

# CONTENTS

	Page
Letter of submittal .....	III
Executive summary .....	1
1. Chapter 1—Introduction .....	13
A. Background .....	13
B. Key considerations .....	14
C. Reasons for the study .....	14
D. Organization of the study .....	16
E. The National Security Interagency process .....	17
F. The Department of Defense organizational structure ...	21
2. Chapter 2—Civilian control of the military .....	25
A. Introduction .....	25
B. Current framework for civilian control .....	26
C. Historical context of U.S. civil-military relations .....	27
D. Analysis of U.S. civil-military relations .....	40
E. Conclusions .....	45
Appendix A—Trends in civil-military relations .....	46
3. Chapter 3—Office of the Secretary of Defense .....	49
A. Evolution of the Office of the Secretary of Defense .....	49
B. Key organizational trends .....	53
C. Current organization of OSD and subordinate offices ...	65
D. Problem areas and causes .....	76
E. Description of solutions to problem areas .....	98
F. Evaluation of alternative solutions .....	119
G. Conclusions and recommendations .....	134
4. Chapter 4—Organization of the Joint Chiefs of Staff .....	139
A. Evolution of the Joint Chiefs of Staff .....	139
B. Key organizational trends .....	143
C. Current organization and staffing procedures of OJCS .....	147
D. Problem areas and causes .....	157
E. Description of solutions to problem areas .....	187
F. Evaluation of alternative solutions .....	207
G. Conclusions and recommendations .....	240
Appendix A—The evolution of congressional attitudes toward a general staff in the 20th century .....	244
5. Chapter 5—Unified and specified commands .....	275
A. Introduction .....	275
B. Evolution of the operational commands .....	275
C. Key trends .....	278
D. The current operational command structure .....	288
E. Problem areas and causes .....	302
F. Description of solutions to problem areas .....	324
G. Evaluation of alternative solutions .....	334
H. Conclusions and recommendations .....	350

VIII

	Page
Appendix A—Historical examples of DOD organizational problems .....	354
Appendix B—The military chain of command .....	371
6. Chapter 6—Military departments.....	379
A. Evolution of the military departments .....	379
B. Key organizational trends.....	383
C. Current organization of the military departments .....	394
D. Problem areas and causes.....	414
E. Description of solutions to problem areas.....	450
F. Evaluation of alternative solutions .....	466
G. Conclusions and recommendations .....	479
7. Chapter 7—Planning, programming, and budgeting system.....	483
A. Introduction.....	483
B. Historical development of the PPB system .....	484
C. Key trends in the PPB system .....	486
D. Current PPBS procedures.....	487
E. Problem areas and causes .....	493
F. Description of solutions to problem areas.....	508
G. Evaluation of alternative solutions.....	517
H. Conclusions and recommendations .....	526
8. Chapter 8—The acquisition process.....	529
A. Introduction.....	529
B. Evolution of the acquisition process.....	529
C. Current organization and procedures for acquisition ...	533
D. Problem areas and causes.....	536
E. Description of solutions to problem areas.....	542
F. Evaluation of alternative solutions .....	546
G. Conclusions and recommendations .....	551
Appendix A—Acquisition management issues.....	553
9. Chapter 9—Congressional review and oversight.....	569
A. Introduction.....	569
B. Evolution of congressional review and oversight .....	569
C. Key trends.....	573
D. Problem areas and causes.....	580
E. Description of solutions to problem areas.....	594
F. Evaluation of alternative solutions .....	602
G. Conclusions and recommendations .....	611
10. Chapter 10—Overview analysis.....	613
A. Introduction.....	613
B. Major problem themes in DOD organization and procedures .....	613
C. Historical context.....	632
D. Conclusions and recommendations .....	636
Appendix A—Aggregation of problem areas into major problem themes.....	639
Appendix B—Summary of the views of outside experts on the staff study.....	642

## CHAPTER 9

### CONGRESSIONAL REVIEW AND OVERSIGHT

#### A. INTRODUCTION

The Congress has a central role in the overall planning and management of the Nation's security and must share responsibility for any fundamental problems. The primary argument presented in Chapter 3 (The Office of the Secretary of Defense) is that the lack of mission integration in the Defense Department is a serious shortcoming which requires corrective action through substantial reorganization accompanied by new approaches and attitudes. Unfortunately, Congressional actions have traditionally served to frustrate mission integration efforts in DoD. Beyond this deficiency, the current practice of Congressional review and oversight has resulted in substantial instability in defense policies and programs.

Efforts to reorganize the Department of Defense will prove imperfect again unless accompanied by changes on Capitol Hill. This chapter's review of the role of the Congress in the formulation of defense policies and programs will be limited to two objectives:

- identify and analyze problems associated with congressional involvement in the formulation of defense policies and programs; and
- assess the potential impact of changes in congressional behavior on the effectiveness of the Department of Defense.

#### B. EVOLUTION OF CONGRESSIONAL REVIEW AND OVERSIGHT

##### 1. Constitutional Powers of the Congress Relating to National Defense

Article 1 of the Constitution enumerates the powers granted to the Congress. Those relating to national defense include the power to declare war, to raise and support the armed forces, to make rules for the government and regulation of the armed forces, to provide for calling for the militia, to organize, arm, and discipline the militia, and to appropriate money.

In enumerating the powers of the President under Article 2, the Constitution also provides additional powers to the Legislature as a check upon Executive authority. These include the power to advise and consent on treaties and appointments (by the Senate only) and the ability to vest powers of appointment of lesser officials in persons other than the President.

In addition to these primary grants of authority, Article 5 gives the Congress power to dispose of and make rules concerning property belonging to the United States. Beyond all these expressed

powers, the Congress retains the implied power to conduct investigations.

## 2. The Organization of the Congress in Providing for the National Defense

Because the Nation was born in conflict, providing for the common defense was explicitly identified as a primary and fundamental responsibility of the Federal Government and its Legislature. There was never any question that the Congress would provide itself with the tools to accomplish this task.

Article 1 provides that "each House may determine the Rules of its Proceedings...." While this has produced different rules, traditions, and behavior in the two Houses of the Congress, their committee structures have been more notable for their similarities than for their differences. Over time, both Houses have had standing committees on Military Affairs, Naval Affairs, and/or the Militia.

The creation and evolution of these committees in both the House and the Senate were influenced by internal conflicts and struggles for jurisdiction within the committee system itself. In earlier years, these internal struggles, while present, were less obvious. There were fewer standing committees; the subcommittee structure was informal and *ad hoc*; and members of one committee were encouraged (and actually appointed) to serve *ex officio* on other committees or subcommittees with similar interests. In today's Congress, these mutually reinforcing traditions are no longer present. There are more standing committees and subcommittees. Joint tenure of Senators on an authorizing committee and its counterpart subcommittee on the Appropriations Committee is rare and discouraged. The growing complexity of public policy issues strains the traditional jurisdictional distinctions of the standing committees.

Under these circumstances, internal conflicts within the committee systems include jurisdictional disputes between authorizing and appropriating committees, between committees involved in defense and those concerned with foreign policy, and between the traditional authorizing and appropriating processes and the relatively new budget process. In fact, introduction of a new budget process in 1974 proved to be one of the most important historical developments in the evolution of congressional procedures and the assertion of congressional powers. These issues are discussed in greater detail in Section C (Key Trends) of this chapter.

## 3. The Role of the Senate Committee on Armed Services

The Senate Committee on Armed Services is a product of the Legislative Reorganization Act of 1946 which, among its actions, combined the Committees on Military Affairs and Naval Affairs. Starting with virtually no organizational structure and only narrow authorizing jurisdiction, the Senate Armed Services Committee has developed a formal subcommittee structure and comprehensive responsibilities for defense authorization.

### a. Jurisdiction

In its formative years, the Committee's attention was necessarily focused on those issues that dominated the postwar environment,

including the organization of the new Department of Defense, development of a military capability for the new North Atlantic Treaty Organization, and the resolution of numerous personnel issues which followed from the Second World War.

This period was immediately followed by the Korean Conflict, for which the Committee shared oversight responsibilities with the Senate Committee on Foreign Relations. During the early 1950's, the Committee invested considerable time and effort in the development and oversight of security assistance and related programs.

Through 1954, legislation authorizing foreign economic and military aid was at least sequentially (and several times jointly) referred to the Senate Committee on Foreign Relations and then the Senate Committee on Armed Services. By 1961, however, the Foreign Assistance Act was referred exclusively to the Foreign Relations Committee. The decline of the Armed Services Committee's involvement in these matters paralleled a period in which the Foreign Relations Committee not only maintained oversight of the Federal agencies responsible for foreign assistance, but continued to be the source of expanding or amending legislation as well.

A fundamentally new direction in the jurisdiction of the Committee on Armed Services was begun in 1959 through Public Law 86-14, which required annual authorizations of appropriations for the procurement of aircraft, missiles, and naval vessels. This marked the beginning of a steady expansion in the Committee's jurisdiction and authority. Through the requirement for annual authorizations, the Committee found a device for becoming directly and immediately involved in defense policy, including resource allocation decisions. This development of annual authorizations is discussed in Section C on Key Trends.

Today the authority and responsibilities of the Committee on Armed Services are found under Rule XXV of the Standing Rules of the Senate. The Rule states that all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects shall be referred to the Committee:

1. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.
2. Common defense.
3. The Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, generally.
4. Maintenance and operation of the Panama Canal, including administration, sanitation, and government of the Canal Zone.
5. Military research and development.
6. National security aspects of nuclear energy.
7. Navy petroleum reserves, except those in Alaska.
8. Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces, including overseas education of civilian and military dependents.
9. Selective service system.
10. Strategic and critical materials necessary for the common defense.

The Committee on Armed Services is also charged to "study and review, on a comprehensive basis, matters relating to the common defense policy of the United States, and report thereon from time to time." In addition to this general authority, the Committee has specific responsibility for the review of presidential appointments to the Department of Defense.

In the discharge of its responsibilities, the Committee exercises four basic powers: the power to authorize appropriations, to call or subpoena witnesses and hold hearings, to conduct investigations, and to recommend statutory nominations to the Senate.

#### b. Organization

During the expansion in jurisdiction from 1960 to 1974, the Armed Services Committee continued to organize *ad hoc* subcommittees oriented toward specific issues and legislation. (The Preparedness Investigating Subcommittee remained the only formally constituted one.) This dynamic period witnessed Committee consideration of the so-called Tonkin Gulf Resolution, the war in Vietnam, and the emerging issues of arms control. Membership increased from 13 Senators in 1947 to 18 in 1967, but by 1973 had dropped back to 15. In the 99th Congress, committee membership grew to an all-time high with 19 members.

In 1975, the Committee reorganized itself, eliminating many of the temporary *ad hoc* subcommittees and creating a more formal structure to cope with the larger volume of legislation now being considered on a regular basis. The Committee established the following subcommittees: Intelligence, Preparedness Investigating, National Stockpile and Naval Petroleum Reserves, Military Construction, Arms Control, Tactical Air Power, Research and Development, General Legislation, and Manpower and Personnel.

Between 1975 and 1981, the Committee refined its organization further, reducing the number of permanent subcommittees from nine to six. The most significant change in recent years occurred in 1981 when the Committee reoriented several subcommittees from oversight of appropriation accounts to oversight of certain mission areas. Six subcommittees were created. The Strategic and Theater Nuclear Forces, Sea Power and Force Projection, and Tactical Warfare Subcommittees were given oversight of mission areas, though in practice that oversight was limited to procurement and research and development appropriations. The Manpower and Personnel and Military Construction Subcommittees continued to exercise oversight along the line of appropriation accounts, while the Preparedness Subcommittee had oversight of the operation and maintenance (O&M) appropriation, elements of procurement accounts dealing with munitions, and the overall "readiness" of the military forces.

With the start of the 99th Congress in 1985, the Senate directed that the Committee may have no more than six subcommittees. Because the Committee had already planned to create a new Subcommittee on Defense Acquisition Policy, it complied with the Senate's directive by disestablishing the Tactical Warfare Subcommittee. The full committee assumed the responsibilities of the Tactical Warfare Subcommittee, with no redistribution of jurisdiction to the other subcommittees.

### C. KEY TRENDS

Four key trends characterize the evolution of congressional review and oversight of national security policy in recent years.

#### 1. Erosion of National Consensus on Defense and Foreign Policy

United States security policy following World War II was informed by a broad consensus over the nature of U.S. interests and the threat posed to those interests by the Soviet Union. That consensus led to an unprecedented shift in defense policy. Unlike the period after World War I, the United States chose to enter into binding military alliances, to maintain a large peacetime military establishment, and to support extensive overseas deployments in order to protect its national interests.

That consensus, forged by 1947, prevailed through the 1950's and well into the 1960's. By the second half of the 1960's, however, there were significant signs of erosion. Numerous factors contributed to this erosion. The rift between the Soviet Union and China removed the specter of a communist monolith and presented new opportunities for containing the Soviet Union politically rather than just militarily. The war in Vietnam introduced fresh tensions among NATO allies and divided the United States. Some experts argue that by the middle of the 1970's the United States had tired of its role as a world leader and that the erosion of consensus merely represented a reemergence of American isolationism and a traditional ambivalence toward the military in American society. Yet others argue that American leaders failed to establish clear strategic goals in the increasingly complex and interdependent international political and economic climate of the 1970's.

Irrespective of the causes, during the second half of the 1970's, following the Vietnam war, much of the national security consensus collapsed. To the extent that basic concepts of national interests and threats to those interests were no longer uniformly accepted and shared among the American leadership, a psychological and physical retrenchment of the U.S. defense establishment followed. The erosion of the post-World War II consensus undermined the acceptance and support of long-term requirements for defense.

The decline of U.S. military capabilities during the 1970's was dramatic. By 1980 the American public judged that this trend had proceeded too far and supported the rebuilding of U.S. military capabilities. Yet while the pattern of physical retrenchment was reversed in the early 1980's, the post-World War II security consensus has not necessarily returned. Fundamental national security questions remain unanswered.

- What is the appropriate balance between nuclear and conventional capabilities in providing for national security?
- Can NATO meet the requirements of defending Western Europe?
- Do the non-U.S. NATO allies bear a fair share of the NATO security burden?
- What emphasis should be placed upon conflict with the Soviet Union versus lesser contingencies?
- Should and can the United States assume the burden of defending Western interests in the Persian Gulf region?

- Does the United States have the requirement for and capability of supporting a three-ocean Navy?
- Is the assessment of our national interests in balance with the level of resources likely to be devoted to protecting those interests?

These questions are widely debated today. There is no national consensus on the answers to these questions. Without agreement to the answers to these questions, the broad objectives of the defense program remain obscured, and the annual defense debate remains contentious.

## 2. Emergence of Annual Defense Authorizations

During the past 25 years, the Congress has gradually but consistently expanded the requirement that portions of the defense budget be authorized for appropriation. The requirement for antecedent authorization was not new in 1959. Indeed, separate authorizing and appropriating activities are as old as the Congress.

The original legislators clearly saw the need for separating the authorizing (then called "legislating") function from the appropriating function. In 1789 Congress first established the new Department of War, specifying its offices and responsibilities. Subsequently it passed an appropriation for the Department. This separation of substantive legislation from appropriations existed informally through the early years of the Republic. However, in 1837 the House of Representatives, responding to the growing disregard for the informal rules separating authorizations from appropriations, explicitly adopted a rule carried on to this day (currently as Rule XXI, Clause 2) prohibiting consideration of appropriations bills unless preceded by legislation authorizing the expenditure. The Senate followed suit in 1850, adopting the antecedent of current Rule XVI. Both the House and Senate reinforced this procedural separation by referring the two types of legislation to different committees. (Allen Schick, "The Many Faces of Congressional Budgeting," prepared for The Center for Strategic and International Studies, Georgetown University, January 1984, pages 3-7)

Congress alternately shifted power back and forth between authorizing and appropriating committees in response to national crises through the second half of the 1800's and into the 1900's. When external circumstances threatened the United States (e.g., World War I), the authorizing committees rose in power over the appropriations committees. When internal problems predominated (concern over the deficits following World War I, for example), Congress elevated the power of the appropriations committees to restrain spending. ("The Many Faces of Congressional Budgeting", pages 4-5)

In 1957 and 1958, following the launch of "Sputnik," the country perceived another crisis, this time in its competition with the Soviet Union. The Preparedness Investigating Subcommittee of the Senate Armed Services Committee, under the direction of then Senator Lyndon Johnson, conducted an extensive inquiry into the state of U.S. nuclear defenses and the so-called "missile gap." It was in this context that the Senate began the march toward annual authorizations for virtually the entire defense budget.

Prior to 1959, the Armed Services Committees authorized an activity or program on a permanent basis, and let the Appropriations Committees fund it annually. This changed in 1959 with the adoption of the requirement for annual authorizations for procurement of aircraft, missiles, and naval vessels. Since that time much of the remainder of the defense budget has been brought under the requirement for annual authorizations, as noted in the following chronology:

In 1962 (Public Law 87-436), to require the authorization of appropriations for research, development, test or evaluation associated with aircraft, missiles, and naval vessels;

In 1963 (Public Law 88-174), to require the authorization of appropriations for the procurement of tracked combat vehicles;

In 1967 (Public Law 90-168), to require the annual authorization of the personnel strengths of each of the Selected Reserves;

In 1969 (Public Law 91-121), to require the authorization of appropriations for the procurement of other weapons;

In 1970 (Public Law 91-441), to require the authorization of appropriations for the procurement of torpedoes and related support equipment and to require annual authorization of the active duty personnel strengths of each component of the Armed Forces;

In 1973 (Public Law 92-436), to require the annual authorization of the average military training student loads of each component of the Armed Forces;

In 1973 (Public Law 93-155), to require the annual authorization of civilian end-strengths;

In 1975 (Public Law 94-106), to require the annual authorization of military construction of ammunition facilities;

In 1977 (Public Law 95-91), to provide the Committee with jurisdiction over the national defense programs of the Department of Energy;

In 1980 (Public Law 96-342), to require the annual authorization of funds for operation and maintenance of the Department of Defense and all its components;

In 1982 (Public Law 97-86), to require the annual authorization of appropriations of funds for the procurement of ammunition and so-called "other" procurement; and

In 1983 (Public Law 98-94), to require the annual authorization of appropriations for working-capital funds.

Commentators disagree over the fundamental causes that produced the first annual authorization requirement in 1959. Some argue that annual authorizations reflect the continuing struggle between authorizing and appropriating committees for power. John Gist argues that Section 412(b) requiring annual authorizations in procurement "was clearly an attempt to gain leverage for the armed services committees over policy decisions, and thus enhance their power and status vis-a-vis the defense appropriations subcommittees in making military policy." ("The Impact of Annual Authorizations on Military Appropriations in the U.S. Congress," *Legislative Studies Quarterly*, August 1981, page 440) Robert Art is more explicit: "Annual authorizations began because the Armed

Services Committees reasoned that they had lost control over the defense budget to the Appropriations Committees." ("Congress and the Defense Budget: Improving the Process," unpublished paper, June 1983, page 31) Schick explains the development of annual authorizations in terms of Congress's desire to force changes in policy on a reluctant Administration. Yet others see the annual authorization requirement as part of a seamless fabric of bureaucratic politics: "The intent of annual authorizations requirements was to reduce the area of discretionary power of the Office of the Secretary of Defense (OSD) and to strengthen legislative control of programs. Congress, like the services, appeared to feel threatened by the growing power of OSD over all aspects of defense policy." (William A. Lucas and Raymond H. Dawson, *The Organizational Politics of Defense*, page 120)

Irrespective of the original causes, other factors fuel the utility of annual authorizations today. Annual authorizations have substantially expanded the power of the Armed Services Committee to exercise control over defense policy. Prior to 1959 the Committee largely confined its activities to manpower issues, military construction, and oversight of narrowly defined issues. (For example, "Purchase of Tanks by the Department of the Army During Fiscal Year 1956" or "Proposed Closing of Certain Government Owned Ordnance Plants" were typical of committee hearings and prints of that period.) Since then the Armed Services Committees have broadened the scope and deepened the level of oversight detail in virtually all aspects of defense policy, all through the mechanism of annual authorizations. Annual authorization bills offer expanded opportunities to influence and constrain DoD policy and resource allocation decisions. Constituents who have failed to "win" their case within DoD actively lobby Congress to make their case one last time.

In summary, annual authorizations have become a powerful trend because they reflect fundamental political forces: the struggle for power between committees in Congress, the struggle for power by the Congress over the Executive, the struggle for power by individual members of Congress on behalf of constituents.

### 3. Adoption of New Congressional Budgeting Procedure

In 1974 Congress established a new congressional budgeting procedure by passing the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344). This new budget process was designed to augment the existing two-stage process of authorizations and appropriations, rather than supplant either of the stages.

This new process incorporated the following general schedule of key events. The President submits the budget in January. The various committees of the Congress hold broad overview hearings and recommend to the respective budget committees by March 15 the spending those committees believe is justified in functional areas under their jurisdiction. By April 15 the budget committees must report a First Concurrent Resolution on the budget to their respective Houses. The resolution establishes revenue and spending targets for the budget in the aggregate, and specifies spending targets

in each of 15 functional categories. The act specifies that Congress shall adopt a first budget resolution by May 15.

During this period the authorizing committees are supposed to review the program details of the annual budget request and report bills and resolutions authorizing new budget authority. The spending projections contained in those bills are supposed to aim at the targets adopted in the First Concurrent Resolution, though the authorizations themselves are not constrained by the budget act. During the summer the Congress is supposed to act on those bills. By September 15, Congress shall adopt a Second Concurrent Resolution which sets binding spending targets in each of the categories. Those binding targets then constrain the appropriations bills, all of which are supposed to be adopted by October 1.

In theory, the budget process is straightforward. Its operation in practice, however, has been less orderly. For all practical purposes, the First Concurrent Resolution has become the key binding resolution. Congress has concluded that key spending compromises must be set early in the process and cannot practically be reopened a second time near the end of the session. And while the budget act does not constrain authorization bills to meet spending targets contained in the budget resolutions, the practical political pressures of a recently adopted budget resolution on the authorization bills have become overwhelming.

The new budget process has been a wrenching experience. Congress as an institution is designed to deal with complex public policy problems by breaking them into their constituent elements and reviewing them in standing committees with jurisdiction over those constituent elements. By contrast, the budget process is Congress's only act of comprehensive public policy *integration*. Unlike all other activities, the budget process requires the participation of all committees, and brings their areas of jurisdiction into a common legislative process and vehicle. As such, it has established an entirely new pattern of pressure and power in Congress. Committees now have to reconcile "affordability" concerns with the substantive merits of the issues under their exclusive jurisdiction.

These pressures are exacerbated in a period of substantial Federal deficits. Those deficits impose enormous pressures to limit spending increases in all areas, including defense. Indeed, during the past three years, substantial reductions in defense spending have been imposed through the pressures of the Federal budget process.

Aside from the change in congressional behavior which affects all committees, the budget process also creates a difficult situation for the Armed Services Committees. Determining budget priorities has become a major legislative struggle every spring. An agreement on spending priorities and the accompanying budget resolution embodying those priorities are not established until May at the earliest. Therefore, the authorizing committees must review the details of the annual budget submission without clear guidelines on the level of spending the Congress is likely ultimately to permit. In each of the last three years, the Senate Armed Services Committee reported a defense authorization bill that proved higher than the Senate was prepared to support, requiring a complex and disruptive process of adjusting the bill. This creates serious prob-

lems in establishing spending priorities in so complex an area as defense procurement, for example.

The frustrations with the budget process have galvanized members of the Congress to seek means to lessen its burdens. Senators and Representatives alike widely believe the process has become too time consuming and duplicative of the authorizing and appropriating functions.

#### 4. Breakdown of Traditions in the Congress

A fourth key trend concerns the evolution of traditions within the Congress itself, characterized generally as a breakdown in the traditions that informally guide the work of the Congress. This breakdown results in a dilution and distribution of power in ways that impede efficient review and authorization of the defense budget. This breakdown in traditions has occurred in several ways.

First, the jurisdictions of the various committees, and especially the authorizing and appropriating committees, have become blurred. Increasingly, authorizing committees are constraining appropriations, while the appropriating committees are including substantive legislative provisions in appropriation bills. The authorizing and appropriating procedures are becoming competitive rather than complementary.

This jurisdictional blurring between committees also includes expanded efforts by other authorizing committees to review defense issues. Senator John Tower, former chairman of the Armed Services Committee, addressed the problem of overlapping committee jurisdiction in his testimony before the Temporary Select Committee on Committees on August 2, 1984:

If we look at the area of national security, most committees in the Senate have an involvement with some aspect of the subject. The involvement of the Armed Services, Appropriations and Budget Committees is obvious. The Foreign Relations Committee has jurisdiction over arms control, foreign aid, security assistance, war powers, and many aspects involving the use of military force outside the United States. The Small Business Committee injects itself in the breadth of the procurement process on the basis that it is concerned about small business opportunities to participate in defense contracting. The Veterans Affairs Committee has jurisdiction over a series of benefits available to those who have previously served in the armed forces, though this benefit package may have an impact on military recruitment and retention. The Governmental Affairs Committee asserts a claim, which I strongly dispute, that it has primary jurisdiction over procurement policy, including procurement policy in the Department of Defense. The Banking Committee has jurisdiction over the Cost Accounting Standards Board which sets the fundamental ground rules for the manner in which defense contracts are paid. That committee also has jurisdiction over the Defense Production Act, which is a critical legislative tool for ensuring an adequate defense industrial base. The Banking Committee also has jurisdiction over the Export Administration Act, which is the primary legislative tool for stopping transfer of militarily sensitive technologies. The Commerce Committee has jurisdiction

over NASA, which plays an integral role in providing access to space for the Department of Defense. The Commerce Committee also has jurisdiction over the Merchant Marine, which has an important national defense function, as we learned in the Falklands War. The Intelligence Committee has primary jurisdiction over the gathering of intelligence though that is inextricably linked to military posture. This is simply an illustrative list of the extent to which aspects of national security are divided among a huge number of standing committees. I might add that in the House the situation is even worse, in that the House Energy committee has shared jurisdiction with respect to the Department of Energy nuclear weapons program.

Second, the proliferation of committees and subcommittees in the Congress is diluting the time and attention any individual Senator can devote to key issues. The Temporary Select Committee on Committees highlighted this problem in its concluding report:

A recurring theme in the Select Committee hearings was the proliferation of committees, subcommittees and assignments and the resulting conflicting demands on senators' time and attention. . . . When senators acquire additional committee and subcommittee commitments, it becomes increasingly difficult for them to attend all of the meetings scheduled for each of their panels. This situation frustrates not only each individual senator, but the chairmen of committees when they try to muster a quorum to conduct business. (pages 6-7)

The number of committees and subcommittees has fluctuated significantly. In the 1950's, senators typically had nine committee or subcommittee obligations. The early 1970's witnessed the largest growth in the number of committee and subcommittee assignments for members of the Senate, with the average senator serving on 15 panels. This has been reduced in recent years. The average senator in the 98th Congress served on 11 committees or subcommittees. This is still a substantial commitment of time which not only limits the time Senators can devote to any single area, but has compounded the problems of scheduling in the Senate as well.

Third, new cross-cutting organizations in Congress have entered the defense debate. Recent cross-cutting organizations include the Arms Control and Foreign Policy Caucus, the Military Reform Caucus, the Senate Drug Enforcement Caucus, in addition to long-standing partisan organizations. Most of these organizations reserve their input to the defense budget or oversight process until the authorization and appropriation bills reach the floor of the House or Senate. There these organizations sponsor a legislative agenda through amendments which has contributed to the increase in time required to adopt the annual defense authorization and appropriation bills.

Fourth, during the past twenty years, there has been a trend toward weakened congressional leadership and the committee system in general. The Congress is a unique institution in that it does not practically have the ability to control admission of its own membership. Consequently, it has had to develop alternative methods for controlling its members. Traditionally those methods involved positive and negative incentives controlled by the party and

committee leaders. The structure of control revolved around committees and party organizations because they controlled resources.

While committees and leadership organizations still wield great power because of their procedural prerogatives, their dominant control over resources has been diluted. In 1947 each member of the House of Representatives had a staff of three. Today they may have as many as 18. In 1965 the average Senator had a staff of six. In 1985 the average senator has 40 employees. Members of Congress are less dependent on the party and committee leadership because they have at their personal disposal greater resources to deal with issues directly. The large number of organizations attempting to influence the Congress on defense and other issues provides additional *de facto* resources for members. Larger personal staffs and the availability of help from organizations outside of Congress mean that members are less dependent on committees and leadership organizations for information and direction, and hence are more willing to depart from the positions taken by those leadership organizations on individual issues.

#### D. PROBLEM AREAS AND CAUSES

This section discusses five primary problem areas in the current congressional execution of its responsibilities for review and oversight of defense policies and programs. These problem areas reflect the consequences of the key trends noted above.

##### 1. FUNDAMENTAL PROBLEMS WITH CONGRESS THAT AFFECT DEFENSE OVERSIGHT

Members of Congress are increasingly preoccupied with what one senator called "the deteriorations of this institution." Fundamental factors changing the way the Congress operates *in general* are beginning to affect the way Congress oversees the Department of Defense *in particular*. These fundamental problems create difficulties, not just for the Department of Defense, but for the entire Executive branch. Two fundamental problems were identified for purposes of this study.

###### a. Hegemony of the Budget Process

The budget process has come to dominate the life of the Congress. During the last four years, the budget process has overwhelmed the remainder of the legislative agenda. Senator Nunn gave primary emphasis to this problem in his testimony before the Temporary Select Committee on Committees in August 1984:

No one can deny that the 1974 Budget Act, which many of us worked on, provided, for the first time, the ability to spotlight the federal budget and to attempt to provide broad guidelines on overall consolidated spending. But the time and workload of the Senate—and of its Committees—are being dominated and devoured by this task alone.

The hegemony of the budget process over the rest of the legislative agenda occurs in several ways. First, there just is not sufficient time for Congress to adopt a budget, authorization bills, and appropriations bills before the start of a fiscal year. Congress is trying to fit too many activities into too little time. Any delay in one step creates a domino effect later in the year. The budget resolution is

taking longer to adopt (reflecting the lack of consensus in the country on national priorities). This delays consideration of the authorization bills, which in turn delays consideration of appropriations bills and forces Congress to resort to continuing resolutions for spending measures. Since 1960 Congress has never started a fiscal year with all appropriation bills passed. However, the problem has deteriorated markedly in the last several years. Congress fails to meet its deadlines because it has too much to do, and the newcomer in the system—the budget process—is increasingly taking too much of the precious legislative time of Congress.

Second, the authorizing committees are caught in a pinch between the budget process and the appropriations process. Authorizing committees cannot effectively proceed to the floor with major authorizations until a budget has been adopted. This is taking longer each year, stretching well into June. On the other end, the last month of the fiscal year must be devoted to consideration of the appropriations bills. Consequently, all authorization bills are increasingly pinched into six to eight weeks in the summer. The budget process was not designed to pinch off the authorizing committees, but that has been the outcome.

Third, because the budget process is the first stage in the three-stage process, policy decisions are increasingly being brought forward into that stage. An extended defense debate occurred this year as in the past during the budget debate in the Senate. The most far reaching decision made by the Senate as a whole on the fiscal year 1986 defense budget—its decision to freeze defense spending in real terms for Fiscal Year 1986—occurred during the budget debate, not during debate on the authorization bill or the appropriations bill.

This predominance of the budget process is likely to continue so long as the country continues to have massive budget deficits. The challenge is to find less disruptive budget procedures.

#### b. Duplicative Committee Reviews and Blurred Jurisdictions

The new budget process added a third cycle to the authorizing and appropriating cycles. The three stages are supposed to be complementary. But increasingly they have become redundant and competitive. The Georgetown University CSIS Defense Organization Project highlighted this problem in its final report *Toward a More Effective Defense*:

Redundancy in the congressional review process seriously aggravates the oversight problem. Each chamber reviews the defense budget at least three times annually. In each chamber, a separate committee controls each of the three annual reviews. At the same time the differentiation among functions, which once clearly distinguished the committees, has become blurred. The armed services committees in both chambers have expanded their authorization functions to encompass nearly the entire defense budget. At the same time, the appropriating committees increasingly apportion funds without regard to authorizations. Moreover, the question of how budgeting committees can rationally establish overall budgetary levels without delving into the detailed questions traditionally considered by authoriz-

ing, and even appropriating, committees has never been answered satisfactorily. (page 32)

These redundant steps mean that Congress rarely takes conclusive action on any issue. Compromises on key issues merely carry over to the next step and are then reopened. The story of the MX missile might represent an extreme case, but it is not entirely unusual either. Duplicative steps also unnecessarily burden the Defense Department in preparing and giving testimony, responding to formal inquiries, and notifying Congress of key changes or developments.

The jurisdictional blurring, especially between the authorizing and appropriating committees, has become a particularly keen problem. Appropriations committees no longer refrain from actions traditionally considered substantive legislation. Last year the appropriations committees appropriated nearly \$3 billion in programs that were not authorized by prior legislation. This action constituted a fundamental assault on the basic premise separating authorizing and appropriating committees in Congress. Since the appropriation bill was enacted into law after the authorization bill, the Department of Defense argued that it constituted legal authority to spend the funds, even though no authorization existed for these programs. Objections by the Armed Services Committee held up DoD obligation of the funds for six months and created a policy flashpoint between the two committees in the Senate. The Armed Services Committee relented only when it became clear that DoD intended to proceed despite the Committee's objections. That the matter was resolved in the spring of 1985 does not mean that the fundamental cause of this problem—the blurring of functional boundaries among committees—is diminished.

## 2. CONGRESSIONAL INSTITUTIONS AND PROCEDURES REINFORCE DIVISIONS IN DOD

The very structure of Congress and its review procedures produce an inconsistent and sometimes contradictory pattern of oversight and guidance. This inconsistent pattern reinforces divisions within the Defense Department, inhibiting the development of coherent and integrated defense program. The absence of coherent mission integration in DoD is a fundamental flaw in the current defense organization, and Congress has been a major contributor to that shortcoming.

There are five aspects to this problem. First, the cognizant committees charged with DoD oversight have developed different structures, styles, and traditions, resulting in an inconsistent and sometimes contradictory pattern of oversight. These inherent differences foster confusion, and tempt factions within DoD to export conflicts to Congress. Second, the Congress tends to review the defense program in terms of artificial accounting inputs rather than in terms of defense mission outputs. Adjustments tend to be made for financing reasons within accounts rather than for reasons of priorities among defense missions. Third, the Congress tends not to compare programs across Service lines and very rarely makes policy tradeoffs that cross military Service lines. Fourth, the Congress tends to dwell on policy or program conflicts and tensions within

DoD, reinforcing those conflicts. Fifth, the Congress has historically favored independent subordinate offices as opposed to centralized control in DoD, in order to maximize its leverage in directing the allocation of resources or determining the outcome of policy disputes.

a. Cognizant Committees Have Different Styles and Traditions

Each of the four cognizant congressional committees has developed different styles and traditions in reviewing the Defense Department budget. This is demonstrated by comparing the subcommittees of the House and Senate Armed Services Committees, as shown in the following table:

**COMPARISON OF SUBCOMMITTEES OF THE HOUSE AND SENATE ARMED SERVICES COMMITTEES**

Senate Subcommittees	House Subcommittees
Defense Acquisition Policy	Investigations
Manpower and Personnel	Military Personnel and Compensation
Military Construction	Military Installations and Facilities
Preparedness	Readiness
Sea Power and Force Projection	Seapower and Strategic and Critical Materials
Strategic and Theater Nuclear Forces	Procurement and Military Nuclear Systems
(Tactical Warfare)	Research and Development

While the two committees have parallel subcommittees for some areas—Preparedness vs. Readiness, for example, or Manpower and Personnel vs. Military Personnel and Compensation—there are important differences. The House Armed Services Committee is aligned primarily in terms of appropriation accounts. The Research and Development Subcommittee reviews all R&D accounts and only R&D accounts for each of the military Services and the Defense Agencies. The Procurement and Military Nuclear Systems Subcommittee reviews only procurement programs, except for Navy programs included in the Seapower Subcommittee's jurisdiction.

By way of contrast, in 1981 the Senate Armed Services Committee established three subcommittees to review defense programs on a mission basis—Sea Power and Force Projection, Strategic and Theater Nuclear Forces, and Tactical Warfare. (The rules of the Senate now limit committees to six subcommittees. When the Armed Services Committee formally established the Defense Acquisition Policy Subcommittee, it dissolved the Tactical Warfare Subcommittee, though the functions of the subcommittee were assumed by the full committee.) These three subcommittees review both procurement and R&D programs in their mission areas. However, these subcommittees do not have jurisdiction over the traditional operating accounts; therefore, their ability to assess major

policy trade-offs (e.g., between modernization and readiness) is limited.

These differences are not inconsequential. Different structures produce different perspectives on problems and different priorities when constructing solutions. The Senate Armed Services Committee, because of its mission orientation, is better able to address defense outputs and relative trade-offs among contending priorities. The House Armed Services Committee, because it is organized along appropriation account lines, can more readily highlight duplicative efforts and redundant programs.

Maintaining different committee organizations, however, creates distinct problems and generates confusion in DoD. The conference committee for the fiscal year 1986 defense authorization bill had over 1,200 items in disagreement between the House and Senate bills. Many of the differences were trivial, though a large number were quite significant. The two committees engage in major disputes because of the different perspectives they bring to the same defense issue.

Various elements within DoD attempt to exploit those differences by developing relationships with this committee or that committee, hoping that their distinct interests will be preserved in any compromise. Similarly, the committees align themselves with contending factions within the Defense Department.

In short, Congress, by its nature and traditions, fosters the very factors within DoD that have frustrated mission integration in the past.

#### b. Congress Dwells on Artificial Accounting Inputs Rather than Defense Outputs

When the Congress reviews the annual budget request, it tends to examine the details of the request as accounting inputs to functional activities rather than as defense mission outputs. This is best illustrated with an actual example.

In 1978 the United States joined with our NATO allies in signing the Long Term Defense Plan. As a component of that plan, the United States agreed to develop the capability to deploy 10 combat divisions to Europe within 10 days of mobilization. Virtually all areas of the DoD budget were involved. The following is a general delineation of the activities required to carry out that national policy directive, and the subcommittee responsible for each of those activities:

Component Program	SASC Subcommittee
Storage Sites for Prepositioned Equipment	Military Construction
Stockage Levels of Spare Parts/Munitions	Tactical Warfare/Preparedness
Airlift Modernization Program	Sea Power and Force Projection
Forward Deployment of Logistics Units	Military Construction/Preparedness/Manpower

Component Program	SASC Subcommittee
Transportation of Equipment and Spares to Europe	Preparedness
Combat Equipment Modernization Programs	Tactical Warfare

Virtually every subcommittee has responsibilities for aspects of the national policy decision to pledge 10 divisions within 10 days of mobilization for the defense of Europe. The emphasis in oversight, especially after the initial announcement of the policy, shifted from the policy goal itself to the relative allocation of resources required to implement the policy. However, those inputs were compared with other like activities unrelated to the policy. Storage facilities for combat equipment in Europe were evaluated in conjunction with other military construction projects that ranged from new housing in California to office buildings in Maryland. Funds requested for spare parts for the 10 day requirement were lost in the mass of funding for spare parts in general. Budget reductions were imposed on spare parts or other procurement with no knowledge of the impact it would have on our ability to meet the 10 day requirement. In a short time, the emphasis on policy implementation of a major defense commitment was lost among thousands of minor decisions on accounting inputs.

This pattern of reviewing programs within artificial categories of resource inputs means that Congress rarely obtains a comprehensive picture of current defense capabilities, or of the progress being made toward a major defense commitment or national policy objective. The policy decisions are dissipated because they are reviewed in Congress along artificial appropriation lines providing resource inputs to DoD, instead of in the context of defense outputs.

The Senate Armed Services Committee attempted to overcome this problem by establishing mission oriented subcommittees. However, none of the mission subcommittees deal at all with the traditional operating accounts—Operation and Maintenance and Military Personnel. The Preparedness Subcommittee has responsibility for reviewing the O&M account as well as the ammunition procurement account. Yet some of the most important factors accounting for peacetime readiness—replenishment spare parts and sophisticated munitions such as air-to-air missiles—are not within the jurisdiction of the Preparedness Subcommittee; instead, they are reviewed by the mission subcommittees.

The committees and subcommittees determine funding priorities and program trade-offs within appropriation accounts, not across them. When budget reductions are required, “bogies” are allocated to subcommittees. If the subcommittees are organized along appropriation account lines, trade-offs are not made, for example, between “readiness” and “modernization”, but instead are made against competing projects or programs within the same appropriation. Even where subcommittees are organized somewhat along mission lines, trade-offs between appropriation accounts are limited.

### c. Congress Reviews Service Programs in Isolation

While Congress reviews defense programs largely within artificial appropriation categories, it also tends to review the Services' programs in relative isolation. Funding trade-offs very rarely cross Service appropriations. The resource shares of the Services change very little as a result of congressional oversight. Traditionally, Congress is loath to alter the priorities contained implicitly in the annual budget submission.

The subcommittees and the staff tend to develop closer ties with some Services and branches than others. The Military Departments develop particularly close working ties with certain members of Congress, often because of the types of installations in the Members' state or congressional district, or the types of major defense contractors in the state or district. Also, many members of the House and Senate committees have former military service and naturally understand, and retain keen interest in, the activities of their Services. Because of these close ties, subcommittees and their members become advocates for their client Services. Faced with the need to impose budget reductions, the committees attempt to minimize tensions by insuring reductions are balanced among the Services, irrespective of the priority of their missions.

### d. Congress Dwells on Conflicts within DoD

The massive number of Defense Department activities and programs makes it largely impossible for the Congress to review all programs in a comprehensive manner. As such, congressional review tends to dwell on the policy and programmatic conflicts within DoD—conflicts among the Military Departments, between the Military Departments and the Office of the Secretary of Defense (OSD), among offices within OSD, and so forth.

Conflicts within DoD are exported to Congress and the battle is waged in a different arena. The case of helicopter airlift for special operations forces is illustrative. The Army and Air Force jointly decided to transfer the Air Force fleet of 7 helicopters to the Army. This proved threatening to a small number of Air Force helicopter pilots, and to the member of Congress whose district contained the military installation where the 7 aircraft were based. The Congress acted to prevent the transfer of the mission and to direct a change in policy by the Army and Air Force. Quite apart from the merits of the case, this example demonstrates the extent to which conflicts within DoD are exported to Congress. Conversely, congressional participants frequently cite differences within DoD as justification for revising budget requests or program proposals. It is commonplace for Congress to suspend funding in a program for a year based on disagreements among the Services over the justification for a program.

### e. Congressional Preference for Independent Subordinate Organizations Within DoD

Traditionally the Congress has favored decentralization in the Defense Department over highly structured central control. Decentralization permits the Congress to establish direct relationships with and control over those organizations within the military establishment that are responsible for directing the allocation of re-

sources, thereby maximizing Congress' leverage over the distribution of those resources.

This pattern is longstanding and was firmly entrenched by 1900. The Dodge Commission, established by President Theodore Roosevelt following the Spanish American War, was highly critical of the war effort, particularly the lack of logistics support and the absence of competent command in the field. The Dodge Commission concluded that one of the prime factors contributing to the problems that plagued the war effort was the autonomy of the independent bureaus in the War Department, which was encouraged by the Congress.

In both [the War Department and the Navy Department] the agencies immediately concerned with the expenditure of military budgets on arms, armaments, and supplies were the technical bureaus. In both [the Navy and War Departments], they were thoroughly entrenched in power. They had the statutory authority to spend their moneys directly granted from the Congress and it was an observed pattern for them to maintain close and direct relations with key figures in Congress and to receive outright political help when attacked from within the executive branch. (Paul Hammond, *Organizing for Defense*, page 8)

The military officers in the bureaus were generally awarded advances in rank and pay when assigned to the bureaus and served with no time limit in those positions. Secretary of War Elihu Root ended this open-ended tenure of bureau officers, but did not end the special relationships that prevailed between the bureaus and the Congress. While the Congress assented to many of Root's reforms, it specifically exempted one bureau from oversight by the new Chief of Staff of the Army, and provided that all bureaus could deal directly with Congress if so specified in future legislation. (For a more extensive discussion, see *Organizing for Defense*, page 26)

World War II forced a consolidation of control by the central staffs over the bureaus in both the Navy and the War Departments. And while this consolidation led over time to the creation of the Department of Defense, it did not end Congress's preference for continuing relations with subordinate organizations. Instead of Congress siding with the bureaus against their parent Military Departments, increasingly Congress joined forces with the military Services against the new Office of the Secretary of Defense. Lucas and Dawson noted this pattern in the early days of the new Department of Defense:

Congress has an interest in a considerable measure of service autonomy. . . . It is significant that, starting with the 86th Congress in 1959, successive Congresses either enacted or considered the enactment of new requirements for annual authorization legislation in all major areas of weapons procurement and military research and development. The intent of these changes was clear: to reduce the area of discretionary power of OSD and to strengthen legislative control of programs. Congress, like the services, appeared to feel threatened by the

growing power of OSD over all aspects of defense policy. Congress joined with the armed services in resisting a historic redistribution of power in the Pentagon. (*The Organizational Politics of Defense*, page 120)

Congress continues to align itself with the military Services against OSD. In 1981, the Joint Chiefs of Staff, at the direction of then Deputy Secretary of Defense Frank Carlucci, established a Special Task Force to study management alternatives for improved surface transportation, both land and ocean, in DoD. The Special Task Force recommended integration of the Army's Military Traffic Management Command and the Navy's Military Sealift Command into a new unified command to be called the Military Transportation Command reporting directly to the Joint Chiefs of Staff. Though endorsed by the Joint Chiefs and Secretary Carlucci, the Secretary of the Navy in March 1982 opposed the plan because it would "diffuse management accountability for sealift and fleet support programs" and would disrupt the ship acquisition process.

Responding to Secretary Lehman's concern, the Senate Armed Services Committee included a provision in the fiscal year 1983 defense authorization bill prohibiting DoD from proceeding with any consolidation of military transportation. The provision was accepted by the House of Representatives and became law. The provision remains in effect to the present, despite DoD's subsequent requests to repeal it. Despite substantial evidence that consolidation would yield more effective command arrangements for military surface transportation, the Congress sided with the Navy in preventing consolidation.

To summarize this second major problem in congressional oversight, Congress as an institution, because of its structure and its decentralized procedures, amplifies the inherent flaws within DoD which inhibit development of a coherent integrated defense program. The primary weakness in defense organization is the lack of mission integration, fostered by congressional procedures, traditions, and attitudes.

### 3. PREDOMINANCE OF AN ANNUAL REVIEW CYCLE

Oversight of the Department of Defense has evolved into an annual review of DoD's budget submission. Virtually the entire defense budget is now subject to annual authorization review in addition to annual appropriations. The development of the congressional budget procedure reinforced, and arguably accelerated, the trend toward annual review. The budget act requires the Congress to adopt annual spending goals for the various functions of the federal government. Increasingly the Congress looks at all government activity in fiscal year increments.

Also, as legislative gridlock developed during the latter half of the 1970's and through the early 1980's, annual defense bills have become a primary means for advancing legislative proposals that probably would not otherwise get over all the legislative hurdles. Additionally, since the President is not likely to veto the annual defense authorization or appropriation bill, it becomes a convenient vehicle to force through legislative proposals that might not otherwise be favorably received by the President. An annual authoriza-

tion and appropriation becomes an important lever of power, not only for factions within Congress but by Congress over the Executive Branch as well.

This is reflected in the time devoted to floor consideration of the annual authorization and appropriation bills and the number of amendments considered during the debate. There has been a distinct shift during the past 10 years in both the House and the Senate. From 1975 through 1979, debate on the defense authorization bills averaged slightly more than three days each in the House and Senate. From 1980 through 1984, however, the annual defense debate averaged over seven days each in the House and Senate.

As might be expected, the increase in time devoted to the authorization bills led to an increase in the number of amendments considered. During the same 10-year period, there were roughly four times as many amendments considered during the second half of the period as during the first half. These data are summarized in the following table:

### Summary of Floor Debate on Annual Authorization Bills

Year	House		Senate	
	Days of Debate	Number of Amendments	Days of Debate	Number of Amendments
1975.....	3	15	6	29
1976.....	2	12	4	16
1977.....	3	0	2	6
1978.....	3	0	2	18
1979.....	5	33	3	11
1980.....	4	17	3	18
1981.....	8	49	3	16
1982.....	8	78	7	61
1983.....	12	64	13	72
1984.....	6	52	10	107
1985.....	9	140	9	107

Because the annual authorization and appropriation bills are guaranteed action in the Congress and almost certainly will be signed by the President, they become vehicles for a host of amendments, many of which are only remotely germane to the primary legislation.

This annual review process has produced four specific problems. First, the Congress focuses increasingly on the details, not on the big picture. Second, an annual review process tends to sacrifice long-term goals in the face of short-term pressures. Third, overemphasis on annual budgets tends to stress each year's new budget plan for the future, ignoring the execution of last year's program. Fourth, annual budgets become impediments to conclusive decisions.

### a. Preoccupation with Detail, Ignoring Fundamental Policies and Priorities

The annual review process, together with an increasing desire to control details, has led the Congress to a preoccupation with detail. Senator Nunn noted this trend in testimony before the Temporary Select Committee on Committees in 1984:

. . . the extent to which we have wrapped ourselves around the budget axle is exacerbated by the growing tendency to examine budget proposals in even finer, almost microscopic, detail. The Armed Services Committee now authorizes almost every element of the Defense budget each year, down to almost the last screw and bolt.

The emergence of "micro-management" is discussed in greater detail below. The point here is to note that by its preoccupation with detail, the Congress has tended to trivialize its true charter, which is to spell out major strategies and purposes. The Constitution intends for the Congress to establish national strategic priorities and to allocate resources toward those priorities. The Congress is to act as a national board of directors, not as national level program managers.

### b. Sacrifice Long-Term Goals Because of Short-Term Pressures

A second unfortunate outcome of an annual review process is the tendency to sacrifice long-term goals in the face of short-term pressures. The evidence of this trend is manifold in the defense budget. Repeatedly, the military Services, OSD, or the Congress will sacrifice long-term savings in order to achieve short-term budget reductions. For example, faced with the need to find budget reductions in one year, production rates are stretched out, saving modest sums one year only to create even greater long run costs for the program and delay modernization.

This pattern typifies the entire budget. Stable long-term plans are sacrificed to meet the pressures to make budget reductions in any one year.

### c. Ignore Program Execution to Focus on Future

Third, the annual review process reinforces the inherent DoD tendency to ignore program execution and to focus on future programs. (See the discussion in chapter 7 on the Planning, Programming and Budgeting System.) The annual budget submission is finalized only two to three months into the new fiscal year. Obviously the pending budget cannot respond to the lessons learned in the execution of the current budget. During consideration of the pending annual request, there is rarely sufficient data to evaluate the operations of the current budget. The annual review then tends to develop into a comparison of last year's plans with this year's plans, instead of a comparison of plans with current problems.

More recently, it has encouraged Congress to react to problems without knowing whether or not the solutions enacted in the previous year were working. In 1984, the Congress enacted significant changes in defense procurement. Nonetheless, procurement "horror stories" created intense pressure to institute yet new sets of procurement reforms. An entirely new set of initiatives was proposed in 1985 without knowing whether the laws passed last year (and just now being implemented) are having an effect.

#### d. Impediments to Conclusive Decisions

Because the defense review process has evolved into an annual budget debate, congressional decisions are always tentative and never final. Actions taken by one committee are always subject to appeal in subsequent legislative steps or in the next fiscal year submission. Losing a legislative battle in one committee, a Military Department or contractor will seek to reverse that action in subsequent stages of the legislative process by building countervailing positions in the other committees.

This is understandable in a bicameral legislature, if unfortunate. It results in several specific problems. Congress rarely terminates marginal programs, since the energy required to do so over the opposition of the Services, the Defense Department, or the contractor is immense, and the outcome will likely be reversed in compromise as the aggrieved parties build firebreaks in the other chamber or in subsequent legislative steps. For example, over a dozen major programs were proposed for termination by either the House or the Senate in the fiscal year 1986 defense authorization bill. Yet every program recommended for termination was restored in the House-Senate conference, albeit with some restrictions.

This creates an incentive for proponents to patch together a compromise in order to get past each legislative hurdle, instead of confronting fundamental choices over the future of troubled systems. It also creates an incentive for system opponents to focus on any problem with a program to justify slowing it down or terminating it. Consequently, the same issues are reviewed year after year. The MX missile is an extreme example, but not a unique one.

Compromise is the central reality of a legislative democracy. But the process of annual review of the defense budget has elevated compromise at the expense of finality and progress.

#### 4. CONGRESSIONAL MICRO-MANAGEMENT OF DEFENSE PROGRAMS

Of all the criticisms of congressional behavior in the formulation of defense policies and programs, overmanagement or micro-management of the Department of Defense is most often mentioned. Increasingly the Congress is becoming involved in the details of the defense budget, not just the broad policies and directions that guide it. There has been a steady and dramatic increase in the extent of congressional involvement in the annual defense budget submission. In 1970 the defense authorization act totaled 9 pages, with a 33 page conference report accompanying the bill. The authorization bill enacted into law in 1975 reached 15 pages of bill language and 75 pages of conference report. The final fiscal year 1985 bill was 169 pages and the conference report 354 pages.

The Secretary of Defense highlighted this increasing problem of congressional micro-management this spring in testimony before the House Armed Services Committee. The following table (presented by the Secretary of Defense) shows that since 1970 the number of reports and studies requested by the Congress has increased by a factor of 12. Statutory restrictions have increased by 233 percent.

### Growth of Congressional Micro-Management Since 1970

	1970	1976	1982	1985	Percent in- crease 1970- 1985
Requested studies and reports .....	36	114	221	458	1,172
Other mandated actions for DOD .....	18	208	210	202	1,022
General provisions in law .....	64	96	158	213	233
Number of programs adjusted:					
In authorization .....	180	222	339	1,315	631
In appropriation .....	650	1,032	1,119	1,848	184

Historically the appropriations committees have generally made substantial dollar adjustments, which is seen in the number of programs that were adjusted in each of the years, though most changes consisted of financial, not programmatic, adjustments to the budget submission. Since 1970 the Appropriations Committees have roughly tripled the number of changes in individual line items and program elements. An even more dramatic change has occurred in micro-management by the Armed Services Committees. During the past 15 years, the Armed Services Committees have increasingly become involved in this pattern of line item revision, adjusting individual programs seven times more often than in 1950. Clearly, micro-management has grown dramatically and has reached crisis proportions.

The fiscal year 1985 budget request had 1,890 separate line entries in the various procurement accounts and 897 program elements in the various research and development (R&D) accounts. The House and Senate Armed Services Committees changed 440 or 23 percent of the procurement line entries and 317 or 35 percent of all R&D programs.

More than an irritation to civilian and military managers, congressional micro-management reinforces problems within DoD. First, the tremendous demands that the Congress places on the Pentagon to justify in detail every aspect of the defense budget forces the Office of the Secretary of Defense to place too much attention on resource questions. This diverts attention from strategic planning, an area of weakness in DoD. Second, in response to congressional micro-management, OSD places an equivalent emphasis on details that could be better left to the Military Departments.

Micro-management has had an equally perverse impact on the Military Departments, as noted by Theodore Crackel:

The line-item by line-item budgeting embraced by Congress in recent decades has created perverse incentives in the defense acquisition system. By budgeting for a specific weapon, rather than providing funds to accomplish the task or mission for which the weapon is intended, the Services are encouraged to shield marginal programs from scrutiny. The funded weapon amounts to their only solution; to lose it is to lose the money for the mission. As a result, the Services tend to fix and patch whatever problems emerge on that weapon rather than scrap it, try to sell an alternative approach, and obtain approval for new funds. There is little incentive for effective testing; the results can only hurt. Any problems identified by testing threaten both the project and the mission. Congress recently created an independent Office of Test and Evaluation. This, however, treats the symptoms, not the cause, and provides little incentive for better testing. ("Pentagon Management Problems: Congress Shares the Blame", *Heritage Foundation Backgrounder*, January 22, 1985, page 2)

The reasons for micro-management have been discussed earlier. They are worth repeating here: (a) the evolution toward standing subcommittees with specific substantive jurisdiction; (b) the development of an annual budget review process; (c) the quest to control policy through control of details; and (d) the pressure imposed on members of Congress by interest groups (and by staff), and the desire by members of Congress to be responsive to those constituent concerns. While these four factors evolved through the last 30 years, the trend has accelerated with the collapse of the foreign policy consensus which disciplined micro-management in the past.

#### 5. INSUFFICIENT SENATE REVIEW OF PRESIDENTIAL APPOINTMENTS IN DOD

Chapters 3 and 6, which address the Office of the Secretary of Defense and the Military Departments, identify several concerns related to the quality of senior civilian leadership in DoD. Dissatisfaction with the qualifications of nominees must be identified (at least in part) as a problem of congressional oversight. Presidential appointments cannot be made without the advice and consent of the Senate. Even though the candidates have been disappointing, Congress has shown little stomach for fighting the President for candidates of higher caliber. There are two fundamental causes that contribute to a relatively loose congressional attitude toward presidential nominees.

##### a. Different Perceptions of Job Requirements and Qualifications

There are different perceptions of the job requirements and necessary qualifications which accompany specific appointments. This is, in part, the fault of the Congress for not having established the specific responsibilities associated with each appointed position. Even so, there is an understandable tendency in the Senate to assume that the President is, in effect, asking for the qualifications that he thinks are needed in a given position.

##### b. Tendency to Defer to the President

The second cause of an insufficient review of presidential nominations is the basic philosophy within the Senate that (barring some specific cause) the President is entitled to have the pleasure of his appointment, regardless of a Senator's personal opinion on the competence of the nominee. In the 96th and 97th Congresses, the Senate approved 99.1 percent and 99.2 percent of presidential nominations, respectively. In these two Congresses, not a single presidential nominee was rejected by the Senate, and less than 0.05 percent were withdrawn.

## **E. DESCRIPTION OF SOLUTIONS TO PROBLEM AREAS**

### **1. PROBLEM AREA #1—FUNDAMENTAL PROBLEMS WITH CONGRESS THAT AFFECT DEFENSE OVERSIGHT**

The first major problem area encompasses two fundamental problems in Congress itself—the growing hegemony of the budget process in the overall legislative agenda and the blurring of jurisdictions among committees, turning the three stage legislative process into a series of redundant steps. Solutions to these problems go far beyond the issue of improving the quality of defense oversight to the heart of the continuing effectiveness of Congress in general.

Fundamentally, Congress has too much to do and insufficient time to do it. There are two basic solutions to the problem: either skip some stages in the process or do all the steps, but less frequently. The following specific solutions expand on these two basic strategies.

#### **◦ Option 1A—adopt a biennial budget process**

A key option widely advocated is to shift the current budget process from an annual to a biennial cycle. Currently, the Congress reviews the President's annual budget and makes changes only in the pending budget year. Under a biennial budget, the Administration would submit a proposed budget for a two-year period, and the Congress would debate, amend, and eventually approve a two-year budget, authorization, and appropriation.

Many different biennial proposals have been offered by a wide range of proponents. All proposals fit into one of the following three categories:

    Spend the first session of a new Congress adopting a two-year budget and the second session conducting oversight reviews;

    Spend the first session of a new Congress conducting oversight hearings and adopt a budget during the second session based on those hearings; or

    Stretch out the current annual process to cover a two-year period.

Ideally, the entire Federal budget process would be shifted to a two-year cycle. However, it would be possible to shift just the Department of Defense to a biennial budget. Indeed, Congress has already acted on this option to establish a two-year budget for DoD. The fiscal year 1986 defense authorization bill contained a provision (section 1405) directing the President to submit a two-year budget for the Department of Defense and related agencies in Jan-

uary 1987 for fiscal years 1988 and 1989. The Secretary of Defense is directed to submit by April 1, 1986, a study outlining the statutory and procedural changes required to implement the two-year budget.

The provision does not presuppose which of the three categories might be adopted for a new biennial cycle for DoD. Because DoD may be the only Executive Branch department on a two-year cycle, it is likely that the first category would be most appropriate. Also open to question is whether the two-year cycle must include all steps—budgeting, authorizing, and appropriating—or might consist of just the first two.

- Option 1B—consolidate congressional committees

A second solution to the overall problems with Congressional oversight would be to consolidate the number of steps in the process. Since each step is controlled by separate committees, this in effect requires the consolidation of committees.

The form of that consolidation is again subject to dispute, with proponents offering many different combinations. Again, three basic types of recommendations for consolidation have been suggested:

- Consolidate the authorizing and appropriating committees into a single functional committee;

- Combine the Budget and the Appropriations Committees into a single committee that has responsibility primarily for the budgeting stage; or

- Expand the membership of the subcommittees of the Appropriations Committees and give them responsibility for authorizations as well as appropriations.

Obviously those senators and representatives on authorizing committees would favor options 1 and 2 while the members on the Appropriations Committees would disagree and prefer option 3. Members of the Budget Committees would likely oppose option 2. Clearly there is no consensus on which approach to take. The Temporary Select Committee to Study the Senate Committee System chose to ignore recommendations offered by several senators in testimony calling for committee consolidation.

- Option 1C—restructure the Budget Committee membership

One suggestion for solving the problem of the dominance of the budget process is to restructure the Budget Committee so that its membership reflects the leadership of the authorizing and appropriating committees. Members would serve on the Budget Committee because they were chairmen or ranking members on the other committees. This option would not lessen the number of steps in the process. Nor would it reduce the number of committees. It would, however, theoretically integrate the priority setting aspects of the budget process into the normal functioning of the authorizing and appropriating committees. As such, it would, in theory, represent an extension of the authorizing and appropriating processes and committees, and not a separate stage.

- Option 1D—clarify and enforce jurisdictions among committees

The jurisdictional boundaries separating the committees of the Congress have become blurred in recent years. The boundaries have become particularly imprecise between authorizing and appropriating committees. Jurisdictional differentiation between authorizing committees is relatively easy to accomplish through definitions. Differentiation between authorizing and appropriating committees is much more difficult, necessitating functional distinctions. Traditionally those functional distinctions have been honored and have been complementary in producing a final product. Increasingly, they have become competitive. Jurisdictional realignment will come initially through party organizations as they organize the House and Senate for a new Congress. Sustaining the differences will require the ongoing diligence of the committee and party leaders.

## 2. PROBLEM AREA #2—CONGRESSIONAL PROCEDURES REINFORCE DIVISIONS IN DOD

The second major problem area is the inconsistent and contradictory pattern of congressional oversight which reinforces divisions within DoD. Ultimately, consolidation of committees offers the best solution. Absent that, however, there are several alternatives that might be considered.

- Option 2A—complete evolution to mission-oriented subcommittees

As previously discussed, in 1981, the Senate Committee on Armed Services altered its subcommittee structure to improve its focus on defense missions. Three of the six subcommittees were given a mission-orientation. However, only one of these subcommittees—the Subcommittee on Strategic and Theater Nuclear Forces—has a sharp mission focus. The two other subcommittees—Tactical Warfare and Sea Power and Force Projection—have a tendency to focus on forces and individual programs, and not on missions. Further, their jurisdiction is incomplete since they review procurement and research and development programs only. The mission subcommittees do not have jurisdiction over most of the accounts that traditionally contribute to combat readiness.

In addition, the current subcommittee structure does not lend itself to continuing and detailed consideration of broad defense strategy and policy issues. Only the full committee can address such issues, and the time and attention that it can devote to these issues is limited. Similarly, the committee does not have organizational arrangements for conducting investigations.

These shortcomings in the subcommittee structure of the Senate Committee on Armed Services weaken the committee's ability to address fundamental defense issues. To correct shortcomings in the current structure, the subcommittees could be reorganized as follows:

Current Subcommittees	Proposed Subcommittees
1. Strategic and Theater Nuclear Forces	Strategic and Theater Nuclear Forces

Current Subcommittees	Proposed Subcommittees
(Tactical Warfare)	Tactical Warfare and NATO Defense
2. Sea Power and Force Projection	Sea Power and Force Projection and Regional Defense
3. Preparedness	Manpower, Installations and Logistics
4. Manpower and Personnel	
5. Military Construction	
6. Defense Acquisition Policy	Procurement Policy and Technology Base
	Strategy, Policy and Investigations

There would be no change in the jurisdiction of the Strategic and Theater Nuclear Forces Subcommittee. The Tactical Warfare Subcommittee would have the additional responsibility of oversight of NATO defenses, while the Sea Power Subcommittee would assume responsibility for regional defense programs, including the Persian Gulf and Central America. The Manpower, Preparedness and Military Construction subcommittees would be consolidated into a single new subcommittee, though readiness issues directly related to deployed forces would fall subject to the mission subcommittees. The Defense Acquisition Policy Subcommittee would also have responsibility for oversight of defense technology issues. Finally, a Strategy, Policy and Investigations Subcommittee would be created for oversight of broad issues of defense policy.

The impact of this evolution in committee structure would be limited unless both the House and Senate Committees on Armed Services adopt parallel structures. The transition would be modest for the Senate Armed Services Committee though drastic for the House Armed Services Committee which continues to organize subcommittees along the lines of the appropriation categories. On the other hand, the House Armed Services Committee has a standing investigations subcommittee and a *de facto* strategy subcommittee. If different committee structures persist, however, dissonance in congressional oversight will continue.

◦ Option 2B—structure hearings along mission lines

As noted above, the Congress tends to confine its oversight of defense programs within Service appropriation accounts. Hearings tend to focus on each Service's appropriation budget requests, even in the mission subcommittees of the Senate Armed Services Committee. This reinforces the tendency to review the defense program in terms of artificial accounting inputs instead of mission outputs. It also prevents the committees from determining relative priorities among contending missions.

In recent years, the Armed Services Committees have held hearings featuring the testimony of the Commanders-in-Chief (CINC's) of the unified commands. This testimony has been helpful in identifying near-term problems and shortages, but has been of marginal help in determining priorities in the annual budget submission because of the lack of depth of knowledge by the CINC's of the pending budget proposals. The CINC's have largely endorsed without elaboration the Service programs.

This option would expand those hearings, making operational commanders lead witnesses for a larger number of hearings, especially those hearings with a resource review emphasis primarily in the areas of readiness and combat sustainability. In order to accomplish this, the CINC's will need expanded access to and responsibilities in the Planning, Programming, and Budget System (PPBS), a proposal which is discussed in greater detail in Chapter 5 on the Unified and Specified Commands.

- Option 2C—modify budget justification material to reflect missions

Budget justification material submitted by DoD to the Congress follows the appropriation account categories for each of the Services. There is no detailed presentation of justification material along mission account lines, despite the fact that DoD's Planning, Programming and Budgeting System ostensibly develops the annual budget submission within DoD along mission lines.

However, as noted in Chapter 7, the PPB system largely ignores program execution. Current DoD budgeting and management systems tend to operate autonomously. That is, DoD does not routinely link the process that acquires resources with the tools that manage those resources once they are in hand. If the Congress authorizes and appropriates less for systems than was requested, the Defense of Defense will subsequently adjust its fielding plans, though at the time the reductions are made, there is no way to determine the impact of the decision.

The annual budget submission and justification materials could be modified along mission account lines, though a comprehensive change would take some time. Such changes at first would be superficial, rearranging the various accounts under different headings. A more fundamental revision in DoD accounting and management procedures would be required ultimately to facilitate a more direct linkage between policy decisions by Congress with programming and execution actions within DoD.

### 3. PROBLEM AREA # 3—PREDOMINANCE OF ANNUAL REVIEW CYCLE

As noted earlier, the burdens of an annual defense budget process have become too great, both for DoD and the Congress. An annual budget process requires the Defense Department to work on three separate budgets simultaneously—executing the current program, defending the request for the pending budget year, and planning the budget submission for the next year. For its part, Congress has become mired in the details of a massive budget, losing sight of its fundamental responsibilities to provide national level guidance and direction for policies and priorities. Three options have been developed to help overcome this problem.

- Option 3A—establish a biennial budget process

This option is discussed under Problem Area #1 but is listed here as well because of the substantial impact it would have in overcoming the predominance of the annual review cycle.

- Option 3B—establish milestone authorizations for major weapon development

For the procurement of major new weapon systems, the Defense Department follows explicit procedures outlined in DoD directives. Current DoD rules specify a series of major milestones in the life-cycle development of a new system. The acquisition milestones focus on key program development phases such as concept development, demonstration and evaluation, full-scale development, and production go-ahead. At the start of each of these phases, the Defense Systems Acquisition Review Council (DSARC) meets to evaluate the promise of a system in meeting its documented requirements. Each DSARC phase represents a major milestone in the development cycle of a new system. (The DSARC process changes somewhat with the particular emphasis of each Administration.)

The Congress has no similar explicit review process. Instead each program is evaluated each year whether it is troubled or trouble free. The average weapon system requires 8 to 10 years of development before production begins. Systems will stay in production from 10 to 15 years. Annual authorizations in this broad context make little sense.

The current process of annual reviews reinforces the tendency to focus on accounting considerations rather than policy issues. It also tends to prolong the period of contentiousness over a program, with advocates and opponents alike struggling from year to year, debating the future of the system.

In its place the Congress could choose to establish an explicit procedure to authorize milestones in the life of a system, paralleling the process currently used by DoD. At each milestone, the Defense Department would provide a cost and performance baseline that would carry the program to its next milestone (for example, from demonstration to full-scale development). If the Congress authorizes that milestone the defense managers would be free to continue the program, unless costs or performance deviate (by some preset percentage) from the baseline provided at the time of authorization, until its next natural milestone. If a program deviated from its cost or performance baseline, Congress would review the program in a traditional oversight manner.

- Option 3C—require budget submissions to conform to the congressional budget resolution

The current congressional budget process requires Congress to set mandatory ceilings for the budget year and targets for the following two years. The President is free, however, to submit the next year any proposal he may choose. Presidents have traditionally submitted optimistic five-year defense spending plans.

Unrealistic long-term plans pose serious problems because they tend to distort near-term decisions. Overly optimistic projections of resources permit the start of more programs than can be afforded over the long run. They also permit DoD to carry forward marginal

programs rather than terminate them, because everything appears "affordable" by the end of the five-year plan. Finally, it tends to reinforce the inefficiencies of annual budget reviews, since only the budget year represents a serious budget proposal.

The Congress could require the President to submit a five-year budget that conforms to the outyear spending targets contained in the previous congressional budget resolution. The President would be free to submit a request for funds in addition to the amount contained in the budget resolution, which would be considered simultaneously with the budget request.

#### 4. PROBLEM AREA # 4—CONGRESSIONAL MICRO-MANAGEMENT OF DEFENSE DEPARTMENT

Micro-management is a particularly difficult problem to address because it requires a steady plan to reverse the trends of the past 25 years. At the core is the need to restore the pattern of trust and consensus that prevailed through the 1950's and 1960's. Any recommendation for mechanical changes to reduce micro-management will be at best a secondary solution until the underlying consensus can be restored. There are, however, a few mechanical changes that could help reduce micro-management.

##### ◦ Option 4A—"package" authorizations

Less than 100 major systems in procurement account for approximately half of all expenditures for procurement. There are over 1,800 individual line entries in the procurement accounts, however. The bulk of the annual revisions to the budget request are in these small programs. This creates several specific problems. First, changes can be made in individual programs which create imbalances in other programs. For example, the Congress may increase the number of tanks over the budget request, but reduce the number of trucks required to support tanks. Presumably the Services submit balanced acquisition programs. Changes in the large number of line entries can distort that balanced acquisition program.

More fundamentally, however, Congress has become trapped in trivia, authorizing shop vans, five ton trucks, munitions lift trailers, and so forth, instead of keeping a focus on major policy issues and national priorities.

One solution to this problem, suggested by General M.R. Thurmond, Vice Chief of Staff of the Army, is to develop authorization packages, instead of individual line items. Under this approach, all of the major items required to support a fielded tank would be brought together into a package and authorized as a package. Instead of authorizing a tank and 29 different items required to support that tank, Congress could authorize a single package that had 30 separate elements. If Congress chose to add 120 tanks, it would also add 120 tank packages. Binding programs together into these packages would help avoid the distortions that come from micro-management and would help Congress disengage from a preoccupation with trivial details.

##### ◦ Option 4B—consolidate research and development accounts

During the last ten years, the number of individual line items in the research and development appropriations has multiplied. Today there are over 900 individual program elements and multiple projects within each program element.

The hundreds of line items and multiple projects encourage the very micro-management by the Congress that DoD decries. More importantly, this proliferation diverts attention from more fundamental problems: the need to establish criteria for evaluating the progress of R&D activities, and the need to assign priorities for research and development efforts across mission areas and among promising technologies.

The Congress could direct that DoD consolidate the number of separate program elements and convert the justification material from a description of funding inputs to a description of goals set for the project and the progress expected in meeting those goals. The current justification material is broadly descriptive and offers little indication of the role the R&D activity plays in meeting some specifically determined defense objective. Ultimately the Congress should be able to authorize an objective and the baseline program required to attain the objective patterned after the milestone authorizations noted above.

- Option 4C—increase discipline by congressional leaders

A third option for dealing with micro-management is not at all mechanical. A consistent effort by defense leaders in the Congress to resist micro-management cannot be legislated but would have substantial impact in reversing the trend toward micro-management. It is often said that organizations do well those things the boss checks. If the boss places priority on minimizing micro-management, the staff will follow that lead.

Logically this should carry over to the floor debate on defense. In recent years, the number of floor amendments to authorization bills has escalated. This poses a dilemma for the floor managers. Fighting superfluous amendments would prolong the debate and add to its contentiousness. It is much easier to modify amendments to make them relatively benign and accept them on the floor, rather than fight them. This establishes a pattern, however, of yielding to almost any member's wishes for the sake of expediency in securing adoption of the bill. If the desire to curtail micro-management is sufficient, the leaders will have to bring discipline to the floor debate and oppose a much larger number of amendments.

#### 5. PROBLEM AREA # 5—INSUFFICIENT SENATE REVIEW OF PRESIDENTIAL APPOINTMENTS IN DOD

To the extent that the Congress believes that improvements are required in this area, it has the tools to fix the problem.

- Option 5A—reduce the number of presidential appointive positions

This option would permit the Senate Armed Services Committee and the Senate to focus on fewer nominations which would be the most senior in the Department of Defense. However, this solution offers, by itself, little potential for correcting the problems of poorly qualified political appointees in DoD. Only if the Senate

makes its standards for appointments more rigorous will the quality of DoD appointees improve.

- Option 5B—vest powers of appointment in persons other than President

This option focuses on a basic cause of the problem of inexperienced political appointments in DoD, which is the failure of the White House to give defense management credentials sufficient emphasis in the selection of nominees for appointive positions. By vesting powers of appointment in persons other than the President, it is likely that the defense management credentials of nominees would receive greater attention and that other factors would receive less emphasis.

- Option 5C—establish more rigorous standards for congressional approval of presidential appointees

Absent legislative changes, the Senate Committee on Armed Services and the Senate as a whole could simply alter its practice of nearly routine confirmation of Presidential nominees. This is at once the easiest and the most difficult option to pursue. It would require no statutory changes or any significant changes in procedures. However, it would pose serious difficulties because of the generally held view among Senators that Presidents deserve to have a staff of their own choosing.

## F. VALUATION OF ALTERNATIVE SOLUTIONS

This section evaluates the specific options for reforming the pattern of congressional oversight of the Department of Defense that were set forth in Section E. These options are not compared with each other or ranked in any way. Rather, this section seeks to delineate in an objective manner the advantages and disadvantages of each alternative solution. The options are identified by the same number and letter combination that was used in the preceding section.

### 1. OPTIONS FOR DEALING WITH FUNDAMENTAL PROBLEMS IN CONGRESS THAT AFFECT DEFENSE OVERSIGHT

The first problem area concerned broad scale problems in Congress that go beyond the issue of congressional oversight of DoD. As such, the prospect of implementing these options is substantially more problematical than for those options that are subject to the action of the Senate Armed Services Committee alone.

- Option 1A—adopt a biennial budget process

A biennial budget process offers tremendous promise of long-term benefits. A biennial budget would foster greater stability in the planning process and minimize the number of disruptive reviews for programs. It would ease the burden now created by an annual cycle on senior DoD managers who spend tremendous amounts of time preparing annual budget submissions, preparing and delivering testimony, and responding to official inquiries. More important for the Congress, a biennial cycle would allow greater efforts to be directed at the broad questions of national strategy and policy oversight. Currently, all oversight must be accomplished

during the budget review, which has become mired in a mass of programmatic trivia.

On the negative side, while there is broad agreement on the desirability of a two-year budget process, there is little agreement on the specific type of two year cycle to be adopted. The different basic strategies noted in Section E reflect fundamental differences in the perspective of the sponsors, determined largely by the committees on which they presently serve.

Beyond these fundamental philosophical differences, there are persistent technical problems that affect all schemes for biennial budgeting. How would the system adjust to significant changes in the economy without reopening the substantive debate over spending priorities? This is potentially a very serious problem if only DoD shifts to a two-year cycle while the rest of the budget is on an annual cycle. Any major changes in the economy might place substantial pressure to reopen the second year in the defense two-year budget.

Second, in which year should deliberations take place and the budget begin? If the debate occurred in odd-numbered years, members of Congress would be forced to run for reelection on the basis of budget compromises set more than a year before the election. The sharp economic swings of the past three years highlight the perils of that approach. Were the deliberations to take place in even-numbered years, however, newly elected Presidents would have to wait nearly three years to implement new policy initiatives. Since either situation would likely be unacceptable, supplemental budgets would be necessary and could quickly evolve into an annual budget review, negating the purpose of the shift to a biennial budget.

◦ Option 1B—consolidate congressional committees

Consolidating the number of committees that have jurisdictional oversight over the Department of Defense is perhaps the only sure formula for reducing redundancy. As Senator Nunn said before the Temporary Select Committee to Study the Senate Committee System, "Three different Committees in each House should not be doing essentially the same thing. Some consolidation of the tasks currently being performed repetitively by these three Committees must be given serious assessment."

Fewer committees would result in fewer steps in the process, which would not only reduce redundancy but lower the total time required by the House and Senate to review the budget request. Fewer committees would also result in fewer staff members to review DoD programs and generate work for the Department. Some critics charge that the primary reason Congress has turned toward micro-management is because the professional staff working for the Congress has opened these areas. Once opened, the mass of detail leads Senators and Representatives to argue for more staff to cope with the job requirements, continuing on in a deteriorating spiral.

Finally, fewer committees would reduce the inconsistency inherent in current Congressional oversight. Each committee brings a different perspective to problems because of the different traditions

and priorities of the Members. Fewer committees would result in fewer inconsistencies in congressional oversight.

The primary negative argument against this option is its political implausibility. Consolidating committees is a euphemism for stripping power from some committees (and their members) and giving power to other committees. Who becomes the "consolidator" and who the "consolidatee" is a subject of little agreement in either the Senate or the House. As the Georgetown CSIS Defense Organization Project stated in its final report, "Despite the attractiveness of such a committee consolidation, we judge that under current circumstances the political obstacles to its implementation are insurmountable." (pages 35-36) While several Senators suggested in testimony before the Temporary Select Committee to Study the Senate Committee System that consolidation should be considered, the Committee avoided the subject entirely in its report.

◦ Option 1C—restructure the Budget Committee membership

Under this option, the budget committee members would be drawn from the chairmen and ranking members of the other committees. As such, the budget committee, and the budget process, could become extensions of the authorizing committees, rather than a separate step in a three-stage process.

The primary advantage of this option is that it would provide a more structured method for formulating a political consensus on budget priorities than currently exists. Presently the Budget Committee (especially in the Senate) builds packages through informal consultation with the committee chairmen and ranking members. This option would make this informal arrangement explicit and open. It would also permit committee chairmen to gauge more accurately earlier in the session the likely range of possible spending targets, permitting a more orderly mark-up process within the committee and bills more acceptable to the full Senate. During each of the last three years, the Senate Armed Services Committee has had to modify its recommendations because the Senate was unwilling to accept the levels proposed in the defense authorization bill in light of compromises reached in the budget process. Making the chairman a part of the budget committee would ease this uncertainty.

The primary problem with this option is that it proposes a mechanical solution to what is essentially a non-mechanical problem. The budget process has come to dominate the legislative agenda primarily for three reasons. First, the President chose to use the budget process in 1981 to launch his legislative agenda. He was successful in that effort and has made the budget process a central focus of the Administration's agenda ever since. The budget is now a prominent focus for partisan politics. Second, the budget dominates the Congress because there is so little consensus in the country over spending priorities, and Congress accurately reflects that lack of consensus. Establishing a budget in any fiscal year involves wrenching conflict and compromise among important priorities. In the absence of clear agreement in the country on those priorities, Congress will have difficulty reaching swift agreement. Third, the massive deficits insure that the budget battle will be fought each year. In the face of these powerful forces, this option to restructure

the Budget Committee membership represents a superficial change that fails to come to grips with the fundamental problems that have been identified in congressional oversight.

- Option 1D—clarify and enforce jurisdictions between committees

Clarifying the jurisdictional confusion among committees will provide much clearer guidance from the Congress and should measurably contribute to better strategic guidance within DoD. The current process lends itself to confusion and inconsistent oversight as committees compete for jurisdiction, reverse the recommendations of other committees, and dilute a clear perspective of national intent and policy.

There are no disadvantages to this option. Achieving it, however, may prove difficult. The problem is not one of unclear definitions or boundaries but of inconsistent efforts to police transgressions. Congress as an institution operates on consensus and compromise. Guarding jurisdiction “turf” is difficult, because it requires continuing attention and confrontation which may tax the pattern of trust and accommodation that must prevail in a legislative body like the Senate.

## 2. OPTIONS FOR DEALING WITH THE PROBLEM THAT CONGRESSIONAL PROCEDURES REINFORCE DIVISIONS IN DOD

- Option 2A—complete evolution to mission-oriented subcommittees

Under this option, the Armed Services Committees would restructure their subcommittees to follow the primary missions of the Department of Defense, rather than to continue to review programs along appropriation account lines.

There are several advantages to this option. It would help shift the perspective away from artificial accounting inputs toward defense outputs. So long as the Congress reviews the DoD budget along appropriation account lines, it will fail to develop an integrated plan. Mission integration has been a primary shortcoming in DoD. If the Congress places a priority on mission integration, OSD and the Services will respond by giving it greater attention as well.

There are disadvantages to such an option, however. The Appropriations Committees prefer the present input-oriented categories because it is easier to control them, and changes in them, over time. The Appropriations Committees, especially in the House, presume a fiduciary responsibility to the public over appropriations, and as such operate with an “accounting” mentality. This frame of reference places a premium on stable definitions and accounts. It is much preferable with this perspective for the Congress to determine those definitions on the input side than it is to permit DoD to determine the categories on the output side.

It could also be argued that having different structures—a mission-oriented approach in one committee and an input appropriation-oriented approach in the other—improves the quality of oversight in the Congress. Retaining the two different approaches would combine the strengths of both. Uncertainty and confusion at the staff level is the price paid for different subcommittee orienta-

tions by different committees. But that uncertainty and confusion is manageable, as has been demonstrated during the last four years.

◦ Option 2B—structure hearings along mission lines

Under this option, hearings on the defense budget would be structured along mission lines rather than along appropriation account lines for each of the Services.

This option is logically related to Option 2A which would organize the subcommittees along mission lines. As such, it would continue the effort to shift the focus away from inputs toward outputs. This approach would be especially valuable in the area of readiness and sustainability. These areas are traditionally neglected because the advocates for those areas—primarily the operational commanders-in-chief—do not traditionally testify on the details of the budget submissions. The primary testimony is given by the senior Service managers who are primarily oriented toward modernization rather than toward readiness.

There is a limit, however, to the value of the testimony of operational commanders in the area of procurement of new weapon systems, for example. The operational CINC's should lead on issues of current operations and the capabilities and problems of standing forces. They cannot be expected to be responsible for future systems. Here the emphasis could be placed on expanded joint hearings along mission lines. Instead of a hearing on tactical aircraft modernization in the Air Force and ground forces modernization in the Army, hearings could emphasize joint mission activities, such as "Combined Arms Operations and Close Air Support". These hearings would be more useful in helping the committees determine problems and progress in meeting mission requirements and would aid in determining priorities among contending activities.

◦ Option 2C—modify budget justification material to reflect missions

This option too is related to the two previous options in this section in that it is required to complement the shift away from artificial accounting inputs to mission outputs.

There would be substantial advantages to an improved ability to relate resource decisions to mission outputs. For example, if the Congress wished to add \$10 billion over three years to improve U.S. capabilities for reinforcing NATO, Congress can do so only indirectly by increasing funding in certain categories, while providing instructions to DoD to apply those increases according to certain criteria. There is no way to know where the most effective investments could be made. And there is no way to insure that the funds will actually go to the intended purpose. Congress could add funds to increase the stockage level of war stocks in Europe, for example, but the Army could just as easily subsequently redirect those additional items of equipment to U.S.-based units.

A revised system linking resource decisions to program implementation would help overcome this shortcoming. Underlying this change would be an improvement in the PPB system that would focus on program execution. These changes could be beneficial to all of DoD, but they would help move Congress away from micro-

management of individual items toward broad issues of policy direction.

There are significant problems associated with presenting justification material along mission account lines. How, for example, would we treat procurement of fighters, which can be used either in continental air defense (which would be subject to the Strategic Subcommittee), in a conventional war in Europe (falling subject to the jurisdiction of the Tactical Warfare and NATO Defense Subcommittee), or in third-world contingencies (subject to the jurisdiction of the Sea Power, Force Projection and Regional Defense Subcommittee)?

Decision rules can certainly be constructed to deal with the problem, but they would be arbitrary at best. It should be noted, however, that DoD builds the budget annually along these mission lines, so the task is certainly not impossible.

### 3. OPTIONS FOR DEALING WITH THE PROBLEM OF THE PREDOMINANCE OF ANNUAL REVIEW CYCLES

#### ◦ Option 3A —establish a biennial budget process

A biennial budget process would obviously alleviate the problems caused by annual review cycles. However, this option is already described and evaluated as Option 1A in sections D and E.

#### ◦ Option 3B —establish milestone authorizations for major weapon development

Under this option, Congress would authorize milestones in the life of a system rather than one year's activity in the life of that system. Once a program successfully accomplishes one stage—e.g., concept development—the Congress would then authorize the Service to proceed entirely with the next stage—full scale development in this case. If the Congress authorizes that milestone, the defense managers would be free to continue the program, unless costs or performance deviate (by some preset percentage) from the baseline provided at the time of authorization, until its next natural milestone. Once a program is authorized to begin procurement, milestone authorization naturally would extend to multi-year procurement.

This option holds tremendous potential. The Congress would be free from having to review every system every year, and could focus instead on the key programmatic and policy issues before the Congress that year. Program managers could count on stable programs so long as they remain on cost and meet their performance objectives. The Congress would get out of the business of micro-management, except when major programs are in trouble, where oversight is appropriate and warranted.

Milestone authorizations would also help focus debate on major systems and bring that debate to a conclusion, rather than have it stretched out for years. Currently, troubled systems are debated year after year, often during both the authorization and the appropriation stages. This system would help overcome the need to reopen debate.

There are additional benefits that accrue from this alternative. Under the current system of annual authorizations, the Congress is pressured to make adjustments in programs because of the limited

time perspective, which would not be the case with a longer time perspective. For example, minor problems in the early stages of testing are frequently blown entirely out of proportion. During the first years of production on the M1 tank, every little problem was cited as reason to terminate the program. In retrospect, the M1 tank program was a significant success story. Its progress was unnecessarily disrupted because of annual reviews. A system of milestone authorizations would help overcome this problem. If a program were authorized to proceed to its next milestone, unless its cost grows unacceptably or its performance falls consistently short of expectations, minor problems would be kept in perspective and Congress could reject the demands of the perennial critics to disturb a program based on a single test.

There are three problems with milestone authorizations. First, milestone authorizations would still be subject to the perverse effects of unrealistic long-term budgeting in DoD. If DoD insists on budgeting to unrealistically high targets in the future, milestone authorizations would not necessarily protect programs from pressure within DoD. Indeed, the primary source of program stretch-outs during the past four years has been the Defense Department and not Capitol Hill. Milestone authorizations would certainly be better than annual programs, but they could still fall victim to unrealistic long-term budgeting.

Second, as larger portions of the procurement and R&D accounts would come under milestone authorizations, greater pressure would fall on programs not under those procedures if budget reductions had to be made. Long-term authorizations would limit the flexibility of the Military Departments to make annual adjustments. As is the case with multi-year contracts, budget reductions become concentrated in areas that are not covered by the milestone authorizations. The difficulty this could pose for those programs not covered under milestone authorizations could become so great that the Services would trade away program stability in order to preserve budgeting flexibility.

Third, some have argued that milestone authorizations would delay progress on programs, forcing program managers to wait until Congress has authorized the next stage. This is a specious argument, since under current practice a program manager cannot proceed to the next stage until provided the funds to do so. As such, this system would have the same effect as the current system of annual authorizations in this regard.

- Option 3C—require budget submissions to conform to the congressional budget resolution

This option would require the President to confirm his annual budget submission to the targets specified the previous year in the congressional budget resolution. The President would be free to submit a request for funds in addition to the amount contained in the budget resolution, which would be considered simultaneously with the budget request.

This would help to reduce the artificiality of long-term spending horizons and introduce near-term discipline in budget-making. It would also help discipline the Congress to live up to the budget commitments made in the previous year. Recently the Congress

has demanded lower levels for defense spending than were agreed to in the previous year's budget resolution. This process would not preclude the Congress from renegeing on its plans, but it would reduce the contentiousness that accompanies the annual budget submission and would provide a basis for the Administration to justify its submission and call on the Congress to acknowledge the requirement for long-term commitments in the area of national security.

The disadvantage of this approach is that the President should be free to submit whatever he believes is required to meet defense requirements. Under current practice, the "out-years" of the First Concurrent Resolution for national defense are set entirely on the basis of artificial assumptions and political requirements, and not on the basis of defense requirements.

It should be acknowledged that the out-years of the Five Year Defense Plan are usually set in the aggregate and not constructed from the bottom up looking at requirements. At the start of its first term, the Administration pledged to increase the defense budget by 7 percent real growth without knowing whether that was sufficient or executable. As such, this option would merely bring the Administration and the Congress together in setting out-year goals.

#### 4. OPTIONS FOR DEALING WITH THE PROBLEM OF CONGRESSIONAL MICRO-MANAGEMENT OF DEFENSE DEPARTMENT

##### ◦ Option 4A—"package" authorizations

The purpose of this option is to reduce the number of items authorized by the Congress by packaging together those items required to support major systems. Instead of separately authorizing a tank and the 29 different items required to support that tank, Congress could authorize a single package that has 30 separate elements. If Congress chose to add 120 tanks, it would also add 120 tank packages.

Under this approach, the procurement programs would be kept in balance and incremental changes would be tied to realistic requirements. More specifically, the Congress would shift away from excessive detail and more toward the fundamental issues that should guide our procurement plans and priorities.

At this time, the Services lack the management tools to bring together disparate procurement programs into defendable "packages" for authorization. And there would be difficult transition problems since some programs would be ending while others were just beginning. Consequently, some items for the existing stock of deployed equipment would have to be procured outside of packages. The Services would also likely resist this "package" concept since it would show the full cost of a weapon system and give greater ammunition to critics of the system.

##### ◦ Option 4B—consolidate research and development accounts

The primary advantage of this option is to reduce the proliferation of research and development categories to minimize their exposure to micro-management. This is also primarily the objection to this option since the Congress has tended to focus its revisions more intensively in R&D than in other accounts. It is widely be-

lieved in the Congress that once a program has entered full scale development, it is virtually impossible to make any meaningful changes. Consolidating R&D accounts may help, but there would be nothing to stop the Congress from going into the accounts and making changes in individual projects, as is currently the case.

- Option 4C—discipline by congressional leaders

This is judged to be the only truly effective solution to the micro-management program. Micro-management occurs because House and Senate leaders permit it to occur. These leaders increasingly accept amendments on the floor of the House and the Senate to avoid holding up passage of the defense authorization bill. Accepting these amendments not only contributes to micro-management but fosters additional efforts in subsequent years as well. Staffs feed this pattern of micro-management because it suits the interests of their employers. If congressional leaders placed primary emphasis on avoiding micro-management, the staffs would follow suit. Organizations do well those things the boss checks.

There is no apparent disadvantage to this option. The primary problem with it is its difficulty in implementation. As noted above, the Congress as an organization operates on the basis of compromise and conciliation. Fighting micro-management requires confrontation. Since most instances of micro-management do involve a genuine problem (the question is not that a problem exists but whether the Congress, as opposed to the Military Departments or DoD, ought to be dwelling on the problem), congressional leaders are placed in the difficult position of arguing against an amendment to deal with a problem.

## 5. OPTIONS FOR DEALING WITH THE PROBLEM OF INSUFFICIENT REVIEW OF PRESIDENTIAL APPOINTMENTS IN DoD

- Option 5A—reduce the number of presidential appointive positions

This option treats the symptoms and not the cause.

- Option 5B—vest powers of appointment in persons other than the President

The purpose of this option is to remove senior management positions from political pressures by giving the power to make those appointments to those individuals who will be judged for the success they have in accomplishing their missions. It is believed that those individuals who are going to spend the next four years in DoD and will be judged by their success in managing the Department will want to place a greater emphasis on defense management credentials than nominations made by the White House which naturally reflect a significant political dimension.

On the negative side, this option would lessen powers of the President that have been exercised for a considerable period of time. Also, a decision to vest powers of appointment in individuals other than the President would require the concurrence of the House of Representatives and the signature of the President or a subsequent vote to override his veto. This may be difficult to achieve.

- Option 5C—establish more rigorous standards for congressional approval of presidential appointees

This alternative is at once the best and the most difficult one to implement because it is essentially political in nature. Presidential appointments represent presidential commitments, and the President's party is almost always obligated to support the President. Alternatively, a decision to reject a candidate's appointment on a bipartisan basis could have a significant impact in encouraging the President to seek more competent candidates to avoid the embarrassment of a second rejection.

## G. CONCLUSIONS AND RECOMMENDATIONS

This section presents the conclusions and recommendations of this chapter concerning congressional review and oversight. The conclusions result from the analyses presented in Section C (Key Trends) and Section D (Problem Areas and Causes). The recommendations are based on the more promising options evaluated in Section F (Evaluation of Alternative Solutions).

### Conclusions

1. Efforts to reorganize the Department of Defense will prove imperfect unless accompanied by changes in congressional review and oversight of the defense program.
2. The congressional budget process dominates the legislative agenda and has distorted defense oversight.
3. Annual congressional review cycles of DoD's budget submission have become counterproductive and inhibit coherent oversight.

### Recommendations

- 3A. Adopt a biennial budget process.
- 3B. Establish milestone authorizations for major acquisitions.

**Conclusions**

4. The Congress has trivialized its responsibilities through micro-management of DoD; the Congress no longer focuses on fundamental issues of strategy and national priority.
  
5. The Congress reinforces the flaws inherent in current DoD organizations and procedures; the Congress dwells on material inputs, not mission outputs.

**Recommendations**

- 4A. Have congressional leaders place increased emphasis on avoiding micro-management of DoD.
- 4B. Consolidate individual line items into force "packages" and authorize packages.  
(A biennial budget process, while not solving micro-management directly, would help shift the fundamental focus of the Congress by deemphasizing annual budgets and reemphasizing traditional oversight.)
- 5A. Complete the evolution to mission-oriented subcommittees.
- 5B. Structure hearings along lines of defense missions, not appropriation accounts.
- 5C. Modify budget justification material to reflect defense missions.