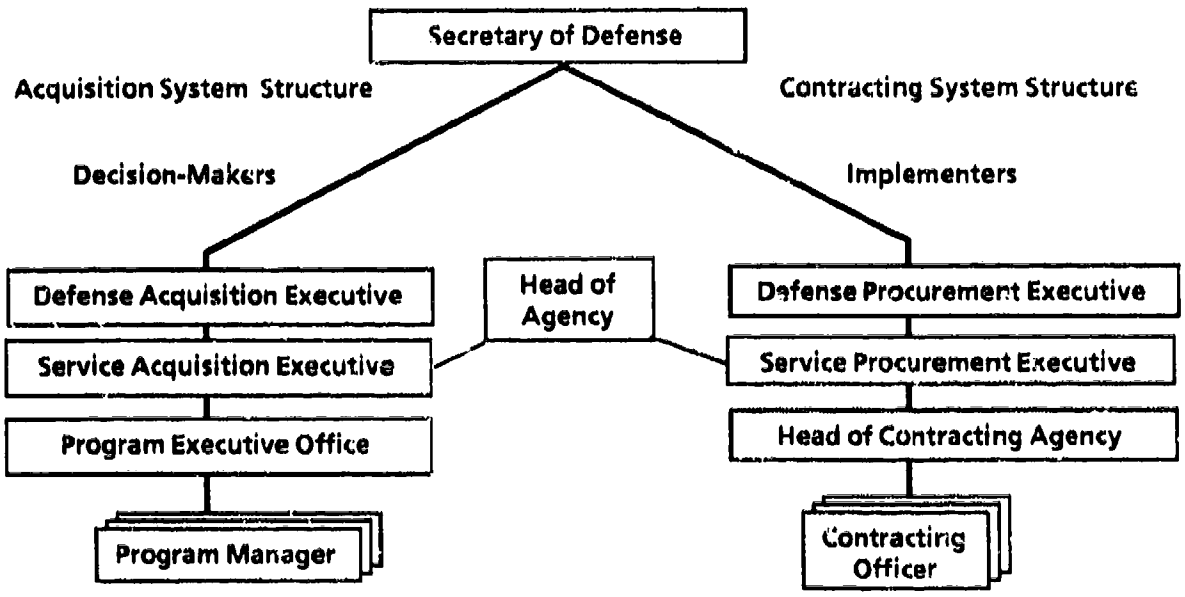

FIG. B-1. DEFENSE ACQUISITION SYSTEM STRUCTURE

Defense Acquisition System Structure

The defense acquisition system structure is principally governed by DoD Directive (DoDD) 5000.1. Within its structure, several key individuals are identified in OSD and within the DoD Components as responsible for major decisions. The following assignments were made to streamline the acquisition process, pinpoint responsibility, and simplify decision-making:

- *Defense Acquisition Executive (DAE).* The DAE is the principal advisor to the Secretary of Defense on all matters pertaining to the DoD acquisition system. The Under Secretary of Defense (Acquisition) [USD(A)] is the DAE.

- *Service Acquisition Executive (SAE).* The SAE is the senior acquisition executive within each Component. He is designated by the Military Department Secretary or Agency Director and is responsible for administering acquisition programs. The current SAEs are: the Under Secretary of the Army; the Under Secretary of the Navy; the Assistant Secretary of the Air Force for Acquisition; and the Director, Strategic Defense Initiative Office. In USSOCOM, USCINCSOC as Head of Agency, would have the authority to identify the SAE.

- *Program Executive Officer (PEO).* The PEO is the official responsible for administering a defined number of major and/or nonmajor acquisition programs who report to, and receive direction from, an SAE. Army PEOs are usually brigadier generals in the Army Materiel Command (AMC) subordinate commodity commands; Navy PEOs are normally the vice admirals in command of hardware systems commands; Air Force PEOs are normally lieutenant generals in command of Air Force System Command Divisions or Centers.

- *Program Manager (PM).* The PM is the official responsible for managing a specific acquisition program who reports to and receives directions from either a PEO or an SAE. PMs are normally military officers at the Grade 05 or 06 level commodity or hardware systems commands or laboratories.

The following additional definitions are important to the acquisition process:

- *Major Defense Acquisition Program.* A program is designated by the Secretary of Defense to be a major program because of urgency of need, development risk, joint funding, or high congressional interest because it is estimated to require total expenditures in Research, Development, Test and Evaluation (RDT&E) funds of more than $200 million or an eventual total expenditure for procurement of over $1 billion.

- *Defense Acquisition Board (DAB).* The DAB is chaired by the DAE and vice-chaired by the Vice Chairman, Joint Chiefs of Staff (VCJCS) and serves as the primary body within DoD to resolve issues, provide and obtain guidance, and make recommendations to the Secretary of Defense on important acquisition matters. Prior to DAB meetings, an appropriate DAB Acquisition Committee reviews a DAB program to identify issues, resolve problems if possible, and develop recommendations.

- *Program Baseline.* A program baseline is an agreement between a PM and a PEO, SAE, or DAE that summarizes factors critical to the success of a program. Those factors can include functional specifications, cost, and schedule objectives against which the program will subsequently be evaluated.

The acquisition programs of DoD Components must comply with the provisions of the DoD acquisition system. Programs that do not meet the criteria for a Major Defense Acquisition Program should, nevertheless, be managed in a manner consistent with the policies and procedures prescribed for major programs. Before fielding, a major program must successfully pass through the following phases of the PPBS and DoD acquisition system:

- *Defense Guidance (DG).* The DG provides the basis for establishing a strategic need and a materiel requirement.

- *Program Objective Memorandum (POM).* A POM establishes the quantitative materiel requirements on time-phased bases.

- *Budget Estimate.* The budget estimate determines the funding need to acquire the system on a time-phased basis beginning with R&D funds, then procurement funds, and finally providing necessary support and maintenance funds in the operations and maintenance (O&M) appropriation after the system has been fielded.

- *Fund Appropriations.* After Congress acts upon the President's Budget Request and appropriates funds, such funds are passed down through the system and ultimately reach the PM in the case of a Major Defense Acquisition Program. The fund and program management of such a program, systemwide, involves interfaces among the following principal officials and organizations:

  - *Program Manager.* The PM is responsible for managing a program in accordance with weapon system acquisition policies. The PM must establish a program baseline, report any breaches in Secretary of Defense decisions or program baselines, and make periodic reports to the PEO.

  - *Program Executive Officer.* The PEO is responsible for managing a program in accordance with DoD acquisition policies. PEOs must ensure that subordinate PMs comply with appropriate policies and procedures. They are responsible for staying abreast of the status of their programs and ensuring that imminent or actual breaches of decisions or baseline targets are reported promptly to the SAE with recommended alternative actions. They must also ensure that subordinate PMs are given full authority to manage their respective programs within the scope of established baselines.

  - *Service Acquisition Executive.* The SAE is responsible for managing the acquisition structure and process within a Component consistent with DoD acquisition policies. SAEs report any imminent or actual breaches of Secretary of Defense decisions or approved program baselines for DAB

and Component programs to the DAE. SAEs are also responsible for ensuring that Component acquisition policies and procedures are consistent with OSD policies and procedures.

- *Defense Acquisition Executive.* The DAE is responsible for establishing uniform DoD acquisition policies and practices. This responsibility includes ensuring DoD-wide compliance with those policies and chairmanship of the DAB. Unresolved problems emanating from the PM, PEO, or SAE flow to the DAE for information, resolution, or, if need be, submission to the DAB for solution or to become an element in a Milestone review.

- *Defense Acquisition Board.* Problems encountered in the development or procurement of a major weapons system or program are forwarded by the PM through the PEO, SAE, and DAE to the DAB for resolution, guidance, or formulation of recommendations to be submitted to the Secretary of Defense. The overall acquisition process is divided into five phases to simplify the complex decision-making environment. The PM is responsible for developing all data needed to demonstrate that each appropriate phase milestone has been successfully met. The SAE and PEO will assist the DAE in ensuring that the PM data package is sufficient to satisfy DAB needs. If additional data or support is thought to be needed, the appropriate DAB Acquisition Committee assists in resolving any appropriate concerns. The five milestone decision points and phases are as follows:

  - Milestone 0 – Approve or disapprove mission need and entry into concept exploration/definition.

  - Milestone I – Approve or disapprove proceeding into concept demonstration/validation.

  - Milestone II – Approve or disapprove proceeding into full-scale development and, as appropriate, low-rate initial production.

  - Milestone III – Approve or disapprove proceeding into full-rate production and initial deployment.

  - Milestone IV – Review, beginning 1 to 2 years after initial deployment, to ensure that operational readiness and support objectives are being achieved and maintained.

  - Milestone V – Review, beginning 5 to 10 years after initial deployment, to determine whether the system remains effective and suitable, whether major upgrades are necessary, or whether a replacement system is warranted.

The DAB is chaired by the DAE, with the VCJCS serving as the DAB Vice Chairman. The VCJCS provides advice and assistance concerning military requirements and priorities and the feasibility of common use and/or joint solutions to Component requirements. The VCJCS also serves as spokesman for Commanders in Chief of the unified and specified commands on acquisition and requirements matters.

Defense Contracting System Structure

The defense contracting system, although part of the Defense acquisition system, is governed by a different set of regulations. It is controlled by the Federal Acquisition Regulation (FAR), the DoD Federal Acquisition Regulation Supplement (DFARS), and Service supplements to the DFARS. It generates the step-by-step process necessary to procure the equipment actually selected under the Defense acquisition system. The major participants in this system are as follows:

- *Defense Procurement Executive (DPE).* The DPE is responsible for providing the leadership in the development and implementation of contracting policy and developing a system of simple, uniform contracting policies, regulations, procedures, and forms. The USD(A) serves as both DPE and DAE.

- *Service Procurement Executive (SPE).* The SPE is responsible for managing the contracting system of the Component, including implementing any unique contracting policies, regulations, and standards. The Component SAE is also the SPE.

- *Head of Contracting Agency (HCA).* The HCA is responsible for managing the contracting activity. The contracting activity is the element of the Component designated by the Head of Agency to perform the contracting functions. Normally, major command and system command commanders are designated HCAs.

- *Contracting Officer.* The Contracting officer is responsible for entering into, administering, and terminating contracts.

The system described in Appendices A and B has two distinct segments: the PPBS and the defense acquisition system. The PPBS policies and procedures apply to all items, major and nonmajor, in approximately the same manner. Such is not the case for the defense acquisition system, which is applied on a case-by-case basis for major items as described in this appendix. DoDD 5000.1, *Major and Non-Major Defense Acquisition Programs* directs SAEs to "Manage the established acquisition

structure and process within their Component in a manner that is consistent with, and supportive of, the policies and provisions of the directive...." That directive implies that nonmajor defense acquisition programs will be managed in a manner consistent with the way major programs are managed but without the DAB and much of the detailed overview applied to major programs. The directive also states that "When practicable, the milestone decision points and phases are also to be used for nonmajor defense acquisition programs."

Nonmajor defense acquisition programs, often identified as support items, particularly those funded by the DoD Stock Funds, or reparable repair parts and minor end items funded in procurement appropriations accounts, depend to a much greater extent on just the PPBS process than do major defense acquisition programs, which must use both PPBS and defense acquisition system guidance in detail. In the support area, DoD is concerned with more than 4 million items. To be manageable, those items must be rolled up into meaningful dollar categories for POM preparation and budget review. Appropriations are identified in the same manner, with funds pushed down the system until they reach the point at which the original roll-up occurred. The original process is now reversed -- funds are allocated to individual items and acquisitions are made in accordance with DoD acquisition policies. This generally occurs at Service/agency inventory control points (ICPs). Although the defense acquisition system and policies are used in the overall management of support items, the system integrates the great detail for major systems into rolled up summaries for nonmajor items in recognition of the sheer magnitude of the support item problem. This represents a practicable application of acquisition policies for support items.

APPENDIX C

COMMENTS ON PROGRAMMING, BUDGETING, AND BUDGET EXECUTION

In this appendix, we discuss certain aspects of Major Force Program (MFP-11), the special operations Program Objective Memorandum (POM), and the special operations budget. This material provides insights into some additional features of the options presented in Chapter 4.

Conceptually, MFP-11 should contain all the program elements needed for a separate special operations capability. For logical and sound programmatic reasons, it does not. For example, MFP-11 does not contain "common items," i.e., equipment, materiel, supplies, and services that are used by other units in a Service.

However, we believe that the crosswalk between the 10 original major force programs in the Five Year Defense Plan (FYDP) and MFP-11 may not have been done completely or consistently. Specific examples are difficult to cite, but intermediate- and depot-level maintenance and certain aircraft modifications and spares were mentioned by those interviewed. In any event, we believe that an independent validation of MFP-11 is warranted. A consequence of that validation would be that interfaces with other major force programs and with Service and Defense agency programs would be documented. Treatment of program elements related to special operations but not included in MFP-11 would be described in Memorandums of Understanding between the parties concerned.

The general consensus within the special operations community is that special operations has been underfunded in the past relative to its requirements. Data to substantiate that consensus from past programs are difficult to acquire, and we were not permitted to review recent PPBS documents to assess how well MFP-11 fared through the Services' POM process. In any event, the newness of MFP-11, coupled with the probability that its associated FYDP Total Obligational Authority (TOA) is too small, indicates that the TOA allocated to special operations should be reviewed and its level for the Fiscal Guidance should be set administratively by OSD until experience is gained with the program.

Two areas in other programs related to special operations must also be addressed: R&D and intelligence programs. All R&D that applies to special-operations-peculiar items should be in MFP-11 and the special operations POM with the exception of Basic Research (6.1) program elements, which are not directly related to special operations in this case; those program elements, are better left with Service and Defense agency programs. Some intelligence program elements in MFP-3 are currently part of Service and Defense agency programs and should remain there for the same reason.

The development of a budget and its execution depends on the option chosen. (The available options are discussed in Chapter 4.) Under the current system (Option 0), the special operations budget is prepared and executed by the Services and Defense agencies. Other than its own headquarters budget, the U. S. Special Operations Command (USSOCOM) has little control over budget execution (i.e., Budget Activity-11) by the Services or Defense agencies.

Option 3 – our recommended approach – requires a more complex break-out of research, development, and acquisition (RDA) and operations and support (O&S). We believe that the special operations community should budget and execute[1] only those aspects of the special operations program to which they can provide "value added." In other words, the special operations community, the Services, and Defense agencies should control and manage those special operations aspects that they do best to avoid duplicating each other's capabilities. Table C-1 shows our recommendations for control of budget execution by appropriation.

In the break-out shown in Table C-1, USSOCOM would control all the RDA appropriations except those relating to military construction which is best left to the Services and Defense agencies.

Most O&S, including operations and maintenance (O&M) and personnel appropriations would be managed by the Services and Defense agencies. The logic here is that if sufficient resources are acquired through the special operations POM, execution can best be managed by user organizations under established procedures.

[1] We have linked budget formulation and execution in Option 3 because we believe that although it is feasible under any of the other options for USSOCOM to execute a budget that they did not prepare, it is not logical to do so.

TABLE C-1

RECOMMENDATIONS FOR CONTROL OF BUDGET EXECUTION BY APPROPRIATION

(Special-operations-peculiar only)

Appropriations controlled by USSOCOM
Research, development, test, and evaluation
Other procurement
Aircraft procurement
Ship construction
Weapons procurement
Missile procurement
Weapons and tracked combat vehicles
Ammunition procurement
Equipment procurement, Air Force Reserve
Equipment procurement, Air Force National Guard
Appropriations controlled by the Services or Defense agencies
Military construction
Military construction Reserve
Military construction, National Guard
Family housing
Operations and maintenance[a]
Operations and maintenance, Reserve
Operations and maintenance, National Guard
Military personnel
Reserve personnel
National Guard personnel

a As an exception, USSOCOM would retain its own budget for operation and maintenance of its headquarters.

Execution of most of the O&M budget would be at the discretion of USSOCOM's Component commands who would receive these funds from their parent Services.

USSOCOM's headquarters budget would be an exception under Option 3. USSOCOM would program for its headquarter's needs and would execute the O&M budget associated with that program as they now do.

The special operations community's responsibilities for programming and budget execution of joint training, force training, contingencies, and selected operations, as defined under 10, USC 166, is an issue that is not resolved at this time. Further, resolution is at the discretion of the Secretary of Defense after consultation with the Chairman, Joint Chiefs of Staff (CJCS).

APPENDIX D

COMMENTS ON THE CHARTER FOR THE ASSISTANT SECRETARY OF DEFENSE (SPECIAL OPERATIONS AND LOW-INTENSITY CONFLICT)

BACKGROUND

The charter for the Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) [ASD(SO/LIC)] was published in DoDD 5138.3 of 4 January 1988. We reviewed a draft of that charter and provided our comments in a memorandum for COL Robert L. Deason, USA, Director for Resources, Office of the Assistant Secretary of Defense (SO/LIC) on 16 December 1987. Many of our comments were accepted and incorporated into the directive. After completing our work in Phase I, we believe that other comments are still valid and should be incorporated when the directive is reissued.

COMMENTS

The section and paragraph references are those of the directive. We recommend the following:

- Insert after paragraph 6, "Provide oversight of the USSOCOM requirements validation process to ensure the interoperability of special-operations-peculiar programs with programs of the DoD Components."
- Paragraph 10. This section, as written, may limit the ASD(SO/LIC)'s readiness oversight function to looking at the four unified combatant commands only. In order to give ASD(SO/LIC) an appropriate scope for his oversight, the revised paragraph reads:

  > ... 10. Provide, in conjunction with the Chairman, JCS, and USCINCSOC, oversight of the readiness of the DoD Components to perform special operations and low-intensity conflict (LIC) missions.

Text to be added to the section "Responsibilities and Functions:"

The DoD Components shall:

- Execute approved special operations and LIC programs.

- Use funds released for MFP-11 programs only for MFP-11 programs, subject to provisions of the Anti-Deficiency Act. Below-threshold reprogramming actions are prohibited without approval of the Secretary of Defense or the Deputy Secretary of Defense. Requests for such adjustments will be forwarded to ASD (Comptroller) for appropriate staffing.

- Use streamlined management structures and procedures to facilitate communication and cooperation on special operations and LIC programs with ASD(SO/LIC) and USCINCSOC.

- Recommend special operations and LIC programs for the POM. Ensure that support, if required, for these initiatives is included in the appropriate POMs.

- Ensure that non-MFP-11 support (e.g., manpower, facilities, maintenance, training, materiel, etc.) for special operations and LIC programs is provided in a timely manner.

- Submit to the ASD(SO/LIC) program documentation and reports on special operations and LIC programs, as requested.

- In accordance with the FAR, use streamlined procurement procedures and responsive contract support for special operations and LIC programs. Ensure that the agreed-upon priority of special operations force actions are maintained throughout the acquisition process.

APPENDIX E

INFORMATION REQUIREMENTS OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (RESOURCES)

Each Defense Component has numerous reports providing data on many aspects of their past, current, and planned operations. We have limited this appendix to only those major reports commonly used for overviews of current program status. Once the Deputy Assistant Secretary of Defense (Resources) [DASD (Resources)] determines his information needs, other existing reports and databases can be accessed to provide the required information.

FINANCE AND ACCOUNTING REPORTS

In order to assist in determining information needs, some possible reviews and source documents are discussed:

- *Program guidance.* Each Component periodically distributes its latest program guidance for the execution of the budget to its commands. These documents contain proposed funding levels and specific instructions for budget execution. Commands base their program execution plan on these documents. DASD (Resources) should review these documents to ensure they meet the total funding levels and program direction. These Service documents are:
  - Army – Program Budget Guidance (PBG)
  - Air Force – Financial Plan (FP or FinPlan)
  - Navy – Financial Plan (FinPlan)
- *Obligation plans.* Component commands use the program guidance documents to develop their initial obligation plan. As final appropriations and Service decisions are made, final obligation plans are developed. These plans are forwarded through the chain of command where they are consolidated and adjusted for historical experience or other reasons. In order to obtain the most accurate data, DASD (Resources) should request a copy of the original input of each of the three special operations forces Component and U.S. Special Operations Command (USSOCOM's) obligation plans. This will allow more reliable evaluation of their actual performance.

- *Financial status review.* DASD (Resources) should make a quick evaluation of special operations forces financial status as soon as each monthly financial report is released. This evaluation should look for any significant execution problems or variance from the obligation plan in order to quickly alert the Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict) [ASD(SO/LIC)]. This review should be accomplished using the Statement of Accountability Report (RCS-GAO-1002), available from the Joint Chiefs of Staff (JCS), OSD, or the individual Services.

- *Detailed performance review.* A monthly detailed analysis of special operations forces budget execution should be accomplished to ensure the approved program is being properly implemented. For this review, DASD (Resources) may have to establish special operations forces reportable programs using the Services' data elements [i.e., Army – Program Decision Integrated Package (DPIP) or Air Force – Program Decision Package (PDP)]. This review should encompass Components' program elements (PE), Elements of Expense (EOE), commitments, obligations, and expenditures. Each Service Headquarters has an on-line database program that contains the latest monthly report of this data. DASD (Resources) should obtain direct access to these databases to facilitate this review.

The databases and their source reports are:

  - Army – FORECAST System from Status of Approved Operating Budget (RCS-CSCFA-218)

  - Air Force – Automated Budget Interactive Data Environment System (ABIDES) from Status of Funds (RCS-HAF-ACF-7801)

  - Navy – Status of Obligation Report (1445 Report). (This report is available in hard copy only.)

- *Program reviews.* DASD (Resources) should arrange with USSOCOM to conduct a joint mid-year and year-end review to ensure the program is being properly executed and to reprogram resources to higher priority items if necessary.

READINESS REPORT

Each Service has a basic unit readiness report to assess the status of resources – personnel, equipment on hand, and equipment condition and training of its units. DASD (Resources) should review these reports to evaluate the impact of special operation forces funding on unit readiness and to be familiar with current or potential readiness problems. These reports are forwarded to and consolidated by JCS in the Status of Resource and Training Systems Report (SORTS) (formerly the Unit Identity and Status Report or UNITREP) which is available within JCS and as

a subset to OSD. There are many other specialized reports used to assess readiness, such as depot reports on equipment status and shipping plans, manpower replacement projections, etc. These reports can also be accessed to provide necessary information.

The Service readiness reports are:

- Army – Unit Status Report (RCS-JCS6-II-2-1-6) (AR 220-1)
- Air Force – Unit Status and Identity Report [RCS-HAF-XOO(AR)-7112] (AFR 55-15)
- Navy – Unit Status and Identity Report (RCS-JCS-FS-3501) (OPNAVINST C-3501 66B).