

United States Government Accountability Office Washington, DC 20548

March 27, 2008

The Honorable Bill Nelson Chairman The Honorable Jeff Sessions Ranking Member Subcommittee on Strategic Forces Committee on Armed Services United States Senate

Subject: Defense Space Activities: National Security Space Strategy Needed to Guide Future DOD Space Efforts

The United States depends on space assets to support national security activities as well as civil and commercial activities. The Department of Defense (DOD) depends on space assets to support a wide range of military missions to include intelligence collection; battlefield surveillance and management; global command, control, and communications; and navigation assistance. This operational dependence on space has placed new and increasing demands on current space systems and organizations to meet Joint Force Commanders' needs. Moreover, concerns have increased regarding emerging threats that could affect the United States' and other countries' access to the free use of space.

At your request, we are currently reviewing the acquisition and requirements processes of the DOD's Operationally Responsive Space¹ (ORS) concept. In response to this request, we plan to issue a report regarding ORS acquisition issues by April 2008, and by July 2008 we will issue a report regarding how ORS is being developed to satisfy warfighter needs. However, we are providing you this letter because during the course of our work on how ORS is being developed to satisfy warfighter needs, we learned that the National Security Space Office developed a National Security Space Strategy in 2004, but it has not been issued. We are bringing this matter to your attention because without a strategy in place to link the defense and intelligence communities, future space programs, plans, and new space concepts, such as ORS, will be developed without the overarching strategic guidance that a national strategy could provide. Moreover, in April 2003, GAO recommended and DOD agreed that

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¹ORS is a DOD concept designed to satisfy Joint Force Commanders' needs for readily available information and intelligence during ongoing operations. The concept is based on three tiers: Tier 1 is the rapid exploitation of existing capabilities; Tier 2 is the ability to replenish, augment, or reconstitute with existing technologies/capabilities; and Tier 3 is the ability to rapidly develop and employ new technologies/capabilities.

space activities needed to include a national security space strategy tied to overall department-level space goals, timelines, and performance measures to assess space activities' progress in achieving national security space goals.²

A national security space strategy would address the national security space sector, which consists of all services and components of DOD and all agencies within the intelligence community³ that provide or use space capabilities. The use of commercial satellites to support military operations has grown substantially particularly for communications; however, the national security space sector consists of DOD and intelligence community space assets. For the military, the U.S. Strategic Command is responsible for establishing overall operational requirements while the services are responsible for meeting these requirements. The Air Force is DOD's primary procurer and operator of space systems. The Army controls a defense satellite communications system and operates ground mobile terminals. The Navy procures DOD narrowband satellite communications capability and operates several space systems that contribute to surveillance, meteorology and warning. The National Reconnaissance Office designs, procures, and operates space systems dedicated to intelligence activities. The National Security Space Office, working with the DOD Executive Agent for Space supporting Combatant Commanders, DOD services, and components, assists in facilitating the integration and coordination of National Security Space strategies, planning, and architectures that include defense and intelligence space activities and those civil, commercial, and allied space activities that contribute to National Security Space. The Director of National Intelligence serves as the head of the intelligence community and acts as the principal advisor to the President, the National Security Council, and the Homeland Security Council for intelligence matters related to national security.

For the purposes of this letter, our objective was to determine the extent to which DOD and the intelligence community have developed, agreed upon, and issued a National Security Space Strategy. To address this objective, we interviewed officials and reviewed relevant documentation in the Office of the Undersecretary of Defense for Policy, the National Security Space Office, the Office of the Director of National Intelligence (ODNI), and the U.S. Strategic Command. We conducted this performance audit from June 2007 through March 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

²GAO, Defense Space Activities: Organizational Changes Initiated, but Further Management Actions Needed, GAO-03-379 (Washington, D.C.: Apr. 18, 2003).

³The intelligence community includes organizations and offices from both DOD and the national intelligence community. In addition to the intelligence branches of the military services, there are four major intelligence agencies within DOD: the Defense Intelligence Agency; the National Security Agency; the National Geospatial-Intelligence Agency; and the National Reconnaissance Office. The national intelligence community includes agencies such as the Central Intelligence Agency as well as the intelligence-related components of other federal agencies.

Results in Brief

DOD and the intelligence community have not developed, agreed upon, or issued a National Security Space Strategy. The National Security Space Office developed a draft strategy in 2004, but it was never issued. The Director of the National Security Space Office and the Director of Space Policy in the Office of the Under Secretary of Defense for Policy provided examples of reasons why a strategy has never been issued. One reason was that the National Security Council requested that the strategy not be issued until the revised National Space Policy was released in October 2006. However, once the policy was released, changes in leadership in the National Reconnaissance Office and the Air Force delayed the issuance of the strategy. In addition, differences of opinion between the defense and intelligence communities over the implementation of the strategy and cultural differences between the two communities further delayed the issuance. ODNI officials told us they are uncertain as to what specific problems exist that caused the delay in the issuance of the national security space strategy, yet they have not been approached by the National Security Space Office to review any current drafts. Regardless of the reasons for not issuing the strategy, DOD officials agree a strategy should be issued and ODNI officials also see the benefit in having a strategy. We previously reported that it is standard practice to have a strategy that lays out goals and objectives, suggests actions for addressing those objectives, allocates resources, identifies roles and responsibilities, and integrates relevant parties.⁵ In the case of space, a national security space strategy would assist DOD and the intelligence community to establish national space goals and priorities and ensure effective strategic coordination between DOD and the intelligence community. A national strategy may help ensure that the 1999 DOD Space Policy, which is being updated, and the National Military Strategy for Space Operations, which is being developed, support national security space goals and priorities. Until a national security space strategy is issued, the defense and intelligence communities may continue to make independent decisions and use resources that are not necessarily based on national priorities, which could lead to gaps in some areas of space operations and redundancies in others.

Because our previous recommendation regarding the need for a national security space strategy has not been implemented, we believe Congress should consider requiring the Secretary of Defense and the Director of National Intelligence to identify and resolve any remaining differences of opinion and issue a National Security Space Strategy. In its comments, DOD agreed that a National Security Space Strategy, approved by both the Secretary of Defense and the Director of National

⁴As part of its advisory function, the National Security Council coordinates national security and foreign policies among various government agencies for the President. The National Space Policy establishes overarching national policy that governs the conduct of U.S. space activities. It was authorized by the President in August of 2006.

⁵GAO, Combating Terrorism: Evaluation of Selected Characteristics in National Strategies Related to Terrorism, GAO-04-408T (Washington, D.C.: Feb. 3, 2004).

⁶The National Space Policy establishes the framework within which DOD Space Policy is created. DOD Space Policy was issued in July 1999 and is currently being revised. The National Military Strategy for Space is solely a military document, which does not require the approval of the intelligence community. The National Military Strategy for Space should be based on higher strategic guidance, such as the National Security Space Strategy, in order to guide investment priorities for space capabilities.

Intelligence, would assist DOD and the intelligence community in establishing national space goals and priorities and enabling strategic coordination. DOD also provided technical comments which we incorporated as appropriate. DOD's comments are reprinted in enclosure I. ODNI provided technical comments on our draft report, but did not take a position on our Matter for Congressional Consideration.

Background

In January 2001, the report of the Commission to Assess United States National Security Space Management and Organization (Space Commission) suggested that explicit national security guidance and defense policy were needed to direct development of doctrine, concepts of operations, and capabilities for space. Higher policy generally sets the boundaries of a strategy, while a strategy provides guidance to a corresponding plan. According to the Director of Space Policy in the Office of the Under Secretary of Defense for Policy, in the case of space issues, a national security space strategy would originate from the National Space Policy and the National Security Strategy. The National Security Strategy, which covers both defense and intelligence activities, provides guidance to the National Defense Strategy and the National Intelligence Strategy. In addition, higher policy such as the National Space Policy guides the creation of more specific policies, such as the DOD Space Policy. According to the Director of the National Security Space Office, which coordinates the National Security Space Strategy, both the defense and intelligence communities must coordinate and agree on the content of this national strategy for it to be considered a legitimate and official document. Such coordination and agreement is important to avoid fragmentation in DOD and intelligence community efforts in space.

Pursuant to a DOD directive, the Secretary of Defense designated the Secretary of the Air Force as the DOD Executive Agent for Space. The DOD Executive Agent for Space is responsible for the development, coordination, and integration of plans and programs for space systems and the acquisition of major DOD space defense programs. The Secretary of the Air Force is permitted to redelegate its executive agent responsibilities only to the Under Secretary of the Air Force. At the time of this report, the position of the Under Secretary of the Air Force is vacant; therefore, the Secretary of the Air Force retains the duties of the Executive Agent for Space.

The Director of National Intelligence, a position established in the Intelligence Reform and Terrorism Prevention Act of 2004, serves as the head of the intelligence community. In this capacity, the Director oversees and directs the implementation of the National Intelligence Program and acts as the principal advisor to the President, the National Security Council, and the Homeland Security Council for intelligence

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⁷Report of the Commission to Assess United States National Security Space Management and Organization (Washington, D.C., Jan. 11, 2001). The Space Commission was created pursuant to the National Defense Authorization Act for Fiscal Year 2000 to assess the organization and management of space activities that support U.S. national security interests.

⁸Department of Defense Directive 5101.2, *DOD Executive Agent for Space* (June 3, 2003). This directive is currently under revision.

matters related to national security. The Director must consult with the Secretary of Defense on the development and implementation of plans for the acquisition of a major system for a DOD element of the intelligence community. As previously mentioned, the national security space sector is composed of the defense and intelligence communities.

DOD and the Intelligence Community Have Not Issued a National Security Space Strategy

DOD and the intelligence community have not issued a National Security Space Strategy. The draft National Security Space Strategy, developed in 2004, describes current national security challenges and America's decisive asymmetric advantage in space, while recognizing that our space superiority depends on unity of effort among the defense, intelligence, and civil government communities in collaboration with the U.S. private sector. The draft strategy presents four broad strategic objectives for space but also mentions that detailed implementation and specific planning objectives will be contained in the National Security Space Plan. According to the National Security Space Office Director, the National Security Council requested that the National Security Space Strategy not be issued until the revised National Space Policy (NSPD-49) was released in October 2006. However, once the policy was issued, changes in leadership in the National Reconnaissance Office and the Air Force delayed the issuance of the strategy. In addition, differences of opinion between the defense and intelligence communities along with cultural differences have further delayed the issuance. In addition to different organizational constructs, the defense and intelligence communities may also be faced with other impediments such as different and sometimes competing funding arrangements and requirements processes as it relates to intelligence, surveillance, and reconnaissance capabilities, such as space activities.

Reports have long recognized that the national security space community needed a strategy to guide its efforts in space and better integrate the space activities of DOD and the intelligence community. In its January 2001 report, the Space Commission stated that explicit national security guidance and defense policy were needed to direct development of doctrine, concepts of operations, and capabilities for space. In 2003, we recommended that space activities should include a national security space strategy tied to overall department-level space goals, timelines, and performance measures to assess space activities' progress in achieving national security space goals. Moreover, we reported that it is standard practice to lay out goals and objectives in a national strategy to define the objectives, suggest actions for addressing those objectives, allocate appropriate resources, identify roles and responsibilities, and integrate relevant parties. In 2004, we identified a set of six desirable characteristics to aid responsible parties in developing and implementing national strategies to enhance their usefulness as guidance for resource and policy decision makers and to better ensure accountability. These characteristics include: (1) a statement of purpose, scope, and methodology; (2) problem definition and risk assessment; (3) goals, subordinate objectives, activities, and performance measures; (4) resources, investments, and risk management; (5) organizational roles,

responsibilities, and coordination; and (6) integration and implementation. We reviewed the 2004 draft strategy and concluded that most of the desired characteristics had at least been partially addressed in that document.

In the meantime, the National Security Space Office, in coordination with the defense and intelligence communities, developed and issued a National Security Space Plan to provide national security space planners and programmers with a common point of reference. Specifically, the plan's intent is to prioritize space capabilities through balancing top-down national strategic guidance in combination with a bottom-up assessment of agency and combatant command priorities. It is to be updated every 2 years. As previously mentioned, however, a strategy generally provides guidance to its implementation in the form of a plan. The National Security Space Plan is based on the overarching goals of the draft national security space strategy but this strategy has never been officially issued. We believe it is important to base detailed plans on an overarching strategy. Our 2003 report noted that without a plan that is linked to high-level strategies, the services would not have clearly defined space objectives and milestones to guide their initiatives, nor would DOD have a mechanism to ensure successful accomplishment of integrated efforts between the defense and intelligence communities without gaps and duplication.

According to the National Security Space Office Director, a signed plan, such as the National Security Space Plan, that is not based on an official national security space strategy lacks legitimacy in the eyes of participants. The Director of Space Policy in the Office of the Under Secretary of Defense for Policy stated that current investment decisions regarding U.S. national security in space are being made based on guidance from a plan, without the analysis that higher strategic guidance could provide. Moreover, strategies force decisions to be made at a higher level to ensure overall strategic goals are met. Strategies also serve to guide investments that achieve goals and objectives and prevent investment in programs that are not consistent with higher level goals. For these reasons, both officials believe a strategy is needed.

Congress found in the past that DOD and the national intelligence communities may not be well-positioned to coordinate certain intelligence activities and programs in order to ensure unity of effort and avoid duplication of effort. The 2001 Space Commission report stated that the relationship between the defense and intelligence communities is critical to the development and deployment of space capabilities. The commission advised the two communities to work in partnership to set and maintain the course for national security space programs and to resolve the differences between their respective bureaucracies. Moreover, according to ODNI, since the events of September 11, 2001, the traditional distinction between the intelligence missions of DOD and the national intelligence community have become blurred, with DOD increasingly engaging in more strategic missions and the national intelligence community engaging in more tactical missions. Because of this trend, government decision makers have recognized the increased importance of ensuring effective coordination and integration between DOD and the national intelligence community in order to successfully address today's security threats.

⁹GAO, Combating Terrorism: Evaluation of Selected Characteristics in National Strategies Related to Terrorism, GAO-04-408T (Washington, D.C.: Feb. 3, 2004).

According to its Director, the National Security Space Office continues to work on issuing the national security space strategy. However, the Director noted that a strategy is unlikely to be issued before the upcoming November 2008 presidential election, because it will be difficult to get all relevant parties to agree on a strategy before that time. ODNI officials told us they are uncertain as to what problems caused the delay in the issuance of the strategy and that the intelligence community has not been approached by the National Security Space Office to review any current drafts of a national security space strategy. However, ODNI officials see the benefit in having a strategy.

In the absence of an official national security space strategy, the U.S. Strategic Command is drafting a National Military Strategy for Space Operations. The National Military Strategy for Space Operations is exclusively a military document that does not flow from a finalized national security space strategy between DOD and the intelligence community. The fact that a military strategy for space is currently being drafted demonstrates that the defense community recognizes a gap in higher strategic guidance in space that needs to be filled and revised to counter emerging threats. Moreover, the Under Secretary of Defense for Policy is updating the July 1999 DOD Space Policy based on the 2006 release of the National Space Policy and recognition of changes in the operational environment. These activities demonstrate DOD's recognition of the need to move forward to implement the 2006 National Space Policy, even in the absence of an agreed upon national security space strategy.

If directed to work together on a national security space strategy, the defense and intelligence communities may have to overcome cultural differences that have hindered collaboration and development in the field of national security space. A national security space strategy would assist DOD and the intelligence community to establish national space goals and priorities, and ensure effective strategic coordination between DOD and the intelligence community. Moreover, a national strategy may help ensure that the DOD Space Policy and the National Military Strategy for Space Operations support national security space goals and priorities. Until a national strategy is issued, the defense and intelligence communities may continue to make independent decisions and use resources that are not necessarily based on national priorities, which could lead to gaps in some areas of space operations and redundancies in others. This is particularly important in light of emerging threats to critical U.S. space assets.

Matter for Congressional Consideration

Because our previous recommendation regarding the need for a national security space strategy was not implemented, Congress should consider requiring the Secretary of Defense and the Director of National Intelligence to identify and resolve remaining differences of opinion and issue a National Security Space Strategy.

Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD agreed that a National Security Space Strategy, approved by both the Secretary of Defense and the Director of National Intelligence, would assist DOD and the intelligence community in establishing national space goals and priorities, and enabling strategic coordination. DOD, however, disagreed with the report's assertion that in the absence of such a strategy, decisions with respect to space capabilities are not being made based on national priorities. Our report did not state that decisions with respect to space capabilities are not being made based on national priorities. Rather, our draft report stated that the defense and intelligence communities may continue to make independent decisions and use resources that are not necessarily based on national priorities, which could lead to gaps in some areas of space operations and redundancies in others.

DOD also stated in its written comments that we incorrectly characterized DOD's efforts to update the 1999 DOD Space Policy. DOD stated that the efforts to update the 1999 policy were not due to a recognition of a gap in higher strategic guidance as we stated in our report. Rather, they stated their efforts were due to the issuance of the 2006 National Space Policy and the changes in the operational environment. We changed the report to reflect this statement.

DOD also stated that our report characterized only one aspect of the ORS program—its quick launch and reconstitution aspect—and that our report should reflect the broader aspect of ORS, which includes a 3-tiered concept to exploit existing capabilities, replenish and augment with existing technologies and capabilities, and develop and employ new technologies and capabilities. We changed the report to include these broader aspects. DOD's comments are reprinted in enclosure I.

In addition to written comments, DOD provided technical comments which we incorporated as appropriate.

ODNI provided technical comments on the draft report, but did not take a position on our Matter for Congressional Consideration.

We are sending copies of this report to the Secretaries of Defense, the Army, the Navy, and the Air Force and the Office of the Director of National Intelligence. Copies will be made available to others upon request. In addition, this report will be

available at no charge on our Web site at http://www.gao.gov.

Major contributors to this report are Lorelei St James, Assistant Director; Grace Coleman; Amy Higgins; Enemencio Sanchez; Kimberly Seay; and Amy Ward-Meier. Contact points for our Offices of Congressional Relations and Public Affairs may be

found on the last page of this report. If you or your staff have any questions about this report, please contact me at 202-512-5431 or $\underline{DAgostinoD@gao.gov}$.

Davi M. D'Agostino

Director, Defense Capabilities and Management

Enclosure

Comments from the Department of Defense



OFFICE OF ASSISTANT SECRETARY OF DEFENSE 2500 DEFENSE PENTAGON WASHINGTON, D.C. 20301-2500

MAR 2 4 2008

Ms. Davi M. D'Agostino Director, Defense Capabilities and Management United States Government Accountability Office 441 G Street, NW Washington, DC 20548

Dear Ms. D'Agostino,

This letter is the Department of Defense (DoD) response to the GAO draft report, GAO-08-431R "DEFENSE SPACE ACTIVITIES: National Security Space Strategy Needed to Guide Future DoD Space Efforts," dated March 10, 2008 (GAO Code 351134).

In general, DoD agrees that a National Security Space Strategy, approved by both the Secretary of Defense and the Director of National Intelligence, would assist DoD and the intelligence community in establishing national space goals and priorities, and enabling strategic coordination. However, DoD disagrees with the report's assertion that in the absence of such a strategy, decisions with respect to space capabilities are not being made based on national priorities.

The report identifies current efforts within DoD intended to provide goals and priorities for military space capabilities. In this regard, the Commander of United States Strategic Command is developing a National Military Strategy for Space Operations, which will provide strategic context for the development and employment of space capabilities. However, the current efforts to update the 1999 DoD Space Policy are incorrectly characterized as resulting from recognition of a gap in higher strategic guidance. The revision of DoD Space Policy is based on the 2006 release of National Space Policy and recognition of changes in the operational environment.

Since the GAO report was initiated based upon an investigation related to Operationally Responsive Space (ORS), it is important to accurately characterize ORS. The report describes only one aspect of ORS, that is quick launch of small satellites to support warfighters' needs and, if lost, reconstitution of certain space capabilities. Implementation of ORS is actually based on a three-tier concept: tier-1 is the rapid exploitation of existing capabilities; tier-2 is the ability to replenish, augment or reconstitute with existing technologies/capabilities; and tier-3 is the ability to rapidly develop and employ new technologies/capabilities. Concepts such as ORS are captured in the National Military Strategy for Space Operations and DoD Space Policy



documents. Enclosed are additional specific comments and corrections to the information contained in the report.

Thank you for the opportunity to review and comment on this draft report. Questions should be directed to DoD's primary action officer, COL Patrick Frakes, Director, Space Policy & Information Operations, (703) 697-6364.

Sincerely,

Brian Green

Deputy Assistant Secretary of Defense (Strategic Capabilities)

Enclosure: As stated

GAO DRAFT REPORT - DATED MARCH 10, 2008 GAO CODE 351134/GAO-08-431R

"DEFENSE SPACE ACTIVITIES: National Security Space Strategy Needed to Guide Future DoD Space Efforts"

TECHNICAL COMMENTS

- p. 2, para. 2. Reword sentence: "The Navy procures DoD narrowband satellite communications capability and operates several space systems that contribute to surveillance, meteorology and warning."
- p. 2, para. 2. Reword sentence: "The National Security Space Office, working with the DOD EA for space supporting COCOMs, DOD services and components, assists in facilitating the integration and coordination of National Security Space strategies, planning and architectures that include defense and intelligence space activities and those civil, commercial, and allied space activities that contribute to National Security Space."
- p. 3. para. 3. Correction: The NSSO developed a draft strategy in 2004, (vice 2003)
- p. 3. para. 3. Recommended addition: after, "2003," add "and while the draft National Security Space Strategy has been used as a reference for the development of the National Security Space Plan," it was never issued.
- p. 4. line 2. Correction: changes in NSSO leadership did not cause delay in issuance of NSSS.
- p. 4. line 4. Recommended change: recommend changing "disagreements" to "differences between"
- p. 4. line 18. Correction throughout the report: correct title is "National Military Strategy for Space Operations"
- p. 6. footnote 8. Recommended addition: Note that DODD 5101.2 is currently under revision
- p. 6. para. 3. Correction: a draft National Security Space Strategy was developed, but not issued on instructions of the National Security Council, as described earlier
- p. 7. line 4. Correction: Change NSSO to DoD
- p. 8. para. 3. Reword last sentence: "Strategies will serve to guide investments that achieve goals and objectives and prevent investment in programs that are not consistent with higher level goals."

Enclosure

p. 10. para. 2. Recommended chang	ge: change "if requi	red" to "if direct	111	
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