

ENSURING SECURITY IN AN UNPREDICTABLE WORLD

# PROJECT ON NATIONAL SECURITY REFORM

JULY 2008

PRELIMINARY FINDINGS



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STUDY OF THE PRESIDENCY



TRANSFORMING GOVERNMENT  
FOR THE 21ST CENTURY

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WORLD:  
THE URGENT NEED FOR  
NATIONAL SECURITY REFORM

**This report has been approved by the following  
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## **ABOUT THE PROJECT ON NATIONAL SECURITY REFORM**

The non-partisan Project on National Security Reform (PNSR) was established to assist the nation in identifying and implementing the kind of comprehensive reform that the government urgently needs. A key component of PNSR's work has been a thorough analysis of current problems; PNSR's working groups have conducted 37 major case studies and 63 mini case studies. Ten analytic working groups have examined different aspects of the national security system and are developing recommendations for addressing problems within their respective domains. Three additional groups will take the products from the main analytic working groups and work with the executive branch and Congress to develop mechanisms for reform, draft legislative proposals and executive orders, develop suggested amendments to House and Senate rules, and assist in the implementation of reforms.

The project is led by James R. Locher III, a principal architect of the Goldwater-Nichols Act that modernized the joint military system, and sponsored by the Center for the Study of the Presidency, which is led by Ambassador David Abshire. PNSR's Guiding Coalition, comprised of distinguished Americans with extensive service in the public and private sectors, sets strategic direction for the project. PNSR works closely with Congress, executive departments and agencies, nonprofit public policy organizations, universities, industry, and private foundations.



## **ABOUT THE CENTER FOR THE STUDY OF THE PRESIDENCY**

The Center for the Study of the Presidency (CSP), founded in 1965, is a non-partisan, non-profit organization that provides an institutional memory of and for the U.S. presidency in a changing world. The center is the only organization that systematically examines past successes and failures of the presidency and relates its findings to present challenges and opportunities. By highlighting past presidential successes and failures, the center seeks to offer wisdom to current and future presidents, their staffs, Congress, and to students and journalists studying the presidency. Today, both the executive and legislative branches are highly compartmentalized, and this is the enemy of strategic thinking, action, and the best use of resources. In addition, the nation is polarized even though public opinion polls show a desire to break these barriers and face our nation's real public policy issues. Lessons learned from past American experiences offer insights on how best to deal with these challenges. The center organizes conferences, working groups, and publications to preserve the presidential memory; examines current organizational problems through an historical lens; and nurtures future leaders.

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The leadership of the Project on National Security Reform thanks the following departments, agencies, associations, and firms for their assistance with the project. Although project leadership has attempted to include all contributing organizations on this list, they apologize if any have been inadvertently omitted.

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**The Project is also informed by the experience and expertise of private citizens, including:** a former secretary of the army and congressman from Virginia; a former under secretary for preparedness, Department of Homeland Security (DHS); a former director for combating terrorism, National Security Council; a former director for state and local government coordination, DHS; a former director of military support, U.S. Army; a former commander, Atlantic Area, U.S. Coast Guard; a former director of preparedness programs, DHS; a former chief of procurement, DHS; a former deputy inspector general for Iraq reconstruction; former ambassadors to foreign nations and multilateral entities; and former assistant secretaries of defense.



## FOREWORD

The complex, rapid-paced security environment of the 21<sup>st</sup> Century has fully exposed the national security system's antiquated, inadequate organization. The gap between the system's capacity and the demands being placed upon it is widening. The terrorist attacks of September 11, troubled nation-building operations in Iraq and Afghanistan, and inadequate response to the devastation of Hurricane Katrina are only the latest of a series of setbacks in complex multiagency operations.

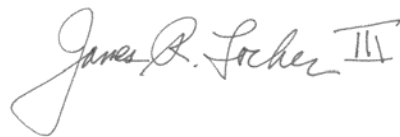
These deficiencies are not the result of a lack of talent or commitment by national security professionals in the U.S. government; they are working incredibly hard and with unsurpassed dedication. Much of their hard work, however, is wasted by a dysfunctional system.

The Project on National Security Reform (PNSR) – a bipartisan, private-public partnership sponsored by the Center for the Study of the Presidency – seeks to identify needed changes in the national security system (covering both international and homeland security). PNSR's goal is approval of a new system early in the next administration. It envisions three sets of reforms: new presidential directives or executive orders, a new national security act, and amendments to Senate and House rules.

Initiated in September 2006, PNSR has engaged more than 300 national security experts from the private sector and government departments in 13 working groups. It has prepared 100 case studies of interagency operations since 1947, analyzed 20 major constitutional and legal issues, and rigorously studied the system's organizational problems, their causes, and their consequences. This report presents early results of PNSR's comprehensive research and analysis. A final report in October will provide more detailed analyses of the problems and causes, identify alternative solutions, and offer an integrated set of recommendations.

One theme certain to emerge is the need for improved collaboration on security matters—among nations; branches of the U.S. government; executive departments and agencies; and federal, state, and local entities. In this spirit, PNSR has a highly collaborative, fully transparent effort underway. This report—presenting preliminary findings subject to further analysis and refinement—is an extension of that approach. PNSR seeks to use this report as a vehicle for soliciting input from the broadest possible audience. My PNSR colleagues and I look forward to commentary and ideas from those with perspectives and experiences on the performance of the national security system.

I express my appreciation for the several hundred professionals and 120 organizations—many participating *pro bono*—who have directly contributed to this report, to an equal number who have supported PNSR, and to the thousands of government personnel who have encouraged this historic endeavor. There is an urgent need for a profound transformation of the national security system. PNSR is committed to providing the nation's leaders the insights and ideas to power that transformation.

A handwritten signature in dark ink, reading "James R. Locher III". The signature is fluid and cursive, with the "III" written as a distinct, stylized mark at the end.

James R. Locher III  
Executive Director



# PROJECT ON NATIONAL SECURITY REFORM

## PRELIMINARY FINDINGS

JULY 2008

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# EXECUTIVE SUMMARY

Shortly after taking office in 1945, President Harry S Truman, motivated by his experiences during World War II, launched an effort that ultimately produced the National Security Act of 1947. This act erected the modern national security system—unifying the military under a single department; establishing the first peacetime intelligence organization, the Central Intelligence Agency; and creating the National Security Council, with the president and the secretaries of state and defense as its core members.

The way different parts of the national security system worked together was largely a product of the managerial style of each president. Different presidents have frequently rearranged these relationships. From the National Security Council Report 68 (NSC/68) concept of an institutionalized “policy book,” to Eisenhower’s “Policy Hill,” to Kennedy’s Executive Committee, to Johnson’s Tuesday lunches, to George H.W. Bush’s Principals and Deputies Committees, to Clinton’s creation of a National Economic Council and George W. Bush’s establishment of a Homeland Security Council, each president and his national security advisor have tailored processes for managing the national security system and its demands.



Japanese bombing of the USS Shaw at Pearl Harbor, December 1941. © Getty Images

This system was not as flexible and adaptive as it seemed. While presidents had great leeway in issuing directives, articulating policy priorities, and establishing processes, they only infrequently sought to change the bureaucracies themselves or significantly alter the outputs these bureaucracies were expected to produce. As a result, individual departments generally carried out the parts of policies directed by the president in their primary areas of responsibility but did not work together on tasks that involved shared responsibilities. In Vietnam, for many years, there was little cooperation between military and civil programs in the field; independent departmental action was more the norm than the exception in the Reagan administration. The Panama invasion to arrest its president during the George H.W. Bush administration did not involve the State Department until it was over; interdepartmental action in Haiti during the Clinton administration was slow and ineffective.

The only central staff that spanned the whole system was the National Security Council staff, a small entity that was remade with each administration, if not more often. Envisioned as a body that would coordinate activities between departments and agencies, the National Security Council staff quickly became staff to the president. Although the staff could bypass the national security bureaucracy to accomplish specific projects, it has proven incapable of enforcing integrated action by departments and agencies.

Although they had some inherent weaknesses in this system, as manifested by President Kennedy's failed Bay of Pigs invasion, President Johnson's difficulties in orchestrating national efforts during the Vietnam War, President Carter's challenges dealing with the Iranian Revolution, and President Reagan's Iran-Contra affair, the initial security arrangements worked reasonably well during the Cold War. Departments built capabilities and performed functions that changed little, and each president sought and received advice in ways that he believed would facilitate his decision making. This approach permitted the country to address those security threats of highest priority—challenges that could be counterbalanced and contained by military power, alliance diplomacy, and intelligence focus on a single country.

Sixty years later, the nation's security challenges have changed dramatically. The world for which the national security system was created no longer exists. Instead, the world is marked by:

- A rise of new players and a geopolitical shift away from the Cold War focal point of Europe
- The emergence of the 24/7 news cycle generated by an ever-expanding number and diversity of information sources
- The emergence of new non-state actors, down to the level of individuals, empowered by technology and capable of exerting global influence, diminishing the power of the state, and inflicting strategic damage
- Weak and failing states
- Growing social, economic, demographic, and cultural divides that foster radicalism and alienation and are expressed in forms of terrorist violence or organized crime, both of which can now cross borders as readily as pop culture
- Unfamiliar conflict situations, characterized not just by intra-state focus, but also by unconventional and asymmetric dynamics, diverse participants, and extreme brutality
- Growth of new sources of ideological, secular, and religious authority that give rise to a wider range of sub-national identity choices and potentially create or exacerbate existing community tensions and conflicts
- Proliferation of unconventional weapons technology, both in the classic state-based form but also in terms of potential acquisition and use by non-state actors
- Emergence of offensive space capabilities that threaten satellite systems
- A resurgence of competition for natural resources spurred by heightened energy and environmental uncertainties
- Unprecedented pressures on the environment, food supply, and global health systems

- Significant population movements resulting in social dislocation and ethnic and cultural tensions
- Evolving interdependencies that require not just the maintenance of traditional alliances but a capability to forge situational coalitions

While each of these features is difficult to manage in its own right, they also interact. This convergence produces challenges that constantly morph into new combinations, creating complex and novel problems.

The current national security system is not equipped to address new, complex challenges successfully. Among its most glaring shortcomings in addressing the problems posed by a more complex and unpredictable world are the following:

- Although departments have become proficient at generating functional capabilities within their mandates, the national security system cannot rapidly develop new capabilities or combine capabilities from multiple departments for new missions. As a consequence, mission-essential capabilities that fall outside the core mandate of a department receive less emphasis and fewer resources.
- No consistently effective mechanism exists for delegating presidential national security authority. The most common formal integration mechanism is the lead agency, because departments and agencies are established, work well in their domains, and control resources. When the lead agency approach fails, presidents sometimes designate lead individuals, or “czars.” However, czars, like lead agencies, lack authority to direct Cabinet officials or their departments.
- Presidential intervention to compensate for this systemic inability to integrate or resource missions well centralizes policy development and execution..
- An over-burdened White House has even less ability to manage the national security system as a whole and is not able to perform well during presidential transitions.
- The legislative branch conducts oversight in ways that reinforce all of these problems and make improving performance difficult. Committees are organized in parallel with executive branch departments and agencies. No committee is devoted to overseeing interagency mechanisms or multi-agency operations, making accountability for “national missions” a peripheral concern.
- Congress’s split of the authorization and appropriations functions, its restrictions on spending and fund transfers, and its willingness to include in emergency supplemental spending significant expenses unrelated to emergency operations all impede the ability to link resources effectively to national security goals and objectives.

Given these shortcomings in a world of increasingly demanding national security challenges, the way the United States conducts its national security is in urgent need of reform.

The Project on National Security Reform has identified fundamental insights that must inform any process of national security reform.

1. National security reform must be conducted with a deep appreciation for the context within which national security interests are pursued.
2. Success cannot come from leadership or organization alone. Both are needed and they must be fused into a dynamic, synergistic relationship.
3. The system must produce a “collaborative government” approach that can draw on capabilities in any part of the government when necessary.
4. Resources, both human and financial, must match goals and objectives.
5. The system must focus on shaping requirements for meeting a wide range of present and future challenges, not just on those generated by current campaigns.
6. Where the system cannot find adequate capacity on which to draw, it must build these capacities.
7. The national security system must have structures and processes that enable it to deal more effectively with other nations and multilateral organizations.

These insights strongly suggest the following imperatives as necessary for the effective performance of the national security system in the 21<sup>st</sup> century:

1. **Leadership** that:
  - Generates vision and guidance for effective policy development and execution
  - Builds a collaborative national security team
  - Incentivizes and empowers partnerships across government agencies, between government and the private sector, and with key international players
  - Emphasizes the proactive shaping and management of change
2. **Effective long-range strategy formulation and strategic planning** that articulates objectives, establishes priorities, relates means and ends, and integrates all of the tools of hard and soft power into a common framework
3. A **comprehensive and flexible investment strategy** that generates and appropriately applies the human and financial resources needed to meet goals and objectives
4. **Creation of a national security workforce bound by a national security culture** that rewards cooperation and collaboration and is supported by **effective recruitment and a robust education and training system**
5. A **flexible and agile organization and management structure** that:



- Facilitates strategy formulation, decision making, execution, and oversight by leadership
  - Emphasizes the vital integration of all tools of national power wherever they reside in the government or even in the private sector
  - Captures creative thinking at whatever level to promote innovative solutions to current and anticipated problems
  - Monitors performance in the field and adjusts as necessary
6. **Effective utilization of intelligence and knowledge**, exploiting the full range of human and technological opportunities and ensuring mechanisms to counter bias, prejudice, selectivity, and faulty mindsets in policy development and supporting analysis
  7. **Oversight and Accountability** of the system as a whole, rather than of its constituent parts. This oversight and accountability, a joint responsibility of Congress and the executive branch, must give attention to national missions, evaluate performance using common metrics, and be responsive to changing performance requirements.

# INTRODUCTION

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## THE FUTURE

The office of the governor of Wisconsin at 9:07am: An aide crashes into the office and blurts out, “Five minutes ago, a huge blast erupted in Milwaukee! We think it was a nuclear weapon. Downtown is obliterated; fires are raging everywhere. We’ve gotten no radiation readings, and the wind is blowing off Lake Michigan. We can’t yet contact the mayor’s office.” Within minutes, the governor confers with the president. The questions come fast and furious:

*What do we know? What do we do? What can the federal government provide? How soon? With whom do we coordinate—the NSC or the HSC? What about the DHS Secretary? How does the FEMA Director fit in? What’s the role of the Defense Department? Who is in the lead...in Washington? ...in the field? Were any plans prepared by local authorities? By the state? What about the National Response Framework? Will the governor, the county, the mayor cede control to Washington? Who’s in charge?*

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### THE PRESENT

The Afghan town of Khost sits near the border with Pakistan in an area once home to al Qaeda. U.S. cruise missiles bombarded Osama bin Laden's hideout there in 1998 and an intense military campaign in 2001 drove al Qaeda out of the area and into Pakistan. Four departments of the U.S. government operate together in Khost as part of a Provincial Reconstruction Team (PRT).

Like other such groups around the country, its goal has been to enhance security, strengthen governance, and facilitate reconstruction of the country. In one year the Khost PRT generated 12,300 local jobs, built 25 schools, created 300 wells and 30 dams to provide water for drinking and farming, and constructed 152 kilometers of paved roads. These efforts have encouraged the local Afghans to start to look to their government and not the insurgents to solve their problems.

Despite this success, the operations of the Khost PRT were plagued with many difficulties. Led by a member of the U.S. military, the Khost PRT secured 20 percent of the Department of Defense Commander's Emergency Response Program funding for all of Afghanistan with no guarantee it would be sustained, while no other agency contributed major funding. Pre-deployment training focused mostly on security and was largely inadequate in preparing the team for the unique aspect of the mission. The Department of Agriculture provided a forestry expert despite the fact that Khost has few forests. Fluency in the local language (Pushtu) was not mandated for any member of the team. Due to their department's personnel policies, each of the 10 civilians on the team was absent from Khost for an average of 66 days during the year-long deployment. USAID paid substantially more per kilometer for its roads than the PRT commander who contracted directly with the same local contractor.

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### THE PAST

When the U.S. military forces arrived in Haiti, because of the incomplete operational planning, they were unaware that many of the other agencies were already in country or about to enter shortly. The force commander was not in charge of the civilians, other than to ensure the safety of those he knew about. The ambassador, on the other hand, was swept up in a myriad of events not directly related to the military mission. Neither the force commander nor the Ambassador had total command of the situation. The Haitian operation worked because they coordinated and cooperated well enough to get things done, a lesson learned from Operation JUST CAUSE in Panama. However, the operation might have been smoother if command arrangements been better defined and communicated beforehand; if the ambassador and force commander set up a combined war room; if the U.S. Embassy staffed up in order to handle the additional load; or if a CONUS-based task force, responsible to the ambassador, had been established to facilitate interagency coordination. This lesson should be carefully considered before another operation, rather than relying on the ad-hoc solutions that are invented each time.

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IT COULD HAPPEN. IT IS HAPPENING.

IT DID HAPPEN.

AND THE U.S. NATIONAL SECURITY SYSTEM DID  
NOT, IS NOT, AND COULD NOT HANDLE IT.

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The world has changed and it continues to change at an accelerating rate. The emerging global environment bears less resemblance to the world of the Cold War, which shaped the strategies, structures, cultures, policies, and practices that determined the conduct of U.S. national security policy for the last 60 years. The world in which this nation's security primarily had to address a single overarching and potentially existential threat is gone. It has been replaced by an environment in which the challenges to national security are marked by greater scope, complexity, uncertainty, and rapid emergence and impact. Not all of today's challenges are novel: proliferation must still be stemmed; regional tensions must still be managed; alliances must still be maintained. But these traditional issues now interact with, influence, and are influenced by a host of new problems.



Kenyan police officers and FBI agents search for evidence following the car-bombing of the U.S. embassy in Nairobi, 1998. © Getty Images

Today's challenges emanate not from a single peer competitor but from multiple sources, including states such as rising powers, proliferators, troublemakers, aspirant regional hegemony, and more. They also encompass non-state actors, including terrorists, transnational criminal organizations, alternative authorities, quasi-state surrogates, and entrepreneurs of violence and others who operate in unconventional ways. The complexity of these challenges is exacerbated by the development and application of new science and

technology, the use of older technologies in new ways, and growing technological asymmetry. They reflect interdependence among the members of the global community that makes it impossible for any single nation to address the full range of today's complex security challenges on its own.

Widespread agreement exists that the national security institutions, policies, and processes created 60 years ago are inadequate for this increasingly complex, dynamic, and interdependent world. The need to adapt the way the nation pursues its security goals is pressing.

Genuine national security reform will be difficult. It requires change far more profound than shifting the boxes in a wiring diagram.

*Just as Truman and Eisenhower tapped into a consensus and undertook strategic reforms for new decision-making structures to meet the challenges presented with the onset of the Cold War, a new U.S. national security consensus and decision-making structures are required to meet the unprecedented challenges presented by the post-Cold War strategic transformation.*

Former Assistant Secretary of State, Ambassador to NATO, and Counselor to the President David Abshire, 2001

Real reform entails profound and fundamental change, not just in management and organization, but across many other dimensions—in attitudes and mindsets, leadership and culture, operations and execution, tools and procedures, human resources and financial support. True national security reform demands a whole new way of thinking and a different way of doing business. Reforming the national security system involves changes not just to one department but to the entire system of government. Achieving reform in the way the United States conducts its national security business, therefore, will require significant, focused, dedicated, sustained, and bipartisan commitment and effort. We cannot wait for another crisis to drive us to these realizations.

## THE PROJECT ON NATIONAL SECURITY REFORM

The Project on National Security Reform (PNSR) seeks to advance such comprehensive reform. Organized by a group of bipartisan leaders with in-depth national security experience and expertise, the group asserts that reform is vitally needed.

PNSR began in the summer of 2006 as a volunteer effort sponsored by the non-partisan, non-profit Center for the Study of the Presidency. A public-private partnership based on the knowledge that any successful reform will require complete transparency and the broadest possible participation, PNSR involves a network of executive branch officials, congressional members and staff, university academics, “think tank” experts, private foundation officers, current and past policy practitioners, former political and military leaders, and concerned private citizens. Most of those involved in PNSR have national security experience. Many have been involved in previous attempts to reform the national security system; but none have succeeded in launching a complete overhaul of the national security system of the kind that PNSR and its collaborating partners now promote.

*When institutions no longer serve our interests well—or, worse, hamper important efforts—we need to hear more about reform through public commentary, in Congress, and on the campaign trail... We can prevail by mustering the same resolve that President Harry S. Truman and others demonstrated 60 years ago.*

Former Secretary of Defense Donald Rumsfeld, 2007

A variety of studies calling for national security reform preceded PNSR, and the project seeks to build on and expand these studies. In February 2008, PNSR received congressional support in the form of funding through the fiscal year (FY) 2008 National Defense Authorization and Defense Appropriations Acts.

With these resources in hand, the PNSR team organized a 24-member Guiding Coalition to oversee its efforts (for a list of members, see inside cover). The bipartisan members of this coalition have broad and deep national security experience and expertise. Their service

stretches back over the presidential administrations of the last 40 years, and their engagement and commitment is a testament to the urgent nature of the problem. More than 300 national security professionals have been actively involved in the project. Ten analytical working groups and two issue teams have generated over 100 case studies and investigated the different elements of organizational performance in a series of exhaustive, detailed studies. The project's congressional, legal, and public affairs working groups have engaged a wide array of think tanks, executive branch departments, congressional committees, presidential campaigns, and the American people in a national dialogue on how to make the national security system more effective and responsive to the challenges of a new era. A Government Advisory Council ensures that the project benefits from networked outreach with government representatives working in the forefront of the national security agenda.

The breadth and depth of PNSR's study has allowed it to delve deeply into a wide array of specific issues. This report presents the project's preliminary findings, organized as follows:

- a. Chapter I provides an overview of today's national security challenges and tells the story of the need for national security reform. Key themes of this strategic narrative include the greater complexity and unpredictability of the issues on the national security agenda and a changing concept of national security that makes the conduct of national security today even more difficult, and the vital importance of adopting a comprehensive approach to national security that fosters a holistic view of the enterprise and the essential understanding of the inter-relationship and interactions among the growing number of critical components.
- b. Chapter II provides a system-wide assessment of the problems that make the existing approach to national security unsuitable for current and future challenges. From a systems perspective, it highlights core problems that explain the system's increasing inadequacy in terms of the unsatisfactory outcomes it generates, the unhelpful behavior it fosters, and the glaring inefficiency it demonstrates. The chapter argues that the current system is plagued by a lack of unity of effort that is the result of a long-standing emphasis on capability building over mission integration. This approach will prove increasingly untenable in the face of contemporary security challenges.
- c. Chapter III uses a framework of system imperatives regarding the type of system required to present a synthesis of the critical findings of the project's working groups. It is only by being armed with a deep understanding of the problems that solutions can be targeted to have maximum impact. The project is now in the process of formulating recommendations for solutions to these identified problems.

Those recommendations will be presented in the project's final report, which is due in the autumn of 2008. The final report will provide analyses of the problems, proposed solutions, and actionable recommendations. In many ways, however, publication of the final report represents just a key milestone in a process that must continue well into the future. The publication of the final report before a new administration represents an unparalleled opportunity to generate the necessary momentum that will carry its recommendations to fruition.

# I. STRATEGIC OVERVIEW

## A CHANGING, MORE UNPREDICTABLE WORLD

Today's world is characterized by significant and rapid changes in a wide variety of spheres—economic and financial, energy and environmental, scientific and technological, demographic and social, cultural and intellectual. At the same time, the number and variety of actors on the global stage who both affect and who are affected by those changes is growing. Often subsumed under the notion of globalization, these changes are characterized by extraordinary levels of interconnections, exchanges, and flows of information, ideas, and people.

The realm of national security is subject to the impact of these profound developments. They have helped to shape a new security environment and forge a new set of security dynamics marked, among other elements, by:

- A rise of new players that reflect a geopolitical shift away from the Cold War focal point of Europe
- The emergence of the 24/7 news cycle generated by an ever-expanding number and diversity of information sources which has fundamentally changed the context within which policy must now operate
- The emergence of new non-state actors down to the level of individuals, empowered by technology, who can exert global influence, diminishing the power of the state, and inflict strategic damage
- Weak and failing states
- Growing social, economic, demographic, and cultural divides foster radicalism and alienation that are often expressed in forms of terrorist violence or organized crime, both of which can now cross borders as readily as pop culture
- Unfamiliar conflict situations, which are characterized not just by their intra-state focus, but also by their unconventional and asymmetric dynamics, diverse participants, and extreme brutality
- Growth of new sources of ideological, secular, and religious authority, giving rise to a wider range of sub-national identity choices and potentially create or exacerbate existing community tensions and conflicts



Smoke billows from the ruins of the World Trade Center, 2001 © Timothy Clary – Getty Images



- Proliferation of unconventional weapons technology, both in the classic state-based form but also in terms of potential acquisition and use by non-state actors
- Emergence of offensive space capabilities that threaten satellite systems
- Challenges to the stability and neutrality of cyberspace
- A resurgence of competition for natural resources spurred by heightened energy and environmental uncertainties
- Unprecedented pressures on the environment, food supply, and global health systems
- Significant population movements resulting in social dislocation and ethnic and cultural tensions
- Evolving interdependencies that require not just the maintenance of traditional alliances but a capability to forge situational coalitions

While each of these features is difficult to manage in its own right, they also interact. This convergence produces challenges that constantly morph into new combinations, creating unpredictable and novel problems. Terrorism, for example, can become a more severe problem when combined with proliferation of weapons of mass destruction (WMD) and failing states. Climate, environmental, and energy challenges affect and are affected by community conflicts, food security, and rapid industrialization rates in developing economies. Prospects of a disease pandemic rise and fall with failed states, population movements, the quality of governance, and the exploitation of technology.

Three aspects of this environment are especially striking. One, no single challenge rises to the level of the potential “doomsday” scenario of nuclear war between the United States and the Soviet Union. The U.S.-Soviet confrontation became the single lens through which U.S. national security was defined and pursued due to the imminence and magnitude of the threat. Today, while there are many things that could threaten the United States, it is difficult or impossible to know which is more likely and which could be more devastating.

Two, many of the major challenges today cannot be addressed successfully by traditional Cold War approaches alone. It is not possible to deter the failure of a state or the effects of climate change. Traditional alliances, while still vitally important, are not the only means needed to foster international cooperation and cannot exclusively deal with challenging issues that sometimes require situational coalitions.

Three, many of challenges are more potential than actual. While the terrorist release of a nuclear or biological weapon in a U.S. city, a global influenza pandemic, or the implosion of a key U.S. ally such as Pakistan or Saudi Arabia have not yet happened, they easily could. These threats are simply part of a long list of potentially dramatic events that could significantly affect the nation. Some will happen; some will not. But none can be ignored; all have to be addressed.

Today’s national security landscape is increasingly complex and highly unpredictable. To view U.S. national security interests in this landscape, policy makers can no longer hold a

single lens. Those with national security responsibilities struggle constantly to make sense of what they see. What the next turn will produce is enormously difficult to anticipate, and virtually impossible to predict. This makes it hard to set priorities for and allocate limited resources against such a spectrum of unpredictable contingencies.

For all these reasons, we must begin to think differently about national security and devise new means to ensure it.

## CHANGING NATURE OF NATIONAL SECURITY

The concept of national security has broadened, but that is where agreement ends. The evolution of the concept of national security has been underway for some time. In the 1980s a debate raged about whether the environment was a security issue. A similar argument emerged with respect to health in the late 1990s. Today those debates are over; the pressure of today's constantly changing and highly unpredictable security landscape has caused policy makers and analysts to generally accept that the concept of national security has broadened well beyond the one used by decision makers for most of the Cold War era.

But its borders remain fuzzy, and it is unlikely that the concept of national security will become more precisely bounded in the near future. Increasingly, new issues will push their way onto the national security agenda, and they will not arrive with neat labels. They will become national security issues through the interaction of popular opinion, the course of events at home and abroad, and the actions of presidents and their administrations. For example, the Clinton administration identified HIV/AIDS as not simply a domestic public health concern, but an international security challenge. The concern and programs to deal with it were continued by the Bush administration.

## MANAGING RISK

The challenge of conceptualizing national security in today's unpredictable world is exacerbated by the contingent nature of many of the most serious problems. Many things that could harm U.S. interests are potential, rather than actual. The risk that they will harm U.S. interests cannot be eliminated, but only managed.

Take bioterrorism as an example. At its core, bioterrorism is about people choosing to use science and technology for malign purposes. The life sciences are some of the most dynamic fields of scientific endeavor, and they are advancing at astonishing speeds, as is the commercialization of that scientific knowledge. Such work will continue and should do so for important legitimate reasons that relate to health, agriculture, the environment, and other areas that will prove highly beneficial to the quality of life around the world. As long as this legitimate work continues, however, the potential for the misuse of that science and associated technologies remains a permanent reality. It is a risk that can only be managed.

While we always managed risk in providing for our security, this concept is more important now, given the evolving nature of our security environment. First, an emphasis on risk highlights the need for the efforts to address current challenges to be as multidimensional as those challenges are complex and multifaceted. Managing the risk of a terrorist detonation of a “dirty bomb” in a major city, for example, entails a range of critical functions including deterrence, norm-building, prevention, defense, preparedness, and consequence management. Focusing only on a single dimension of this spectrum will not suffice. Effort on multiple fronts, however, requires striking difficult balances and making tough choices.

Second, an emphasis on managing risks prompts recognition that now more than ever the national security system involves many players with diverse interests and perspectives. This array of critical players includes multiple government agencies, not all of which traditionally have had seats at the national security table, such as Agriculture, Interior, Health and Human Services, and Treasury. Additionally, addressing increasingly complex security challenges requires the involvement of agencies, such as the Centers for Disease Control and Prevention, that have not traditionally played a role in national security. Creating processes and structures that facilitate this diverse group of players is essential to enabling government with the capacity to make effective and informed decisions efficiently. Given the nature of some of today’s challenges and the blurring of the border between international and domestic security issues, the range of government players extends to diverse entities at the state and local levels and in the international community as well.

Equally important, the successful pursuit of national security must now involve the private sector as partners in the risk management process. Here too, experience and inclination is often lacking, and incentives must be provided to engage the private sector more extensively and more consistently. Hospitals, for example, are essential components of an effective response to a mass casualty event, whether natural or deliberate. But most hospitals are private and many are for-profit enterprises operating on slim profit margins. They have neither the ability nor the interest in maintaining the excess capacity in staff, beds, or medical stocks necessary for the surge capacity that a catastrophic bioterrorist incident or natural disaster would require.

Third, stressing today’s challenges as risks sharpens hard resource allocation choices. Since 9/11, the federal government has spent between \$50 and \$100 billion to address the broad bioterrorism challenge. Although most experts would agree that progress has been made, they would also note that the nation’s preparedness remains far from where it should be. Confronting terrorism, promoting stabilization and reconstruction in conflict-torn arenas, addressing climate change, preventing state failure, and all the other current national security challenges—seen and unforeseen—will entail as much if not more expenditure.

Attempting to create standing capabilities to perform all of the many functions needed for managing even a single national security risk, therefore, is prohibitively expensive and inefficient. Trying to do so for all of them at the same time ignores fiscal realities. Moreover, it would make no sense to try. Not every capability will be needed all the time, and it will not be possible to predict exactly what capabilities might be required.

In many instances, the pursuit of national security objectives will require assembling new capabilities on the fly in the face of unforeseen events. National security will sometimes involve “just in time” solutions. Like “just in time” answers in the manufacturing industry, government will need to rapidly build and deploy tailored responses to new demands—answers that cannot always be stockpiled in advance. Some capabilities will be called on continuously, others only episodically. In the face of increasingly constrained resources, trying to maintain standing capabilities when they are only likely to be used occasionally—if at all—is not a smart or viable option. Not every capability will be needed all the time, and it will not be possible to predict exactly what capabilities might be required.



U.S. Army armored personnel carrier guarding a street in Panama during Operation Just Cause, 1989. © Department of Defense

*We are again faced with a new and dangerous global threat...But more than five years after the September 11 attacks, we have not yet responded with the creativity displayed at the outset of the Cold War. Instead, we are either disparaging Cold War institutions or, at best, tinkering with them to make them play a role for which they were never designed.*

Chairman and CEO of the Aspen Institute Walter Isaacson, 2007

Two critical implications flow from focusing on current national security challenges as risks. First, it puts a premium on foresight: the ability to anticipate, not predict, likely future contingencies. Foresight and anticipation are about imagination, sense making, and agility. Businesses that are successful today are able to anticipate the emergence of a market and have the mechanisms to reallocate resources to meet that new demand. As in the business environment, the national security system requires processes and structures that can anticipate likely future events and develop an institutional response to those events. Incorporating this capacity for foresight into the decision making process enables greater

flexibility in responding to future contingencies by effectively anticipating their effect on current policy and objectives.

Foresight is critical in national security because it is one of the only means to increase response time. Foresight is also essential as the basis for action, seeking to influence

positively, as far in advance as possible, those factors that may become either deleterious or increasingly relevant to national security.

Second, a risk-focused approach encourages a mentality that thinks of national security not only in terms of response. Instead, this approach emphasizes the need to positively and proactively shape the environment in ways that make it more conducive to achieving national security goals. This requires an inter-departmental ability to identify and exploit opportunities as they present themselves in a rapidly changing national security environment.

One side of the risk coin is opportunity, and a vital part of this proactive component of the national security agenda is identifying and exploiting the opportunities that the rapidly changing environment will also present.

Emphasizing the importance of managing risk in our approach to national security demands a different way of doing business. Just as the challenges to which it must respond are constantly evolving, the approach to conducting the nation's security business must reject a static perspective and make its hallmarks anticipation, integration, flexibility, agility, and rapid response. That can only happen, however, if the United States has identified what leverage it can bring to bear to deal with a given national security risk and how and where that leverage can be applied.

## THE NATIONAL SECURITY “SYSTEM”

It is common to speak of the “national security system”; but today the business of national security is conducted by the president and his staff and a collection of largely self-contained structures and processes that do not represent a single defined enterprise. This is not what one usually implies when using the term “system.” Initially, the most important parts of the national security system were the Department of Defense and Central Intelligence Agency—both created by the 1947 National Security Act—and the Department of State. Once fledgling organizations, the Department of Defense and Central Intelligence Agency grew to be powerful bureaucracies with powerful organizational cultures.

The way these different parts of the national security system worked together was largely a product of the managerial style of the president. Different presidents rearranged these relationships frequently. However, only infrequently would they seek to change the bureaucracies themselves or significantly alter the outputs these bureaucracies were expected to produce. The only central staff that spanned the whole system was the National Security Council—also created by the 1947 act—a small entity that was remade at each change of administration, if not more often. It was focused on advising the president, rather than overseeing the different components of the system.

Although it had some inherent weaknesses, these initial security arrangements worked reasonably well during the Cold War. Departments built capabilities and performed functions that changed little. Presidents sought and received advice in ways that they believed would facilitate their individual decision making. This approach permitted the country to address those security threats of highest priority—nation-state challenges that could be counterbalanced and contained by military power, alliance diplomacy and intelligence focus on a single state.

Over the past 60 years, however, the nation's security challenges have changed, and they continue to do so, sometimes rapidly. Yet, changes to the national security “system” have occurred—either by legislation or executive guidance—only in an ad hoc fashion. In the last two decades, for example:

- The jointness of U.S. military components was solidified and the integration of the Department of Defense greatly enhanced by the Goldwater Nichols Act of 1986
- President George H. W. Bush established by presidential directive the “Principals Committee” as the senior interagency forum for national security policy considerations
- The Homeland Security Council was created by executive order after 9/11 while the Congress, in the Homeland Security Act of 2002, approved the largest government reorganization since 1947 by consolidating 22 federal agencies into the Department of Homeland Security
- Congress attempted to address the fragmentation of the intelligence community by creating the Office of the Director of National Intelligence in 2004 to serve as the President's principal advisor on intelligence matters

In addition, the proliferation of joint task forces, national operations and intelligence centers, and White House czars has been a frequent characteristic of these ad hoc efforts.

These changes, significant as they were, came about largely as reactions to specific national and world events—the Iran Contra scandal, military operations in Grenada, the terrorist attacks of 9/11,

*The legislation [creating the ODNI] didn't give the DNI the budgetary muscle needed to lead the intelligence community, and it created a troublesome confusion here and abroad regarding precisely who is in charge... Today, the DNI has become what intelligence professionals feared it would; an unnecessary bureaucratic contraption with an amazingly large staff.*

Former CIA Acting Deputy Director of Operations Jack Devine, 2008



U.S. soldiers arrest suspected Marxists in Grenada, 1983.  
© Getty Images

or Hurricane Katrina, to name a few. Hence, these events-driven reforms addressed specific problems in an isolated fashion, further contributing to a fragmented approach to national security.

An example:

The Intelligence Reform and Terrorist Prevention Act of 2004 established the National Counterterrorism Center (NCTC) in part to conduct “Strategic Operational Planning for the Global War on Terror for the entire U.S. Government.”<sup>1</sup> Strategic operational planning was not defined in NCTC’s enacting legislation, but its meaning has come to be understood as providing the linkage between policy direction from the National and Homeland Security Councils and the conduct of operations by U.S. government departments and agencies with responsibilities for addressing terrorism.<sup>2</sup> In June 2008 NCTC issued a classified National Implementation Plan for Counterterrorism (NIP WOT). This might seem like progress. But the NIP WOT has been criticized for cataloguing activities better than it prioritizes and integrates agencies’ efforts across them. NCTC itself identified several key challenges to its effectiveness early in its planning process, highlighting the confusion about agencies’ roles and responsibilities, the need to reconcile its statutory mandate to integrate across the counterterrorism mission set with existing departmental authorities, and the uncertainty of its own human capital and funding stream.<sup>3</sup>

In order to meet the security challenges of the 21<sup>st</sup> century, it is vital to move away from this piecemeal approach and view the tools, processes, and practices used to provide for the nation’s security as a whole. It is not just the performance of the system’s individual components that matters, but the relationships, interactions, and interdependence between and among them, and, ultimately, how they function together.

## KEYS TO INFORM NATIONAL SECURITY REFORM

The Project on National Security Reform’s approach to national security has helped to identify and shape several fundamental insights that must inform any process of national security reform.

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<sup>1</sup> VADM John Scott Redd, USN (Ret.), Director, National Counterterrorism Center, Written Statement before the House Armed Services Committee, 4 April 2006, 2.

<sup>2</sup> Redd 2.

<sup>3</sup> Kevin R. Brock, March 1, 2006 briefing, p. 10. Accessed at <<http://www.dtic.mil/ndia/2006solic/brock.pdf>>.

### **1. National security reform must be conducted with a deep appreciation for the context within which national security interests are pursued.**

National security reform addresses issues that involve many different parts of government, that lie at the level of the president, and that are embedded in a broader social and political context.

Some national security reform efforts have sought to make the rest of government more like the Department of Defense. This is neither realistic nor desirable. The sole focus of the Department of Defense is the defense of our nation. However, other departments or agencies that may occasionally have national security responsibilities have many other mission objectives and need to be configured differently to meet these objectives.

Other national security reform efforts have approached the issue as if it were similar to revamping a single government agency. However, the conduct of U.S. national security begins with the president and spans many executive branch departments as well as relationships between cabinet secretaries and the Executive Office of the President and congressional leaders, committee chairman, and committee staff. The conduct of national security further incorporates relationships between the executive, legislative, and judicial branches of government at state and local levels as well.

This extensive constellation of political and bureaucratic interests exerts diverse pressures on our national security system. It is not possible for a reform effort to focus exclusively on one department or agency culture or optimize the performance of the system to one set of interests alone. Rather, the system must be optimized to perform its core functions while being adequately responsive to the full range of legitimate constituencies.

### **2. Success cannot come from leadership or organization alone. Both are needed and they must be fused into a dynamic, synergistic relationship.**

Leadership is more than an individual making decisions. It is also about knowing how to use a system to articulate a vision, set goals and objectives, determine priorities, provide guidance, and monitor results. Leadership of this sort enables those with operational responsibilities to implement decisions effectively. For example, all of the participants from the many agencies involved in negotiating the Chemical Weapons Convention knew that concluding the treaty was a high priority of President George H.W. Bush. When the infighting among them got intense—and it did so frequently—returning to that touchstone compelled those engaged to find workable solutions to their disputes.

Leadership is about providing incentives to overcome the barriers to effective action, particularly across departments and agencies. This can happen at the highest level of the executive branch, including interaction between the president and cabinet members. Secretary of State Cyrus Vance and National Security Advisor Zbigniew Brzezinski did not always feel compelled to work together. President Carter gave them few, if any, incentives to do so. Different signals from these people may have contributed to confusion in Iran about U.S. policy during its 1979 revolution, with disastrous results.



Leadership of the national security system, however, is not the exclusive domain of the president. Some studies of national security reform make the mistake of focusing on leadership only at the presidential level. While effective presidential leadership is a sine qua non for an effective national security system, it is not enough. Decisions taken at the presidential level must be reinforced and implemented throughout the national security system. Effective implementation requires leadership throughout the system—by cabinet secretaries, assistant secretaries, colonels and captains, ambassadors, Provincial Reconstruction Team (PRT) leaders, and many more. Ensuring the institutionalization of inter-departmental leadership requires creating incentives for individuals responsible for executing on policy and decisions at many levels.

Leadership at levels below the president is necessary for achieving the agility now required of the system. National security challenges in the 21<sup>st</sup> century will often require that decisions be pushed to lower levels of organizations. For leadership at lower levels to be effective and to reduce the risks inherent in empowering individuals at these levels, people must lead within the strategic context established by senior policy makers. The devolution of decision making must be accompanied by a clearer system-wide articulation of a shared vision and strategy.

Cross-departmental leadership is especially hard to find and difficult to cultivate. Most officials, especially in civilian agencies, are not adequately trained in interagency management and often favor departmental positions in interagency decisions. Even at the cabinet level, the overriding focus by cabinet secretaries on individual departments can create tension and impede the ability to focus on larger national security needs.

For its part, management and organization cannot be isolated from leadership. It must facilitate rather than inhibit leadership by providing useful and transparent information and analysis. Management structures should focus on developing an array of policy options for a given issue and assessing their implications. This process should involve all the relevant stakeholders and capture creative thinking at every level. The integration of management, organization, and an interagency leadership culture fosters innovative solutions to both current and anticipated problems. While even the best organization and management systems cannot guarantee success, linking them to leadership increases the ability of decision makers to make the best possible decision.

Good organization and management are also responsible for effective execution. The work of the PNSR Working Groups summarized in Chapter III of this report provides in rich detail the many organizational and management problems confronting the existing national security apparatus. It highlights the many “spanners”—macro and micro—that can be thrown into the works to produce sub-standard performance, if not outright failure. This reinforces the sober reality that successful reform will not be accomplished by broad brush strokes, but will demand a concentrated focus on the specific issues confronting departmental performance throughout the national security system.

### **3. The system must facilitate a collaborative approach that can draw on capabilities of any part of the government when necessary.**

While the existing approach to national security was not explicitly designed to promote integration, the challenges confronting the United States today demand it. PNSR's assessment makes clear that the existence of insular and independent departments and agencies make it virtually impossible to achieve the unity of effort that stands at the core of effective strategy development and execution. Attempts at coordinated policy planning and execution have been limited by inadequate integrating mechanisms, leading to stove-piped structures across the national security system.

No single government agency can direct or perform all of the functions that today's national security agenda requires. The lack of integration finds departments and agencies too often engaging in jury-rigged, ad hoc arrangements. This results in personnel being deployed to missions for which they have little if any of the necessary training or experience, despite their commitment to getting a job done.

Moreover, PNSR's work illustrates that it is necessary not just to bring the right players together but to put them in a complementary relationship to one another. It was logical, for example, to give the State Department the lead of the PRTs in Afghanistan and Iraq. However, the department had neither the personnel nor the financial resources to perform that mission. Another example highlighted in the project's analysis is the potential confusion over the responsibilities of the Secretary of Homeland Security and the Director of the Federal Emergency Management Agency during a domestic catastrophe. These examples illustrate that oftentimes critical national security missions require the involvement of multiple departments and agencies.

*When it comes to nation-building—where constructing roads, agricultural improvements, and civic and educational reform can be as important as military operations—the effective integration of knowledge and skills of several departments of government is vital.*

Former Chairman of the House  
Committee on International Affairs  
Lee Hamilton, 2008

The complexity and unpredictability of contemporary security challenges make many government entities, at many levels, potential—and sometimes surprising—candidates for a national security role, at least for a time. The approach to integration, therefore, must also include attention to ensuring the incorporation of these sometime players in a manner that ensures their immediate and maximum impact—while respecting the fact that they have many other responsibilities on a regular basis that have nothing to do with national security.

### **4. Human and financial resources must match goals and objectives.**

The PNSR analyses are replete with examples in which resources are not commensurate with goals and objectives. This is the case because resources are either inefficiently

*We will not meet the challenges of the 21st century through military or any other means alone. Our national security requires the integration of our universal principles with all elements of our national power: our defense, our diplomacy, our development assistance, our democracy promotion efforts, free trade, and the good work of the private sector and society.*

Secretary of State Condoleeza Rice,  
2008

allocated, are inadequately or inappropriately applied, or simply do not exist. The project's studies have underlined how the Department of Defense is well funded for capacity building through regular authorizations and appropriations but must rely on supplementing spending bills for conducting major operations. In contrast, civilian agencies funding focuses on day-to-day operations but not on building important new capabilities. Part of the problem—a further reflection of the lack of integration—is that tradeoffs among various resource choices, especially major ones, are not sharply identified for those who have to make those choices, including the president.

A second issue is inadequate or inappropriate use of resources. An important aspect of this issue relates to the insufficient and misdirected training of national security personnel. This is particularly the case with respect to preparing individuals for new and evolving national security challenges. Some of these, such as post-conflict reconstruction and stabilization, preventing state failure, and humanitarian intervention require a new rules of engagement and a different understanding of the security environment. These kinds of missions demand capabilities that often lie outside the skill sets of those in the traditional national security world. Often those individuals with the requisite skills are not called on or are put in the wrong place at the wrong time. For example, the need for Department of Agriculture specialists in Afghanistan and Iraq could not be adequately addressed due to the lack of effective training and an incapacity to provide individuals with requisite security clearances.

*This country must strengthen other important elements of national power ...and create the capability to integrate and apply all of the elements of national power to problems and challenges abroad...In short, I am here to make the case for strengthening our capacity to use "soft" power and for better integrating it with "hard" power.*

Secretary of Defense Robert Gates,  
2007

A third issue is the absence, on some occasions, of any resources at all. Sometimes this has been the result of the inability of a department or agency to anticipate a new requirement. At other times, it stems from reluctance in Congress to provide funding, particularly for activities in the "inter-agency space."

The final reason is the lack of flexibility for moving financial resources among departments to deal with emerging requirements.

**5. The system must focus on an effective response to a wide range of present and future challenges, not just on current operations.**

Just as the old adage says “one should not prepare to fight the last war,” today we cannot afford to reform our national security system to the requirements of the last war. While the Coalition Provisional Authority in Iraq provides ample examples of ways in which the U.S. government did not function efficiently or effectively, the invasion and administration of an entire country are unusual tasks.

We should not over-learn their lessons or prepare exclusively to perform them better. The kaleidoscopic and unpredictable nature of the current national security landscape demands a whole array of potential responses.

**6. Where the system cannot find adequate capacities on which to draw, it must have an ability to build these capacities.**

Attention has been directed to the deficit in the current national security toolkit. This is particularly the case with respect to the erosion of the instruments of “soft” power, such as public diplomacy, language and cultural skills, and development assistance. Some have expressed this concern as the “over-militarization” of U.S. foreign and security policy.

Part of this process entails close consideration of where such capabilities should be located. The creation of AFRICOM, for example, had some very positive aspects. However, as President Bush has said, if the ultimate objective is to “to promote our common goals of development, health, education, democracy, and economic growth in Africa,” then it is not apparent that a military structure is the best mechanism for achieving that goal.

**7. The national security system must have structures and processes that enable it to deal more effectively with other nations and multilateral organizations.**

## CREATING AN EFFECTIVE NATIONAL SECURITY SYSTEM FOR THE 21<sup>ST</sup> CENTURY

As the next chapter of this report highlights, the way in which the business of national security is conducted and managed is not functioning well. Missions that require integrating multiple functional disciplines and developing and employing capabilities that do not fall within the core mandate of a single agency or department are particularly difficult. The current “system” too often is highly inefficient, learns slowly or not at all, and yields behaviors that impede the achievement of better performance.

A new approach is needed. Looking at all the components required for national security in the 21<sup>st</sup> century and looking at the relationships among these components—positive or negative, extant or absent, weak or strong—can begin the process of better orchestrating and institutionalizing these relationships to meet the challenges of the new era.

Doing so, however, means that the national security system must identify critical functions that are integrated into a genuinely strategic approach that establishes actionable thresholds of concern, identifies functional requirements, defines criteria to determine the appropriate level of capabilities to perform those functions successfully, marshals the resources needed to support those functions, exploits knowledge and technology effectively, balances a wide set of competing interests, and involves the right set of players in a unified planning and implementation effort. The successful pursuit of national security in today's unpredictable world entails a process by which essential functions are identified, measured, operationalized, exercised, resourced, and effectively assessed, but scaled and used only as needed.

This can only be done, however, if national security is pursued systematically and comprehensively, that is, within the framework of a genuine national security “system.”



Federal Emergency Management Agency rescue boat, aftermath of Hurricane Katrina, 2005. Courtesy FEMA

## II. OVERARCHING ASSESSMENT OF NATIONAL SECURITY SYSTEM PERFORMANCE

### INTRODUCTION

The U.S. national security system is a group of interacting, interrelated, and interdependent institutions with structural and functional relationships that form a complex whole. Some parts of the national security system have roles defined by the Constitution, such as the

*Good national security policy requires both good policy makers and good policy machinery. One cannot be divorced from the other.*

Senator Henry M. Jackson,  
*Organizing for National Security*, 1961

president's role as chief executive and commander in chief. Other institutions and relationships are specified in law, such as the National and Homeland Security Councils and the roles and missions of the major national security departments and agencies. Statutes and executive orders also provide rules and guidance for how parts of the system interact.

Some national security institutions are prominent, for example, the Executive Office of President houses the National Security Council (NSC) and the Homeland Security Council (HSC). In addition, there are the traditional cabinet departments and independent agencies like the Departments of Defense (DoD) and State (DoS), and the Central

Intelligence Agency (CIA). These institutions and their activities are most apparent when they are resolving national security issues. Sometimes they do so predominantly through one institution's efforts—such as when the Department of Defense is fighting a war or the Department of State is negotiating an international agreement—but more often in cooperation with one another. For example, multiple agencies cooperate to defeat terrorist organizations, identifying their leaders (CIA), tracking their finances (Treasury), securing international support for condemning their actions (State), or attacking their bases (Defense).

*Even with the best leadership many of the failures in execution in Iraq and Afghanistan would have been unavoidable and are symptomatic of larger systemic failures.*

David Abshire, *A Call to Greatness*, 2008

To effectively manage the many national security issues and institutions involved in their resolution, the system must perform a set of core activities, including issue management.<sup>4</sup> A president, or the national or homeland security advisor acting on his behalf, must identify priority issues; assign them to a person, group, or agency; and oversee their progress, from policy through implementation or execution.<sup>5</sup> If an issue falls clearly into the domain of a department or agency, that institution typically is assigned responsibility for resolving the issue. But if the issue requires input from multiple institutions, the issue may be managed differently. For example, the president may assume direct responsibility and work with an interagency group. A classic example of this approach was President Kennedy's creation of an "executive committee" of his most senior advisors during the Cuban Missile Crisis. As an alternative, the president may authorize one department or agency to coordinate the activities of all needed institutions. The Federal Emergency Management Agency, for example, is supposed to coordinate national, state, and local level responses to natural disasters like Hurricane Katrina.<sup>6</sup> Finally, the president may appoint an individual with special authority to coordinate the activities of multiple departments and agencies. The most notable recent example is the appointment of LTG Douglas Lute to a rank equal to that of the national security advisor with a portfolio to manage the entire national security system's efforts in the wars in Afghanistan and Iraq.<sup>7</sup>

Leaders are required to make many consequential decisions on a daily basis, so issue management takes place at multiple levels of the national security system. For example, countering the proliferation of weapons of mass destruction can be managed at the national level through the Department of State, which might use diplomatic tools to move international institutions like the United Nations to adopt counterproliferation policies the United States favors. At the regional level, the issue may be managed differently since counterproliferation concerns vary in the Middle East and Latin America. Finally, at the level of a specific country, counterproliferation efforts would be managed through the U.S. ambassador and his country team, which consists of representatives from many departments and agencies. Thus, national security issue management requires a range of decision makers, from the president to cabinet officials to ambassadors and military commanders.

Resolving issues favorably requires **building capabilities** that reflect the full range of elements of national power (diplomatic, military, economic, informational, etc.) and are

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<sup>4</sup> There is no agreed-on definition for national security system terms like "issue management." To help ensure consistent usage, PNSR uses a standard lexicon.

<sup>5</sup> *Policy* is the articulation of the national interest in matters of national security, which sets strategic direction for each issue. *Strategy* is the idea or set of ideas for employing the instruments of national power in a synchronized and integrated fashion to achieve policy objectives. *Planning* is the formation of a program for accomplishing a given strategic goal to further broad national policy. Implementation is the actual activities that carry out plans. Finally, *assessment* is the process of reviewing and reforming the policy-to-implementation chain as needed to achieve the outcome.

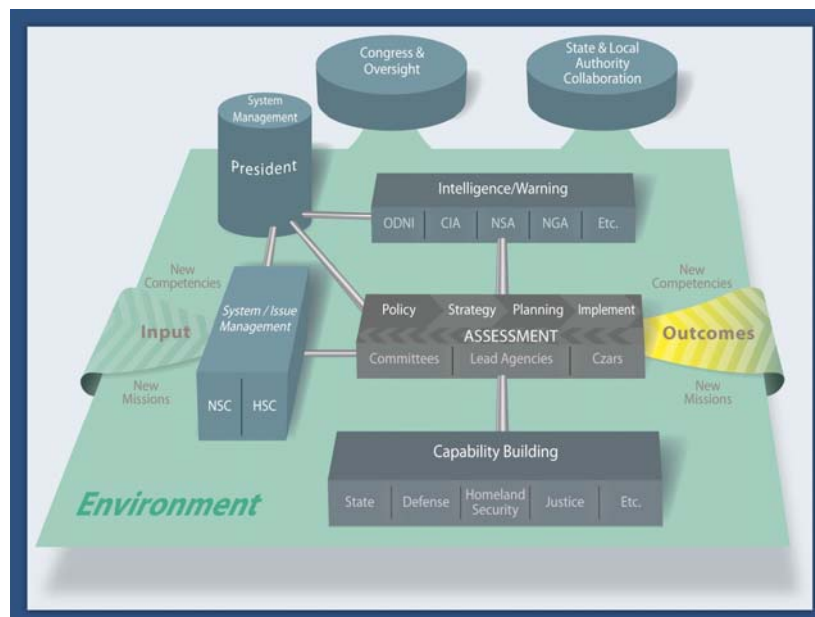
<sup>6</sup> The primary intent behind the creation of FEMA in 1979 through Executive Order 12148 was to transfer, "All functions vested in the President that have been delegated or assigned to the Defense Civil Preparedness Agency, [and] Department of Defense." This gave FEMA jurisdiction over coordinating the nation's civil emergency response to nuclear attack or any other large-scale disaster affecting the civilian population.

<sup>7</sup> Peter Baker and Robin Wright, "Bush Taps Skeptic of Buildup as 'War Czar'," *Washington Post*, 16 May 2007: A01.

effective and available in sufficient capacity. Capability building is the use of organizational authorities to generate capabilities in sufficient capacity to successfully execute assigned national security roles and missions. When properly integrated, these authorities, capabilities, and capacities produce **new competencies** for the system, that is, sets of integrated capabilities useful for resolving a particular issue or missions. The president and his advisors require **intelligence and warning** of developments in the security environment to support their efforts to identify emerging issues and evaluate progress in their attempts to resolve them. Information collecting and analytic organizations monitor the changing international and domestic **environment** to provide intelligence and warning support.

The president, his advisors, and those who are assigned issue management duties also require **decision support**, analysis that helps identify issues, priorities, and the advantages and disadvantages of alternative courses of action for managing a particular issue or overlapping issues. Decision support is also needed for determining how best to manage the entire national security system. National security **system management** is the responsibility of the president and his national and homeland security advisors. This requires ensuring that all elements of the system work well together to achieve desired **outcomes**. System management requires additional supporting activities that are less apparent, such as the management mechanisms that select, assign, and reward key leaders or personnel working on multi-agency issues, or that control how information is collected and shared among individuals and institutions. Finally, **Congress and other oversight** bodies assess system performance, and Congress writes laws and appropriates funds for the national security system to generate capabilities.

The diagram below illustrates the national security system, its institutions and their interaction with one another and the environment (note that “national security” in this paper refers to both foreign and homeland security issues):





In its current form, the national security system cannot integrate the expertise and capabilities resident in the system, and cannot sufficiently resource those capabilities to safeguard the vital interests of the nation. It operates inconsistently and increasingly poorly since the environment for which it was built is changing faster than the system can adapt. The system only performs as well as it does because of dedicated efforts by the men and women who serve it. In its current form, the system is not subject to strategic direction and is not manageable, so performance is unlikely to improve without fundamental changes. Numerous senior leaders, from both political parties, have reached this conclusion.<sup>8</sup> Secretary of Defense Robert Gates recently underscored this growing consensus in a testimony to Congress:

Over the last 15 years, the U.S. government has tried to meet post-Cold War challenges and pursue 21<sup>st</sup> century objectives with processes and organizations designed in the wake of the Second World War...Operating within this outdated bureaucratic superstructure, the U.S. government has sought to improve interagency planning and cooperation through a variety of means: new legislation, directives, offices, coordinators, 'tsars,' authorities, and initiatives with varying degrees of success.... I'm encouraged that a consensus appears to be building that we need to rethink the fundamental structure and processes of our national security system.<sup>9</sup>

Studies, reports, and congressional investigations repeatedly identify two symptoms of the system's inability to integrate and resource national security missions:

1. Multi-agency missions are often poorly performed, even though missions primarily conducted within a single bureaucracy are typically performed better.
2. Capabilities to carry out interagency activities and missions are frequently under-resourced and thus not available in the quantity or quality needed.

The primary consequence of the system's poor performance is that it cannot efficiently or reliably generate the range of security outcomes required.

## CRITERIA USED TO ASSESS CURRENT SYSTEM PERFORMANCE

Three criteria were used to assess the current performance of the national security system: 1) the system's ability to generate desired outcomes, 2) how efficiently the system produces desired outcomes, and 3) whether the system is producing the types of behaviors that logically are required to obtain desired objectives. Following is a more in-depth discussion of each of these criteria.

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<sup>8</sup> Senior leader quotations, version 6 12 2008, PNSR staff product.

<sup>9</sup> Robert Gates, Secretary of Defense, Testimony to the House Armed Services Committee, April 15, 2008.

## OUTCOMES

The most important criterion for system performance is the ability to generate desired outcomes. Over the past 60 years, the national security system achieved some critically important outcomes—it deterred nuclear war, negotiated state-to-state agreements, won major conventional wars, and prevailed in a decades-long competition with the Soviet Union. Still, as numerous case studies illustrate,<sup>10</sup> the system fails or delivers subpar performance at significant cost to the national interest when national security missions require integrating multiple disciplines and developing and employing capabilities that do not fall within the core mandate of a single agency or department. What we discovered too late in Vietnam,<sup>11</sup> the energy crisis of the 1970s, Iran, Grenada, Panama, Somalia, Haiti, and on 9/11, we are now relearning in Iraq and Afghanistan. Congressional leaders have noted these deficiencies on separate occasions. First, from Senator John Warner:

Our mission in Iraq and Afghanistan requires coordinated and integrated action among all federal departments and agencies of our government. This mission has revealed that our government is not adequately organized to conduct interagency operations. I am concerned about the slow pace of organizational reform within our civilian departments and agencies to strengthen our interagency process and build operational readiness.<sup>12</sup>

Then, from Congressman Ike Skelton:

Interagency reform is critical to achieving the level of coordination among all agencies of government that is necessary to completely execute the Global War on Terror and to meet future challenges....I'm convinced such reform can bring all the instruments of national power to bear more effectively on the challenges we face in Iraq, Afghanistan, the Global War on Terror and even here in homeland security. We must do it and we must get it right.<sup>13</sup>

The changing security environment presents other challenges besides the complex contingencies that marked the 1990s and the war on terror. For example, the diffusion of knowledge and modern communications that render borders more permeable make it

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<sup>10</sup> PNSR case studies. See particularly, for example, PNSR major case studies on “Somalia: Did Leaders or the System Fail?,” “Iran-Contra Affair,” “End of Days: Responding to the Great Pandemic of 1918,” “From Leaning Forward to Opting Out: America’s Rejection of the Ottawa Treaty,” and PNSR mini-case studies on “Balancing Democracy Promotion and the Global War on Terror in Pakistan,” “Losing Iran: The Accidental Abandonment of an Ally through Interagency Failure,” “The 1970s Energy Crisis and National Energy Policy Creation,” “U.S. Policy on the Iran-Iraq War,” “The 1998 Bombings of the United States Embassies in Kenya and Tanzania: The Failure to Prevent and Effectively Respond to an Act of Terrorism,” “The Carter Administration and the Iranian Hostage Crisis Rescue Mission,” and “U.S. Public Diplomacy in the Middle East after 9/11.”

<sup>11</sup> R. W. Komer, *Bureaucracy Does Its Thing: Institutional Constraints on U.S. -GVN Performance in Vietnam* (Santa Monica, CA: Rand, 1972).

<sup>12</sup> John Warner, Senator, R-VA, <<http://www.senate.gov/~warner/pressoffice/pressreleases/20060316.htm>>.

<sup>13</sup> Ike Skelton, Congressman, D-MO, <[http://wwwd.house.gov/hasc\\_democrats/Issues%20109th/NDAAFY07/full%20cmte%20marks/Full%20Cmte%20Issues%20205.3.06.htm](http://wwwd.house.gov/hasc_democrats/Issues%20109th/NDAAFY07/full%20cmte%20marks/Full%20Cmte%20Issues%20205.3.06.htm)>.

possible for small groups to conduct strategic attacks—threats that can only be met effectively with interagency responses and a fuller range of non-military national security capabilities. Without reforms to correct the system’s inability to provide a unified effort and full range of capabilities, the ability to generate desired outcomes will continue to deteriorate.

## EFFICIENCY

System performance also can be assessed in terms of how efficiently desired outcomes are produced. A system that fails to generate the necessary capabilities and poorly integrates those it does develop will be ineffective in some missions but inefficient in all; prone to capability gaps, duplication of effort, and working at cross purposes. When the system is failing to produce a desired outcome, it tends to increase its commitment of resources without a commensurate increase in effectiveness for lack of a unified effort.<sup>14</sup>

The costs and efficiency of national security programs in the context of large budget challenges should be a growing concern to U.S. leaders. The United States’ economy continues to grow, but its share of global domestic product is projected to decline (see chart below).<sup>15</sup> Government program projections also raise questions about the sustainability of current U.S. spending patterns. The Government Accountability Office (GAO) argues that without significant changes in spending and/or revenue generation, long-term deficits “will gradually erode, if not suddenly damage, our economy, our standard of living and ultimately our national security.”<sup>16</sup> The GAO has identified 26 United States government programs that are high risk because they are large, inefficient, and critically important, 11 of which concerned the national security system.<sup>17</sup>

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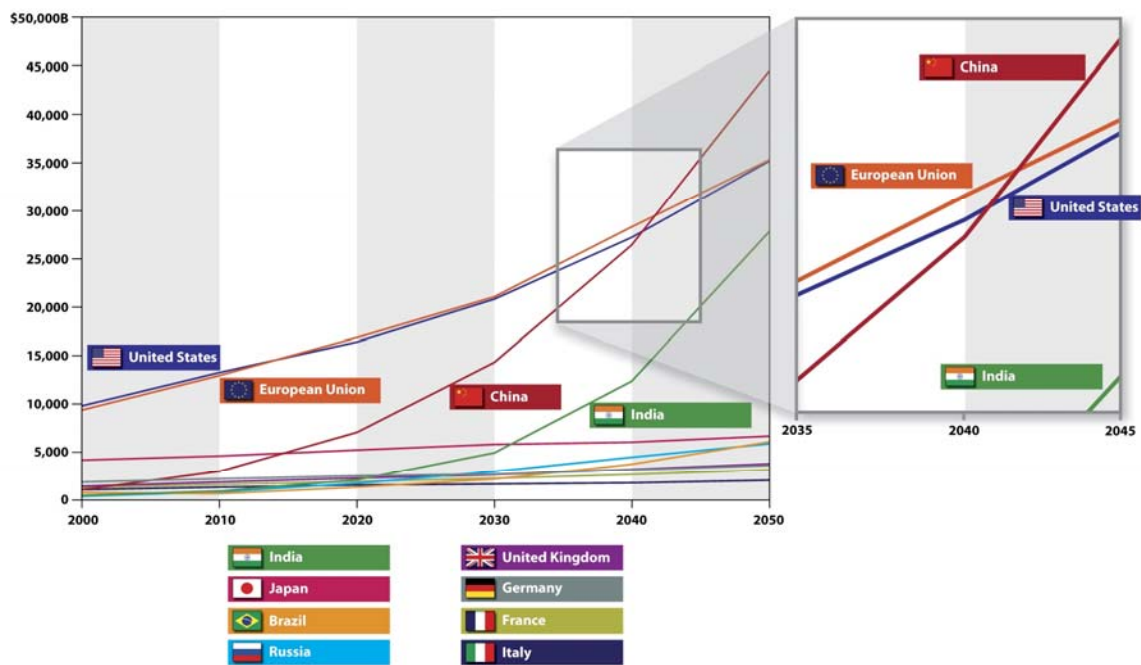
<sup>14</sup> PNSR Case Studies, see Panama, Vietnam, and Iraq.

<sup>15</sup> The U.S. share of World GDP declined from 27.3% in 1950 to 21.9% in 1998, OECD, The World Economy: Historical Statistics, Angus Maddison, 2003.

<sup>16</sup> GAO-05-325SP, 21<sup>st</sup> Century Challenges: Reexamining the Base of the Federal Government.

<sup>17</sup> GAO-07-310, High Risk Series: An Update. 2007.

### Projected Top Ten States by GDP, 2000 – 2050



Source: Goldman Sachs, Global Economic Paper no. 99: Dreaming with the BRICs, 2003

In a more competitive international economic environment, it is increasingly important that the national security system be able to generate desired outcomes efficiently rather than by overwhelming opponents with resources. Simply put, as the relative resource advantage held by the United States declines, and the sustainability of current expenditure levels is questionable, the inefficient use of resources will grow increasingly intolerable. The country will no longer be able to rely on superior resources to overcome poor policy development and implementation.

### BEHAVIORS

Measuring system efficiency is a challenge because it is difficult to identify causal links between inputs (e.g., the implementation of a development project) and outputs (e.g., the stabilization of a country). Given this difficulty, system theorists also evaluate system performance by assessing whether the system is producing the types of behaviors required to obtain desired objectives. According to the National Security Act of 1947, the national security system was intended to:

- Provide for the establishment of integrated policies and procedures across the departments and agencies
- Enable the military services and the other departments and agencies of the government to cooperate more effectively in matters involving the national security

- Assess and appraise the objectives, commitments, and risks of the United States<sup>18</sup>

Such objectives put a premium on integrated agency activities, cooperation at the highest policy levels, and a world-class system of intelligence gathering and assessment that would provide the president and key decision makers with the best in risk assessment as changes in the international and homeland security environment are detected and fed into the system's procedural chain. The current system, however, displays behaviors that work against the 1947 act's objectives: instead of information sharing, information hoarding is common, hindering assessment and collaboration; departments and agencies husband their resources (fiscal, material, and personnel) to better execute their core mandates, but all too often do so at the expense of the broader national interest; and even with dedicated personnel and much at stake, the system does not often reward collaboration across organizational lines:

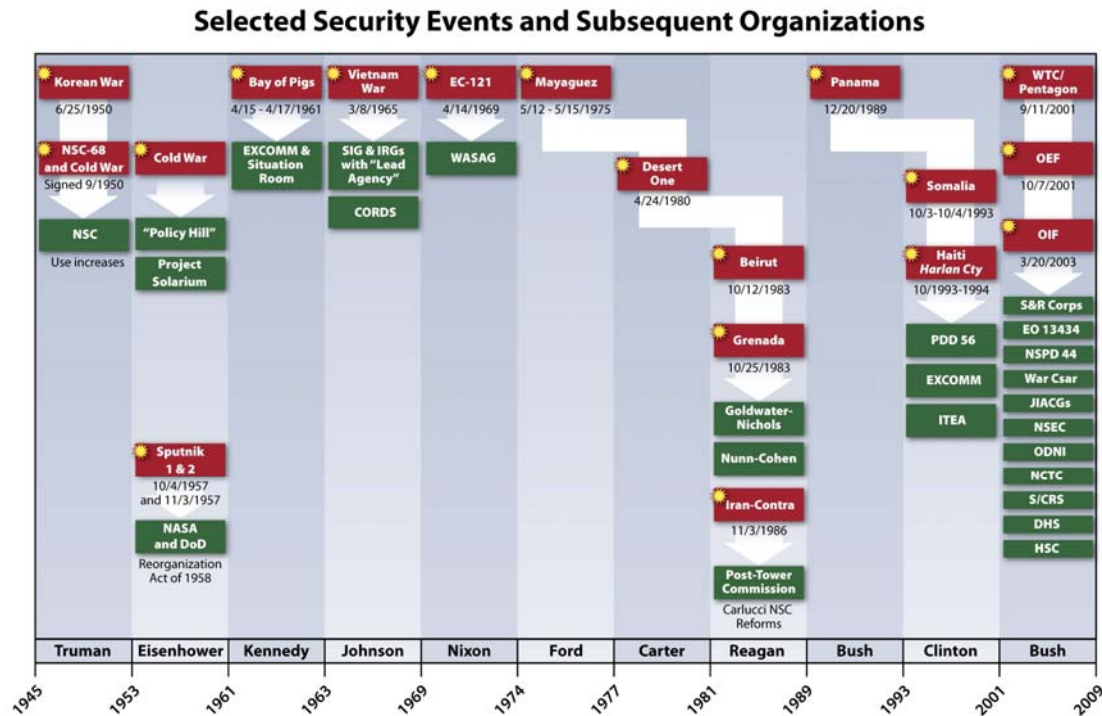
These days few staffs in any agency can do their work alone without active support or at least passive acquiescence from staffs outside, in other agencies, often many others. Yet no one agency, no personnel system is the effective boss of any other; no one staff owes effective loyalty to the others. By and large, the stakes which move men's loyalties—whether purpose, prestige, power, or promotion—run to one's own program, one's own career system, along agency lines, not across them.<sup>19</sup>

In summary, the system increasingly produces desired outcomes inconsistently. In terms of its efficiency and its ability to generate system behaviors, the system also performs increasingly poorly. Congress and presidents make adjustments to the national security system, particularly following major national security setbacks. Much of the concern since World War II has focused on fixing particular mission areas, such as strategic communications, military integration and foreign development assistance, or, more recently, intelligence and post-conflict capabilities. In addition to improving performance in particular mission areas, there is also a pronounced trend toward strengthening the ability of presidents to control the system and generate unity of effort, as illustrated below.

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<sup>18</sup> SEC. 2. [50 U.S.C. 401-402].

<sup>19</sup> Richard E. Neustadt and Graham T. Allison, "Afterword," in Robert F. Kennedy, *Thirteen Days: A Memoir of the Cuban Missile Crisis* (New York: W. W Norton & Co., 1971). Although this observation was initially made over 30 years ago, recent studies offer similar thoughts. See, for example, Paul David Miller, *The Interagency Process: Engaging America's Full National Security Capabilities*, National Security Paper number 11 (Cambridge, MA: Institute for Foreign Policy Analysis, 1993) and Stephen A. Cambone, *A New Structure for National Security Policy Planning* (Washington, D.C.: CSIS Press, 1998). Neustadt and Allison's observation still holds true today.



President Truman increased his use of the National Security Council after the start of the Korean War. The challenge of resourcing Truman's NSC-68 strategy, and the perception that it was Department of State-centric, in part prompted Eisenhower's reassessment during his Solarium exercise. The Sputnik launches stimulated the creation of NASA and contributed to the reorganization of the Defense Department, while the Bay of Pigs debacle convinced Kennedy to create the Situation Room and to use an interagency committee (the ExComm) during the Cuban Missile Crisis. President Johnson established the Civil Operations and Revolutionary Development Support (CORDS) program to promote interagency collaboration in Vietnam while also generally seeking to provide the State Department with greater interagency power through new interagency structures, the Senior Interdepartmental Group (SIG) and Interdepartmental Regional Groups (IRGs). The Washington Special Actions Group was created in response to perceived process problems during the EC-121 incident. Several national security failures helped pass the Goldwater-Nichols Act, which in addition to the Nunn-Cohen amendment, attempted to strengthen the president's ability to produce unified efforts. The Iran-Contra scandal prompted NSC reforms, and the U.S. experiences in Panama, Somalia, and during the USS Harlan County episode in Haiti spurred the issuance of PDD 56 and related interagency reforms. Finally, the attacks of 9/11 and the U.S. experience in Operations Enduring Freedom and Iraqi Freedom led to a variety of interagency reforms during the Bush administration. The interest in interagency reform efforts over the last two presidential administrations (the last 16 years) are particularly notable and include new interagency processes as well as personnel, management, and training and education programs. Yet all these reforms have

limited benefits because they do not address the core problems that actually drive dysfunctional behaviors.

This does not mean the system always performs poorly. Some highly capable leaders can work around system limitations and sometimes succeed, especially with the backing of the president. Also, there are pockets of highly effective and sometimes efficient capabilities in the system. The U.S. military, for example, has grown exponentially more effective since the 1970s. In addition, on occasion, the system has innovated and produced effective interagency programs. The CORDS program used in Vietnam is a good example, and the Train and Equip program in Bosnia is another. Unfortunately, the system learns and adapts poorly, and lessons from both programs were quickly lost. The lack of institutional learning and knowledge helps explain the slow and limited performance of Provincial Reconstruction Teams in Afghanistan and Iraq. The examples of innovative and effective interagency efforts that can be identified are so uncommon and ephemeral that they merely reinforce the general assessment that the national security system is not able to integrate and resource all the elements of national power well. Moreover, the system still tends to thwart rather than support good leaders.

The following section justifies this assessment and offers an overarching explanation for the system's performance, primarily focusing on national security objectives falling under the purview of the legacy National Security Council. There is less experience and data available for the recently created Homeland Security Council; but, since it is modeled on the National Security Council, it presumably faces similar issues and limitations as those identified below.<sup>20</sup>

## CORE INSTITUTIONAL AND MANAGERIAL PROBLEMS

There are five core problems that explain the increasingly inadequate performance of the national security system:

1. The system is grossly imbalanced, supporting strong departmental capabilities at the expense of integrating mechanisms.
2. Resources allocated to departments and agencies give priority to capabilities required by their core mandates rather than national missions.
3. Presidential intervention to compensate for the systemic inability to integrate or resource missions well centralizes issue management and burdens the White House.
4. A burdened White House cannot manage the national security system as a whole so it is not agile, collaborative, or able to perform well during presidential transitions.

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<sup>20</sup> The Homeland Security Council considers security issues in a domestic rather than foreign context; however, it is no less complex as a diverse range of federal, state, and local agency cultures and legal authorities must be considered.

5. The legislative branch provides resources and conducts oversight in ways that reinforce all of these problems and make improving performance difficult.

These core problems explain why the system provides good core capabilities but poor supporting capabilities and poor unity of effort. Following is a comprehensive explanation of each problem, including symptoms, causes, and consequences of each.

## SYSTEM DESIGN EMPHASIZES CORE CAPABILITIES OVER MISSION INTEGRATION

The 1947 act took shape immediately following World War II while the conflict with the Soviet Union was just emerging.<sup>21</sup> To correct the failure in strategic warning represented by Pearl Harbor and meet the need for strategic warning of attack from the Soviet Union, the 1947 act created the Central Intelligence Agency. To diminish the legendary lack of cooperation among the military services and between the military and the powerful Department of State, the 1947 act created the national military establishment, the post of secretary of defense, and, in the 1949 revisions to the act, the Department of Defense. To organize the domestic portion of future war efforts, the 1947 act created the National Security Resources Board to manage mobilization and civil defense. The National Security Council would coordinate all these and other departmental and agency efforts to provide for a fully integrated defense of the nation. Interestingly, the National Security Council, which is now perhaps the best known component of the national security system, was not the primary focus of the legislation's architects. It was the result of political compromises intended to reduce Navy resistance to the new secretary of defense.

The proposal for a National Security Council raised questions as to whether the president might be bound by a council consensus in ways that would infringe upon his constitutional prerogatives. The Department of State objected that the NSC would limit the president and diminish the Secretary of State's traditional role in foreign policy. The concern was that it might dissipate the constitutional authority of the president for the conduct of foreign affairs. The Bureau of the Budget (the predecessor of today's Office of Management and Budget) insisted on its own independence from the NSC, anticipating that the NSC could be dominated by those who would attempt to determine annual budgets largely based on military and diplomatic considerations.<sup>22</sup>

President Truman was also concerned that including the president as a member of the Council might weaken the presidential office. Ultimately, this provision was left intact with the understanding that the president could not be forced to attend NSC meetings. A key goal of President Truman was to ensure that the NSC was advisory in nature and would not infringe on the president's constitutional responsibilities to determine policy and command

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<sup>21</sup> Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America*, (Princeton: Princeton University Press, 2008); Melvyn P. Leffler, "The American Conception of National Security and the Beginnings of the Cold War, 1945–48," *American Historical Review* 89 (April 1984): 346–381.

<sup>22</sup> See Alfred D. Sander, "Truman and the National Security Council, 1945–1947," *Journal of American History* (September 1972).



the military services.<sup>23</sup> So while the architects of the 1947 act believed U.S. national security in the post-World War II era required more extensive, effective, and deliberate “integration of domestic, foreign, and military policies,” the integrating mechanism they created was intentionally weaker. At White House insistence, the language of the 1947 act was changed so that the National Security Council’s role would be “to advise the President with respect to the integration of...policies,” rather than “to integrate...policies.”<sup>24</sup>

The 1947 act was a major step toward creating a functioning national security system, one that served well enough to prevail in the Cold War. Yet the legacy of the 1947 national security system design is an imbalance between strong national security instruments such as intelligence and defense and a weak mechanism for integrating and implementing national security policies. This basic imbalance has only been reinforced in the decades following the 1947 act. Since 1947, there have been numerous statutory modifications to the national security system, all of which reflect the basic pattern of consolidating, disaggregating, or creating new national security organizations dedicated to one area of expertise or another. From the Mutual Security Act of 1951, which created the Mutual Security Agency, to the Intelligence Reform and Terrorism Prevention Act of 2004, which created the Office of the Director of National Intelligence, statutory changes to the national security system focused on better instruments of power.

Integration across disciplines is left to the president. Sometimes the president creates advisory mechanisms to supplement the NSC, such as the 1956 Executive Order 10656, which established the Board of Consultants on Foreign Intelligence Activities to give the president independent evaluations of the U.S. foreign intelligence effort. Otherwise, the executive branch uses forms of interagency committees, ranging from the Psychological Strategy Board established by presidential directive in 1951 to President Clinton’s 1993 Executive Order 12835, which created the National Economic Council for integrating national security policy and international economic policy<sup>25</sup> to the venerable country team used by ambassadors in embassies overseas, and more recent interagency mechanisms, like the National Counterterrorism Center. Unfortunately, none of these integrating mechanisms are strong enough to consistently produce desired outcomes for the president.

## Symptoms

The most prominent symptom of the imbalance between strong national security organizations and weak integrating mechanisms is the general ineffectiveness of interagency committees. Presidents can intervene personally to correct the systemic imbalance in favor of semi-autonomous departments and agencies that impedes unity of effort. Since presidents daily face numerous competing priorities, they typically delegate responsibility for mission integration to one type of interagency group or another, such as ad hoc groups or standing interagency committees. The Principals Committee is “the senior interagency forum for

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<sup>23</sup> Sander, 314–315

<sup>24</sup> Matthew A. Shabat, unpublished Paper, citing language quoted by Douglas T. Stuart, “Ministry of Fear: The 1947 National Security Act in Historical and Institutional Context,” *International Studies Perspectives* (2003): 4.

<sup>25</sup> Matthew A. Shabat, *PNSR Chronology of National Security Structures*.

consideration of policy issues affecting national security,” while the Deputies Committee pursues the same function at the sub-cabinet level.<sup>26</sup>

The formal work of these types of committees is established by each president towards the beginning of his term in office. Generally, such work is “fueled by the briefing papers and issue papers generated by individual agencies and interagency working groups....”<sup>27</sup> Often, the preparation of a paper will be tasked to a Policy Coordinating Committee (PCC) or a sub-Policy Coordinating Committee (sub-PCC). PCC members are usually assistant secretary rank and almost always include a member of the NSC staff. If a policy decision is made, the national security system can be notified through the promulgation of presidential policy directives, which “are no less binding on the executive branch than executive orders, although they are often less formal and may offer more in policy framework than declaratory direction.”<sup>28</sup> PCCs and sub-PCCs are then often used to monitor policy implementation. The Homeland Security Council and National Economic Councils work in a similar manner.

Unfortunately, the varied types and levels of interagency committees that presidents use to perform integration functions do not work well. If an issue clearly falls within the mandate of one department and major support from other agencies is not required, the committees perform a valuable service by keeping everyone informed of activities. On issues that multiple agencies and departments care about, time-consuming and unproductive interagency meetings are legendary and a constant feature of the system across presidential administrations. In 1961, the Senate Subcommittee on National Policy Machinery (Jackson Subcommittee) noted that:

...department heads have traditionally tried to keep the product of coordination from binding them tightly or specifically to undesired courses of action. The net result has tended to be ‘coordination’ on the lowest common denominator of agreement, which is often tantamount to no coordination at all.<sup>29</sup>

President Kennedy adopted the subcommittee’s recommendations to reduce NSC staff size, but did not adopt other important recommendations. In the end, organizational behavior changed little and there remained a premium “on interstaff negotiations, compromise, [and] agreement,” which often led to “the ‘papering over’ of differences, the search for the lowest common denominators of agreement.”<sup>30</sup>

The same tendencies have been evident in all administrations, including the most recent ones. The Clinton administration’s “interagency working groups with overlapping responsibilities disagreed on policy options, and senior NSC officials were reluctant ‘to butt

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<sup>26</sup> NSPD-1.

<sup>27</sup> John Norton Moore and Robert F. Turner, National Security Law (2nd edition) (Durham, North Carolina: Carolina Academic Press, 2005), 921.

<sup>28</sup> Moore and Turner, 921.

<sup>29</sup> “Organizing for National Security,” Inquiry of the Subcommittee on National Policy Machinery, Sen. Henry M. Jackson, Chairman for the Committee on Government Operations, United States Senate, 1961, 17.

<sup>30</sup> Neustadt and Allison 128.

heads' to resolve the differences"<sup>31</sup> which had to be referred "up the organizational hierarchy to the NSC/Deputies Committee, where the issue would be reworked almost from scratch."<sup>32</sup> The workload for the Deputies Committee increased significantly which "slowed the decision process enormously, creating a backlog of issues that needed resolution and a pattern of postponed and rescheduled [Deputies Committee] meetings."<sup>33</sup> In the Bosnia crisis, Deputies Committee disagreements were supposed to be elevated to President Clinton. However, "if a clear consensus was not reached at these meetings, the decision-making process would often come to a temporary halt, which was followed by a slow, laborious process of telephoning and private deal-making," since consensus views, "rather than clarity, [were] often the highest goal of the process....the result was often inaction or half-measure instead of a clear strategy."<sup>34</sup>

The same tendencies were evident in the decision making on whether and how to go to war in Iraq. The Department of State and Department of Defense could not agree on how to resolve issues,<sup>35</sup> and interagency meetings led by NSC staff were exhausting and unproductive, consuming incredible amounts of time without reaching useful conclusions.<sup>36</sup>

**Poor Information Sharing:** Another symptom of strong individual organizations and weak integrating mechanisms is poor information sharing, which hinders government-wide assessments of the security environment. The national security system's ability to assess the security environment is fractured, despite recent reforms in the intelligence community designed to improve information sharing across organizational boundaries. Agencies and departments control information and assessment capabilities, and it is difficult and sometimes impossible to share information across classification boundaries (interagency, local authorities, coalition members). Proliferation of multiple but disconnected "Sensitive but Unclassified" designations across government agencies further complicates and delays information sharing. Even among classified information systems, information sharing is problematic. For example, law enforcement personnel often lack access to Sensitive Compartmented Data, and therefore are not able to receive some terrorism information. Moreover, information systems are not interoperable—they cannot easily communicate due to mismatched protocols and assumptions regarding data organization. Federal, state, and local entities also do not share information consistently within and between levels of government, and there are few incentives for private enterprise to share proprietary information with government organizations. As a result, the system fails to "know what it knows."

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<sup>31</sup> Vincent A. Auger, "The National Security System After the Cold War," in U.S. Foreign Policy After the Cold War (University of Pittsburgh Press, 1997), 60.

<sup>32</sup> Auger 60.

<sup>33</sup> Auger 60.

<sup>34</sup> Richard Holbrooke, To End a War, revised edition (New York: The Modern Library, 1999), 81.

<sup>35</sup> George Packer, The Assassins' Gate: America in Iraq, (New York: Farrar, Straus and Giroux, 2005); and Thomas E. Ricks, Fiasco: The American Military Adventure in Iraq, (New York: Penguin Press, 2006).

<sup>36</sup> Secretary of Defense Donald Rumsfeld, quotation available at: <<http://www.defenselink.mil/transcripts/2003/tr20030925-secdef0712.html>>; see also Douglas J. Feith, War and Decision: Inside the Pentagon at the Dawn of the War on Terrorism (New York, NY: HarperCollinsPublishers, 2008) 245.

**Frustrated Leaders:** Another symptom of ineffective integrating mechanisms at all levels is senior leader frustration:

The problems we face in the world are not problems that come and fit neatly into one department or agency, they're problems that inevitably require the involvement and engagement of more than one department or agency and we end up spending incredible amounts of time that just kind of suck the life out of you at the end of the day spending 4, 5, 6 hours in interagency meetings and the reason is, is because the organization of the government fit the last Century instead of this Century....<sup>37</sup>

President Eisenhower's formal NSC committee meetings were the most extensive and he was the president who most appreciated their value for generating information and inculcating a common appreciation across the administration for the range of national security problems confronting the nation. Yet, they produced little substantive value for the president:

Indeed, the president often found the sessions burdensome, as evidenced by a letter in which his private secretary remarked that the NSC meeting seemed to be the president's most time-consuming task and 'he [Eisenhower] himself complains that he knows every word of the presentations as they are made. However, he feels that to maintain the interest and attention of every member of the NSC, he must sit through every meeting—despite the fact that he knows the presentations so well.'<sup>38</sup>

Presidents (and their subordinates) often avoid interagency committees recognizing that they are not typically productive for making decisions, and only somewhat so for sharing information. Over time, formal meetings are called less frequently, not only NSC meetings (see chart on next page),<sup>39</sup> which fell to near “zero” in the second Clinton administration,<sup>40</sup> but lower level meetings as well. Formal meetings may decline in part to avoid leaks and official minutes of meetings. However, informal meetings also are avoided as officials at all levels begin to skip interagency meetings, sending their subordinates instead. Periodically, in response, the NSC staff will send out reminders of the importance of having the appropriate level of official attend interagency meetings.

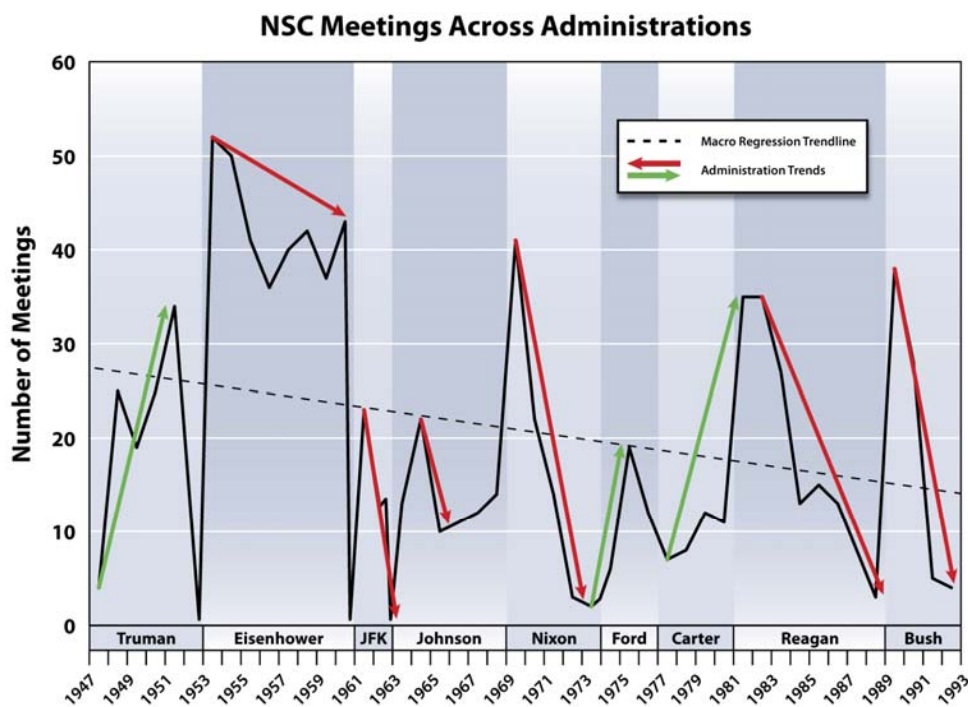
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<sup>37</sup> Donald Rumsfeld, Remarks at the Eisenhower National Security Conference, September 25, 2003.

<sup>38</sup> Cole C. Kinseed, *Eisenhower and the Suez Crisis of 1956*, (Baton Rouge, LA: Louisiana State University Press, 1995) 20–21.

<sup>39</sup> Truman, Ford, and Carter used formal NSC meetings more over the course of their administrations. They were all one-term Presidents. Ford and Carter are the only two presidents who did not take steps to further centralize policy in the White House (see pp. 44–47 of this report). Both perhaps preferred to exercise control over the departments and agencies through formal NSC meetings. Other presidents reduced reliance on NSC meetings and took steps to centralize policy through informal mechanisms.

<sup>40</sup> Bradley H. Patterson, *The White House Staff: Inside the West Wing and Beyond* (Washington, D.C.: Brookings Institution Press, 2000) 54.



Source: White House Historical List of NSC Meetings, available through the National Archives and Records Administration, see: <http://clinton4.nara.gov/WH/EOP/NSC/html/historical/Meetings.html> for access.

**Working around the System:** An even more prominent symptom of ineffective interagency formal structures is that decisions makers tend to resort to informal structures and processes to seek informal advice to augment their formal decision making structures and processes. There are many advantages to doing so, including confidentiality, candor, and limiting participation to those needed to solve a problem. What is notable about the national security system is how the informal mechanisms actually supplant the weak and ineffectual formal structures. Informal channels are used not to obtain valuable alternative points of view to augment the formal system, which would be healthy, but rather to bypass it entirely.

Presidents use informal decision making venues to actually get work done. These include back-channel consultations, and even regular breakfast or lunches meetings. President Nixon and Henry Kissinger used back channels extensively, but all administrations do so at one time or another. President Johnson's "Tuesday Lunches" brought together the president, the secretaries of state and defense, the director of central intelligence, the national security advisor, the chairman of the Joint Chiefs of Staff, and other invited individuals. President Carter held "Friday Breakfasts" with his vice president, secretaries of state and defense, national security advisor, and his domestic advisor. The president's principal subordinates also use informal mechanisms. In both the Carter and Clinton (second term) administrations, the national security advisor and secretaries of state and defense held regular lunches to discuss and resolve policy differences. Other informal processes included non-NSC meetings with all or most of the members of the NSC, such as George H. W. Bush's "gang of eight" meetings, and non-Deputies Committee meetings

chaired by the national security advisor with selected attendees depending on the topic to be discussed.

Sub-cabinet level officials can also work around the system using informal mechanisms and methods, but the more distance from the president the more difficult it is to obtain cooperation and good results. “Policy entrepreneurs” can use their initiative and delegated authority from the president to overcome bureaucratic inertia by cajoling, threatening, and persuading others to collaborate. Sometimes the results are good. For example, Ambassador Robert Oakley acted as an entrepreneurial leader to execute the first phase of the U.S. intervention in Somalia in 1992–1993. National Security Advisor Anthony Lake acted as an entrepreneurial leader in developing Bosnia policy several years later:

What took place in the next few months was probably Tony Lake’s best moment in government... he began to make the bureaucracy work for him. He went to the president and explained what he was working on: a complete and comprehensive new strategy on Bosnia that would work toward a diplomatic settlement... Lake intended to move the bureaucracy ahead by at first *circumventing it* [emphasis added]. He was going directly to the president, commit him if he could to a course of action without Lake’s peers knowing it, and once the president was committed, they would have to follow along. Otherwise, Clinton’s top advisers would continue to be as divided as they currently were—without the most important element to end the internal deadlock, presidential leadership.<sup>41</sup>

Other times working around the system to engineer a solution outside of established decision making mechanisms leads to disasters. When entrepreneurial leaders fail to overcome bureaucratic resistance to their efforts and cannot adequately control other agencies, their carefully conceived strategies can fall apart. This happened to Ambassador Lawrence Pezzulo when he tried to engineer a transfer of power in Haiti. Instead, the Pentagon balked and a humiliating withdrawal of the USS Harlan County from Port-au-Prince was the result.<sup>42</sup> Another infamous example that involved attempts to circumvent congressional restrictions led to the Iran-Contra scandal.

**Frustrated Followers:** Resorting to informal structures and processes reduces transparency and confuses the numerous parts of the system that must contribute to a solution in order for it to be effective. An opaque structure and process makes it difficult to know where and how to actually make a contribution. Even when invited into a problem-solving process, subordinates must question whether they are being asked to allocate time and resources to the “real” effort or just another of the many parallel efforts that the system tends to generate.

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<sup>41</sup> David Halberstam, *War in a Time of Peace: Bush, Clinton, and the Generals* (New York: Scribner, 2001), 309–13.

<sup>42</sup> “Overcoming Interagency Problems,” Prepared Statement of Christopher J. Lamb before the Terrorism, Unconventional Threats and Capabilities Subcommittee on Implementing the Global War on Terror, U.S. Congress, House Armed Services Committee, U.S. House of Representatives, March 15, 2006. See also Ralph Pezzullo, *Plunging into Haiti: Clinton, Aristide, and the Defeat of Democracy* (Jackson: University Press of Mississippi, 2006).

## Causes

The president and his integrating mechanisms always function with a significant handicap. The powerful statutory authorities provided to independent Cabinet-level officials who control the national security bureaucracies are not counterbalanced with tools backed by law that would assist the president in integrating those capabilities to accomplish national missions. Since the functional national security bureaucracies control capabilities and resources, the president must work through the agencies and departments to implement policies. Since they are more likely to implement policies they help develop, the president also needs to work through the national security departments and agencies when policy is developed. This state of affairs produces two noteworthy conflicts of interest that can be managed but not eliminated.

First, the powerful Cabinet heads are placed in fundamentally conflicted roles because their institutional mandate to build capacity for their individual department is at odds with the requirement to sacrifice department equities when doing so will improve the chance of success for multi-agency missions. Cabinet members must balance their roles as presidential advisors with their statutory obligations to build, manage, and safeguard strong departmental capabilities:<sup>43</sup>

Once in office, moreover, the Cabinet secretary is pulled away from the President by strong centrifugal forces. The duty to carry out the laws and to be responsive to Congress is accentuated by the dependency of Cabinet members on the career bureaucracies and the clientele groups of their agencies. . . . For a person to be able to be of use to the White House, he must also be trusted and accepted as a defender of the values represented by the agency and its mission. Because the White House must sometimes make decisions affecting the division of missions with other agencies, it is sometimes seen as a threat to the agency.<sup>44</sup>

Second, the National Security Advisor and his or her staff also must balance fundamentally conflicting roles. They serve as “honest brokers” who fairly represent the positions of the different departments and agencies on any given issue but also as confidential advisors to the president and his primary source of “integrated” perspective:

There is, first of all, the inherent tension between the need of the national security adviser to be an effective and trustworthy honest broker among the different players in the decision-making process and the desire of the president to have the best possible policy advice, including advice from his closest foreign policy aide. The roles are inherently in conflict. Balancing them is tricky and possible only if the adviser has earned the trust of the other key players. As Sandy Berger argued, ‘You have to be perceived by

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<sup>43</sup> Richard Neustadt, Presidential Power and the Modern Presidents: the Politics of Leadership from Roosevelt to Reagan, (New York, NY: The Free Press, 1990) 34.

<sup>44</sup> James Pfiffner, The Strategic Presidency (Lawrence, KS: University of Kansas Press, 1996) 35–36.

your colleagues as an honest representative of their viewpoint, or the system breaks down.’<sup>45</sup>

As former Secretary of State Madeleine Albright noted, this conflict of interest has only been curtailed on one occasion:

The mandate of the national security advisor is to make sure all the elements of our national security policies, including defense, diplomacy, and intelligence, move in the same direction. He (or she) is supposed to coordinate policy, not make or carry it out. In practice, however, these lines blur. It is a standard observation in Washington that the only time the NSC and State Department worked well was when Henry Kissinger was in charge of both.<sup>46</sup>

Yet Henry Kissinger found that the more he was perceived as the controlling voice on policy the more likely the agencies and departments were to assert their prerogatives during implementation. After his first year, Kissinger noted it was easy making policy but not coordinating and implementing it.<sup>47</sup> He concluded that when he was dual-hatted as both national security advisor and Secretary of State and dominant on policy making, he was worse off because the departments would resist the implementation of his preferred policies.<sup>48</sup>

Cabinet officials’ dual role of capability provider and advisor to the president for integrated national missions is not unlike the dual role played by military service chiefs until the 1986 Goldwater-Nichols Act provided a sharper division of labor between the service chiefs and combatant commanders. Similarly, the dual roles of national security advisors are reminiscent of the chairman, Joint Chiefs of Staff position prior to Goldwater-Nichols reforms. Chairmen previously had to carefully balance the need for a fair representation of the chiefs’ positions with their own views.<sup>49</sup>

Finally, the national security system lacks a strong ethos and culture that could stimulate collaboration.<sup>50</sup> In most organizations, one would expect to find weak integrating structures and processes balanced by a strong unifying culture and human capital system. However, the national security system complements its weak integrating structures and processes with an even weaker cross-cutting national security culture and personnel system. Strong and

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<sup>45</sup> Ivo H. Daalder and I. M. Destler, “How National Security Advisers See Their Role,” in The Domestic Sources of American Foreign Policy, James M. McCormick, editor, 5th edition, forthcoming <<http://www.cissm.umd.edu/papers/display.php?id=261>>.

<sup>46</sup> Madeleine Albright, Madam Secretary. (New York: Miramax Books, 2003) 88.

<sup>47</sup> John P. Leacacos, “Kissinger’s Apparatus,” In Fateful Decisions: Inside the National Security Council edited by Inderfurth and Johnson, (2004) 86.

<sup>48</sup> Henry Kissinger, The White House Years, (Boston: Little, Brown, 1982) 28-29, 48, 805-6; Henry M. Kissinger, Years of Upheaval, (Boston: Little, Brown, 1982), 435; and comments to Richard Holbrooke in To End a War, Revised edition, (New York: The Modern Library, 1999) 117.

<sup>49</sup> Ronald H. Cole, Lorna S. Jaffe, Walter S. Poole, and Willard J. Webb, The Chairmanship of the Joint Chiefs of Staff, Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, Washington, DC, 1995, p. 22 in particular.

<sup>50</sup> Macro Critique of the National Security System.



enduring department and agency cultures exert primary influence over behaviors, which is not conducive to collaboration.

In theory, individuals can work in multiple organizational cultures, but currently strong department and agency cultures largely penalize rather than reward such cross-agency proficiency. The agencies and departments, which give priority to their mandates and missions, not only control the bulk of human capital assets, they also control almost all the capabilities for issue assessment and decision making support, which further complicates the ability of the president to integrate policy.

### **Consequences**

The most immediate consequence of the systemic imbalance between strong individual organizations and weak integrating mechanisms is that the system produces better core capabilities than integrated policies and implementation efforts. The different policy perspectives brought to interagency committees are helpful. What is hurtful is the inability to integrate them into alternative courses of action, each of which would represent a combined effort from multiple agencies, and make and implement the decision with unity of effort. Instead, the courses of action coalesce around agency positions and often cannot be resolved. Interagency committees typically are not productive unless the president is involved, and even if the president supervises or intervenes to ensure an integrated policy, its implementation usually is retarded by interagency disagreements, missing mission-essential capabilities, and resource allocation limitations and inefficiencies.

### **RESOURCING CAPABILITIES NOT MISSIONS**

The second core problem is that the national security system provides resources for national security functions, not national missions. Budgets are developed and appropriated along departmental lines and then disbursed through departmental mechanisms. Departments and agencies typically shortchange interagency missions and non-traditional capabilities. As a result, the requirements for national mission success are often not met. In particular, resource allocation processes do not provide the full-range of required capabilities, do not permit the system to surge in response to priority needs, and do not provide resource allocation flexibility in response to changing circumstances.

### **Symptoms**

The symptoms of providing resources to departments and agencies without due attention to national missions are manifest in several respects. First, the lack of attention to mission performance complicates even the provision of core capabilities. This has proven true in development assistance for example:

America's foreign aid is now (mis)managed by an alphabet soup of no less than fifty separate units within the executive branch, pursuing fifty disparate and sometimes overlapping objectives ranging from narcotics eradication to biodiversity preservation. Poor coordination and lack of integration means

that U.S. agencies often work at cross purposes—something which is not lost on recipient countries...<sup>51</sup>

In other areas, such as defense and diplomacy, the national security system provides capabilities to execute core activities well. However, the system cannot provide the full range of capabilities required by priority national missions, which degrades performance and exacerbates tension among agencies and departments:

In every overseas intervention the U.S. has undertaken since the end of the cold war, an integrated approach and an understanding of each organization's missions and capabilities have been woefully lacking. For years some in the military have criticized their interagency partners for not contributing enough to our efforts overseas, while some in the interagency have criticized the military for not providing enough security for them to do their jobs.... The real problem is that we lack a comprehensive overview of what each military and interagency partner should contribute in conflicts like Iraq and Afghanistan. Instead, there is a large gap between what we optimally need to succeed and the combined resources our government can bring to bear. This 'capabilities gap' is not the fault of any single agency, but is the result of our government not having clearly defined what it expects each instrument of national power to contribute to our foreign policy solutions.<sup>52</sup>

Mission-essential capabilities that fall outside the core mandate of an organization receive less emphasis and fewer resources. For example, the Department of State gives precedence to private diplomacy rather than public diplomacy. Similarly, the Department of Defense gives precedence to large force-on-force combat capability as opposed to irregular warfare capabilities. Mission-essential capabilities that do not fit nicely into any agency or department mandate are largely ignored. Some stabilization and reconstruction capabilities for post-conflict environments, such as deployable policing capabilities fall into this category. Another example of a national mission that does not fall into the capabilities of any one agency is the need to map and influence traditional social networks, particularly in the context of complex contingencies and the war on terror.<sup>53</sup>

Another symptom is poor surge capacity. National security agencies and departments are funded for routine operations, not for the disruptive challenges of today's security environment. The Department of Defense has a short-term surge capacity but the State Department and other civilian agencies do not have the ability to surge in response to crises or priority requirements. Even organizations that are designed and empowered to respond

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<sup>51</sup> Mark Malan, U.S. Civil Military Imbalance for Global Engagement: Lessons from the Operational Level in Africa. Refugees International. July 2008, pg. 6, <http://www.refugeesinternational.org/content/publication/detail/10761>.

<sup>52</sup> Lt. Gen. Peter Chiarelli, "Learning from our modern wars: the imperatives of preparing for a dangerous future," Military Review (Sept/Oct, 2007).

<sup>53</sup> David Tucker and Chris Lamb, "Restructuring Special Operations Forces for Emerging Threats," *Strategic Forum* No. 219, Institute for National Strategic Studies, National Defense University, January 2006. For a critique of CIA support to military contingencies in the 1990s, see Richard A. Clarke, Your Government Failed You: Breaking the Cycle of National Security Disasters, (New York, NY: Ecco, 2008), p. 108.

to expected but contingent events, like the Federal Emergency Management Agency, have few sources of contingency funds.

Finally, a major symptom of funding core capabilities instead of national missions and priorities is heightened interagency friction. Interagency meetings frequently devolve into disagreements over who pays for an urgent activity even when everyone favors and acknowledges the activity is essential.

### **Causes**

Funds are provided for departments and agencies with the hope that doing so provides sufficient capabilities to accomplish missions. For missions that require non-traditional capabilities, this hope is not realized for several reasons:

**Inadequate Mission Requirements Analysis:** The Office of Management and Budget (OMB) cannot discern the necessary tradeoffs in a complex national security system. In addition, OMB does not have the analytic capability to identify interagency mission requirements. Individual organizations do not understand the resourcing alternatives that exist across the national security system. They could assist with requirements analysis to some extent but they do not have incentives to assist with identifying tradeoffs. They are understandably influenced by incentives to protect their own programs. Thus, OMB provides minimal cross-agency evaluation of spending for programs shared by agencies. Although the NSC and OMB do cooperate, this cooperation is limited, has historically not been institutionalized across administrations, and is inconsistent across policy issues.

**Congressional Reservations:** Congress resists approving money for unspecified expenditures, and its committees require notification and often advanced approval for any shifts out of or into previously settled programs. Congressional sensitivities are understandable in light of its oversight role, but consequential nonetheless. The few authorities available for emergency spending in the national security realm, including the Department of Defense Food and Forage Act and the humanitarian assistance accounts of the Agency for International Development (USAID), fall far short of funding requirements for major contingencies like the 2004 tsunami in Indonesia or major complex contingencies. Even if contingency funding were included in federal budgets, execution of those contingencies would still require adjustments in both the amount and the distribution of those funds across agencies. Contingencies cannot be predicted two years in advance, which is the time frame of the budget-building cycle. Once they occur, the current budgetary constraints do not allow for sufficiently agile reallocation or approval of funding.

**Disparities in Public Support:** Stronger support in Congress for defense programs compared to international affairs spending reflects congressional perceptions of public opinion. The resulting imbalance in national security system capabilities complicates interagency cooperation in difficult multi-agency endeavors as civilian agencies typically have little surge capacity, even in the short term.

## Consequences

The inability to resource missions in accordance with policy and strategy priorities has significant liabilities. It exacerbates the system's weak integration mechanisms, making the fight over resources a constant impediment to better interagency collaboration. More importantly, complex contingencies are often undertaken without the requisite capabilities for success. This has been glaringly apparent with respect to the Provincial Reconstruction Teams (PRTs) used in Iraq and Afghanistan:

The Pentagon and State Department cannot spell out who is in charge of PRTs, who they answer to and who provides logistical support on the ground. Funding shortfalls meant PRTs lacked computers, telephones, Internet access and even basic office supplies. Members either had to go begging for resources from local military commanders or pay for office equipment and other supplies out of their own pockets.<sup>54</sup>

Efforts to meet national priorities move slowly. When a new mission is identified, each department has powerful incentives to resist cuts in their ongoing programs while hoping for funds from other agencies or through supplementals. Accordingly, efforts to address new national priorities move slowly. If and when such priorities receive funding, they become ongoing programs and departments and agencies again resist pressure to cut or reduce them, whether or not they continue to be needed. To address issues more quickly, often leaders compensate by turning to the national security institution with the largest and most flexible spending authorities, the Department of Defense. This often results in the Department of Defense taking the lead on many non-military missions:

Even when civilian agencies were capable of providing PRTs with representatives, they lacked the necessary funding and resources to adequately support their staff in the field....One civilian PRT member stated in an interview, 'I do wish the Department of State provided more than just one person. I think that we'd be more effective if we had our own interpreters, our own transportation, and some programming funds to be able to bring to the table.' The added burden of providing resources for civilian representatives, which should have been supplied by their corresponding agencies, sometimes frayed interagency cooperation between military and non-DoD personnel.<sup>55</sup>

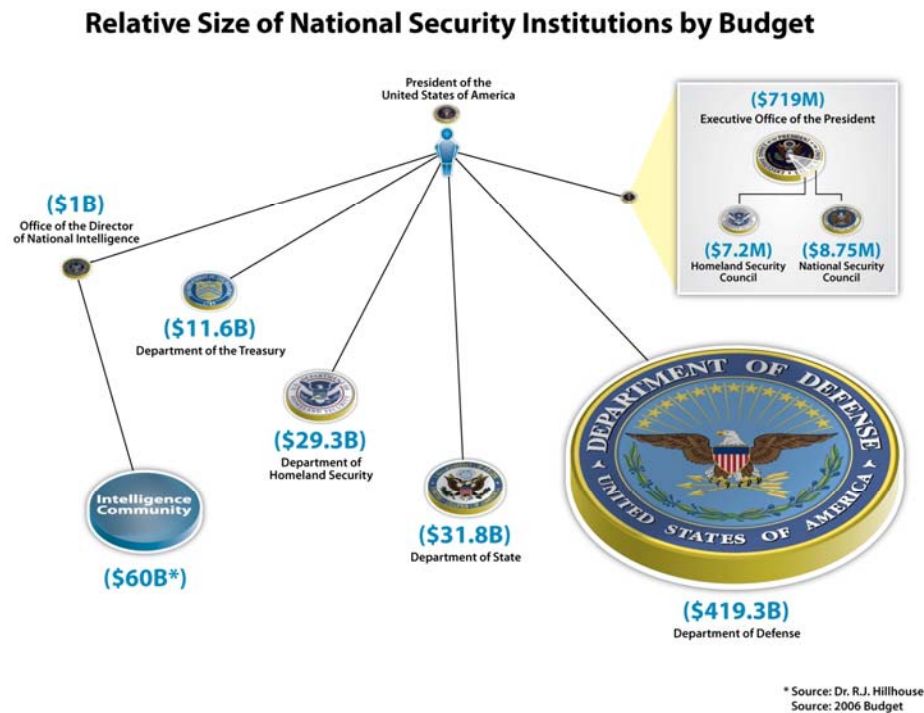
Senator Richard Lugar has concluded that insufficient resources for civilian foreign affairs agencies undermine effective conduct of the war against terror, and that, "In fact, it can be

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<sup>54</sup> GovExec.com: December 1, 2006, 8 July 2008, <[www.govexec.com/features/1206-01/1206-01na1.htm](http://www.govexec.com/features/1206-01/1206-01na1.htm)>.

<sup>55</sup> Carlos Hernandez, "U.S. Provincial Reconstruction Teams In Afghanistan, 2003-2006: Obstacles to Interagency Cooperation," In *The Interagency and Counterinsurgency Warfare: Stability, Security, Transition, and Reconstruction Roles*, Edited by Joseph R. Cerami and Jay W. Boggs, *Strategic Studies Institute*, December 2007, 144-145. For similar examples, see Wesley K. Clark, *A Time to Lead*, (New York: Palgrave MacMillan, 2007) 191-192.

argued that the disparity in the ratio between investments in military versus civilian approaches (see below) threatens U.S. success.”<sup>56</sup>



Certainly the sheer disparity in Department of Defense and other department and agency resources often sends the wrong signals about American priorities and methods:

Spending on diplomacy had marched steadily downward for decades. Congress had slashed the State Department’s operations budget by 20 percent during the 1970s and 1980s. As the military expanded overseas, the State Department squeeze forced the closure of more than thirty embassies and consulates, and 22 percent of the department’s employees were cut from the payroll... Instead of righting the imbalance, Washington came to rely ever more on the regional CinCs [Commander-in-Chiefs] to fill a diplomatic void....Officially, [General] Zinni was outranked at the meeting by the six American ambassadors to the Persian Gulf countries. But in any motorcade, the CinC rode in the lead car. Ambassadors wandered the hotel lobby, alone and unnoticed, and slept in regular-sized rooms. The CinC’s team occupied the entire hotel wing.<sup>57</sup>

<sup>56</sup> United States. Embassies As Command Posts in The Anti-Terror Campaign, December 15, 2006, 109-2 Committee Print S. Prt, 109-52, \*. S.I: s.n, 2007.

<sup>57</sup> Dana Priest, The Mission: Waging War and Keeping Peace with America's Military, (New York: W.W. Norton & Co, 2003) 45 and 77.

## SYSTEMIC DEFICIENCIES BURDEN THE PRESIDENT WITH ISSUE MANAGEMENT

The preceding system deficiencies are intrinsic in the basic design of the current national security system, and they generate consequences that in turn become core problems for managing the national security system. When multi-agency missions are not being performed well, the president can compensate for system integration and resourcing liabilities through personal intervention. Since his time is limited, the president looks for ways to delegate authority for integration, but they prove largely ineffective without his involvement. The system essentially demands the president intervene to manage issues directly.

### Symptoms

The two principal symptoms of a systemic inability to assist the president with the integration of multi-agency policy, strategy, and implementation responsibilities are the absence of long-range planning and increased centralization of issue management in the White House.

**Poor Long-Range Planning:** As lamented by National Security Advisor Brent Scowcroft, the system does not do long-range planning well:

I always thought that the NSC, as the agent of the president, ought to have a long-range planning function. I tried it both times and it never worked satisfactorily. Either nobody had time to pay attention to it or you had to grab them when a fire broke out. That was one of the most frustrating things to me. Nobody else is in a position to do the broad, long-range thinking that the NSC is, but I don't know how you do it.<sup>58</sup>

By comparison, the system seems to perform crisis management better than long-range planning, although it might be just as true to say it encourages crises by delaying action until the problem is so severe that the president must make it a personal priority. Due to his severe time limitations, the president often intervenes only after it is evident that the system cannot resolve an issue and it has developed into a crisis.

**Increased Centralization:** Most administrations over the last 60 years tend to centralize policy decision authority in the White House over time. Presidents begin with centralizing directives or with attempts to decentralize decision making, but almost all end up by asserting greater centralization over time. President Truman maintained centralized control over policy by making his decisions in consultation with, but outside of, NSC meetings. Eisenhower created the NSC Planning Board within the NSC system to produce policy options, although most of his policy decisions were made in the Oval Office. Initially, his implementation oversight function resided in the Operations Coordinating Board (OCB) outside of the NSC system; but, in 1957, he further centralized by transferring the OCB into the NSC.

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<sup>58</sup> Brent Scowcroft, quoted in Ivo Daalder and I.M. (Mac) Destler, "The Role of the National Security Adviser," (Oral History Roundtables, 10/25/1999).

President Kennedy sought to decentralize policymaking by returning it to the State Department at the outset of his administration; but, after the Bay of Pigs debacle, he created the White House Situation Room to permit his NSC staff to monitor the cable traffic of departments and agencies. He also returned much of the State Department's policymaking authority to the NSC staff after perceiving the bureaucracy to be unresponsive to his needs. President Johnson created interagency groups in an attempt to balance the State Department's role in the interagency system, but important decisions continued to be made in the president's "Tuesday Lunches." President Nixon further centralized policymaking in the White House, in part by installing Henry Kissinger as the chairman of most NSC committees. Kissinger explains President Nixon did so in part in order to "avoid the bureaucratic disputes or inertia that he found so distasteful."<sup>59</sup>

President Ford inherited a strongly centralized system but made no further centralizing changes. President Carter consciously set out to return power to the departments and agencies, but also acted to centralize certain policy issues and decision making in the White House and the Oval Office in particular.<sup>60</sup>

Carter stated openly that foreign policy would be made by him and not by his secretary of state. In part this was in reaction to Kissinger's perceived domination as secretary of state over Ford's decision-making process. But in large measure it reflected Carter's genuine determination personally to guide decision making. Accordingly, Carter took the unprecedented step on his inauguration day of issuing a directive concentrating the policy process, especially for arms control and crisis management, within the White House. In these critical areas the national security adviser [...] would chair cabinet-NSC committee meetings.<sup>61</sup>

Moreover, President Carter reinforced White House centralization by making Zbigniew Brzezinski, his national security advisor, the chairman of the Special Coordinating Committee, which considered all cross-agency policy matters. President Carter also gave Brzezinski Cabinet rank, thereby further increasing his authority relative to the Cabinet secretaries. Brzezinski later asserted that President Carter's NSC was "the most centralized" national security decision-making style of the post-World War II era.<sup>62</sup> Interestingly, both the one-term Ford and Carter administrations bucked the trend among post-World War II presidents in that they used formal NSC meetings with increasing rather than decreasing frequency. Given the reputation of Kissinger and Brzezinski as strong national security advisors, the use of formal NSC meetings highlighted the role of the president in crisis decision making.<sup>63</sup>

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<sup>59</sup> Kissinger, *White House Years*, 29.

<sup>60</sup> Jimmy Carter, *Keeping the Faith* (New York: Bantam Books, 1982) 52.

<sup>61</sup> Zbigniew Brzezinski, "The NSC's Midlife Crisis," *Foreign Policy* 69 (Winter 87-88) 80-99.

<sup>62</sup> Brzezinski, *Power and Principles*, 74.

<sup>63</sup> At least in the case of the *Mayaguez* during the Ford administration, the president's political advisers were anxious to highlight the president's role and stature as the leading decision maker during the crisis.

President Reagan initially weakened the NSC advisor and staff's role in the interagency process while trying to strengthen that of the departments and agencies. However, he ended up adopting many of the Tower Commission's recommendations and moving towards greater policy centralization under his last two national security advisors—Carlucci and General Colin Powell. President George H. W. Bush centralized policy within the White House through his staffing of the NSC with close, personal contacts. Clinton brought national economic policy into the White House through his creation of the National Economic Council. Informally, President Clinton's NSC leaders later told new, incoming staff that trying to work major problems through the departments produced failure in Somalia, Rwanda, and the early portion of the crisis in Haiti. In response, President Clinton and his national security advisor paid more attention to integrating policy from the White House.

President George W. Bush prefers to decentralize policy and implementation through lead agencies. He began centralizing decision making after the 9/11 attacks, creating the Office of Homeland Security and the Homeland Security Council within the White House. Prompted by Congress, he helped create a new cabinet Cabinet-level organization, the Department of Homeland Security, and the position of the Director of National Intelligence, who reports directly to the president. Yet, like previous presidents, George W. Bush has moved to centralize policy in the White House after failures or implementation problems. In October 2003, he moved oversight of the war effort to the "Iraq Stabilization Group" under National Security Advisor Condoleezza Rice. Later President Bush further centralized war planning under LTG Douglas Lute, the "war czar."<sup>64</sup>

In short, presidents as different as Kennedy and Nixon or Johnson and Truman all ended up coming to the conclusion that the most effective means of policy making was to increasingly centralize the process in the White House.<sup>65</sup> In foreign affairs, this means presidents increasingly rely on the national security assistant and by extension the National Security Council staff:

Since World War II, power has moved back and forth among courtiers [White House staff] and barons [department heads], not always predictably.... Nonetheless, there has been a strong trend towards concentration of power in the primary Presidential foreign-policy courtier today, the national security assistant.<sup>66</sup>

Experience with the changing security environment over the last two decades just reinforces the trend toward centralization of national security issue management:

When something happens in the world—a military action in the Persian Gulf, a crisis in a foreign land, any kind of a crisis that is going to be a major

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<sup>64</sup> Peter E. Baker and Thomas Ricks, "Three Generals Spurn the Position of War 'Czar,'" Washington Post, 11 April 2007: A01.

<sup>65</sup> Stephen Hess, Organizing the Presidency, (Brookings, 1976) 177–178.

<sup>66</sup> I.M. Destler, Leslie H. Gelb, and Anthony Lake, Our Own Worst Enemy: the Unmaking of American Foreign Policy, (New York: Simon and Schuster, 1984) 236.



international event—there is only one place that crisis can be managed from, and that is the West Wing of the White House, and it immediately flows into the National Security Council staff and the national security advisor. It can't be managed at the State Department, it can't be managed at Defense, it can't be managed anywhere else for the simple reason that each one of those departments has a separate and distinct role to play and that role has to be coordinated with the West Wing staff, and the NSC advisor is the one who has that responsibility.<sup>67</sup>

## Causes

The rigidly vertical structure of the national security system and its institutions fundamentally complicates the president's ability to decentralize decision making. Tools available to the president to circumvent the rigid structure and delegate authority for integration do not work well. Specifically: 1) there is no consistently effective model of presidentially delegated authority and 2) lead agencies and lead individuals lack the authority to command integrated action without direct presidential involvement. These mutually reinforcing causes are described below.

**No consistently effective model of presidentially delegated authority:** The reason that the president is burdened with too much direct issue management responsibilities is that there is no consistently effective mechanism for delegating his authority to others to undertake the activity on his behalf. Some issues are so critically important and difficult that only the president can resolve them, and other issues are successfully managed by extremely capable individuals acting on the president's behalf, but not consistently. Evidence suggests presidents want the means to integrate department and agency efforts better and are frustrated by the centrifugal tendencies of the powerful departments and agencies. With their time limited, presidents look for ways to delegate authority for integration, but they prove largely ineffective without his involvement.

**Failure of Lead Agencies:** The most common formal integration mechanism is the lead agency because the departments and agencies are established, work well in their domains, and control resources. Prior to the 1947 Act, the Department of State was the lead agency for national security policies. Creation of a formal interagency process—a reflection of the more complicated problems emanating from the security environment—diminished the Department of State's prominence as lead agency for national security affairs. Today, other departments and agencies are also likely to be designated as lead agency. The advantage to the lead agency model is that it affixes responsibility and uses existing organization. The disadvantage is that the lead agency approach does not work well. First, lead agencies cannot secure the level of cooperation they need to be effective:

It's very hard to have any player be both a player and the referee. The assistant secretary of state comes to the meeting to chair it and to represent

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<sup>67</sup> Colin Powell, "The NSC Advisor: Process Manager and More," in *Fateful Decisions: Inside the National Security Council*, eds. Karl Inderfurth and Loch Johnson (New York: Oxford University Press, 2004) 160.

the State Department. This puts him in an extremely difficult position, particularly when other agencies have equal or greater equities. It puts him in an impossible situation.<sup>68</sup>

Lead agencies lack de jure and de facto authority to command other Cabinet officials or their organizations to take integrated action. This is true even at the level of cabinet officials, as Zbigniew Brzezinski explains:

Integration is needed, but this cannot be achieved from a departmental vantage point. No self-respecting Secretary of Defense will willingly agree to have his contribution, along with those of other agencies, integrated for presidential decision by another departmental secretary—notably, the Secretary of State. And no self-respecting Secretary of State will accept integration by a Defense Secretary. It has to be done by someone close to the President, and perceived as such by all the principals.<sup>69</sup>

The inability to ensure collaboration by a lead agency is true at lower levels as well, including the country teams led by ambassadors in overseas embassies.<sup>70</sup> As a senior National Security Council official who served in four administrations has noted, lead agency really means sole agency as no one will follow the lead agency if its directions substantially affect their organizational equities.<sup>71</sup> Moreover, those people who are assigned to support another agency often are not rewarded and may well be penalized in performance evaluations and assignment opportunities.

**Failure of Czars:** When the lead agency approach fails, presidents sometimes designate lead individuals, or “czars.” One comprehensive study of the White House staff found that using policy czars is a common practice:

[W]hen an overwhelming problem lands in the president’s lap or a new initiative is aborning, [the President] can bring in a White House assistant—perhaps a “czar” or “czarina”—to add the new, needed focus and energy to deal with it.<sup>72</sup>

However, czars, like lead agencies, lack authority to direct Cabinet officials or their organizations. As presidents recognize, czars “...may be a pain to the cabinet and will appear to the cabinet secretaries to fuzz up their direct lines to the president.”<sup>73</sup> Presidents choose czars hoping they will be able to informally cajole or otherwise orchestrate a higher degree of collaboration, not because they are empowered to compel collaboration. The czar

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<sup>68</sup> Richard Haass, quoted in Ivo Daalder and I.M. Destler, “The Bush Administration”, (Oral History Roundtables, 04/19/1999).

<sup>69</sup> Hedrick Smith, *The Power Game: How Washington Works*, (New York, NY: Random House, 1988).

<sup>70</sup> Robert Oakley and Michael Casey, “The Country Team: Restructuring America’s First Line of Engagement.” *Joint Force Quarterly* JFQ. 47 (2007): 146–154.

<sup>71</sup> Rand Beers, “Structure Challenges Seminar,” 1st Panel, *Proceedings from a Project on National Security Reform Conference on Integrating Instruments of National Power in the New Security Environment* July 25–26, 2007; available at: <[http://www.pnsr.org/pdf/Conference\\_Proceedings\\_September\\_11\\_FINAL.pdf](http://www.pnsr.org/pdf/Conference_Proceedings_September_11_FINAL.pdf)>.

<sup>72</sup> Patterson 264.

<sup>73</sup> Patterson 264.

may lower his or her expectations and simply play an honest broker role, but they will still be viewed as interested parties because of their proximity to the president, much the same way cabinet officials perceive the national security advisor.

## Consequences

The trend toward centralized policy making increases the burden on the White House, limits decision making capacity, and inclines the system toward crisis management at the expense of proactive engagement and longer range policy and planning. Each of these consequences is described below.

**Limited Decision Capacity:** The problem with centralizing policy development and implementation in the White House is that the relatively small White House staff cannot cover the range of necessary issues. The first Bush administration focused on key national security issues like German reunification and international support in the first Gulf war, but neglected other issues as a result:

You had a very small circle of people, both at the top and then in the immediate second tier in the Gulf War, who, from August until the end of the war, went through an unbelievably intense, emotional, physical, exhausting experience....The ability to sustain a high level of intensity on something else after the kind of experience that went on as long as it did was very difficult. And, in my judgment, it affected not only Yugoslavia. It affected us on what we were trying to do on Soviet policy at the time....We could not generate the interest at the top because, in a sense, they were spent.<sup>74</sup>

The same limited decision capacity was evident in the Clinton administration:

Ideally in the policy process minor issues would be authoritatively settled by the NSC staff so that issues could be honed to the point that important decisions would be all that was on the table for the principals to decide. The lack of coordination at the lower levels was frustrating to participants at the Departments of State and Defense who had to wait until the President or Anthony Lake could get around to making decisions.<sup>75</sup>

China policy is one example of a key issue that suffered as a consequence of the limited decision capacity in the White House:

I agree with the point that there was not high-level attention to China in the White House the first couple of years. The president and Lake did not give this issue sustained attention until 1996. We tried to get the president to give major speeches on China for four years, and he never did. His—and the

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<sup>74</sup> David Gompert, quoted in Ivo Daalder and I.M. Destler, "The Bush Administration," (Oral History Roundtables, 04/19/1999). Arnold Kanter and Dennis Ross make the same point in the same source. See also Dennis Ross, Statecraft: And How to Restore America's Standing in the World, (New York: Farrar, Straus, and Giroux, 2007) 137–138

<sup>75</sup> James Pfiffner, The Strategic Presidency (Lawrence, KS: University of Kansas Press, 1996), 159.

NSC's—most egregious contribution was to let the economic agencies sabotage the president's own MFN policy and leave Christopher swinging in the wind.<sup>76</sup>

Since presidents do not have sufficient time to personally integrate the many national security missions that must be undertaken, they look for ways to delegate that authority to others. However, the system generally responds poorly unless the president is personally involved. As the Tower Commission noted:

The NSC system will not work unless the President makes it work. After all, this system was created to serve the President of the United States in ways of his choosing. By his actions, by his leadership, the President therefore determines the quality of its performance.<sup>77</sup>

Direct presidential interest, and often intervention, is required to compensate for weak structures and processes that cannot integrate problem analysis, solution options, and implementation plans. Since resources reside mostly in the departments and agencies, it is these institutions that must be used to execute all missions, even those requiring close integration. Getting these institutions to provide resources for cross-agency missions also requires presidential authority. As a result, the president is overburdened with the responsibility for integrating and resourcing priority national security missions.

**A Burdened President:** Exceptional cases of particularly close presidential-national security advisor teams (e.g., Nixon-Kissinger and Bush-Scowcroft) may reduce, but do not negate, the requirement for presidential involvement to ensure integrated efforts. Cabinet officials often let the national security advisor know they will not take direction they disagree with unless it comes directly from the president.<sup>78</sup> Lead agency and lead individuals lack *de jure* and *de facto* authority to command either Cabinet officials or their organizations to take integrated action without direct presidential involvement. This is true at all levels, from the national security advisor to the ambassadors leading country teams in overseas embassies. The consequence is an unmanageable span of control for the president, one which grows worse as the national security environment grows more complex. Getting the president and his White House staff directly involved in managing key issues distracts them from managing the national security system more generally:

Moreover, when the President gets caught up in details, the traditional prescription for sensible policymaking gets stood on its head. He is supposed to set policy and make the big decisions. When trapped by time-consuming operations, when plunging into a few key enterprises, he becomes like an orchestra conductor who grabs the first violin and plays it vigorously,

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<sup>76</sup> Winston Lord, Assistant Secretary for East Asian and Pacific Affairs, Department of State, 1993–1997; quoted in Ivo Daalder and I.M. Destler, "China Policy and the National Security Council," (Oral History Roundtables, 11/04/1999), <<http://www.cissm.umd.edu/papers/files/china.pdf>>.

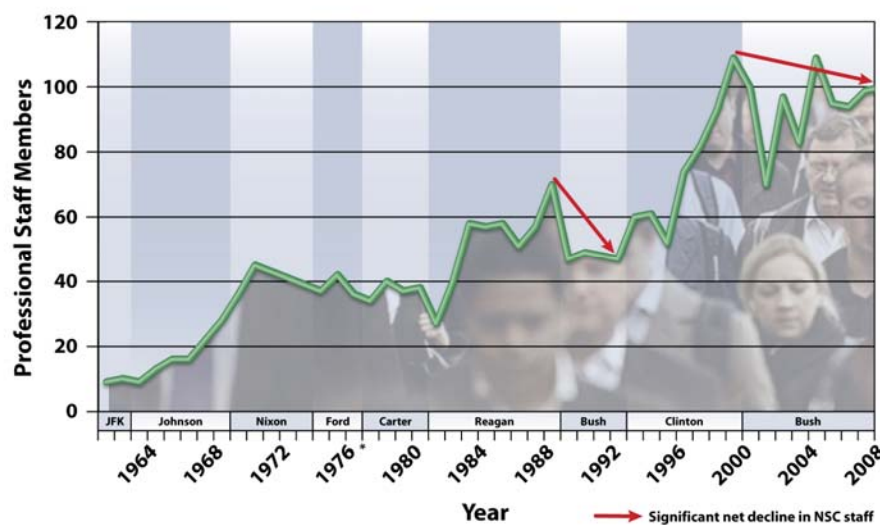
<sup>77</sup> John Tower, Edmund Muskie, and Brent Scowcroft, *The Tower Commission Report*, (New York: Random House, February 1987).

<sup>78</sup> Kissinger, *White House Years*, 28–29.

perhaps even brilliantly. The violin may sound terrific. But the other instruments are left without clear direction. And the conductor-turned-violinist becomes so absorbed in his personal performance that he loses his sensitivity to what the other instruments are doing. The President thus loses his capacity to see things whole.<sup>79</sup>

Presidents sometimes begin their terms expressing a desire for a smaller National Security Council staff but most often end up with larger staff, as shown in the following graph:

**Average Size of NSC Professional Policy Staff, 1961 – 2008**



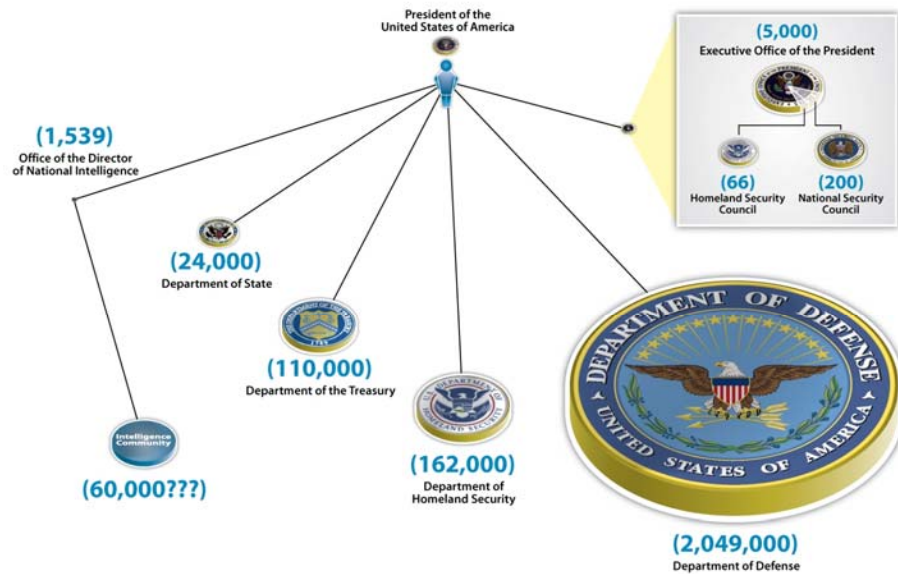
\* Jeffrey Gelman, Ivo Dalder, I.M. Destler, Brookings Institution NSC Project

There are multiple reasons for the growth of the National Security Council staff, including the expansion of the foreign policy agenda in recent decades with more issues requiring coordination across multiple agencies.<sup>80</sup> However, the upwards pressure on NSC staff is indicative of the burden that centralizing policy integration in the White House poses. The attention of the National Security Council staff is consumed by day-to-day issue management. For this purpose, the 100–200 person staff (about half of whom are support and half of whom are policy professionals) is tiny compared to the multi-million person national security establishment they work with and the multitude of issues they attempt to integrate. The Homeland Security Council's staff is even smaller than the National Security Council's, and together they represent only about five percent of the staff support for the Executive Office of the President.

<sup>79</sup> Destler, et al., *Our Own Worst Enemy: the Unmaking of American Foreign Policy*, 257.

<sup>80</sup> I.M. Destler and Ivo H. Daalder, "A New NSC for a New Administration," November 2000, Brookings Institution, <[http://www.brookings.edu/papers/2000/11governance\\_daalder.aspx](http://www.brookings.edu/papers/2000/11governance_daalder.aspx)>.

### Relative Size of National Security Institutions by Personnel



Source: Office of Personnel Management

The staff-to-workload ratio is so poor that, according to former National Security Advisor Anthony Lake, “cutting the NSC staff [is] a mistake because people work so hard there that you fry them after a while if you don’t have a staff of sufficient size.” Indeed, working on the NSC is notoriously labor intensive, with long hours, seven-day work weeks, and burnout within two years the accepted norm. Former National Security Advisor Brent Scowcroft recalls:

The work is terrible. I told everybody I hired I would be amazed if they could stay longer than two years, because I was going to work them seven days a week, sixteen hours a day.<sup>81</sup>

The president and his small National Security Council staff become a bottleneck, not by intent, but because only they can provide effective integration. As the president and his closest advisors intervene to correct the inability of the system to routinely integrate and resource priority missions well, they become indispensable to issue management success. They have no time to attend to the larger questions of how the national security system should operate, or what kind of strategic direction it requires. Instead, they are consumed with the many discrete issues that require urgent attention.

<sup>81</sup> Quoted in Ivo Daalder and I.M. (Mac) Destler, “The Role of the National Security Adviser,” (Oral History Roundtables, 10/25/1999).

## BURDENED LEADERSHIP CANNOT DIRECT AND MANAGE THE SYSTEM

The fact that the president is burdened with issue management leads to another core problem for the national security system: the inability to provide strategic direction and management for the system as a whole. The president and his staff are too few to provide integration on the full range of important national security system issues, and too preoccupied with their difficult workload to manage the national security system. Burdened by the requirement to intervene on key issues and crises, the White House does not direct and manage the national security system as a whole.

The symptoms of inadequate system management are poor performance in the areas of strategic direction, communications, resource guidance, and performance assessments. These are described below.

### Symptoms

**Missing Strategic Direction:** A system designed to support a chief executive and commander in chief requires strategic direction. A president's strategic direction can be ascertained indirectly, through speeches, guidance from appointed leaders, national security directives, decisions, etc., but none of these mechanisms are disciplined and systematic. In a well-functioning system, the president's staff would be assessing and reassessing near- and long-term changes in the security environment and providing a vision of national security system goals and the means to achieve those goals. They would be helping the president manage the system with a system-wide strategy for how the system components will interact to provide the nation's security that can be communicated to all system participants to encourage unity of purpose and effort. Currently, the ability of national security professionals to collaborate toward common goals is hindered by the lack of fundamental strategic guidance, such as a defined scope of national security or a vision of a desired future security status for the United States.

**Reactive Communications:** To mobilize support, the president and the national security staff should communicate system goals and strategies to those inside the system, and national priorities and policies to other actors in the national security environment. The national security staff spends a great deal of time trying to ensure that external communications are consistent with current national policy. Yet, the pace of events and centrifugal forces in the system are so great, and the strategic direction function is performed so poorly, that communications tend to be reactive to external events rather than focused on strategic goals. Because of this, the external national security communications agenda is easily dominated by a near-term public affairs focus rather than a strategic communications perspective and the internal communication agenda is often delegated to the heads of department and agencies.

**No Resource Allocation Tradeoffs:** Another system management function of great importance is ensuring resources are allocated to the most important priorities. Since resources are limited, devoting more to one part of the system or a particular priority reduces resource allocations in other areas. The small NSC staff, consumed by daily

activities and lacking requisite analytic support, does not have the time or means to present such issues to the president. OMB, which might be configured to provide such analytic support, does not currently work enough with national-security strategy and priorities to make such judgments. If system-level tradeoffs between national resources and national policy goals come to the attention of the president, it is more likely to be because of bureaucratic infighting or imminent mission failure (e.g., the choice of victory in Iraq at the expense of long-term damage to the Army<sup>82</sup>).

President Eisenhower's Project Solarium was a renowned attempt to produce integrated alternative courses of action for national security strategy with alternative resources allocation options. It eschewed the bureaucratic proclivities of the various agencies and departments in favor of truly national and integrated courses of action. For once, the president did not have to do his own careful balancing and integration of the various departmental positions; rather, he was presented a menu of integrated options with identified advantages and disadvantages. One scholar of the National Security Council called Eisenhower's initiative:

[N]ot just the work of a good executive or a master bureaucrat or even a canny politician; it was a magisterial illustration of an effective president in action, perhaps one of the signal events of the past 60 years of the American presidency.<sup>83</sup>

Other contemporary senior national security leaders also commend the initiative as a model for emulation.<sup>84</sup> Unfortunately, costing integrated strategic courses of action and acting upon them is as rare as it is commendable.

**Poor Performance Assessment:** Effective system management also requires the ability to assess system performance objectively. The system's current assessment tools, such as the Government Performance and Results Act, are weak, with no strong incentives for accountability, and are geared toward individual agencies. There are very few mechanisms for interagency accountability. Again, preoccupation with day-to-day exigencies undermines an important system management function. When the White House's attention is engaged in performance assessment, it is often stimulated by external allegations of failure. Occasionally Congress will step in to provide an independent performance assessment and accountability, as was done in the case of the special inspector general for Iraq reconstruction. The White House reaction is typically defensive, to limit damage and distance the president from failure. The White House can take corrective measures by

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<sup>82</sup> Associated Press, "Casey: Army Needs to Recover From War," June 21, 2008.

<sup>83</sup> David Rothkopf, quoted in "John Bennett, Project Solarium Redux," *Defense News* (June 16, 2008), 34.

<sup>84</sup> Michèle A. Flournoy and Shawn W. Brimley, "Strategic Planning for U.S. National Security A Project Solarium for the 21st Century," The Princeton Project papers, (Princeton, N.J.: Woodrow Wilson School of Public and International Affairs, Princeton University, 2006),  
<<http://www.wws.princeton.edu/ppns/papers/interagencyQNSR.pdf>>.



requesting an independent review or cooperating with one, but it would prefer to be warned earlier of poor performance by the departments and agencies carrying out policy.<sup>85</sup>

## Causes

Neither Congress nor the president provides an organizational strategy for employing the national security system as a whole. Many presidents, especially those not familiar with national security issues, assume the system is largely “self-regulating” and will perform well with the right leaders and their periodic guidance on priorities and major issues. Prior to inauguration, they are more likely to give thought to the selection of their Cabinet officials than to organizational strategy for the national security system. Once in office, they are immediately consumed by the pressing demands of managing the government. By the time it becomes clear that the national security system will not integrate and resource the elements of national power well with only occasional guidance, the president and his national security advisor and staff are deep into crisis management mode on a range of national security issues.

## Consequences

The consequences of a burdened White House and its inability to manage the national security system as a whole are system rigidity, frustrated allies, further decline in unified purpose during transitions from one administration to another, and basic system support functions performed poorly and without systemic corrections.

**Rigidity:** Contrary to conventional wisdom, the system is not flexible and adaptive. It gives the illusion of flexibility, as the interagency staff structures and processes respond to presidential styles and policy priorities. For example, following the 9/11 terrorists attacks, the NSC established the Office for Combating Terrorism (under a new deputy national security advisor for combating terrorism), and other NSC directorates and PCCs are devoting more time to terrorist considerations and developments that may affect homeland security. This type of variability in the composition of NSC directorates is typical<sup>86</sup> and superficial. Such changes help communicate presidential policy priorities and management styles, but they do not make much difference in the ability of the national security system to

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<sup>85</sup> There are also organizational impediments to objective assessments. Organizations evaluate mission performance by their narrow mandates instead of the nation’s security as a whole. OMB and the small NSC staff, which in contrast to the individual departments has the appropriate breadth of perspective, lack the infrastructure for investigating, capturing, disseminating, and retrieving knowledge of value to the national security system. Further, the lack of information storage and sharing often means that national level “memory” on security matters is erased at the end of each administration.

<sup>86</sup> For example, until 1997, the Clinton administration had a separate NSC directorate for “Gulf War Illness Affairs,” which dealt with questions of Iraq’s possession and possible use of weapons of mass destruction against the U.S. during the Gulf War of 1991–92. As policy concerns shifted to other areas, this office was disbanded and its remaining policy issues merged with the Defense Policy and Arms Control Directorate. When the current Bush administration came into office, NSC Directorates responsible for Russian policy and for Southeast European policy (i.e., the Balkans) were merged with the European Affairs Directorate into a single European and Eurasian Affairs Directorate, reflecting the administration’s desire to deal with Russia, Central and Southern Europe within the larger context of interrelated European affairs. Alan G. Whittaker, Frederick C. Smith, and Ambassador Elizabeth McKune, “The National Security Policy Process: The National Security Council and Interagency System,” *Annual Update* (September 2004) 16.

generate desired outcomes. In reality, the basic structure of interagency committees is rigid and its performance is not agile, which drives presidents and senior leaders to work around the system.

**Frustrated Allies:** Other actors in the international environment are confused about who speaks with authority on a given national security issue in the U.S. system. At the same time, a dysfunctional interagency system either fails to produce policy or produces it so laboriously that taking other actor positions into account is difficult. Before U.S. representatives can effectively collaborate with foreign interlocutors, they must first negotiate a multi-agency agreement on the U.S. government negotiating position and objectives, which can take time to sort out:

In the present Bush administration the logjam has assumed a different character with difficulties in planning and executing reconstruction efforts in fragile states like Afghanistan and Iraq. Donor pledging conferences for the former, aimed at getting commitments from Western allies and regional lenders such as the Asian Development Bank, had to resort to joint organization and then foundered until an overarching State Department coordinator was appointed as the clear US government head. The official debt cancellation campaign for Iraq, targeting Paris Club and Middle Eastern creditors, was complicated again by dual overtures to the French Finance Ministry convening G-10 nations, as well as the appointment of James Baker, who served as Secretary in both departments, as a special envoy. While relations between the respective top deputies, for International Affairs at Treasury and Economic Affairs at State were cordial by their accounts, the absence of single negotiators and lead delegates may have undermined desired outcomes, as quick large-scale reduction efforts were delayed.<sup>87</sup>

Thus, to the extent the national security apparatus of the U.S. government cannot quickly integrate interagency positions on any policy, strategy, or plan, it is difficult to make progress on multilateral collaboration. The tendency of the White House to centralize major multifunctional policy initiatives means policy is often provided to U.S. representatives in multilateral settings without much opportunity to provide input. In such cases, the U.S. representatives have little authority to negotiate previously decided positions despite the fact that negotiation among partners constitutes a significant portion of multilateral engagement. This helps explain why multilateral partners complain vociferously about lack of flexibility during consultations with the U.S. government.

**Disarray in Transitions:** During political transitions, institutional memory and authority is absent and policy formulation is weakest. PNSR case studies suggest heightened competition between agencies and departments and greater lack of unified purpose during

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<sup>87</sup> Gary N. Kleiman, "Economic and Financial Policy Aspects of National Security: Assessing the Roles of the Treasury Department and National Security/Economic Councils," research commissioned by PNSR, May 8, 2008.

transitions from one administration to another<sup>88</sup> when the turnover of senior personnel was high. The departure and arrival of new senior personnel disrupts the informal interaction patterns both within offices and across them. The professional bureaucracy—members of the civil and senior executive services—are prepared to provide continuity across administrations, but case studies suggest their ability to do so is limited. Confusion, disjointed policy formation, and inconsistent policy implementation in a transition is more pronounced and the government’s ability to respond to challenges during the transition—which lasts up to a year or more—declines markedly.

**System Management Support Functions Perform Poorly:** Given that the White House does not have time for system management, it is not surprising that basic system support functions are performed poorly and without systemic corrections. In particular, management support to priority interagency efforts is poor, as is decision support:

- **Management Support.** The system provides excellent support to the Executive Office of the President, but responds slowly with human capital, logistics, and administrative support for White House priorities for interagency collaborative efforts. For example, the Office of the National Counterintelligence Executive and the National Counterterrorism Center, both recent initiatives that were congressional and presidential priorities, struggled to obtain support. Bureaucratic resistance to the National Counterterrorism Center, which President Bush unveiled in his 2003 State of the Union Address, “never dissipated.”<sup>89</sup> Even the National Security Council’s executive secretary can find it difficult to obtain staff from organizations that have alternative priorities. The same holds true for interagency bodies at the regional and country levels. Eventually, personnel, office space and administrative support were secured, but national priorities that must be executed through interagency bodies typically start slow and pick up momentum slowly.
- **Decision Support.** The system does not provide consistently excellent decision support to White House decision makers for several reasons. First, the system lacks the institutional memory necessary to support decision making:

...when Nasser closed the Gulf, Abba Eban came and read to Rusk a statement guaranteeing the United States would keep it open, which we gave them in the previous war. Rusk stormed out and said, ‘Where the hell is it? He wasn’t making it up.’ And they found it in Princeton in the library....The lack of that

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<sup>88</sup> About a fifth of the cases occurred during the transition from one administration to another; e.g., the cases on landmine policy, Cabinet selections, the Iraq conflict (1st and 2d George W. Bush administrations), Asian Financial Crisis, Somalia, International Terror, Human Trafficking, Strategic Petroleum Reserve, 1970s Energy Crisis, and the Bay of Pigs. The Response to the Alaskan Earthquake, which occurred in the transition from the Kennedy to Johnson administrations, was the prime exception to the pattern associated with the other cases. “Transition period” was construed to mean roughly the last half-year of the outgoing administration and the first half-year of the incoming administration, a period that historically covers the highest personnel turnovers in the two administrations.

<sup>89</sup> Justin Rood, “Threat Connector - Two Years Ago, John O. Brennan Got the Nod to Build a New Kind of Intelligence Organization, But to Do It, He Had to Persuade the Most Powerful, Turf-Conscious Agencies in Government to Donate Staff and Money,” *Government Executive* 38. 5 (2006): 40; Michelle Van Cleave, Case Study for the Project on National Security Reform, draft, p. 8.

institutional continuity in the U.S. government really can hurt your policies. There's a famous – infamous – example in the China case where...the Chinese played a little game. They got the Carter people to agree [to] a critical modification of our position; it pushed us over the line in a significant way. This was a result of somebody not really holding that record of the past discussions in their heads and realizing what the Chinese game was.<sup>90</sup>

- Second, departments and agencies control analytic resources required for good decision support, and their priorities are more narrowly focused than those of the White House. The NSC staff can compare and contrast different department and agency positions, but the workload militates against deeper analysis on specific issues:

Robert Pastor, a regional specialist, alone deals with issues covering all of Latin American and the Caribbean; Jessica Tuchman...copes with such priorities as nuclear proliferation, arm sales, human rights, the international environment, law of the sea and the International Labor Organization; Victor Utgoff is compelled to compete with the Defense Department in analyzing such complex issues as the B-1 bomber, the Seafarer communications project, the neutron bomb and the massive defense budget. One aide felt that although Brzezinski generally is available, neither he nor his deputy, Aaron, is able to give sufficient attention to each staff problem.<sup>91</sup>

- Third, information sharing across the system does not support NSC staff analysis well. For example, during the Kosovo crisis, volumes of products on Serbian key leaders, strategy, and disposition of military forces were provided to decision makers. However, it wasn't until the crisis was well underway that an integrated assessment of Serbian politico-economic relationships provided key insights into ways the United States could influence Serbian President Milosevic's decision making.<sup>92</sup> Serendipitously, the valuable product found its way to the White House from one of the many information and analytic nodes in the broader national security system, but not as the result of established processes.

Currently, the ability of the national security system to locate, integrate, and access all of its information and analytic resources is limited, and decision making suffers accordingly. Busy NSC staff tries to marshal sufficient analytic resources and information to produce integrated analysis in support of presidential decisions, but they typically cannot advise the president well on issues that cut across departments and agencies. Consequently, system decision support to the president is often not

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<sup>90</sup> Daniel Davidson and Richard Solomon quoted in Ivo Daalder and I.M. Destler, "China Policy and the National Security Council," (Oral History Roundtables, 11/04/1999).

<sup>91</sup> Don Bonafede, "The NSC Advisor: Process Manager and More," in *Fateful Decisions: Inside the National Security Council*, eds. Karl Inderfurth and Loch Johnson (New York: Oxford University Press, 2004) 199–200.

<sup>92</sup> Discussion with Leon Fuerth, former national security advisor to the Vice-President.

linked to the best analysis and all data, and NSC decisions are rarely timely, disciplined, or supported by comprehensive problem and solution analyses. In this regard, system output is less than the sum of its parts.

## CONGRESS REINFORCES INSTITUTIONAL AND SYSTEM MANAGEMENT PROBLEMS

Congress mirrors and reinforces the strong individual structures and weak integrating mechanisms of the executive branch, as well as other problems. Committees are organized in parallel with executive branch departments and agencies. The defense committees review and legislate only on defense matters; foreign policy committees stay within their assigned jurisdictions. The government reform committees can investigate and reorganize the executive branch, but ultimately no committee is devoted to overseeing interagency mechanisms or multi-agency operations.

A recent effort by Congress to bridge these jurisdictions has had mixed results. Section 1206 of the 2006 National Defense Authorization Act authorized funds for training for military forces for stabilization and counter-terrorism missions. While the funding was included within the Department of Defense budget, the program had a unique “dual-key” arrangement requiring approval of both Defense and State Departments. An administration report complained that there were still too many restrictions on spending these funds—and a think-tank study noted congressional opposition to Department of Defense operation of what was viewed as a traditionally Department of State program.<sup>93</sup>

In addition, the confirmation process for senior officials is arduous and complicated, which can lead to gaps in leadership and difficulties in recruitment. There are considerable tensions and disagreements between branches over the value and burden of reporting requirements, which distracts both branches from strategic management of the national security system. Congressional restrictions on spending and fund transfers (“reprogramming”) limit executive branch flexibility for multi-agency activities. Congress often delays or even fails to pass routine legislation for national security.

### Symptoms

Congress focuses almost exclusively on department and agency capabilities instead of what might be particularly relevant to multi-agency activities. Similarly, administration submissions of agency budgets do not focus on interagency missions, nor do they even typically note these requirements. This contrasts sharply with agency-specific needs, which are routinely highlighted in congressional testimony and which are noted as shortfalls in the president's budget.

Congress has no clearly assigned venue for oversight for the “interagency” space. The appropriations committees could theoretically take a whole-of-government approach to

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<sup>93</sup> “Report to Congress, Section 1206(f) of the 2006 National Defense Authorization Act,” July 3, 2007; CSIS Report, *A Steep Hill: Congress and U.S. Efforts to Strengthen Fragile States*, March 2008, 40–41.

multi-agency activities, but they typically act with a subcommittee focus. Congress spends enormous amounts of time and effort considering the performance of the individual agencies and departments, but not broader national security missions more generally nor interagency efforts in particular. When it does, it provides valuable insights. For example, one of the few congressional panels that has sought and achieved some oversight over multi-agency activities, the Subcommittee on Oversight and Investigations of the House Armed Services Committee, investigated the operations of the Provincial Reconstruction Teams in Iraq and Afghanistan by looking at the various agencies involved and calling witnesses from several departments. Its report provided a rare and valuable overarching analysis:

The mission has not been clearly defined. There is a lack of unity of command resulting in a lack of unity of effect. Funding is not consolidated ... and funding streams are extremely confusing. Selection, skill sets .... and training of PRT personnel continues to be problematic. Metrics do not exist for determining if PRT's are succeeding....<sup>94</sup>

Congress at times further constrains already limited executive branch ability to surge quickly and collaboratively in response to crises by insisting on compliance with existing notification and other fund transfer rules. Congressional restrictions on spending and fund transfers thus may limit executive branch flexibility for multi-agency activities.

## Causes

The current committee jurisdictions remain nearly unchanged since 1946—the major exceptions being the creation of intelligence committees in the 1970s and homeland security committees following the 9/11 attacks. Committees do not hear perspectives on the issues with which they are concerned from those outside their jurisdictions. Foreign relations committees examine relations with other nations and international organizations, while defense committees examine military matters, a pattern that remains largely unchanged even after the 9/11 attacks.

Congress divides the functions of authorization and appropriations. The authorization panels like the defense and foreign policy committees establish, continue, and modify executive branch organizations and programs, and set restrictions of fund expenditures. Appropriations subcommittees draft the spending bills. The appropriations subcommittees are divided into foreign relations, defense, and homeland security jurisdictions. Starting in 2006, State Department and foreign operations appropriations were finally combined into a single bill before a single subcommittee in each chamber.

The division of functions limits areas of committee inquiry and focus and reinforces their “instinct for the capillaries,” which manifests itself in a focus on narrow aspects of policy rather than seeking or obtaining a strategic overview. For example, while policy toward China has had strong congressional interest since 1989, U.S. policy has been overseen by

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<sup>94</sup> U.S. House of Representatives, the House Armed Services Committee, Subcommittee on Oversight and Investigations, “Agency Stovepipes vs. Strategic Agility: Lessons We Need to Learn from Provincial Reconstruction Teams in Iraq and Afghanistan,” April 2008.

numerous congressional committees, each examining the narrow issues under its jurisdiction. The foreign policy committees have had a broad focus, but the trade committees had responsibility for the most contentious legislation affecting the two countries. The defense committees reviewed Pentagon responses to growing Chinese military power and mandated a regular report on the topic. The House even established a special committee in 1999 to study Chinese efforts to acquire U.S. technology. In recent years, legislation to force Chinese currency reform has been referred jointly to the trade, foreign policy, and financial services committees. No committee had jurisdiction to oversee U.S. policy coordination to be sure trade and human rights policies, military preparedness, and diplomatic engagement were all in proper balance.

Protection of turf and power occurs in the committees of both houses of Congress. The process for multiple committee consideration of multi-agency matters is difficult, confused, and inconsistent between chambers. Different House and Senate rules and precedents exist to handle matters outside chamber jurisdictions. Originating committees negotiate bills in conference, which excludes stakeholders and skews perspectives.

## Consequences

The ways in which the legislative branch allocates funds and conducts oversight reinforce existing systemic deficiencies, making improvements in performance more difficult. Issues receive fragmented consideration and fragmented legislation. Congressional restrictions on spending and fund transfers may have longer term consequences of program failure or missed opportunities. A recent report cites some examples of problems created by the restrictions on allocating or shifting funds:

- A four-month delay in obtaining congressional approval for a police training program in Somalia in 1993 led to program failure since U.S. trainers were already slated to be withdrawn.<sup>95</sup>
- Earmarking limitations constrained USAID's ability to respond proactively to the signing of a 1996 peace agreement between the government of the Philippines and the Moro National Liberation Front.<sup>96</sup>
- U.S. sanctions on Sudan apply to the whole country rather than Sudan's different regions, which need to be treated differently.<sup>97</sup>

The foreign policy agencies fail to receive current congressional guidance, revised authorities, and timely funding. The failure to pass a foreign aid authorization bill for over 20 years means that the government is saddled by a cumbersome law that has a bewildering array of goals and directives.<sup>98</sup> Even when the foreign policy committees produce legislation widely viewed as necessary for enactment, individuals and groups may seek to add

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<sup>95</sup> CSIS Report, *A Steep Hill: Congress and U.S. Efforts to Strengthen Fragile States*, March 2008, 15.

<sup>96</sup> CSIS Report 30.

<sup>97</sup> CSIS Report 29.

<sup>98</sup> CSIS Report 23.

controversial measures that prolong debates and may undermine support for the basic legislation.

The problem with how Congress is arranged contributes directly to the performance of the executive branch. The jurisdictional focus of congressional committees and fragmented oversight makes establishing accountability for interagency missions a peripheral activity. The reinforcement of department and agency prominence impedes Congress as much as it impedes the president from comprehensive discussions of national security policy and the big questions the country faces for how it should act in the world. In other words, committee jurisdictional perspectives hinder collaborative efforts.

## CUMULATIVE EFFECT OF CORE PROBLEMS

Key characteristics of the national security system's basic design are ill-suited for an increasingly complex security environment:

The 'legacy' mode of organization of the executive branch is vertical, which reflects an understanding of events as linear. This form of organization significantly impedes the ability of government to deal with complex problems. Authority to act requires detailed supervision from the top, mediated by large bureaucracies. Information about real-world conditions does not travel easily between field-level components of institutions and the policy-making levels. It flows even less readily between executive institutions.<sup>99</sup>

The effects of the system's institutional and managerial limitations are most apparent when a discrete issue or mission is undertaken. If the issue is largely under the province of a single agency or department, it is much more likely to be executed well. If the issue requires an integrated effort by multiple agencies and departments, problems arise all along the national security issue management chain—from policy, to strategy, to plans, to implementation and assessment. The system's inability to integrate efforts across national security institutions becomes apparent at each of the following phases of issue management:

### **Assessment**

The process of issue management begins and ends with assessment. The initial function of assessment is to provide policy makers with a context for understanding the international environment and the issue at hand. The system's ability to provide integrated assessments is constrained because information is resident in institutional stovepipes and only unevenly shared, producing a skewed and sometimes erroneous picture of the security situation facing the policy maker. Knowledge management across the system is hampered by cultural factors (which produce disincentives to the sharing of information) and by technical misalignments. Individuals across departments and agencies do not trust sufficiently in the accountability and likely reciprocity of those with whom they ideally should be sharing

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<sup>99</sup> Leon Fuerth, PNSR internal paper on the scope of national security.



knowledge. In addition, different departments and agencies have non-interoperable information management systems. Despite large amounts of available data resident in the system, critical information is frequently lost or goes undiscovered in the labyrinth of competing data systems. Critical decisions are delayed while information sources are identified and integrated, sometimes as the moment for action slips away. Ultimately, effective assessment requires effective decision support.

## Policy

The tendency of interagency decision mechanisms to stalemate over policy issues delays policy decisions, making the system slower and less nimble than desired. Individuals and agencies tend to view themselves in the interagency level as being in competition for power, influence, and resources. Interagency forums are characterized by conflicting agencies positions, which produces a creative tension—but which cannot be effectively resolved. Representatives of agencies meet and express their respective agency's views and suggestions, but rarely do representatives step out of their assigned position and discuss issues in a joint, coordinated, interagency rather than agency-centric way. If a consensus is reached, it often is at the expense of clarity and accountability:

Consultations and discussion have many advantages of course, but the committee system also produces endless compromises, watered-down decisions, busywork, lowest common denominator solutions, and fear of creativity. 'The system of diffused authority spreads outwards into a thousand branches and twigs of the governmental tree,' wrote George Kennan. At every level, decision making was made by consensus among bureaus and agencies, any of which could veto or delay action. The operative principle frequently voiced by officials becomes, 'Anything you fellows can agree on is all right with me.' Such methods, in Kennan's words, produce 'a hodgepodge inferior to any of the individual views out of which it is brewed' and require enormous amounts of wasted time and paperwork.<sup>100</sup>

Watered-down policy diminishes its directive power. What results is vaguely worded "policy" that can be reinterpreted by individual agencies according to their institutional biases. Policy therefore is often not clear, prioritized, and specific enough to be useful to drive strategy and plans. The interagency policy process is so onerous that policy is developed slowly, often in response to crises or external forcing functions. Key leaders are consequently "in-box" driven, crisis-by-crisis, and have little time for longer range policy or system-wide national security management. They are reactive and unable to seize opportunities.

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<sup>100</sup> Barry Rubin, *Secrets of State: The State Department and the Struggle Over U.S. Foreign Policy*, (Oxford University Press, April 16, 1987).

## Strategy

In the current national security system, it is difficult to generate and objectively evaluate alternative strategic courses of action to achieve desired results. Opponents of a chosen course of action may leak their preference at the first signs of trouble, opening up political liabilities for the administration. According to David Gergen, a White House counselor in both the Reagan and Clinton administrations:

Something distinctly unhealthy has taken place in our public policy as of late. Fifteen years ago, I can well remember, aides to a president felt free to write candid memos and have serious, far-reaching disagreements with each other – and the president – on paper. Watergate put the first stop to that: One quickly learned never to write anything on paper that you would be unhappy to see on the front page of the *Washington Post*...By the time of the Reagan administration, leaks had become so bad that one learned not only not to write things down on paper but never to say anything controversial in a meeting with more than one person.<sup>101</sup>

The chilling effect on candor, in addition to poor decision support, helps obscure the links between objectives and the alternative activities, programs and resources required to achieve them. Consequently, “strategy” tends to be expressed in terms of desirable objectives rather than specific courses of actions with strengths and liabilities that must be mitigated. To the extent real strategy is formulated and acted upon, it is usually not captured in official documents but rather is the purview of a few key individuals. The remainder of the bureaucracy is often unclear about the strategic course of action and their own institutional roles. This only serves to reinforce the disincentives for multi-agency cooperation. If failure looms for lack of integrated effort, it is easier for key leaders to direct the departments committed to the enterprise to dedicate more resources to at the problem than it is to formulate and implement tightly integrated, multi-functional strategies. The lack of clear strategy sends mixed signals to external actors, including U.S. allies and adversaries, about the intent of American action which is then often misconstrued to the detriment of the nation’s long-term national security.

Because the NSC does not really produce strategy, the handling of day-to-day problems is necessarily left to the Departments concerned. Each goes its own way because purposeful, hard-driving, goal-directed strategy, which alone can give cutting edge to day-to-day tactical operations, is lacking. Henry Kissinger has well described the kind of strategy which is the product of this process: “It is as if in commissioning a painting, a patron would ask one artist to draw the face, another the body, another the hands, and still another the feet, simply because each artist is particularly good in one category.”<sup>102</sup>

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<sup>101</sup> David Gergen, quoted in David D. Newsom *The Public Dimension of Foreign Policy* (Indianapolis: Indiana University Press, 1996) 73–74.

<sup>102</sup> Senator Henry M. Jackson, “How Shall We Forge a Strategy for Survival?” Address before the National War College, Washington, DC, April 16, 1959, 55.

## Planning

National security organizations do not have a strong history of routinely collaborating on plans. A primary reason for this is the deep cultural differences regarding the value of planning. These differences are especially prominent between the Departments of Defense and State, and between the functional and regional national security divisions within these and other departments and agencies. It was identified as early as 1949:

A major reason for the failure of NSC-4 and NSC-43 to produce interdepartmental agreement on psychological activities was the fundamental difference of concept between State's planners and the military planners in Defense. . . . Defense planners, trained in the system of staff planning, developed long range, or strategic plans, to fit the most probable future contingencies. This was one aspect of the military which was at complete variance with attitudes of the civilian planners in State. State Department for generations had operated on the basis that political contingencies were so variable and intangible that long range political plans were impracticable, if not impossible. State planners had to wait and observe how situations developed and then improvise a policy and plan to fit that particular situation.<sup>103</sup>

Recently there has been progress beyond the Department of Defense on planning. The intelligence community has strategic planning processes; the Agency for International Development is putting more emphasis on planning activities; and the Department of Homeland Security is inculcating a planning culture with the help of retired military officers. Even the Department of State, through its functional bureaus, is involved in planning more than used to be the case. However, personnel shortages, the lack of personnel trained in planning, and the natural reluctance of many non-Department of Defense organizations to embrace planning complicate these nascent efforts to improve interagency planning.

[W]e found that DOD and non-DOD organizations do not fully understand each other's planning processes, and non-DOD organizations have limited capacity to participate in DOD's full range of planning activities....State does not have a large pool of planners who can deploy to DOD's combatant commands. DOD officials noted that their efforts to include non-DOD organizations in planning and exercise efforts were stymied by the limited number of personnel those agencies can offer....both DOD and State staff doubted that civilian capacity and resources would ever match the levels desired.<sup>104</sup>

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<sup>103</sup> E. Lilly, "Short History of the Psychological Strategy Board," December 21, 1951, National Security Council Staff Papers, NSC Secretariat Series, Box 6, Dwight Eisenhower Library, pp. 74-75; cited in David Tucker, "Confronting the Unconventional: Innovation and Transformation in Military Affairs," Strategic Studies Institute, October 2006, 42.

<sup>104</sup> GAO report to Congressional requesters, Stabilization and Reconstruction: Actions Are Needed to Develop a Planning and Coordination Framework and Establish the Civilian Reserve Corps, November 2007. .

Another major reason that interagency planning is difficult is the lack of trust between agencies, which impedes the sharing of sensitive information. To the extent cross-agency planning is attempted, standard operating procedures often conflict, with the ability of each agency and department to support planning with relevant data and at the appropriate level of abstraction varying greatly. When interagency planning is developed according to one agency's preferred model, the results are weak and often abandoned. The system as a whole does a poor job of providing all the relevant information in the system to build and amend plans.

## **Implementation**

There are three immediate impediments to effective implementation of interagency national security missions. First, command and control functions are contested and confused in interagency operations, with multiple chains of command operating between Washington-based headquarters of diverse agencies and their representatives in the field. Moreover, command and control is further complicated by the fact that departments and agencies delineate regions differently, so that a single area of operation can span numerous regional offices and organizational elements that are involved in supporting interagency operations. Coordination difficulties are correspondingly more complicated.

Second, resource allocation is subject to all the system-wide impediments identified above that make it difficult to link resources with policies, strategies, and plans. Since the departments and agencies give priority to their core missions, capabilities required for executing non-traditional missions are frequently lacking or inadequate. Third, personnel incentives reward agency-centric behaviors, consistent with the strong authorities, cultures, and career paths of the independent agencies and departments.

- An overarching concern is that leadership accountability for implementation results is unclear. Since the system will not provide a clear mandate, resources, and supporting structures and processes for a designated leader and a supporting team to solve a problem or seize an opportunity, how can anyone be held accountable for failure? When things go awry, it is understood by all concerned that the effort was a hit or miss proposition given all the systemic impediments to success. Since the system currently saddles leaders with multiple chains of command directing activities in the field, particularly in “surge” environments like Iraq and Afghanistan, and does not provide the requisite authority and resources for success, it is difficult for senior leaders to hold anyone accountable for failure. This is especially true if they are unable to provide clear policy guidance, as sometimes is the case.

## **Evaluation**

Post-implementation assessment suffers from the same knowledge management impediments that limit issue assessment prior to policy development. In addition, the system cannot constantly and objectively assess performance, as doing so both exceeds available resources and opens up political liabilities. Critical performance reviews could

undermine the political support necessary for sustained engagement on a policy priority. Finally, for any given issue, difficult lessons learned concerning performance are often lost during political transitions as key leaders depart.

Through a set of working groups, the Project on National Security Reform has analyzed the impact of the national security system's overarching institutional, managerial and oversight problems, and their impact on the system's ability to manage discrete national security issues. The detailed working group analyses expand on the major points addressed above and set the stage for recommendations on alternative means of alleviating the national security system's core problems. Preliminary findings from the Project's working groups are summarized in the next chapter.

# III. DETAILING THE PROBLEMS: A SUMMARY OF PNSR WORKING GROUP FINDINGS

The national security system is clearly inadequate to address today's complex and uncertain national security challenges; less apparent, however, is what precisely needs to be done. Effective solutions begin with a detailed understanding of each problem. Only with an appreciation of specific difficulties can solutions be tailored and targeted.

The Project on National Security Reform expended considerable time and effort to identify the problems that currently plague the national security system with as much specificity as possible. To do this, PNSR initially drew on a framework developed by McKinsey & Company, which highlights the critical elements of organizational effectiveness: agreed vision, purpose, and principles; processes, procedures, and measurements; structure; core competencies and necessary capabilities; personnel attributes and necessary qualifications; leadership attitudes and behavior; organizational culture; and strategy.

To ensure the project addressed all elements together rather than focusing on one element at a time, PNSR divided the task among several working groups, with each group analyzing the national security system's effectiveness within the framework of the critical organizational elements: vision, structure, process, human capital, resources, knowledge management, and oversight. Three additional working groups were established to develop case studies, examine system-wide elements, and consider legal issues. These were used to provide concrete examples for the working groups and to consider issues that cut across the working groups, such as emerging challenges and the evolving security environment.

Seven national security system "imperatives" emerged from the comprehensive work of PNSR, which entailed extensive literature reviews, myriad case studies, in-depth analyses of the working groups, and input from national security experts and policy makers. These imperatives, described below, are essential elements of a national security system that will enable the system to consistently perform successfully.

## NATIONAL SECURITY SYSTEM IMPERATIVES

1) Leadership that:

- Generates vision and guidance for effective policy development and execution
- Builds a collaborative national security team

- Incentivizes and empowers partnerships between branches of government, across government agencies, between government and the private sector, and with key international players
  - Emphasizes the proactive shaping and management of change
- 2) Effective long-range strategy formulation and strategic planning that articulates objectives and relates means and ends and integrates all of the tools of hard and soft power into a smart power framework
  - 3) A comprehensive and flexible investment strategy that generates and appropriately applies the human and financial resources needed to meet articulated goals and objectives
  - 4) Creation of a national security workforce bound by a national security culture that rewards cooperation and collaboration and is supported by effective recruitment and a robust education and training system
  - 5) A flexible and agile organization and management structure that:
    - Facilitates integrated and coordinated strategy formulation, decision-making execution, and oversight by leadership
    - Emphasizes the vital integration, cooperation, and coordination of all tools of national power wherever they reside—in the bureaucracy or the private sector
    - Captures creative thinking at all levels to promote innovative solutions to current and anticipated problems
  - 6) Effective utilization of intelligence and knowledge, exploiting the full range of human and technological opportunities and ensuring mechanisms to counter bias, prejudice, selectivity, and faulty mindsets in policy development and supporting analysis
  - 7) Oversight and Accountability of the system as a whole, rather than of its constituent parts. This oversight and accountability, a joint responsibility of Congress and the executive branch, must give attention to national missions, evaluate performance using common metrics, and be responsive to changing performance requirements.

This chapter summarizes the preliminary findings of the working groups within the context of these imperatives. By presenting key problems in this framework, the chapter:

- Identifies how the current system is deficient
- Highlights how findings from various working groups inter-relate
- Begins to piece together a roadmap that will lead to comprehensive reform

PNSR has completed that arduous task of carefully assessing the problems that impede system performance. The results of this comprehensive study are presented here to provide a common set of understandings for all those seeking national security reform, a means for

widespread engagement in the search for solutions, and a base from which reform efforts can move forward.

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***Imperative #1***

*The national security system requires leadership that generates vision and guidance for effective policy development and execution; incentivizes and empowers partnerships between branches of government, across government agencies, between government and the private sector, and with key international players; and emphasizes the proactive shaping and management of change. Leadership must be cultivated and exercised at all levels of the national security system, not just at the level of the president. Leadership in the national security system must go beyond the articulation of policy priorities and engage in the organizational management of the national security system's constituent components.*

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**FINDING: The primacy and centrality of the president require him to make most major national security decisions and coordinate implementation. He can seek to delegate these tasks, but there is no consistently effective model for delegating his authority. (Structure and Legal)**

The Constitution makes the president the “Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States” and gives him authority, with the advice and consent of the Senate, to make treaties and appoint ambassadors. These provisions, as well as the president being given the executive power under the Constitution, have been interpreted as giving the president responsibility to protect the United States against enemies and general power to conduct foreign affairs. As codified in Title 3, United States Code, Section 301, the president may delegate authorities to certain other members and officials of the executive branch to fulfill this responsibility.

Neither of the two most frequently used models for delegating presidential authority—the “lead agency” or the “czar” approach—has consistently demonstrated that it can perform successfully. In reality, the national security structure empowers individual departmental thinking and reduces the ability of the president to direct and manage national security affairs. The system has weak integrating mechanisms that are incapable of forcing departments and agencies to cooperate with each other—the organizations (or their representatives) compete, rather than collaborate. Agencies often refuse to share information and expertise, which better positions the organization as an indispensable factor in any problem solving effort. Additionally, the growing need for interagency planning



cannot be adequately addressed by current structures that privilege personality, networks, and stove-piped organizational cultures over collaboration and integrated response to national security matters.

**FINDING: Leadership and leadership development are critical to improving management and effectively executing agency and inter-departmental goals. The current national security system is hindered by insufficient focus on leadership development and the lack of an organizational culture that promotes entrepreneurial and strategic thinking. (Human Capital)**

In the military, the need to make decisions and inspire action at all levels of command is institutionally recognized. As a result, leadership is identified as an essential capability. It must be demonstrated in order to achieve promotion, and it is cultivated through education, training, and personnel assignments.

In strong contrast, PNSR has found that civilian agencies and their political and career leaders have not considered leadership a core competency for national security professionals. Rather, civilian agencies involved in national security have traditionally valued specialization and expertise over leadership and management skills, with career advancement usually based on policy or program expertise, individual performance, and tenure.

As a consequence, few agencies have criteria to define the essence of good leadership, provide incentives for employees to develop their leadership capabilities, or provide the resources to improve and hone leadership skills. The absence of leadership practice at lower levels also promotes “safe management” and risk-averse decision making. At a time when effective leadership is vital at all levels of the national security system, short-changing leadership development assures that the system will continue to falter.

This lack of attention to leadership is even truer at the interagency level than it is at the departmental or agency level. In most civilian agencies, for example, financial and career incentives are attached exclusively to individual performance rather than to team effectiveness.

These problems are exacerbated by today’s political system. Over the last 30 years, presidents have significantly increased the number of political appointees who have penetrated deeper into the system, reducing the number of leadership positions available to career professionals. This trend, which in part reflects the increased partisanship in U.S. politics that spills over into the national security arena, has a number of deleterious impacts:

- It reinforces the lack of emphasis on leadership development as career professionals are less expected to become policy leaders at higher levels.
- It complicates retention and fosters higher attrition levels as individuals who aspire to leadership roles see fewer prospects of achieving their goals.

- Given that political appointees' time in office tends to be short, it exacerbates the loss of institutional memory.
- Political appointees tend to focus more on "leaving their mark" than leading or managing.
- Seeing themselves as implementers of a particular political agenda, many political appointees have little incentive to undertake diverse, critical, or innovative thinking.

**FINDING: From the NSC/68 concept of an institutionalized "policy book," each president and his national security advisor have attempted to tailor processes for managing the burgeoning national security system and to meet political demands. None were clearly satisfied with the system they inherited. (PROCESSES)**

Although some presidents were more comfortable with their predecessor's approach than others, none left processes unchanged during their tenure. Coordination policies and structures, however, rarely continue beyond the timeframe of the administration in power.

**FINDING: Increased partisanship has led to confrontational behavior that inhibits legislative and executive cooperation and collaboration on national security issues. (Congress and Other Oversight)**

Roll call analyses by *Congressional Quarterly* demonstrate increased partisan divisions. The number of votes on which a majority of Democrats were on the opposite side from a majority of Republicans has increased: 37.4 percent in the Nixon-Ford years, 42.6 percent in the Carter years, 57.5 percent during the Clinton administration, and 52.1 percent during George W. Bush's presidency. On defense and foreign policy issues, a sharp difference exists in the degree of support for presidential positions by Congress, depending whether the president's party controls at least one chamber. When the White House and Capitol Hill were both controlled by the same party, support for the president on defense and foreign policy issues was high (83.5 percent during 1993–1994, 75.8 percent during 2003–2006). Under years of divided control, presidential support was much lower (61.3 percent in 1989–1992, 52.1 percent during 1995–2002, 44 percent in 2007).

Partisan clashes in recent decades have created numerous disincentives for cooperation on important national security matters. Members of the president's party insist on strict loyalty and unwavering support, and the opposition demands similar unity of its members even on procedural and relatively non-controversial matters. The immediate result is partisan warfare and frequent political gridlock. These stalemates have been a contributing factor to the inability to develop a sustainable national security strategy and to foster effective national security planning.

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***Imperative #2***

*The national security system requires effective long-range strategy formulation and strategic planning that articulates objectives, relates means and ends, and integrates all tools of national power.*

*The capacity for long-range strategy formulation is contingent on the ability of different parts of the national security system to effectively link resources, structures, process, and knowledge management into a cohesive whole. Translating and integrating these different aspects into a capacity for inclusive planning and strategy formulation requires coordinated appropriations and resource allocation mechanisms, effective management of regional areas of responsibility, and comprehensive oversight.*

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**FINDING: The lack of a national security strategy that clearly links ends, ways, and means and assigned roles and responsibilities to each department has encouraged a proliferation of department-level strategies. These department strategies are uncoordinated and do not systematically generate capabilities required for national objectives. (Processes)**

A more authoritative role for the NSC had been debated during preparation of the 1947 National Security Act, but President Truman insisted its purpose would be purely advisory. An ongoing problem resulting from this decision has been the inability of the system to effectively manage complex issues that require coordination across agencies. In the development of U.S. land mine policy in the 1990s, for instance, the interagency process simply could not handle the number of variables.

In the post 9/11 environment, with the terrorists' hijacking of four airliners and employing them as weapons of mass destruction, the anthrax attacks in the United States in October and November 2001, and Hurricane Katrina in 2005, this deficiency has been demonstrated to be even more severe. The distinctions among national, country, regional, and state and local level process issues are diminishing in many key areas, as issues rising in one "geographic" sphere quickly affect U.S. processes in another. For example, response to a weapons of mass destruction event would raise significant questions about local, state and federal responsibilities and authorities. U.S. policy toward Pakistan is now intimately linked with its overall policy, strategy, planning, execution and assessment for Iraq, Afghanistan, and the Global War on Terror at home and abroad.

The national security system is not a formalized set of methodologies and processes that provide the structure for considering issues, making decisions and executing national policy. Rather, the national security system can be thought of as a group of organizations and

processes that function largely autonomously on a daily basis and come together, at best, on an ad hoc, “as needed” basis.

National security policy processes have varied significantly in their performance over time. Today, the national and homeland security processes are active at the principal and deputy levels, but they have withered significantly in coordinating policy below that level. With some exceptions, there is little significant activity taking place in Policy Coordination Committees (PCC). Country team policy processes, in turn, have suffered from the lack of integration at the national level, with the chief of mission serving as a last-resort policy coordination point for interagency elements. Some ambassadors and missions are able to use this lack of clarity to drive excellent outcomes at the country level, but they do so because of the weakness of the policy process, not as its intended strength.

**FINDING: The lack of a common U.S. government framework for delineating regional areas of responsibility complicates efforts to formulate policy, prepare plans, and execute missions. (Processes)**

The Departments of State and Defense each have six regional arenas, but they are not demarcated along the same lines. As a result, geographic seams occur in some of the most strategically important areas to U.S. national security. For example, the State Department’s Bureau of South Asian Affairs coordinates with the U.S. Pacific Command (PACOM) for India and other subcontinent countries, but with the U.S. Central Command (CENTCOM) for actions in Afghanistan, Pakistan, and Central Asia. CENTCOM in turn coordinates with State’s Bureau of Near Eastern Affairs for interagency activity from Iran to Egypt, and Near Eastern Affairs will coordinate with the new U.S. Africa Command (AFRICOM) for the rest of North Africa.

The creation of AFRICOM has served to resolve some previously uncoordinated areas of responsibilities. Initially, State Department’s Bureau of African Affairs coordinated with PACOM for Madagascar, Comoros, and Mauritius; CENTCOM for Sudan, Kenya, and the Horn of Africa; and EUCOM for the rest of Sub-Saharan Africa. With the creation of AFRICOM, the Bureau of African Affairs only coordinates with this new unified combatant command.

**FINDING: The separation of processes for dealing with national security outside and within U.S. borders prevents coherent policy and seamless action in a threat environment that has become increasingly borderless. (Processes)**

Following 9/11 and the creation of the Homeland Security Council, a separate set of processes was established for homeland security—which has resulted in inadequate coordination of issues across foreign and domestic security on a variety of levels. For example, the HSC and National Security Council staffs do not even use the same email system.

Executive branch institutions and actors now receive policy and planning guidance through both national and homeland security presidential directives. These documents too often

result in competing or inconsistent guidance because they are seldom coordinated or reconciled. This confusion makes it difficult for departments and agencies to execute the president's policies, and it undermines clarity of purpose. The effect is like having no guidance.

The fact that the National Security Strategy and the National Strategy for Homeland Security are two strategies for U.S. security of equal weight and stature further reinforce the concern that there is no current, definitive source for presidential national security direction. Moreover, the split between "homeland" and "national" security could pose problems in terms of authority and responsibility in the event of a crisis that is, in today's complex environment, almost certain to have both domestic and international dimensions.

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### ***Imperative #3***

*The national security system requires a comprehensive and flexible investment strategy that generates and appropriately applies the human and financial resources needed to meet articulated goals and objectives. An effective investment strategy is underpinned by processes that determine resource allocation not only on the basis of immediate departmental needs but on integrated and long-term national goals. An effective investment strategy also must be responsive to the changing requirements of the rapidly evolving security environment.*

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**FINDING: The resource allocation process is not driven by any overall national plan or strategy for achieving broad objectives, and the results or effectiveness of the budgeting process cannot be measured against such objectives. (Resources)**

The funding level provided for each department, task, or mission in the president's budget becomes by definition the level needed to execute those tasks. Whether or not national objectives are being met, the budget is defended as if they are. OMB's internal budget review process does not assess relative priorities or tradeoffs for the national security system across departments. As a result, no clear link exists between strategy and resources for interagency activities. Therefore the president cannot determine what capability his budget will deliver or even whether his budget will meet his goals.

**FINDING: Numerous congressional committees process, oversee and resource national security activities. No single committee has the incentives and power to link capabilities and resources to comprehensive, whole-of-government, long-term strategies. (Congress and Other Oversight; Resources)**

Defense, foreign relations, and homeland security are handled by numerous committees. When cross-jurisdictional measures are proposed, the Senate and House of Representatives have difficulty assigning responsibilities and assuring timely inputs from key stakeholders.

Issues associated with foreign economic policy, which often have major national security relevance or consequences, are unusually fragmented among congressional committees. Trade committees oversee trade and tariff questions. The foreign policy committees oversee foreign aid, the international financial institutions, and the foreign policy aspects of economic relations. Export controls are handled by the Banking Committee in the Senate and the Foreign Affairs Committee in the House. Agricultural imports and exports are under the agriculture committees. Import quotas can be voted by the Commerce, Interior, and environmental committees.

**FINDING: Congress has been unable to enact major revisions in foreign aid legislation and regularly fails to pass national security authorization and funding bills before the start of the fiscal year. (Congress and Other Oversight; Resources)**

No foreign aid authorization bill has been enacted since 1985. No State Department authorization bill has been enacted since 2002. As a result, no foreign policy agency receives up-to-date congressional guidance, revised authorities, or timely funding. The failure to pass a foreign aid authorization bill for over 20 years means that the government is saddled by a cumbersome law with a bewildering array of 33 goals, 75 priority areas, and 247 directives.

In four of the past ten years, Congress has failed to pass a completed budget resolution to set limits on federal spending. While there has been a defense authorization bill each year, the measure has been enacted before the October 1 start of the fiscal year only five times since 1985. Even the defense appropriations bill has been passed before the start of the fiscal year only ten times in the past 30 years. The situation is even worse for the appropriations bills for the State Department and Foreign Operations. Neither bill has been passed before the end of the fiscal year since 1996. Only four times in the past 20 years has the Foreign Operations bill been passed on time, while for State Department funding, it has happened only three times. Even worse, three times in the past ten years, neither bill passed until January or February.

**FINDING: Congressional restrictions on spending and fund transfers limit executive branch flexibility for multi-agency activities, leading to avoidable delays and sometimes to program failure or missed opportunities. (Congress and Other Oversight; Resources)**

Procedures for reprogramming funding for the Defense Department are different for those imposed on the State Department and the Agency for International Development. Some actions require only notification; others, a waiting period; still others, committee approval. As a recent commission studying international programs concluded, “At present, the interpretation, management, and operation of these [reprogramming, congressional notification, and legislative holds on fund shifts and transfers] procedures is at best unwieldy

and at times unworkable. ... Within the legislative branch itself, the authorizers and appropriators follow different procedures, and the House and Senate obey their own distinct processes.”

These restrictions limit flexibility in programs and slow the ability to respond to a dynamic security environment. Sometimes the congressional notifications have to be carefully negotiated with the committees of jurisdiction to secure favorable action. Within the executive branch, the funding limitations and requirements may also lead to lengthy meetings just to sort out which agency should pay for urgent and agreed-upon programs.

**FINDING: Agencies and departments have little capacity to resolve internal human capital demands and have demonstrated no capability and interest in aligning inter-departmental human capital needs through cohesive planning mechanisms. (Human Capital)**

Today’s security challenges demand a greater number of and more diverse skill sets than has traditionally been the case in the national security sphere. PNSR has found, however, that no systemic effort exists to identify and secure the necessary human resources. This reflects the system’s inability to develop a national security strategy to which the identification of human capital needs can be linked. With such a comprehensive strategy, for example, civilian departments and agencies that possess needed expertise but that may not always be included in the national security process are not adequately tapped. Similarly, non-federal national security contributions are likely to be under-represented.

The lack of a human resources planning effort clearly impedes performance of the national security system. It makes it impossible to set priorities either with respect to needed competencies or the financial resources that should be expended to secure those skills deemed most vital. No link can be directly drawn to operational planning that can then shape decisions regarding the education and training requirements or the necessary balance between directly hired government employees and outsourcing. Moreover, if there is no planning, there is not likely to be assessment or a “feedback loop” that provides the means for determining whether efforts have been effective and efficient in acquiring the skills and capabilities needed to perform essential work. Without systemic identification of requirements, means do not exist to adapt the human capital laws, policies, programs, and procedures needed to assure that the work force required will be the work force that is actually available.

**FINDING: An increasing dependence on contractors has reduced internal agency capabilities and led to a patchwork system where expertise is decentralized and uncoordinated. This has significantly hampered agencies in addressing increasingly more complex security issues and impeded the development of a cohesive national security culture. (Human Capital)**

The national security work force is no longer defined only by those hired by the federal government; it now includes private sector contractors, representatives of non-

governmental organizations, grantees, volunteers, federally funded research and development centers, and more.

Managing this more complex work force is difficult. First, it is difficult to determine which competencies and skills should reside inside the government and which of them can be contracted out. Second, despite the goals of reducing costs through outsourcing, contracting actually often costs more. It introduces additional agendas and interests that must be accommodated. Third, contracting also heightens the demand for effective management by increasing management responsibilities without concomitant growth in management training. Finally, it increases the number of cultures or sub-cultures, thereby exacerbating problems of integrating the various parts into a cohesive whole and fostering the necessary interagency and systems-wide perspectives.

**FINDING: No explicit formal mechanisms exist to develop and fund interagency activities. (Resources)**

Guidance from the NSC and the HSC is too general to influence budget requests by departments and agencies. Rather, departments submit budget requests to OMB. OMB budget examiners assess the requests and meet with department representatives to respond to questions. Final findings are presented to the OMB director, who gives guidance to align spending to presidential objectives. While cabinet secretaries can contest this guidance with the president—or under the Bush administration, with the vice president—it usually governs the president’s budget request to Congress. OMB officials, therefore, tend to believe the system is able to fund interagency activities, if they are presidential priorities. However, most spending on national security comes through the Department of Defense budget and OMB reviews this budget differently. It reviews defense component budget requests jointly with the Office of the Secretary of Defense, and OMB “pass backs” to Department of Defense components tend to be limited in scope and impact. Therefore, OMB has little opportunity to redirect substantial amounts of funds from the Department of Defense to support other presidential national security priorities.

Departments have little or no incentive to build funds for external purposes into their budget requests. They are not rewarded for doing so and their respective congressional authorization and appropriation committees rarely permit it.

In Congress, each agency has its own appropriations committee, with some overlap across committees for some functions. While the concurrent budget resolution can specify interagency resource targets in theory, in practice it has never really done so. Interagency requirements are not widely considered in appropriations committee hearings that review department budget submissions. Interagency needs are rarely the subject of specific language or attention in appropriations committee markup activities.

**FINDING: The Department of Defense budgeting process allocates money for capability development, but not for major operations. Such operations are almost entirely funded through emergency supplemental budget requests. Other agencies have budgeting**



**processes that allocate money almost entirely for operations, with little, if any, for capability development. (Resources)**

The differences in budgeting practices between the Department of Defense and other departments and agencies exacerbate problems in coordinating funding for emergency interagency requirements. Other departments and agencies, and their respective authorizing and appropriating committees, are not accustomed to funding operations through supplemental requests. Many interagency activities become Defense Department responsibilities simply because Department of Defense can most easily transfer funds or obtain additional funding.

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***Imperative #4***

*The national security system must create a workforce that is bound by a shared culture that rewards cooperation and collaboration, and is supported by effective recruitment and a robust education and training system. A shared institutional culture generates greater trust, more streamlined processes and more efficient execution of objectives.*

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**FINDING: No comprehensive interagency culture is embraced or promoted by the system's leadership. This leads to strongly entrenched institutional cultures that are specific to individual departments and limit collaboration across agency lines. (Human Capital)**

Core values, a common sense of mission, and a shared philosophy are key elements of an organization's culture. In the current U.S. national security system, no national security culture exists; rather, each agency has its own culture that tends to be exclusive and even tribal. This strong departmental and agency cultural focus is reinforced by career advancement incentives that are also cast in terms of an individual agency over the interagency system.

Divergent departmental and agency cultures and styles can seriously impede the conduct of national security in several ways:

- Each agency, or even its sub-elements, tends to address national security from its unique point of view.
- Interagency interactions, including those intended to promote cooperation and collaboration, are usually characterized by agency representatives expressing their respective agencies' views and positions, with no one stepping out of their assigned positions to represent the interagency "system" interest.
- Information is perceived as power, which both individuals and agencies are reluctant to share because it will diminish their position relative to others.
- Understanding other agency or departmental cultures is not encouraged—and in some cases is strongly discouraged—so that no common ground, shared

analytical frameworks, or even common language can be found while approaching a shared challenge. This lack of understanding also increases the time necessary for individuals who find themselves in an interagency situation or assignment, PRTs for example, to adapt and perform effectively.

The absence of a national security culture and the existence of strong departmental and agency cultures skew the balance in favor of the bureaucracies at the expense of the system's overall interests. This leads to sub-optimal performance and, too often, failure.

**FINDING: The U.S. national security system confronts a growing challenge in recruiting, retaining, and developing career individuals that align to strategic long-term organizational needs. (Human Capital)**

Although the number of job applications for government positions demonstrate the continued desire of people to engage in public service, the applicants often do not have the competencies or skill sets that are now most needed. In addition to the lack of strategic human capital planning to identify the necessary competencies and skills, a number of barriers exist to ensuring the availability of the “right” work force. Given the shrinking labor pool, competition with the generally better paying private sector is obvious, particularly with respect to securing more “esoteric skills” such as proficiency in difficult languages, new scientific disciplines, and advanced technology. Complex and lengthy hiring processes as well as more stringent and diverse clearance requirements add to the difficulties.

A new problem that has emerged in recent years, particularly for civilian agencies, is the expeditionary nature of many of today's missions and the dangers that arise from having to deploy “in harm's way.” This issue is reflected, for example, in the State Department's growing emphasis on hot spots and hardship posts for deployment of career Foreign Service officers. Moreover, as noted above, the deeper penetration of political appointees in the system dampens expectations of career civil servants of achieving leadership positions, decreasing incentives even to join initially or remain in service, and reinforcing the broad trend of employees to shift employers or even job sectors with some frequency.

Recruiting the right people is not the only problem; retaining them is also difficult, as is ensuring that those who stay are equipped through education and training with the requisite skill sets. Training and education are not stressed, particularly in civilian components of the national security system (in strong contrast to the military components which consider them essential). They are not especially valued, and they can actually hamper career advancement. Nor do civilian agencies secure adequate resources for education and training, which may reflect those entities' lack of appreciation or ability to push for the allocation of such resources.

The impending retirement of many “baby boomers” from the federal work force represents both an opportunity and a challenge for human capital within the national security system. One problem it will create is the loss of institutional memory these career professionals represent. On the other hand, their departure will create openings. In light of the challenges discussed above, how those openings are filled is crucial.

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***Imperative #5***

*The national security system requires a flexible organization and management structure that facilitates integrated and coordinated strategy formulation, decision making, and oversight by leadership; emphasizes the vital integration, cooperation, and coordination of all tools of national power wherever they reside in the bureaucracy or even in the private sector; and captures creative thinking at multiple levels to promote innovative solutions to current and anticipated problems.*

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**FINDING: Departments and agencies are primarily focused on performing set functions. They have great difficulty performing new functions or executing functions collectively for new missions. (Structure)**

National security structures at the national level are heavily functionally focused. They excel at building, maintaining, and employing traditional or historical functional expertise (diplomacy, military force, intelligence, development assistance, etc.); however, they have great difficulty generating and deploying capabilities for requirements that do not fit within their existing mandated functional responsibilities.

**FINDING: Formal coordinating structures between departments and agencies are ineffective. Their poor performance encourages individuals to circumvent these structures. (Structure)**

The national security system's structure performs poorly at coordinating labor. This reflects a systemic inability to routinely coordinate and integrate effort across functional departments and agencies even when the national security mission obviously requires doing so. The departments and agencies are nearly autonomous, in many cases duplicating the capabilities of other departments to allow them to act even more independently. These complex overlapping functional and regional sub-structures within and between bureaucracies encourage competition rather than collaboration. Some small additional structures have been tacked onto the existing departments and agencies to facilitate integration, but they have limited authority, are prone to neglect—especially without White House attention—and cannot overcome the rigid structure that favors departmental and agency independence. As a result, the system is better at establishing and implementing policy when the mission clearly falls in the domain of a single national security organization than across agencies.

These weak integrating mechanisms encourage individual policy entrepreneurs to work around ineffective formal coordinating structures, to both good and bad effect. Policy entrepreneurs use their own initiative and relationship with the president or his senior leaders to overcome bureaucratic inertia by cajoling, threatening, and persuading others to

collaborate. Sometimes the effects of working around the system are good; other times trying to engineer a solution outside of established decision making mechanisms can lead to disasters (as has been thoroughly documented in the Iran Contra Affair). When entrepreneurial leaders fail to overcome bureaucratic resistance to their efforts and cannot adequately control other agencies, their carefully conceived strategies can fall apart.

In short, the current system remains persistently imbalanced, giving priority to strong core functional organizations' competencies at the expense of effective integration of those capabilities.

**FINDING: Since the expiration of the Reorganization Act Amendments of 1984, the president has had far less statutory flexibility for organizing the executive branch with one exception: the Homeland Security Act granted the Secretary of the Department of Homeland Security significant authority to reorganize his department. (Legal)**

For most of the 20<sup>th</sup> century, Congress granted the president significant statutory flexibility for organizing the executive branch pursuant to Reorganization Acts. These statutes gave the president authority to propose a Reorganization Plan for congressional review. In general, these plans automatically became law after 60 days unless one or both houses objected by concurrent resolution. This authority existed in various forms from 1939 to 1984. The use of reorganization plans ceased after the Supreme Court decided *INS v. Chadha*, holding one-house legislative vetoes to be unconstitutional. Congress passed the Reorganization Act Amendments of 1984 the following year to require a joint resolution to void a reorganization plan. But this act included a sunset provision that terminated December 31, 1984. The statute has not been reauthorized, although the Homeland Security Act of 2002 granted the Secretary of the Department of Homeland Security authority to reorganize functions and organizational units within the department.

**FINDING: The statutory framework governing the national security system has evolved in a disjointed manner since the National Security Act of 1947 whereby system components and authorities were largely added and subtracted to meet short-term needs. (Legal)**

Although the National Security Act of 1947 created such enduring institutions as the NSC, the CIA, and what later became the Department of Defense, many of the institutions created by the act were eliminated or transferred to other entities within less than a decade, including the National Security Resources Board, Munitions Board, and Research and Development Board. Thereafter, Congress created capabilities in institutions to satisfy short-term needs, as in the case of the Mutual Security Agency and Foreign Operations Administration. Other institutions emerged in response to particular crises, such as the Departments of Energy and Homeland Security. Over time, the accumulation of new structures and processes transformed a strategic and initially coherent system into a sprawling national security enterprise without a holistic design.

**FINDING: The current resource allocation system has difficulty providing sufficient resources for emergencies that were not foreseen in the base budget and that cannot be met from existing agency funding. (Resources)**

Departments must define their budget objectives at least two years in advance. Because of the budget cycles, agencies assemble their budget requests without knowing the prior year's appropriation levels or details and without knowing the results of the current year's spending. Emergency or unforeseen contingencies require an emergency or supplemental request or they require departments to reprogram existing funds. Congressional rules, as well as other statutory provisions, create widely varying limits and procedures on reprogramming and transfer authorities. Past attempts by departments to standardize these limits have been rejected.

Departments have little or no incentive to seek reprogramming of existing funds because it fosters the appearance of overfunding, and this could cause their budget to be cut the next year. In addition, reprogramming requires considerable effort and often takes too long to be meaningful during emergencies. The department must make a request to OMB and OMB must forward the request to Congress for approval. In some cases, new authorities are also required from Congress.

**FINDING: At the Country Team level, the ambassador is often viewed as a State Department representative rather than as the president's representative. When the ambassador attempts to integrate the work of various agencies in country, he is sometimes seen to be asserting authority he does not have and is often not backed up by high powers in Washington. (Structure)**

The president delegates authority to the ambassador through a presidential letter. However, the letter does not provide for true unity of effort by spelling out responsibilities of other agencies vis-à-vis the ambassador. In addition, other agencies often fail to provide adequate guidance to their representatives in the field on relationships with the ambassador and other agencies, and do not ensure that their representatives receive thorough briefings on the presidential letter and its intent. When the ambassador attempts to integrate the work of various agencies, he is sometimes seen to be asserting authority he does not have and is often not backed up by higher powers in Washington. As a result, ambassadors often adopt a hands-off approach to management, reinforcing individual agency mentalities and resulting in further stove-piping.

**FINDING: Policy development in Washington is often disconnected from operational considerations overseas and the system is better at formulating policy than implementing it. Therefore, U.S. regional policy implementation tends to be dominated by Department of Defense geographic combatant commands. (Structure)**

Regional policymaking is accomplished in Washington within two principal structures: the NSC and the Department of State. In both structures, the Department of State formulates

policy through assistant secretaries that chair regional committees within the NSC and through regional bureaus within the department. Individuals in overseas missions have little influence on, and often do not know the direction of policy until it is announced.

As a result, decisions taken in Washington often do not reflect realities in the field and fail to coordinate different interagency perspectives within the local mission. This is exacerbated by the fact that participants in the field are often subject to superseding authority from their departments. In addition, no mechanisms are in place to control and apply resources in connection with agreed-upon policies and strategies.

Few formal interagency structures exist to coordinate policy implementation at the regional level. The State Department, for example, focuses on its relationship with the ambassador and the embassy. Only the Department of Defense maintains large, well-funded (often forward deployed) regional structures—combatant commands (COCOMs). The Department of Defense has established regional Joint Interagency Coordination Groups (JIACG's) at each of its regional COCOMs, and two of its regional combatant commands, U.S. Southern Command and U.S. Africa Command, are being designed to foster greater interagency cooperation and coordination. As a result, the default response is often the deployment of military forces in the face of no or extremely limited interagency capabilities. Consequently, U.S. national security policy often takes on a “military face” or appears as “hard power” where “soft power” would be much more appropriate in the eyes of affected nations.

**FINDING: National security perspectives outside the traditional national security community are under-represented.(Knowledge Management)**

The increasing scope of national security challenges requires involvement of agencies and actors who previously played little role in national security policy. The Department of Agriculture, for example, was not initially included in meetings to address bioterrorism challenges. Moreover, few if any means exist to provide non-governmental or private sector perspectives on a sustained and consistent basis.

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***Imperative #6***

*The national security system requires effective utilization of intelligence and knowledge, exploiting the full range of human and technological opportunities and ensuring mechanisms to counter bias, prejudice, selectivity, and faulty mindsets in policy development and supporting analysis. Efficient intelligence management within the national security system requires organizations to adapt to new informational needs and institutionalize processes designed at generating greater trust and knowledge sharing.*

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**FINDING: The national security system tends to overemphasize traditional security threats and underemphasize emerging challenges. (Knowledge Management)**

If new information does not fit within existing conceptual frameworks, it is often ignored at least until a new schema is formed.

**FINDING: Powerful bureaucratic, cultural, and individual disincentives to sharing information prevent decision makers from accessing relevant knowledge on a timely basis. (Knowledge Management)**

The lack of a coherent national strategy causes departments and agencies to develop task-based strategies that draw almost exclusively on their own knowledge and information sources. This behavior fosters a culture that is averse to knowledge sharing.

Other strong disincentives exist to sharing knowledge. Limiting access to knowledge can be essential for advancing particular organizational interests. In addition, over-classification of information is a major impediment. Moreover, sensitive information is so compartmentalized it is difficult for analysts to evaluate intelligence provided by other agencies independently. The existence of almost 40 different classification systems also impedes knowledge sharing, as does the intelligence community's "need to know" culture.

Knowledge sharing within the national security system is hindered by the lack of integrated information systems. This problem has been widely understood as a problem of connectivity, but greater connectivity does not automatically produce better decision making. Integrating systems will generate enormous amounts of information that is not necessarily in a form that decision makers can use.

To the extent knowledge sharing occurs within the national security system, the tendency is to share it vertically within departments and agencies. To be most useful, knowledge should be distributed to decision makers who need it. These actors are frequently not higher level officials, but dispersed throughout the system.

**FINDING: Because knowledge flows depend on trust, and because trust in the national security system largely emerges within personal relationships, knowledge flows frequently become bottlenecked and highly filtered. (Knowledge Management)**

The importance of personal relationships to knowledge management is often noted at the highest levels of government. Numerous national security advisors have been critiqued for using their personal relationships with the president to advocate certain positions, rather than to be a broker of knowledge and information from across the system. At the same time, however, personal relationships have a large impact on the flow of information and knowledge at all levels of the national security system.

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***Imperative #7***

*The national security system requires oversight and accountability of the system as a whole, rather than of its constituent parts. This oversight and accountability, a joint responsibility of Congress and the executive branch, must give attention to national missions, evaluate performance using common metrics, and must be responsive to changing performance requirements.*

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**FINDING: Congress lacks access to the National Security Council staff. While the NSC staff's primary responsibility is to advise the president, they frequently become involved in policy implementation. This causes confusion in oversight and raises sensitive questions about the proper balance between executive privilege and congressional authority. (Congress and Other Oversight)**

Congress has no authority to confirm, or summon for testimony, the most powerful appointed official in national security policymaking—the president's national security advisor. The National Security Act of 1947 created the National Security Council and provided for a "civilian executive secretary" to head its staff. That position has never been Senate-confirmable and is currently ranked executive level I, the same as assistant secretaries of departments. Starting with the Kennedy administration, one of the assistants or special assistants to the president has been the effective head of the National Security Council staff and is now usually called the national security advisor.

Presidents have asserted, and Congress has generally accepted, that they need privileged access to advisors who cannot be required to testify before Congress. The national security advisor has frequently communicated informally with members of Congress and has held informal briefings on national security matters. The only formal testimony sanctioned by the president has been in two cases of alleged lawbreaking. A notable exception, however, was Henry Kissinger, who testified 43 times as Secretary of State while he simultaneously held the post of national security advisor. In his confirmation hearing, Kissinger pledged to answer questions except when they concerned his advice to the president.

**FINDING: The jurisdiction of Congressional committees dealing with national security has remained virtually the same since the 1946 Legislative Reorganization Act notwithstanding major changes in the international environment and proliferation of multi-agency activities. (Congress and Oversight)**

Other than creating the intelligence committees in the 1970s and of homeland security committees following the 9/11 attacks, congressional committees dealing with national security have remained separated and focused on their particular areas of jurisdiction. Committees rarely hear officials outside their traditional jurisdiction, so they do not receive



the benefit of multi-agency perspectives on multi-agency activities. From 2001 to 2007, the secretary of state never appeared before the armed services committees, but did testify before the foreign policy, appropriations, and budget committees, as well as four other committees. In the same period, the secretary of defense and chairman of the Joint Chiefs of Staff appeared only once before a foreign policy committee—to testify on an arms limitation treaty with Russia in 2001—though both officials did testify before the military, appropriations, and budget committees.

**FINDING: Congressional national security appropriations committees are hindered by limited resources and staffing. This reduces their ability to effectively ensure that the allocation of resources is consistent with national security needs. (Congress and Oversight)**

Appropriations panels have much smaller staffs than authorizing committees. The Senate Appropriations Committee had only 7 staff members on its defense subcommittee during the 1980s and 1990s; the figure is now 11. The Armed Services Committee had approximately 20 staff members during the same period and now has 21. The staff reviewing foreign operations appropriations has stayed at 3 or lower throughout the period, while the Foreign Relations Committee staff has varied from 15 to 18 and now is 28. In the House, defense appropriations staff was 10–13 during the 1980s and 1990s and now is at 16. The House Armed Services Committee staff averaged around 30 and now is 39. Only 4 staff members worked on the foreign operations subcommittee during the same period, and the number now is 8.

**FINDING: While processes for policy development are generally strong, other processes related to planning and implementation are weak, ad hoc, and ineffective. (Processes)**

Once the president makes a national security policy decision, the execution of this decision is typically left to stove-piped departments, often with little execution tracking by the cabinet agencies or the Executive Office of the President.

In the national security realm, there is no evidence to suggest that either the NSC or the policy, strategy, and planning staffs of individual departments and agencies work closely with OMB on a routine basis to ensure tracking of presidential priorities and decisions through the president’s budget submission or the Program Assessment Rating Tool.

**FINDING: The lack of assessment processes makes it impossible for the president to evaluate independently the performance of interagency activities. (Processes)**

Interagency activities fall outside the Government Performance and Results Act and the President’s Management Agenda, both of which focus on the performance of individual departments. OMB only very selectively undertakes interagency national security assessments. New processes aimed at improving implementation, such as those used to develop and track performance relative to the national plans for counterterrorism and

pandemic influenza, are nascent, but early evidence suggests that they do not coordinate activities effectively.

**FINDING: Few “lessons learned” activities exist within the national security system, but even the more effective of these tend to focus on collecting information and knowledge, rather than disseminating it. (Knowledge Management)**

Organizational learning requires that 1) multiple perspectives be maintained within the organization, 2) the organization be structured in a way that allows it to use these multiple perspectives to adapt to external events, and 3) investments are made in organizational memory. Some components of the national security system are making such investments. The Center for Army Lessons Learned, for example, represents a significant advance over previous attempts to capture and distill lessons learned from military operations. However, capabilities to support the conduct of national security at the system level do not exist. Moreover, the operation of the system tends to emphasize the collection of information and knowledge, rather than the propagation of knowledge throughout the system.

**FINDING: The effective flow of information and knowledge is facilitated through networks of trust. Trust within the national security system is irregular, causing information and knowledge between departments to be uneven and unpredictable. (Knowledge Management)**

Trust must be built among different parties within a system to create reasonable expectations of reciprocity in sharing information and knowledge. Trust tends to emerge between highly committed individuals on an ad hoc basis and within personal relationships. In the current national security system, however, disparate organizational cultures, parochial leadership styles and visions, infrequent face-to-face meetings, and frequent rotations of staff make trust difficult to achieve.

Moreover, national security in the 21<sup>st</sup> century can often involve NGOs and the private sector, and varying degrees of trust characterize relations between these private actors and the national security system. Some NGOs, for example, show outright hostility to the military actors in the national security system, which can greatly complicate the development and flow of knowledge among the actors and decision makers who need it.

**FINDING: Emergency supplemental spending now includes considerable expenses unrelated to emergency operations. As emergency spending does not require or allow for the same level of scrutiny or execution review in OMB and in Congress, this practice is eroding congressional oversight and accountability and evading overall budget constraints. (Resources)**

Nearly two-thirds of Army procurement funding and over half of Army military personnel costs are included in supplemental budget requests. More than \$100 billion in emergency funding has been appropriated since Hurricane Katrina came ashore in late August 2005,

but severe problems were encountered in allocating funds for executing programs. From Federal Emergency Management Agency trailers that were never occupied to housing recovery funds never disbursed, performance failed to meet the purposes for which funding was provided.

**FINDING: The resource allocation system for national security focuses far more senior-level attention on defining and defending budget requests than on understanding how money was spent or what was obtained by those expenditures. (Resources)**

Reduced accountability within the national security system makes it difficult or impossible to inform future budget decisions. The resource allocation process is not connected to any reasonable information about the successful execution of previous budgets. Without details on results from earlier budgets, decisions cannot focus on measurable outcomes nor predict what contribution the proposed budget will make toward those outcomes in the future.

# CONCLUSIONS

The increasingly limited ability of the system to produce desired outcomes is not an indictment of the interagency participants involved in the process over the last 60 years. On the contrary, it is a function of the changing security environment:

The world has changed, and the threats we face have changed, and that means it is time for a fundamental reorganization of our national-security apparatus... Iraq is a symptom of this disease, not the cause. Similar tensions occurred over Bosnia, Kosovo, and Afghanistan, each with different people in the key positions. This is not a problem of personality dysfunction....It is a problem of structure, of organization, and, more fundamentally, of the conception of what kinds of war we are likely to have to fight and how we will fight them.<sup>105</sup>

Merely changing leadership will not solve problems that are inherently systemic. Today, leaders at all levels must work in a system built on two faulty and intertwined assumptions: 1) that strong core national security capabilities are more important than the full range of required capabilities and the means to integrate them and 2) that sufficient integration can be provided by the president alone or through his subordinates.

The experience of the last 60 years suggests these assumptions are wrong. In actuality, the president needs better tools to manage the national security system and integrate its various elements—where necessary, in collaboration with state and local authorities. Without these tools, the system tends to be rigid, slow, and unable to adapt to any problems that do not neatly fit with the domains of its national security organizations. This is not a new conclusion:

Whatever the wisdom of U.S. intervention...why has a cumulatively enormous U.S. contribution...had such limited impact for so long?...From the outset the preponderant weight of the U.S. military...tended to dictate an overly militarized response....On the civilian side the same tendency existed for the chief U.S. agencies involved to focus primarily on that with which they were most familiar....Especially significant has been institutional inertia, the built-in reluctance of organizations to change preferred ways of functioning except slowly and incrementally. Another such factor has been the shocking lack of institutional memory, largely because of short tours for U.S. personnel. Skewed incentive patterns also increased the pressures for conformity and tended to penalize adaptive response. And there was a notable dearth of systematic analysis of performance, again mainly because of the inherent reluctance of organizations to indulge in self-examination....Nor was there any integrated conflict management to pull together all the disparate aspects of the...U.S. effort....it was everybody's

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<sup>105</sup> Frederick W. Kagan, "Two Decades Late," The National Review, June 16, 2008.

business and nobody's....also at issue was the natural preference of any institution to operate as an autonomous, homogeneous unit....If these rather generalized lessons seem like restating the obvious, one need only recall how little we actually practiced them in Vietnam.<sup>106</sup>

Since Vietnam, the need to integrate national security missions, develop adaptive courses of action, and generate “non-traditional” capabilities has grown. The domestic and international security environments are more demanding now. Leadership and decision making are strained by the breakdown of the bipartisan consensus on national security collaboration following Vietnam, the diminution of a unifying national security culture following the demise of the Soviet Union, and the gradual shift to an information age where 24-hour news cycles and instantaneous global communications are the norm.

The same lack of adaptation and unity of effort that plagued the United States in Vietnam and cost us greatly were also identified as problems by the 9/11 Commission, which traced them back to the semi-autonomy of national security departments and agencies reinforced by numerous statutory authorities:

The problem is nearly intractable because of the way the government is currently structured. Lines of operational authority run to the expanding executive departments, and they are guarded for understandable reasons: the DCI commands the CIA's personnel overseas; the secretary of defense will not yield to others in conveying commands to military forces; the Justice Department will not give up the responsibility of deciding whether to seek arrest warrants. But the result is that each agency or department needs its own intelligence apparatus to support the performance of its duties. It is hard to “break down stovepipes” when there are so many stoves that are legally and politically entitled to have cast-iron pipes of their own.<sup>107</sup>

The 9/11 Commission's problem identification in this passage explains not only why the U.S. government has multiple competing intelligence-gathering efforts, it also explains why so many operational efforts that should be coordinated end up working at cross purposes. Each agency pursues its own mandate and is loath to make the necessary tradeoffs when their different objectives must be reconciled to the larger government-wide strategy as circumstances and best judgment warrant. The commission approvingly quoted the secretary of defense's observation that this problem might require strong agencies to “give up some of their turf and authority in exchange for a stronger, faster, more efficient government wide joint effort.”<sup>108</sup>

Past presidents attempted to compensate for the imbalance between the national security system's strong individual capabilities and weak integrating mechanisms through their personal leadership and interventions. In doing so, the president and his staff are not able to

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<sup>106</sup> R. W. Komer, *Bureaucracy Does Its Thing: Institutional Constraints on U.S. -GVN Performance in Vietnam* (Santa Monica, CA: Rand, 1972).

<sup>107</sup> *The 9/11 Commission Report*, 403, <available at <http://www.9-11commission.gov/report/index.htm>>.

<sup>108</sup> *The 9/11 Commission Report*, 406.

attend to broader, longer range national security system management tasks that are necessary in order to manage the system holistically and make it perform better for more consistent unity of purpose and effort. As former Speaker of the House Newt Gingrich concludes:

The interagency process which was essentially developed in the 1950s is now broken. It is hopelessly too slow and too lacking in accountability. An integrated system has to be developed which sets metrics and accountability and which reports to the Commander in Chief with the clarity that a global battlefield requires.<sup>109</sup>

The systemic deficiencies in the national security system must be corrected. Without reform, the national security system cannot hope to keep pace with the changing security environment. The one prediction about the future universally shared by experts is that it will present more diverse and frequent challenges that require routine integration of the resources, expertise, and capabilities resident across the national security system. Currently, the national security system cannot meet these challenges consistently or well enough to safeguard the nation's security, a conclusion that is increasingly apparent to those who study its performance and to those who lead and work within the system.

Despite the growing awareness that the national security system cannot sufficiently integrate and resource the elements of national power, several factors to date have prevented major reform. First, the superficial flexibility of structures and processes that respond to presidential direction masks the underlying rigidity and deficiencies of the system. Second, presuming the system to be flexible, many incorrectly conclude that if there is a problem it must be with the leadership, and that changing leaders will improve system performance. Finally, even those who understand the system is flawed in ways that thwart good leadership are daunted by the admittedly difficult task of systemic reform, which must include changes in both the legislative and executive branches of government.

As difficult as major reform is, it is not beyond the reach of the American body politic. In 1947, American leaders in the private sector, Congress, and the White House realized that World War II had ushered in a new era fraught with peril. They took necessary corrective action, and their efforts safeguarded the nation through the Cold War. The security environment is again undergoing major changes, with the diffusion of knowledge and global communications permitting small groups to deliver strategic attacks. Once again, Americans must reinvent their institutions, prepare to defend their way of life, and lead the way for others seeking a better future. The first and most important act of foresight that new national leadership can take to improve the security of the United States and its allies is to commit to eliminating the problems that currently constrain national security system performance. The purpose of the Project on National Security Reform is to enable and support leaders who want to make those changes.

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<sup>109</sup>Newt Gingrich, "Where Do We Go from Here?" September 11, 2006, Speeches, American Enterprise Institute Online, <[http://www.aei.org/publications/pubID.24891,filter.all/pub\\_detail.asp](http://www.aei.org/publications/pubID.24891,filter.all/pub_detail.asp)>.

