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# Overseeing **CROSS-SERVICE** Trade Offs

By WILLIAM A. OWENS *and* JAMES R. BLAKER

**One of the most consequential aspects of the Goldwater-Nichols Act directed the Chairman to advise the Secretary of Defense on requirements, programs, and budgets. More than any other provision of the act, this change constituted the legal basis for the Chairman to become a key player in designing, sizing, and structuring the Armed Forces.**

Today the Joint Requirements Oversight Council (JROC) has become the chief mechanism through which the Chairman prepares his advice, and the process works well; so well, in fact, that it represents the first major revision of the planning, programming, and budgeting system (PPBS) since Secretary Robert McNamara put it in place more than three decades ago. This new process has threatened old ways of doing business and thus has generated no little controversy.

## **Early Growth**

In 1984, JCS created the predecessor to JROC—the Joint Requirements and Management Board—to monitor and advise the Joint Chiefs on the development and acquisition of big-ticket items. The vice chiefs and director of the Joint Staff were named members,

with the chairmanship rotating among the vice chiefs annually. Four months before Goldwater-Nichols became law, the Joint Chiefs redesignated the board as the Joint Requirements Oversight Council. In April 1987, the Vice Chairman—a post created by the act—became the JROC chairman.

The council's ten-year history is one of expanding authority. The original body functioned essentially as an information clearing house, apprising members of individual service interests in large-scale acquisitions. After its name change and appointment of the Vice Chairman to head it, the JROC function shifted to validating the various proposals for major acquisition programs prior to the formal acquisition decision process. This shift, based on the Chairman's enhanced authority as principal adviser to the Secretary on

requirements under Goldwater-Nichols, made JROC much more influential. If the Chairman relied

upon it to frame advice, the council could not only defer or prevent acquisition but also exercise a central role in applying a joint perspective across the breadth of the entire defense program and budget.

Things initially moved in this direction, but JROC did not fully assume that role at once. The first Vice Chairman, General Bob Herres, established the authority of JROC chairmen to both set the agenda and validate potential requirements once the full council had considered them.

Admiral David Jeremiah, who succeeded Herres in 1990, maintained the authority carved out by his predecessor while shifting the focus of JROC from simply screening requests which had originated elsewhere toward greater initiative in defining the military systems that the Nation ought to acquire. This more active role was largely driven by the end of the Cold War which, however much the world benefitted, left DOD without an underlying consensus on its central role which had kept the planning process together for nearly four decades. Jeremiah did not have a detailed set of planning replacements in mind when, in 1993, he argued that JROC should become a proponent of advanced technology systems. But by maintaining that it should do more than react to ideas placed before it for review, he laid the foundation for a council that could lead defense planning.

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**USS Seawolf**  
undergoing sea trails,  
July 1996.



**A New Process**

A notable expansion of functions began as General John Shalikashvili encouraged JROC to build a better joint perspective and senior military consensus across a range of issues, seize greater initiative in defining joint requirements, and extend the council's influence to defense planning and programming processes. In response, the number of JROC meetings quadrupled. Within a month council members were spending ten times more hours in discussions than before 1994. The JROC process initiated an unprece-



General Dynamics

**General Shalikashvili encouraged JROC to seize greater initiative in defining joint requirements**

dedented series of day-long offsite exchanges among the Joint Chiefs, CINCs, and the council. The Joint Staff established JROC liaison offices with unified command staffs, and the council itself regularly visited the CINCs.

Meanwhile, the Vice Chairman introduced a new analytical device known as joint warfare capabilities assessments (JWCAs). The JROC Chairman established JWCAs to serve as innovation engines. To help them meet this charge, their purview covered nine (later ten) cross-cutting warfare areas. Each JWCA—chaired by the head of a Joint Staff directorate (J-1, J-2, J-3, J-4, J-5, J-6, or J-8) but with broad participation from service and OSD staffs—was asked for new, analytically based insights designed to stimulate and inform discussions among the four-star JROC members as they, not their staffs, moved toward specific recommendations on joint military requirements. JWCAs were not asked for consensus recommendations hammered out through normal staffing procedures. JROC suggestions and views, in turn, provided the basis for the specific program recommendations the JCS Chairman used within the central process that sets the size and structure of the U.S. military: the planning, programming, and budgeting system (PPBS).



**Loading MLRS on board C-17.**

U.S. Air Force (Ken Hackman)



General Dynamics

**Flight testing YF-22 prototype.**

U.S. Air Force

The primary channels to PPBS involved emphasis on and a major revision of a document known as the *Chairman's Program Assessment* (CPA) and the creation of the *Chairman's Program Recommendations* (CPR). The Chairman, Admiral William Crowe, transmitted the initial CPA in 1987 to comply with his responsibility under the Goldwater-Nichols Act to advise the Secretary on the prioritization of requirements. While CPAs were subsequently forwarded each year, most of them simply acknowledged and endorsed the individual programs submitted by the services.

That kind of rubber-stamping ended in 1994. CPAs submitted by the present Chairman to the Secretary in both 1994 and 1995, based largely on JROC work, differed from—and in some respects actually challenged—the programs submitted by the services. These two CPAs, the first to emerge from the new JROC process, also took on the programmatic wishes of defense agencies and staffs in the Office of the Secretary of Defense. They highlighted where the Chairman believed some programs championed by these advocates failed the needs test.

The CPA, forwarded to the Secretary in October 1995 for example, called for shifting significant sums among programs, recommended the end of specific redundancies, and detailed proposals for changing DOD budget strategies dealing with recap-

### both PPBS and JROC sought to build a process that could adjust interests of the services and DOD components

talization and the revolution in military affairs. The net impact of these recommendations, if implemented by the Secretary, would result in nearly a 12 percent adjustment in the projected budget over the planning period with no added funding. In short, the 1995 CPA represented an important benchmark. It was a major juncture in the road leading to resolving resource competition—which heretofore involved simply requesting more money—and

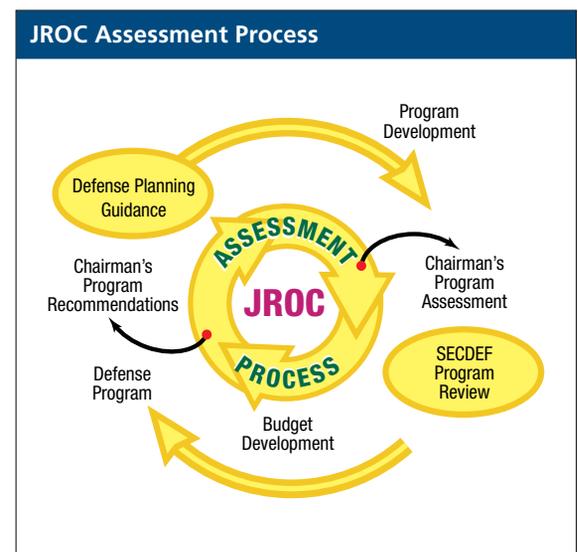
signaled that the Chairman had thoroughly assumed the authority granted him under the Goldwater-Nichols Act and was willing to use it in a way that would make a difference. The *Chairman's Program Assessment* suddenly had teeth.

The *Chairman's Program Recommendations*, or CPR, is best understood as a complement to CPAs. Compiled before the Secretary issues *Defense Planning Guidance*, CPR communicates recommendations from the Chairman to the Secretary on what should be included in the planning guidance to services and defense agencies. The Secretary may incorporate CPR into his guidance, or he can ignore any or all of it. But because the services also receive CPR—as a courtesy, but not for coordination—they know what the Chairman will consider in assessing their programs later during the programming cycle. It provides an early indication of what will be raised as alternative program recommendations when given issues are not adequately addressed in service programs.

The accompanying figure illustrates the relationship of CPA, CPR, and the mainstream of PPBS. Seen in this context, the JROC system seems to be a major revision of PPBS, which dates from the early 1960s, and it is. Both PPBS and the JROC system sprang from the same interests. Both sought to build a decision

and resource allocation process that could adjust the interests of the services and other DOD components to produce a better overall capability. Both were designed to make rational cross-service resource allocations and to build overall capabilities that amounted to more than the sum of individual service core competencies. Yet the original PPBS and new JROC process are based on very different assumptions.

One reason McNamara devised PPBS arose from the structure and nature of the interaction among the chiefs as it had evolved by the early 1960s. JCS



members formally enjoyed equal rank, status, and decision power—each had an effective veto over what the body could say collectively—and tended to deal with resource allocation additively. That is, as a committee of equals, their answer to the difficult question of “how much is enough?” was usually decided by summing each service chief’s postulated requirements. This meant very large defense budgets, and the way the Joint Chiefs tried to cope with resource constraints—first by funding what each service saw as its core competency and then by allocating remaining funds to functions or capabilities that were important to other services—had undesirable results. Among them, it led to gaps in those capabilities which tied the services together to achieve greater jointness. To McNamara, the marginal adjustments needed for better joint output depended ultimately on pressures from outside the military. He designed PPBS for this purpose and armed his office with the authority, staffs, procedural prerogatives, and analytic capability and support to allow the Secretary to bring external pressure to bear on the military departments. In the broadest sense, PPBS initially shifted resource allocation authority to the Secretary. McNamara’s guidance to the services set priorities for programming, the program review judged how well they were realized by the services and addressed

alternatives prepared for the Secretary by his staff, and the budget review confirmed that his decisions were funded. PPBS and the staff assembled to help the Secretary operate it enabled him to execute formal responsibilities much more fully and completely to assure the best allocation of defense resources.

But PPBS did not automatically bring the civilian and military authorities into a closely knit team, nor did it change the way the Joint Chiefs interacted.

### Long Gestation

Goldwater-Nichols sought to revise this process. By making the Chairman the principal adviser to the Secretary on military requirements, the law

### to achieve cross-service trade offs means developing ways to surmount bureaucratic stovepipes

gave him new authority to initiate force planning, assess programs, and—via direct advice to the Secretary—present alternative programs, challenge unnecessary redundancies, adjust service programs, and establish resource allocations in the DOD budget. Yet, while authority to do these things existed after the act was signed into law, it was nearly eight years before it was possible to exercise that authority in significant ways.

Why so long? While numerous factors contributed to the delay, one of the most important is found in the original PPBS assumption about the difficulty of getting individual service chiefs to regard resource allocations as something other than a zero-sum game. The Secretary's authority to set resource allocations is unambiguous; however the line of authority between the Chairman under Goldwater-Nichols and the military departments under title 10 to identify requirements is not clear. This outstanding ambiguity required a new mechanism to reconcile competing authorities, one built to implement a very different assumption from that of the original PPBS. That is, a way had to be devised for senior military leaders to function as a corporate body to find cross-service solutions to the difficult question of

what really was required, in addition to their natural roles as advocates for a single service. This was not easy.

The new JROC is such a mechanism. But it is unlike other staff arrangements that prevail inside the Pentagon. It assumes that the military can shift funds from one service to another within the context of a non-zero sum game. But it acknowledges that this approach requires having the right people address the right issues for the right period of time. For the military, the right people are found at the four-star level, and to enable them to cooperatively discuss the right issues for the right amount of time often means that they must spend less time with their staffs. And providing them with support needed to achieve cross-service trade offs means developing ways to surmount the bureaucratic stovepipes that characterize most interservice staff undertakings. Because of these differences, the JROC system was not built quickly and remains controversial.

The changes manifest in JROC have stirred two particular concerns. The first is whether the process undercut the statutory authority of the military departments to raise, train, and maintain forces. The second is whether JROC and its active support of the Chairman in the programming and budgeting system duplicates functions assigned to DOD civilian offices.

The first concern, sometimes stated in hyperbole about an ascendant general staff, is not warranted. Service programs continue to reach the Secretary who listens to them carefully. What is more, the Chairman is legally bound to offer an assessment of programs and recommendations on military requirements. JROC affords a mechanism for helping service leaders understand joint requirements and a senior forum in which services can clarify their priorities. These contributions ought to alleviate any lingering concern that JROC represents a move toward a general staff.

The second concern implies two questions. First, can the military itself make better cross-service resource allocations than nonmilitary groups? And second, is there something wrong with a system in which both JROC and the Secretary's civilian staffs recommend such allocations?

Optimal cross-service resource allocations are most likely to result from various factors. Warfighting ought to figure most prominently. But there are other aspects of resource allocation—such as political and social effects of deciding who gets what—to be addressed, particularly when allocations involve hundreds of billions of dollars. Even though the Secretary ought to turn to the Chairman, supported by JROC, for recommendations on shaping military capabilities, nonmilitary experts may be better qualified to address the other implications.

The problem is maintaining the proper balance. This is particularly challenging today when the old consensus on the military threat has been replaced by a seemingly more complicated set of national security interests. It is not made easier by different organizational trends that characterize the defense establishment. One can argue, for example, that while the military has moved toward greater integration—largely because of Goldwater-Nichols—the civilian side of the Pentagon has been moving toward greater fragmentation and factionalization, as the number of “special interest” offices increases. A more coherent, integrated warfighting perspective, partly prompted by JROC, can be a healthy development as defense resource allocation perspectives become more diverse.

Thus, the question is not whether civilian or military officials make the best decisions on allocating resources. Rather it is whether the JROC process encourages the balance in civilian and military perspectives demanded under our system. At this point, the answer seems to be yes. This is likely to gratify the authors of the Goldwater-Nichols Act. They set out to improve the quality of military advice, and JROC has become an important mechanism in achieving that objective.

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