

GOLDWATER-NICHOLS REFORM: THE WAY AHEAD

TESTIMONY BEFORE THE HOUSE COMMITTEE ON ARMED SERVICES

Dov S. Zakheim

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Chairman Thornberry, Ranking Member Smith, Members of the Committee:

It is an honor to appear again before you, today to discuss the way ahead for an updated version of the Goldwater-Nichols reform.

At the outset, I wish to note that the original Goldwater-Nichols legislation fundamentally changed, for the better, not only the nature of the chain of command, but also altered in a material way the balance of power and influence in the Department of Defense by ensuring that the best and the brightest officers constituted the Joint Staff. This had not previously been the case when the Joint Staff was a terminal assignment for most officers.

Nevertheless, the Defense Department faces far more complex challenges in today's international environment than it did when Goldwater-Nichols became law. These challenges require a DoD and its military and civilian staffs that in the words of HR 4909 is "agile and adaptive." This unfortunately is far from the case today. Our national security planning system has not kept up with the challenges to our security; staffs are too large, and their product is too mechanistic and all too often overtaken by unanticipated events. In a similar vein, our acquisition corps is too slow-moving to keep up with cutting edge technological developments in the civilian sector, too often insufficiently educated to be sophisticated consumers, and too hidebound by regulations to work in tandem with non-defense industry.

Although military end-strength continues to drop, headquarters are bloated and cumbersome. Despite a marked increase in civilian personnel since 2000, the Department is probably less efficient than it was then. There are not only too many admirals, generals, and presidential appointees, but too many civilian staffers, and far too many contractors serving in staff augmentation positions. All in all, DOD overhead now accounts for over 40 per cent. of the Pentagon budget more than twice total defense budgets of Britain and France combined. The cost of DOD headquarters alone exceeds \$40 billion.

Streamlining and Updating the Combatant Commands

I applaud both Armed Services Committees for coming to grips with the need for an updated version of Goldwater-Nichols, even if their solutions are not identical. With respect to headquarters rationalization, there is much to commend the proposal to reduce the number of four-star flag and general officers, as long as their civilian staffs, and even more so, civilian contractors, are reduced commensurately and not transferred elsewhere, as was the case when the Joint Forces Command was disestablished (military staffs could be reassigned to more operational positions). It is important to apply a number, or alternately, a percentage, to the proposed reductions; but, apart from eliminating four-star billets from component commanders, other reductions should be left to the Department of Defense. With respect to what are currently component commands, the proposal to instead create joint task forces combining all the services has much merit in a world where rapid and urgent response to a host of different situations is the order of the day.

There is a strong case for creating an independent four-star Cyber Command, given the importance of cyber in today's security environment. At the same time, however, there is an equally strong argument for combining the Northern and Southern Commands. Moreover, some consideration should be given to combining the Central and Africa Commands, since CENTCOM's area of responsibility already includes Africa's most powerful nation, Egypt.

Reassessing the Responsibilities of the Chairman of the Joint Chiefs of Staff

Both committees have rightly focussed on the role of the Chairman of the Joint Chiefs of Staff. All too often, the chairman has not been as independent a source of advice for the president as the original Goldwater-Nichols Act anticipated. This situation must be remedied; the Chairman should be able to provide military advice to the Commander-in-Chief even if it conflicts with that of the Secretary of Defense. In that regard, it is important that the Chairman and Vice Chairman be appointed to staggered four-year terms so as to reinforce their independence. Moreover, the Chairman should have authority delegated by the Secretary of Defense to allocate resources and capabilities among the combatant commanders; this has often been the case in practice (it certainly was the case with respect to resources when I served as the Pentagon's Comptroller).

On the other hand, the Joint Staff should not be converted into a General Staff, as some have recommended. A General Staff would be too divorced from operations; moreover, history has demonstrated that General Staffs can undermine civilian control, the bedrock of our national security structure. The size of the Joint Staff must be reduced, however. From just 2010 to 2012 it grew by 230 per cent, from 1286 to 4244 personnel. Proposed reductions to levels below 2000 personnel, with no more than 1500 on active duty, are very much in order. Again, civilians and contractors should not be reassigned to other positions, nor should new Joint Staff agencies be created to absorb those subject to headquarters reductions.

Streamlining the Office of the Secretary of Defense

Since 2009, the size of the civilian workforce in the Office of the Secretary of Defense has grown by nearly 18 per cent. or more than 2,000 people. OSD's staff size has expanded in part because more and more Assistant and Deputy Assistant Secretaries are added to its ranks, all of whom, like the Under Secretaries have staffs, as do their principal deputies. There is no reason why there should be a separate layer of principal deputies, with staffs all their own. One Assistant Secretary should be dual-hatted as the principal deputy, with a single staff to support both functions.

There is some merit to the proposal that the Under Secretary of Acquisition, Technology and Logistics, be recast as focussing on research and engineering, or better yet, research and development, given steady and rapid technological breakthroughs as forecast by Moore's Law. Yet unless the Congressional confirmation system is radically streamlined, it is unlikely that persons most familiar with commercial advances in hi-tech will be willing, or indeed able, to serve in that position, however it is redefined. It is right for Congress to stress the importance of appointing people to manage rapid technological change; it must not at the same time deter the most qualified people from seeking those appointments.

Over the years the Services have suffered a decline in influence over acquisition decisions. Building upon additional authorities given to them in the FY 2016 NDAA, the Services have requested an even greater say in a system that, on the one hand, despite best efforts of the current DOD leadership, remains bloated and slow moving, and, on the other, directly affects their ability to organize, train and equip their personnel. There is much merit in General Mark Milley's call for de-layering OSD oversight by allowing the Army, rather than OSD, create independent cost estimates; maintain complete control over analyses of alternatives to any given program; certify technology-readiness levels; and have full responsibility for testing. Finally, there must be a concerted effort to ensure that the entire civilian acquisition corps receives the same level of continuing education as does its military counterpart. The Defense Acquisition University's course-load does not fill that bill. Even then, there is no mandatory requirement for ongoing professional education; too many civilians have not taken a course in any field relating to advanced technology since they obtained their Master's Degree.

There are other opportunities for creating a more efficient OSD beyond addressing the acquisition corps. There is no reason why there should be more than one Assistant Secretary for international security relations. Nor is it clear why the Assistant Secretary for Strategy and Plans, a position which not long ago was held by a Deputy Assistant Secretary, should not incorporate special operations and homeland defense, with a commensurate reduction in staffing. Other reductions in the number of Assistant Secretaries, or at least downgrading to their former non-confirmable positions--for example the Assistant Secretaries for Logistics and for Readiness--are also worthy of consideration.

The proposal to re-designate the newly created Under Secretary for Management and Information into the Under Secretary for Management and Support. The role of a CIO is very different from the role of a COO, or, in the case of the Under Secretary, a deputy COO. Moreover, many of the agencies currently under the aegis of the present team of Under Secretaries receive too little oversight. They would be better managed by an Under Secretary whose primary role would be to ensure their effective operations. I would counsel, however, that both DFAS and DCAA remain with CFO/Comptroller. Both are normally functions that in the civilian sector fall under the CFO. Moreover, since the new Under Secretary for Support would be dealing with major contracts, and would have them managed by the Defense Contracts Management Agency, it would be inappropriate for the same official to manage the auditors who would be reporting on the proper management of those contracts.

Lastly, I commend those proposals to do away with the Quadrennial Defense Review. The QDR involves far too many staff doing far too little of consequence. It is a prime example of government inefficiency. Reducing personnel is but one way to create a more agile and responsive OSD. Eliminating unnecessary paperwork exercises like the QDR is another.

TRICARE Reform

The Congress continues to press for improvements in the TRICARE system. As a former Commissioner on the Military Compensation and Retirement Modernization Commission, I can only say that the Commission's proposals would go much further in upgrading this important benefit for service members and their families. The Commission proposed a complete overhaul of TRICARE, and the creation of TRICARE choice that would more closely resemble the excellent and efficient health insurance program that is available to civilian government employees. I still believe that our recommendations would be welcomed by the vast majority of military personnel by providing more flexible, responsive and tailored plans for military families.

Toward More Efficient Budget Implementation

I would be remiss if I did not mention two major reforms that I believe are long overdue in the current process known as Planning, Programming, Budgeting and Execution, PPBE for short. When I formalized the inclusion of budget execution--the E--into the process, I hoped that the Department would undertake more than one mid-year review. I felt that given the changing demands for resources that emerged during the budget year, and the variance in the rates of expenditure, or burn rates, from those initially forecast, it was important that budget reviews take place on a quarterly basis. My views have not changed in this regard.

Coupled with such reviews is the need for far more flexibility with respect to prior approval reprogramming ceilings. These are much too low, and too constrained, and prevent the timely

adjustment of accounts for a host of programs. I would urge the Congress, including this committee, to raise both the aggregate and the individual account ceilings, so as to ensure that financial responsiveness keeps pace with operational responsiveness.

The National Security Council

Mr. Chairman and Members of the Committee, among your many excellent proposals is that which reduces the size of the National Security Council staff to 100, and requires that the National Security Advisor be confirmable if the staff exceeds 150. The NSC is a staff organization that has operated under the dangerous illusion that it plays an operational role in national security. It does not; that is the function of the State Department, DOD and other executive agencies. The NSC staff is just that, a staff, and one that support an official who serves the President in a special advisory capacity. It is well known that former National Security Advisors have been shocked by the growth of their former staffs; it is not clear that such growth has led to more effective or efficient decision-making. Some would argue that it has had the opposite effect. The proposal that this committee has put forward would remedy the current situation; I hope it is enacted into law.

The Congress has taken the important step of attacking the stodginess of our national security processes on a host of fronts. I hope that this is but the first step in a process that could, and should, take several more years before it is fully realized.

Thank you.