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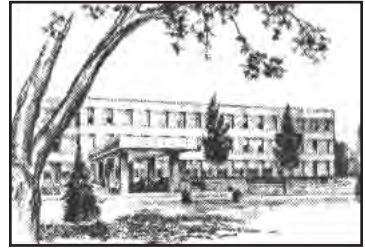
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A NATIONAL SECURITY STAFF FOR THE 21ST CENTURY

Jack A. LeCuyer

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Strategic Studies Institute Monograph

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Jack A. LeCuyer

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FOREWORD

Transformation of our national security system to meet the challenges of the 21st century has been the focus of a number of prominent studies dating from the end of the Cold War. The Strategic Studies Institute (SSI) of the U.S. Army War College (USAWC) has been an integral part of this critical national dialogue throughout. In November 2000, SSI published *Organizing for National Security*, edited by Dr. Douglas Stuart of Dickinson College. In March 2008, SSI co-sponsored a conference on "Reform and the Next President's Agenda" with the Project on National Security (PNSR) at the Bush School of Government and Public Service at Texas A&M. This conference was followed by publication of Dr. Gabriel Marcella's book, *Affairs of State: The Interagency and National Security*, in December 2008. More recently, on April 22, 2010, the Bush School of Government and Public Service at Texas A&M University and SSI conducted a colloquium in Washington, DC, titled "2010: Preparing for a Mid-Term Assessment of Leadership and National Security Reform in the Obama Administration."

In order for institutional reform to succeed, it must be guided by a coherent and compelling national security strategy anchored in widely-accepted national interests. Shortly after this last conference, President Barack Obama's *National Security Strategy* was issued in May 2010, well after the publication of the Department of Defense (DoD) *Quadrennial Defense Review* (QDR) in December 2009. The *National Security Strategy* sought both to lay out our national interests in a radically changed post-Cold War security environ-

ment and to outline a series of organizational reforms to oversee and execute the strategy.

Following a year of study after the publication of the *National Security Strategy*, SSI hosted a workshop chaired by Dr. Robin Dorff on the new National Security Staff in Washington, DC, on September 26, 2011. Participants included former National Security Advisor General James Jones and former Director of National Intelligence Admiral Dennis Blair, as well as a number of well-known practitioners and theoreticians in the field. The workshop focused on management of our national security apparatus as a comprehensive system at the strategic level with issue management decentralized in the departments, agencies, and inter-agency teams. While there was broad agreement on the need for strategic management of the national security system, there was little consensus as to where that management function should reside.


Congressional interest in national security reform began in 2007 at the behest of then Chairman of the Joint Chiefs of Staff General Peter Pace. Funding was provided in 2008 and 2009 for an extraordinarily comprehensive study of the national security system that was conducted by the Project on National Security (PNSR). However, efforts to push national security reform from study concepts and recommendations to reality have, for the most part, been unsuccessful. Sensing a lack of interest on the part of the Obama administration, Congress responded with Section 1072 of the FY 2012 Defense Authorization Act with a requirement for the President to respond to the Congress with a detailed organizational plan for implementing the *National Security Strategy*.

While many of the organizational and system changes proposed by various practitioners and studies could be implemented through Executive Order, history indicates that these changes would probably not endure across administrations. One need only look at the PDD-56 reforms proposed by President Bill Clinton in the mid-1990s or Executive Order 13434 (National Security Professional Development) issued by President George W. Bush. Both were undercut by vigorous opposition from the departments and agencies, and neither effort was tied to funding and additional personnel resources from Congress.

Enduring change and proper resourcing come from legislation and congressional mandates such as the National Security Act of 1947 (as amended), the Goldwater-Nichols Act of 1986, the creation of the Department of Homeland Security in 2002, and the Intelligence Reform and Terrorism Prevention Act of 2004. Section 1072 of the FY 2012 National Defense Authorization Act offers a strategic opportunity for the Congress and the executive branch to come together to design and organize a national security system for the 21st century.

The National Security Act of 1947 was designed to overcome problems encountered during World War II. Enactment of this foundational legislation required a reorganization of congress, accomplished in 1946. Section 1072 of the FY 2012 National Defense Authorization Act offers an historic opportunity to “fix the future.” A good place to start is at the top of our national security system—the National Security Staff. This monograph provides an organizational concept for strategic management by the National Security Staff of our national security system that would be underwritten by congressional oversight and funding.

SSI is pleased to publish this monograph, believing that the individual research, analysis, and recommendations expressed within will contribute importantly to the ongoing debates over national security reform.

A handwritten signature in black ink, reading "Douglas C. Lovelace, Jr." in a cursive script.

DOUGLAS C. LOVELACE, JR.
Director
Strategic Studies Institute

ABOUT THE AUTHOR

JACK A. LECUYER, Colonel, USA (Ret.), recently completed his tenure as the Minerva Chair at the U.S. Army War College's Strategic Studies Institute in Carlisle, PA. Prior to that, he was a Distinguished Fellow with the Project on National Security Reform (PNSR) with lead responsibility for efforts in design of the new National Security Staff and was a major contributor to key PNSR study efforts, including *Forging a New Shield* (November 2008), *Turning Ideas into Action* (September 2009), and *The Power of People: Building an Integrated National Security Professional System for the 21st Century* (December 2010). He was also an Adjunct Staff member at the Institute for Defense Analyses and a principal developer of a simulation designed to teach market economics and democratic governance in post-conflict environments. Colonel LeCuyer served for 30 years in the United States Army and has 20 years of senior level leadership experience focused on strategic policy, organizational planning and effectiveness, doctrinal development, policy formulation, project advocacy and marketing, operational and fiscal management, and successful program execution. He has 9 years of experience in post-conflict reconstruction and development of market economies and parliamentary systems in the Balkans, Eastern Europe, and Iraq. His key assignments included strategic planner and Special Assistant to the Supreme Allied Commander, Europe, to the Commander-in-Chief, United States Southern Command, and to two Army Chiefs of Staff. Colonel LeCuyer played a major role in the post-Vietnam transformation of the Army into today's preeminent organization, and he served as Chief of Force Integration in the 8th Infantry Division (Mecha-

nized) for 3 years, where he was a major contributor to the development of Army doctrine for AirLand Battle and Leader Development. His Army command tours include the 7th Engineer Battalion, 5th Infantry Division (Mechanized), and the U.S. Army Engineer District, Sacramento; he served 26 months in Vietnam, to include TET 1969, with the 8th Engineer Battalion, 1st Air Cavalry Division. Colonel LeCuyer was also an Olmsted Scholar in Florence, Italy; White House Fellow with duty in the White House Office of Intergovernmental Affairs; Army Fellow at the Atlantic Council of the United States; and, Senior Army Fellow at the Brookings Institution. He was a licensed professional engineer in the Commonwealth of Virginia from 1970 to 2011. Colonel LeCuyer is the co-author of *Comprehensive Security and Western Prosperity*, with Leonard Sullivan, Atlantic Council of the United States, 1988; editor of *Certain Victory: The U.S. Army in the Gulf War*, 1992, by Major General (Ret.) Robert Scales; "The National Security Staff: What's Missing in Whole of Government Approaches to National Security," in *Conflict Management and "Whole of Government": Useful Tools for U.S. National Security Strategy?* (Strategic Studies Institute, U.S. Army War College, 2012); and numerous articles published in the *AUSA Green Book*, *Military Review*, and *Parameters*. Colonel LeCuyer attended Tufts University for 2 years and holds a B.S. in engineering from the United States Military Academy, a Dottore di Scienze Politiche from the Università degli Studi di Firenze, and an MPA from the John F. Kennedy School of Government, Harvard University.

SUMMARY

America stands at a crossroads. Within the past 2 decades, national security and foreign policy organizations and experts have perceived serious deficiencies in the authorities, organizations, and personnel used to prepare for and conduct national security missions allowing the United States to exercise its power to fullest advantage in achieving the goals of our national security strategy. If the nation is to maintain its world leadership and influence, it must transform its obsolete national security system to enable better handling of the challenges and opportunities of the changed global ecosystem. This transformation must go beyond simple reform and doing the same things differently. It must involve doing new things that enable us to truly establish collaborative, networked, performance-based management of the national security system at the strategic level, management that cascades down to the departments, agencies, and elements in the field.

Three problems with the current interagency cooperation system are most commonly cited. These are: (1) a government-wide lack of strategic planning and interagency operational planning capabilities among civilian agencies; (2) a variety of structural deficiencies in the U.S. Government that tend toward “stove-piping” responses, with each agency operating independently and civilian agencies being reluctant to divert scarce resources, including personnel, from their core missions to interagency missions; and, (3) personnel who are not trained for interagency missions and are often unfamiliar with the missions, capabilities, and cultures of other agencies.¹

Transformation of our national security system must start at the top, with the National Security Council (NSC) and the National Security Staff (NSS). Former National Security Advisor General James Jones recognized this fact early in his tenure. In a memorandum dated March 18, 2009, he asserted: “The United States must integrate its ability to employ all elements of national power in a cohesive manner. In order to deal with the world as it is, rather than how we wish it were, the National Security Council must be transformed to meet the realities of the new century.”² Jones’s call for transformation was echoed in the *National Security Strategy* issued in May 2010³ and again in the President’s State of the Union Message in January 2011.⁴

On May 27, 2009, pursuant to Presidential Study Directive 1 (PSD-1), Organizing for Homeland Security and Counterterrorism, the Obama administration announced a major structural realignment that combined the National Security Council (NSC) and the Homeland Security Council (HSC) staffs into an integrated National Security Staff (NSS). Additional elements of reform and principles were included, but this selective approach created a structure lacking full design of the necessary functions or division of staff labor to accomplish those functions. Unfortunately, while the White House took initial steps in this direction, it has done little since PSD-1 to recognize this imperative for transformation of the national security system. As a result, both the House and the Senate included a provision in the National Defense Authorization Act for 2012 (Section 1072) that requires the President to report annually on the changes in necessary functions or divisions of staff effort required to implement the National Security Strategy of May 2010.

At the top of the U.S. national security system, the NSC and the NSS serve as the *de facto* hub of the national security system. Each President since President Harry Truman has structured and adapted the NSC and its staff to suit his leadership style, adjust to the expanding requirements of the presidency, and respond to significant shocks to the national security or political systems such as September 11, 2001, and Hurricane Katrina. Although the national security environment has changed dramatically since the end of the Cold War in 1991, the United States has not changed the fundamental way it manages our national security system or the role of the NSC staff/NSS as strategic managers of the national security system to meet the challenges and opportunities of the new global security environment. As a result of this lack of change in the structure and functions of the NSS, *the National Security Staff remains focused almost exclusively on policy development, staffing the President, and crisis management rather than the long-term strategic view.* A deliberate NSS design based on strategic system management functions, processes, and best practices will improve the balance between departmental and the necessary whole-of-government practices required for the global security environment of the 21st century, and ensure that the NSS is the *strategic system manager* for improving the performance, adaptability, and efficiency of the overall national security system in achieving those national security goals and missions that contribute to our long-term prosperity and security.

This monograph describes a fully integrated NSS and an interagency management system based on the dual concepts of end-to-end process management at the strategic level—that space between the President and the departments and agencies—and decentral-

ized execution and implementation that is underwritten by a whole-of-government/whole-of-nation approach. Strategic end-to-end process management and decentralized departmental and agency execution encompass policy, strategy formulation and long-term planning, planning and resource guidance to the departments and agencies, alignment of department and agency resources with national security missions, oversight of policy implementation, and assessment and accountability with feedback loops, as well as development and support of the national security system. “Whole-of-government” is defined as an approach that fosters government-wide collaboration on purpose, actions, and results in a coherent, combined application of available resources to achieve the desired national security objectives or end state.

Section 1072 of the National Defense Authorization Act of 2012 requires the President to submit a report 9 months after it was signed into law (December 31, 2011) on the organizational and process changes required to implement the *National Security Strategy* issued in May 2010. *This monograph offers an architect’s concept for implementing change in the executive branch and the foundations for a strategic partnership with Congress for transforming our national security system to meet the rigors of the 21st century.*

Part 1 of this monograph describes the challenges of strategic management of our national security system in the new global security environment of the 21st century. Part 2 describes the legacy 1947-89 system that is inadequate for our national security challenges today. Part 3 describes the attributes of a transformed national security system. Part 4 identifies the roles of the NSS, broad principles, and core system management functions for the Staff’s end-to-end management

of the national security system. Part 5 sets forth a series of best practices, processes, and the core functions the Staff must perform for successful strategic management of the national security system. Part 6 identifies the key tasks in development of the national security system. Part 7 examines the issue of resourcing the NSS (and, by extension, OMB) to perform these transformative strategic management functions. Part 8 provides a suggested outline for the President's Section 1072 Report to Congress—a report that can establish a strategic partnership between the executive branch and Congress in order to anticipate and meet our national security needs for the 21st century.

ENDNOTES

1. Nina Serafino, Catherine Dale, and Pat Towell, *Building Civilian Interagency Capacity for Missions Abroad: Key Proposals and Issues for Congress*, Washington, DC: Congressional Research Service, December 22, 2011, p. 1.

2. Memorandum from the Assistant to the President for National Security Affairs (General James L. Jones), "The 21st Century Interagency Process," March 18, 2009, available from foreignpolicy.com/files/nsc_memo_21.pdf, hereinafter cited as "Jones Memo." General Jones was a member of the Guiding Coalition for the Project on National Security Reform prior to becoming the National Security Advisor in December, 2009.

3. President Barack Obama, *National Security Strategy*, May 2010, pp. 14-16.

4. President Barack Obama, *State of the Union Speech*, January 25, 2011, available from www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-state-union-address.

A NATIONAL SECURITY STAFF FOR THE 21ST CENTURY

PART 1: LEGACY 1947-89 NATIONAL SECURITY SYSTEM

Strategic surprise at Pearl Harbor and subsequent military operations in World War II revealed significant flaws in our national security machinery stemming from the lack of unified command in Washington and the field and 'Roosevelt's [FDR] intimate, personalized, ad hoc, disorderly [pattern] of World War II decision making [that] had caused great pain at the Pentagon and [the Department of] State.'¹

The National Security Act of 1947 (as amended) is arguably the second most important piece of legislation in modern American history – surpassed only by the Civil Rights Act of 1964. It created all of the leading institutions of the national security bureaucracy [of the Cold War] except for the Department of State.²

Our current national security system continues to be shaped by the National Security Act of 1947 (as amended in 1949), which established the organizational and conceptual framework for providing advice to the President on national security issues. Born out of frustration with our World War II experience, the Act represented the first concrete step in transforming our national security system. "The need to restructure the national security apparatus, in fact, had long been recognized. Between 1921 and 1945, 50 bills had been introduced into Congress to reorganize the War and Navy Departments. None was successful in being enacted into law."³ John Gardner, founder of Common Cause and architect of Lyndon Johnson's

“Great Society” and “War on Poverty,” explains why in *Self-Renewal*: “A nation will postpone critically important social changes until war or depression forces the issue.”⁴

Notwithstanding our great victory in World War II, the experience of the war and the dysfunctional efforts to coordinate the War Department (Army and Army Air Corps) and the Navy through *mutual cooperation* were thoroughly discredited. Efforts turned to unifying the armed services well before the war’s end. General George Marshall, as Army Chief of Staff, had been interested in such an organization in 1943 during planning for military operations in Europe, when he confronted the unified positions of the British Imperial Staff and the Cabinet Secretariat in negotiations on the war effort that were lacking in his own military and government. Lack of a unified military command and long-standing departmental rivalry (War, Navy, and State) often got in the way of accomplishing Allied wartime goals.⁵ On Capitol Hill, discussions about unification of the military services, led by then Senator Harry Truman, Chair of the Special Senate Committee to Investigate the National Defense Program, were underway in the Senate in 1944, and intensified after he became President in 1945.⁶

Service resistance to the concept of military unification was particularly strong from the Navy, which, in an effort to broaden the debate, submitted a paper in 1946 written for Secretary of the Navy James Forrestal by Frederick Eberstadt that argued for the creation of a National Security Council (NSC) to coordinate military activities with broader policies affecting foreign affairs and economic issues.⁷ *Significantly, unification of the military services required the reorganization of Congress and its oversight committees.* The Legislative Reor-

ganization Act of 1946⁸ reduced the total number of standing committees in both the House and the Senate and consolidated the long separate military affairs and naval affairs committees into the House and Senate Armed Services Committees, which were given jurisdiction over the armed forces and focused on the military aspects of national security issues; foreign policy matters remained the purview of the Senate Foreign Relations Committee and the House Foreign Affairs Committee, which concentrated on international affairs. This committee realignment facilitated military unification and was an important step in transforming the national security system.⁹ New committee oversight responsibilities led to several months of negotiations between the White House and the Congress, finally leading to the National Security Act of 1947.¹⁰ The Act stopped short of full unification of the military services, as exemplified by creation of a Secretary of Defense with little staff and retention of the service secretaries as equals and members of the NSC, defects which were soon recognized and rectified in the 1949 amendments.

President Truman acknowledged that the Navy's original NSC proposal may have been "partially designed to draw attention away from the defects of coordination between the Army and the Navy," but he also came to believe that the concept was the "most important contribution" of the Navy's report.¹¹ At the same time, President Truman was receiving advice from Secretary of State George Marshall (now with State Department equities to protect and notwithstanding his earlier wartime support for a system similar to the British Cabinet Secretariat), from Senator Elbert Thomas (Chair of the Senate Committee on Military Affairs), and from Harold D. Smith (head of

the Bureau of the Budget) that the congressional *draft legislation went beyond the goal of military unification*, and that legislative establishment of the NSC's integrative function as proposed in the Navy report would be a serious encroachment on presidential authority as defined in Article II of the Constitution.¹²

President Truman seized the middle ground – submitting his military unification bill to Congress in February 1947 with a provision to establish the NSC by statute, but establishing it solely as *an advisory rather than decisionmaking body*. At White House insistence, the language of the congressional draft was changed so that the NSC role would be “to advise the President with respect to the integration of . . . policies” rather than “to integrate . . . policies” as proposed in the original draft legislation. The authority to make decisions, resolve disputes between departments and direct departmental resources – fundamental authorities for integration – remained solely the responsibility of the President, with the NSC being a coordinating and advisory body. The council would not, in and of itself, have the authority to integrate foreign and military policies.¹³ “Finally, after months of hard work and negotiations [between the EOP, the Navy and Congress], Congress passed Truman’s sweeping National Security Act . . . that would mean mammoth changes for the whole structure of power in Washington.”¹⁴

But the new national security system reflected the tendency of governments to back firmly into the future. Those who invented it had World War II and Franklin Roosevelt in mind, not Harry Truman or the incipient U.S.-Soviet rivalry. President Roosevelt, who once described himself as a ‘juggler,’ [dealing] with a floating cast of characters, overlapping missions, and secretive assignments, had little respect for cabinet departments

and his own appointees. His crucial first visit with Winston Churchill off Newfoundland in 1941, for example, was concealed from his Secretary of State and Secretary of War, neither of whom attended.¹⁵

The new national security system embodied in the 1947 National Security Act, therefore, was intended to coordinate action while simultaneously establishing order in the relations between the Cabinet and the President. To correct the problems encountered during World War II, the Act:¹⁶

- Corrected for the failure in strategic warning represented by Pearl Harbor and met the need for strategic warning of attack from the Soviet Union, by creating the Central Intelligence Agency (CIA).
- Increased the cooperation among the military services and between the military and the powerful Department of State by creating a national defense establishment, the position of Secretary of Defense, an independent Air Force, and, in the 1949 revisions to the act, the Department of Defense (DoD).
- Organized the domestic portion of future war efforts by creating the National Security Resources Board to manage industrial mobilization and civil defense.
- Created a National Security Council (NSC) that would *coordinate* all these and other departmental and agency efforts so as to provide for a fully integrated defense of the nation.

While the terms “whole-of-government” and “whole-of-nation” were not part of the government lexicon at the time, Admiral Sidney Souers, the first

Executive Secretary of the NSC, pinpointed the basic lesson to be drawn from those first 2 years: "While much remains to be done, at least there is now a place for *coordinated consideration* of our security problems."¹⁷ The statutory function of the newly created NSC was:

*. . . to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security so as to enable the military services and other departments and agencies of the Government to cooperate more effectively in matters involving the national security. . . . [and] perform such other functions as the President may direct, for the purpose of more effectively coordinating the policies and functions of the departments and agencies of the Government relating to national security.*¹⁸ (Italics supplied.)

The NSC was given a full-time staff that had no authority to direct departmental resources. Although the NSC was not originally created as part of the Executive Office of the President (EOP), the Bureau of the Budget argued for treating the statutory Executive Secretary (not subject to Senate confirmation) as a presidential assistant.¹⁹ Thus, in 1949, President Truman transferred the NSC (an advisory body) to the EOP.²⁰ As a matter of course and consistent with advice from the Bureau of the Budget and other advisors, President Truman initially did not usually attend meetings of the NSC (only 12 out of 57 prior to the outbreak of the Korean War),²¹ to emphasize the merely "advisory role" of this body mandated by statute.

"The NSC got off to an active start, but its main role was to foster interagency cooperation on emerging policy issues rather than to address current presidential choices."²² Perhaps the most significant effort was that led by the State Department's Policy Plan-

ning Chief, Paul Nitze, to develop NSC-68—a national security strategy document that adopted George Kennan’s long telegram (1946) and “Mr. X” article in *Foreign Affairs* as the intellectual and conceptual basis for our national strategy of containment in the face of the existential threat to our nation posed by the Soviet Union. NSC-68 was approved just 4 weeks prior to the outbreak of the Korean War. Following that outbreak, President Truman began to attend the NSC discussions on a regular basis, participating in 64 of the 71 meetings between June 1950 and the end of his term.²³

The NSC, the NSC staff (now the NSS), and the national security system and processes, while waxing and waning in size and structure, have continued to evolve from the narrowly defined advisory purpose of the National Security Act of 1947, principally because of a change of Presidents and the expanding requirements of the presidency (including the different governing and decisionmaking styles of successive Presidents) or in response to significant shocks to the national security or domestic political systems, such as September 11, 2001 (9/11) and Hurricane Katrina. With few exceptions,²⁴ these changes have been implemented through presidential (not congressional) decisions, in efforts to manage the increasingly complex national security tasks. David Auerswald provides a brief and useful summary of the transitory nature of the NSC, its staff, and the national security system:

In the aftermath of World War II, Truman embarked cautiously upon the initial NSC experiment; Eisenhower transformed the NSC into a systematic and robust institution;²⁵ Kennedy and Johnson opted for less structure, informal procedures, and greater reliance on the State Department; Nixon and Ford reinvigorated the NSC, while Kissinger’s plan bridged the gap

between formalism and informality; Carter opted for a simple, cleaner structure with reliance on the departments and agencies; Reagan oversaw a period of tumult and chaos, but eventually constructed the precursor to an enduring NSC system; George H. W. Bush and Brent Scowcroft brought stability and set the modern standard for the NSC; Clinton brought continuity between administrations and began to more deliberately integrate economic policy with national security policy; and George W. Bush elevated domestic security to the national level.²⁶

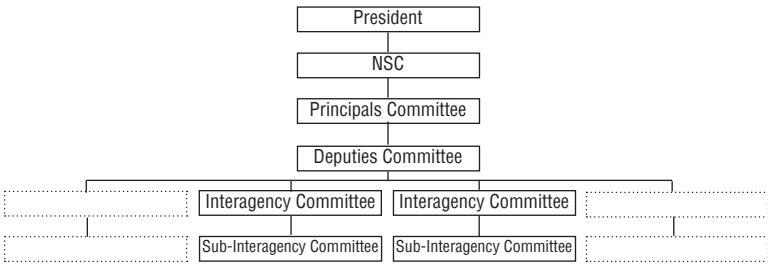
Since 1989, the Bush-Scowcroft four-tiered structure (interagency working groups at assistant secretary level, Deputies Committee, Principals Committee, and the NSC with the President) and functioning of the national security system have continued to exhibit strong patterns of organizational continuity across the NSC system, most particularly with *a White House-centered system headed by a national security advisor, a modest and generally under-resourced NSC staff, and the increasing use of advisory groups and policy czars outside the NSC system.* Over time, the NSC has evolved from the very limited advisory group initially imagined by President Truman to a vast network of interagency groups developed since 1989 that view themselves as deeply involved in integrating policy development, oversight of implementation, crisis management, and staffing the President. As we shall see later, however, the historical record shows that policy is often disputed more than integrated, oversight is lacking, and crises are exercises in discovery learning rather than strategic management or anticipatory governance. Most importantly, the result of such a system has been the exclusion of focus on the development of a true actionable national security strategy based

on foresight²⁷ and explicit choices of ends, ways, and means, the alignment of departmental and agency resources with national security missions, oversight of interagency policy implementation, and assessment of and accountability for the interagency or whole-of-government/nation performance.

Today's enduring Cold War legacy national security system—designed in 1947 as a retrospective response to Pearl Harbor, rather than a prospective initiative for the Cold War, confirmed by President Dwight Eisenhower with his Project Solarium and organization of the NSC Staff and processes, and enshrined in a four-tier system designed by President Bush and General Scowcroft in 1989—is a continuing co-existence of departmental and agency “stovepipes” within the intelligence and defense establishments on one hand, and a weak mechanism for integrating and implementing national security policies that involve other departments and agencies, on the other. *Statutory changes to the national security system (to include the landmark 1986 Goldwater-Nichols legislation, the Department of Homeland Security and the Office of the Director of National Intelligence) over the years have focused on improving the traditional individual instruments of power and their linkages to congressional oversight committees rather than their integration and collaboration in a “whole-of-government” effort at the strategic level in both branches of government.*²⁸ Even though there has been belated recognition that the dimensions and attributes of our national security have long been changing in ways that we did not perceive, whole-of-government integration across departments and disciplines remains elusive and is still left almost entirely to an overburdened President. A former official in the administration of President George H. W. Bush explained why:

When it came time for decision, most representatives . . . came armed with a mandate to defend at all costs their particular bureaucratic sacred cows. But otherwise they were unwilling to support any policy decision, in which they took no interest and voiced no opinion. . . . The absence of a crisis or action-forcing event could be paralyzing even at cabinet level.²⁹

Indeed, even as the current four-tiered national security system was being developed in 1989, the ambiguities of the new global security environment and



Scowcroft/Bush National Security System.³⁰

problems of our legacy national security system were reflected in the way successive Presidents and their NSCs viewed the world after the fall of the Berlin Wall:

. . . [President] Bush’s and [General] Scowcroft’s experiences and perspectives made them better at dealing with the breakdown of the old world than with building a new one. . . . Their much vaunted “New World Order” . . . said nothing about what the United States should do when empires break up, ethnic conflicts engulf nations, or states suffer internal collapse. . . .³¹

Bush, Scowcroft, and Baker had expected to manage rather than innovate. Now they were faced with transformative events. The NSC system had to de-

velop new strategic geopolitical concepts on the spot, but, as Scowcroft would later say, “That was one of the most frustrating things to me. Nobody else is in a position to do the broad, long-range thinking than the NSC is, but I don’t know how you do it.”³²

One of the first whole-of-government national security challenges to be faced in President George H. W. Bush’s New World Order would be that of Panama, an abiding security concern for the United States since the early 1980s. “The importance of a structured, cooperative process below the NSC principals became evident early in Bush’s administration, when the high-level national security decisionmaking process clearly broke down over Panama.”³³

The State Department responded by negotiating with Noriega over his departure from Panama, while Justice Department prosecutors investigated his involvement in drug-trafficking. The Central Intelligence Agency (CIA), reportedly, was also in contact with him. The Defense Department pursued another security priority, maintaining bases and training in Panama. None of this activity was coordinated. *All of it together merely helped persuade Noriega that he could outlast a confused United States.* Ultimately, all of these U.S. Government efforts failed Finally, the United States invaded Panama to remove Noriega at a cost of 23 American lives, at least several hundred Panamanian lives, and great damage to the Panamanian economy.³⁴

This pattern of whole-of-government or interagency uncooperativeness prior to the Panama military operation (Operation JUST CAUSE) was continued in the aftermath when integration of U.S. efforts on the ground was complicated by a complete lack of pre-invasion interagency planning for “how to win the peace” and a dysfunctional U.S. embassy that refused

to collaborate with the U.S. Southern Command.³⁵ Disappointingly, the lack of pre-operation, integrated whole-of-government planning that characterized our Panama experience in 1989 was repeated almost exactly in Iraq in 2003, both in the planning for military operations and in the follow-on stability and reconstruction efforts by the dysfunctional Coalition Provisional Authority (CPA), with far more serious consequences to our long-term national security.

One way to assess the performance of our national security system since the end of the Cold War and Panama is to review specific cases of its operation. As part of its 2008 landmark study, *Forging a New Shield*, the Project on National Security Reform (PNSR) conducted a total of 107 case studies representing one of the most extensive collections of U.S. national security decisionmaking and policy implementation studies ever compiled.³⁶ More than half of the events studied had occurred since the end of the Cold War in a national security system that remains basically unchanged from the four-tiered system designed by President Bush and his National Security Advisor Brent Scowcroft. Of the cases occurring in and after 1990, 71 percent ended up with negative evaluations, reflecting both relatively high levels of interagency competitiveness as opposed to collaboration and whole-of-government approaches, and high cost (financial and political) to low benefit ratios.³⁷ In many of these cases, there is little evidence of any serious effort at end-to-end strategic management of the national security system; there was little serious assessment of, or attempts by senior national security officials to capture, lessons learned for future use and for developing interagency doctrine, either during or following the events.

Emblematic of the performance of the U.S. national security system since 1989 is the observation of European Union (EU) Special Envoy Carl Bildt, noting the dysfunction of the U.S. national security system during the Balkan crises of the mid and late 1990s: “The so-called interagency process in Washington often took on all of the characteristics of a civil war, *the chief casualty of which was often the prospect of coherence and consistency in the policies to be pursued.*”³⁸ In the Bosnia crisis in the 1990s, Deputies Committee (DC) disagreements were supposed to be elevated to President Bill Clinton. However, “if a clear consensus was not reached at these DC meetings, the decisionmaking 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-measures instead of a clear strategy.”³⁹ Consequently, the rules on the ground in Bosnia were the product of such deal-making brokered between Chairman of the Joint Chiefs of Staff General John Shalikashvili and the Department of State. The military Stabilization Force in Bosnia and Herzegovina (SFOR) commander got complete freedom from any mandate to do anything on the ground in the post-war effort if he judged any request as posing a risk to troops. As a result, the international effort remained ineffective and incoherent for years.⁴⁰

Recognizing these difficulties, President Clinton issued PDD56 (*Managing Complex Contingency Operations*) in May 1997. While notable in its intended improvements over previous interagency whole-of-government planning efforts, departments and agencies actively resisted or slow-rolled this interagency whole-of-government approach. Departments com-

plained that the planning templates and process were too laborious, too much like the military, and too detailed to keep pace with the fast-breaking events on the ground, both in the Bosnia peacekeeping operations and in Haiti. Lack of support by the departments and agencies ensured that PDD56 never matured into a standard interagency whole-of-government approach for planning and executing complex contingencies.⁴¹ A follow-on study evaluating PDD56 concluded that in peacekeeping efforts in Somalia, Haiti, East Timor, and Bosnia, and in air operations in Iraq, Bosnia, Sudan, Afghanistan, and Serbia:

The White House has failed to carry out its own written directive to train government personnel to manage complex peace-keeping operations [We have] the ironic situation of the NSC, which had the lead in carrying out PDD56, not following a directive sent out by the president it advises . . . and [PDD56] was largely ignored by an administration that has sent American troops on a record number of so-called “contingencies” on foreign soil.⁴²

This tendency has persisted to the present, and has even been exacerbated as the United States found itself involved in wars in Iraq and Afghanistan:

[A]t the strategic level in Washington, Defense Department officials . . . repeatedly undermined the formal NSC process. Defense officials would refuse to provide advance copies of decision papers or status reports ahead of scheduled meetings or leave copies of reports for further examination. And finally, [D]efense officials repeatedly failed to attend scheduled meetings. According to one official, ‘I have never seen more high-level insubordination in almost 30 years than I have seen in this [the George W. Bush] administration.’⁴³

In the field, the cascading effect of this lack of collaboration at the strategic level persists, most recently demonstrated vividly in the use of “high value interagency target teams” in Iraq that were patiently nurtured by Generals Stanley McCrystal and David Petraeus over an extended period of developing personal relationships and an *ad hoc* interagency network with a diverse group of agency players in the field. While these interagency teams were a major catalyst for success at the ground level during the military surge operations in 2007, the parent bureaucracies of the team members in Washington were not much interested in supporting them. Middle management at the home headquarters and agencies of team members proved to be a significant impediment to information sharing on the ground. The safer the area in which an interagency team was based, the more pronounced the bureaucratic differences became, with the Green Zone in Baghdad being the obvious example of a bad environment in which the sense of a common purpose was undermined. Sadly, once the military surge crisis had passed, Washington bureaucracies began to lose interest in supporting the teams and reasserted their own priorities. By 2008, the departments and agencies began pulling back people and cooperation, believing that information sharing and collaboration had gone too far⁴⁴ (a problem that often confronts Ambassadors and Chiefs of Mission with their Country Teams on a routine basis in the steady-state environment).

Equally serious and depressing, to date, once again, there has been no effort to institutionalize the lessons learned from these teams within interagency doctrine to be applied to future stability operations or to reward those who participated in the high-value inter-

agency target teams.⁴⁵ Disturbingly, CIA analysts deployed to work for the interagency teams in Iraq were assessed for their loyalty to their parent organizations; if young analysts in the field began using the pronoun “we” or explaining what the team leader wanted, CIA headquarters would conclude that they had “gone native” and forgotten their longer term perspective and the CIA mission, and then would restrict them from access to more sensitive intelligence.⁴⁶

Indeed, the major administration policy reviews on Afghanistan and Pakistan in 2010 revealed the disturbing tendency for policy to continue to be based on bureaucratic consensus in Washington rather than on operational effectiveness in the field. The assessment and reassessment of policy and strategy led by the President stretched over 9 months, with the original consensus reached in June undone in September by leaks of cables from the U.S. Ambassador and General McChrystal’s dire estimate of the Afghan situation. The final decision, announced by President Barack Obama in December, was once again, a consensus decision that, like so many other decisions, provided an escape clause for the Vice President and others opposed to the President’s military strategy.⁴⁷ Unlike the strict NSC discipline imposed by General Scowcroft (who viewed himself as a policy broker rather than independent policy advocate) to implement President Bush’s decision on German reunification in 1991 (a decision that Scowcroft and the NSC staff had opposed),⁴⁸ the very public debate on the significance of a definite date for beginning the withdrawal of American forces from Afghanistan between General Petraeus, Secretary of Defense Robert Gates, and Admiral Michael Mullen on the one hand, and the Vice President and his allies on the other, resulted in confusion in both Washington and in the field. The resulting policy was,

on one hand, incoherent because of mixed signals about what it really meant, with the White House saying we are leaving by a certain date and General Petraeus and Secretary Gates saying it depended upon the conditions on the ground; and ineffective on the other, because it did not align the drawdowns with the fighting seasons in Afghanistan. The policy review also revealed flaws in the NSC system because it took so many months to reach a decision and because the significant leakage raised serious questions about the NSC system's discipline.

In like manner, the execution of the strategy for Afghanistan following the President's decision was flawed. As noted by Rajiv Chandreskaran, in his recently released indepth study of the war in Afghanistan, *Little America: The War Within the War for Afghanistan*, "Our government was incapable of meeting the challenge. . . . Our generals and diplomats were too ambitious and arrogant. Our uniformed and civilian bureaucracies were rife with internal rivalries and go-it-alone agendas. Our development experts were inept. Our leaders were distracted. . . . For years we dwelled on the limitations of the Afghans. We should have focused on ours."⁴⁹

Finally, several recent experiments in interagency whole-of-government planning at the strategic level have been only marginally effective because of significant departmental barriers within the national security interagency system. For the last 4 years, the NSC has used the stand-alone National Counterterrorism Center's Directorate of Strategic Operational Planning (NCTC/DSOP) for planning and assessments of interagency counterterrorism activities. Importantly, the State Department and the CIA initially declined

to participate and have only very reluctantly agreed to do so despite explicit statutory language to that effect. Moreover, there has been resistance in the White House to implementing recommended reform in this area.⁵⁰ Both NCTC/DSOP and the Interagency Management System (IMS) developed by the State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS)⁵¹ in the interagency community are at best “coalitions of the barely willing” that are seldom used. Departments and agencies have resisted participation as they did regarding PDD-56 and, as we shall see later in this monograph, also regarding Executive Order 14343 on *National Security Professional Development*. Departments and agencies continue to resist these integrative (collaborative) whole-of-government efforts to link resources to plans and national security missions on a multi-year basis and provide appropriate personnel incentives for individuals working in interagency planning positions. All too often, interagency planning and resourcing for national security missions remain short-term responses to a crisis situation resulting in ad hoc or inappropriate resource alignment because of poor or rushed planning.

In short, the way our Pearl Harbor legacy national security system functions has remained largely unchanged since the end of the Cold War. The policy formulation process continues to be dominated by clashes of department-specific perspectives, and during the policy reviews of Iraq and Afghanistan by active vice presidential intervention. It frequently (1) fails to move issues to crisp strategic choice, conclusion, and implementation, (2) results in least-common-denominator truces among departments without the President being informed of disagreements, (3) produces

weak policy recommendations based on bureaucratic considerations rather than policy outcomes being forwarded to the President, or (4), forces principals to operate around the national security system altogether, oftentimes through leaks to the press.⁵²

Designing and implementing an effective standing national interagency planning system taking into account all instruments of national power and that reports to the President through the NSS and NSC are critical to achieving “whole-of-government” perspectives and solutions at the strategic level. Only then can they cascade down to the operational and tactical levels. However, the reality is quite different. As one former NSC staff member observed:

. . . the easiest outcome to produce in the interagency process is to prevent policy from being made. The range of issues, the different policy perspectives of the various departments over which department has the lead, and the clash of personalities and egos, all place a premium on ensuring that the equities of all involved agencies are considered, and on building an informal policy consensus amongst the players.⁵³

PART 2: NEW GLOBAL SECURITY ENVIRONMENT

The times, they are a-changin’.

Bob Dylan, 1964⁵⁴

Since our nation’s founding in 1776, we have known two worlds—a world in which we could isolate ourselves behind two oceans, and a world we could deal with by use of arms (World War II) or the threat of arms (Cold War) backed by unmatched economic, industrial, or scientific capabilities. Now, in the aftermath of the Cold War, 9/11, and the financial crisis of 2008, we face a complex, globalized world where geographic boundaries have less meaning; the issues, threats, and actors have expanded; our relative capacities are diminished; and new competitions for resources are emerging. The United States has gone from being the dominant actor in global security engagement based on states and military forces to being the lead actor in global system management where security possesses many more dimensions.

In the first phase of our history, the national core values and principles enshrined in our Constitution were validated and proven through war and our commitment to security, prosperity, peace, and stability. Indeed, the many wars—small and large—and commitments of U.S. military forces throughout the 20th century were shaped by threats to these core values, both at home and abroad. American participation in World War I was to “make the world safe for democracy.” Following the Great War, the nation reverted to a policy of “normalcy” characterized by our long tradition of demobilization and disengagement from

the international arena. The policy of “well-ordered neutrality,” in which war and peace were viewed as mutually exclusive conditions calling for distinct institutional responses, again came to the fore.⁵⁵ Isolation and “beggar-thy-neighbor” policies were again the norm.

Nonetheless, as we entered the 1940s, President Franklin Roosevelt had become increasingly concerned that modernity itself seemed to be permanently altering the situation of unearned security that the United States had enjoyed for the previous 150 years. Douglas Stuart explains:

Technology was a big part of the problem. Innovations in transportation, communication, and the lethality of weapons threatened traditional conceptions of time and distance, which always favored the United States. . . . [T]he president asserted that ‘there is a solidarity and interdependence about the modern world, both technically and morally, which make it impossible for any nation to completely isolate itself from economic and political upheavals in the rest of the world.’⁵⁶

After FDR’s commitment of the United States to serve as the “arsenal for democracy” for those resisting the march of facism in Europe, we entered World War II as an active combatant, following a physical attack on American forces on American soil, to redeem “a day that will live in infamy” and expunge the world of fascism. America’s Cold War national security strategy of containment for the last half of the 20th century was anchored (1) in a belief that our global environment was a closed system that we could control through our vast industrial base, technology, and military/economic power; and, (2) in a determination to achieve our national security interests which were

most often defined in terms of traditional military threats and diplomatic objectives.⁵⁷

The aftermath of World War II and the emergence of the United States in the late 1940s as an engaged global power and guarantor of the international system meant that challenges to our national interests were defined as state-based threats and risks to be managed. A more centralized and militarized system of foreign policy formulation became a matter of national survival. For more than 40 years—that period we called the Cold War—our nation prospered and was kept secure through the NSC-68 strategy of containment relying on control, deterrence (first through mutually assured destruction, then flexible response) “proxy wars,” and the conviction that, given the choice between monolithic communism and democracy, the world’s people would share the American vision for a better tomorrow. National policies, national interests, and competition between nation-states defined the world of nations.

However, the architecture of the Cold War was not fully global, and it was complicated by the dissolution of British, French, Spanish, and Portuguese colonial empires in Africa and the Middle East. The emerging world was characterized by rings of nations with relationships and institutions of increasingly liberal values. Moreover, this arrangement was handicapped as politics fractionalized among the first, second, and third worlds. Facing an existing threat posed by the Soviet Union, our national budgets for military defense and our participation in numerous international organizations—the North Atlantic Treaty Organization (NATO), Southeast Asia Treaty Organization (SEATO), Central Treaty Organization (CENTO), Organization of American States (OAS),

and United Nations (UN)—reflected this grand strategy of containment. The Bretton Woods Agreement of 1944 continued to secure our position as the anchor of the global economy, and the U.S. dollar continued to serve as the internationally recognized medium of exchange. We entered the 21st century as arguably the most powerful nation on earth by any number of measures.⁵⁸

Nevertheless, the fall of the Berlin Wall in 1989 and the end of the Cold War in 1991 presaged a strategic vacuum that would call into question all of our Cold War national security policies. For these were based on the assumptions that the world was composed of a limited number of sovereign states, that state-to-state relations were conducted through governments, and that strategic politics were conducted much like a chess game. Revolutions in population growth, resource management, technology, information and knowledge, economic integration, and conflict and governance have transformed that comfortable and reasonably predictable earlier world. The issues they embody carry both opportunity and risk for the United States.⁵⁹ Increasingly, national security is not simply about states and governments; we find ourselves confronting an unlimited number of social actors (most recently in the Arab Spring in North Africa and subsequent events in Syria), where the issues are developmental, centering on building social and political institutions rather than strategic, military, or diplomatic ones.

With containment of the Soviet Union and monolithic communism no longer the *raison d'être* of our national security system and with the rise of competing major economic powers, America's strategic goals of prosperity and security must now be achieved in

a global context in which U.S. Cold War hegemony has been replaced by competition and cooperation in many nontraditional sectors. These sectors are linked globally in real-time because of advances in technology. Thus true power often lies beyond the hands of traditional national government entities.⁶⁰ Hyper-connectivity through global networks means that the new social actors are radically, digitally, and globally connected in real-time 24/7. They can and do operate independently of governments and nation-states. With this hyper-connectivity comes the need on our part for a high tolerance for ambiguity. We must come to understand that there are many shades of gray rather than a sharp dichotomy between “good” and “bad” that characterized the ideologically-based Cold War.

Moreover, not all of the strategic preconditions for assessing our national security interests in 1947 obtain in today’s fractious American society. Rather than being a nation in surplus with an unrivaled techno-industrial economic base, America is heavily in debt and has seen many of its industrial advantages migrate to other parts of the world.⁶¹ Pundits have begun to comment on the decline of American leadership and power, and with that, on our diminished ability to unilaterally achieve security and prosperity for our people.⁶² The current global economic situation featuring the rise of China as the largest holder of American debt and the search for an alternative to oil as an energy source have led to a questioning of the Bretton Woods Agreement and the dollar as the world’s reserve currency. Lacking the monolithic adversary posed by the Soviet Union and faced with the universal nature of al-Qaeda and other terrorist threats, the U.S. national security system confronts strategic challenges that lack military solutions or even *any* politically accept-

able solutions. “Soft power,” “smart power,” and “civilian power” are becoming the watchwords of the effort to regain our strategic security equilibrium. We are coming to the realization that no longer can threats to our national security be defined as “nails,” with the only widget in our toolbox to fix those threats being the “hammer” of military force. *In a phrase, the United States has gone from being a constant to a variable in the world equation.*⁶³ With that transition, we are confronted with a far different concept of national security than we were in 1947 and the Cold War that followed.

In 2008, the PNSR,⁶⁴ after noting that the operative definition of national security itself must change from a static concept to a dynamic one, defined national security as “the capacity of the United States to define, defend, and advance its position in a world that is being continuously reshaped by the turbulent forces of change.” In its view, the objectives of U.S. national security policy were to gain:

- Security from aggression against the nation, by means of a national capacity to shape the strategic environment; to anticipate and prevent threats; to respond to attacks by defeating enemies; to recover from the effects of attack; and to sustain the costs of defense.
- Security against massive social disruption as a result of natural forces, including pandemics, natural disasters, and climate change.
- Security against the failure of major infrastructure systems, by means of building robust systems, defending them, and maintaining the capacity for recovering from damage.⁶⁵

The PNSR also noted that sound economic policy, energy security, and robust physical and human in-

frastructures (including our health and education systems) are no less important to our national security than our weapons and our wealth. Given the financial shocks of 2008 and the more recent national and European debt/deficit crisis, even this expansive definition of national security may be inadequate. The Mr. Y article entitled “A National Strategic Narrative” published in 2011 called for a new grand strategy to define our national security interests in the 21st century.⁶⁶ Former national security advisor to Vice President Gore, Leon Fuerth, echoing the PNSR in his recent article, “Operationalizing Anticipatory Governance,” has suggested that our national security concerns must also include:

- Security against societal collapse and demoralization as a consequence of massive economic failure;
- Maintenance of the foundations of national power by means of sound fiscal policy over time combined with *long-term investment in elements of competitive strength*, including physical infrastructure, public health, and public education, especially the nurturing over time of deep excellence in the sciences and engineering;
- Maintenance of the capacity to perform such guarantees as extended to formal allies and associates; and,
- Preservation of the ability to do all of these functions within the framework of the Constitution in a free society, governed by law, and transparently administered.⁶⁷

What is certain is that we can no longer afford to view national security through the narrow lenses of military security and diplomacy against a background

of reasonably predictable state-to-state relations. National security now addresses such diverse topics as the economy, financial sector, environment, the homeland, pandemics, transnational terrorism, failing and failed states such as Somalia, rising and fragile states such as South Sudan, regional instability, cyberterrorism, and the potential use of weapons of mass destruction by both state and nonstate actors.

The United States depends on a networked global information grid and supply chain that is increasingly vulnerable to catastrophic attack. The global economy means that a single actor, governmental or nongovernmental or nontraditional—e.g., Standard & Poor’s and Moody’s—can and often does act with significant and immediate global impact. Transnational criminal and ideological organizations, empowered by technology and ungoverned spaces, have found new and increasingly sophisticated means to attack our citizens and our values. Global climate change, demographics, and rising global demands for finite resources raise serious concerns over the availability of food, water, and other resources whose lack would threaten economic and political stability around the world. Episodes such as 9/11, Katrina, the ongoing debt and financial crises, the flood of illegal immigrants across national boundaries, the British Petroleum (BP) oil spill in the Gulf of Mexico, the WikiLeaks revelations, the aftermath of the recent earthquake and tsunami in Japan, and most recently, the “Arab Spring” events in Tunisia, Egypt, Libya, Bahrain, and Syria, are symptoms of the more complex, multidimensional strategic vulnerability facing our nation with no discernible constituency community of interests that provides the cohesive and integrated whole-of-government/nation leadership across all spheres of national discourse. (See Figure 1.)

New Security Environment	Competition for Resources	New Threats and Risks
Emerging Multipolarity	Lack of Investment	Climate Change
New Rising Powers	Aging U.S. population	Hybrid Warfare
Globalization and Interconnectedness	Reduced Wealth and Tax Base from Global Recession	Economic Risk
Fading of Traditional Alliances	Aged Infrastructure and Industrial Base	Demographic Stress
Non-State Actors and IGOs	Debts and Deficits	Extremist Ideology
Failing States	Energy Scarcity	Cyber Threats
Organized Crime Syndicates	Domestic Human Needs	Bio Threats
Instant News Dissemination	Food and Water Scarcity	Nuclear Proliferation
Evolved Economic Paradigms	Human Capital Shortages	Education System Failure

Source: Colonel Wally Walters, U.S. Army (Ret): Unpublished Working Paper, "Transforming the National Security System," PNSR, November 2010.

Figure 1. Transforming the National Security System.

America suddenly finds itself in an unbounded space with multiple communities of interest operating and communicating through nontraditional social media in real time. Rather than the seemingly linear national security system of the Cold War founded on the twin pillars of military defense and diplomacy, we

have a constantly changing Rubik's Cube of multiple, complex, nonlinear systems, all operating at speeds facilitated by the technological and political revolutions that characterize the global commons today. Just as FDR realized in the 1940s, technology has conspired to overcome even our vast superiority in weapons systems. Linear solutions designed for problems associated with state-to-state relationships and containment of a monolithic military power no longer suffice to guarantee our national security. In a time of "wicked problems," our post-World War II political, military, and economic dominance is neither sustainable nor guaranteed. Containment as a national grand strategy (even with regard to terrorists or radical Islam) based on power, control, and regional engagement are no longer viable. Today, our focus must be on the sustainment of national prosperity (well-being) and security founded on strength, influence, a proactive posture of global engagement, and American renewal reflecting our core national values.

Regrettably, these dramatic changes in the global national security environment have not resulted in a corresponding change in the fundamental way that the United States manages its national security system at the strategic level. For example, the current Department of Defense (DoD) definition of national security remains embedded in the past:

[National security is] a collective term encompassing both national defense and foreign relations of the United States. Specifically, the condition provided by: a. a military or defense advantage over any foreign nation or group of nations; b. a favorable foreign relations position; or c. a defense posture capable of successfully resisting hostile or destructive action from within or without, overt or covert.⁶⁸

In the fast-paced, complex global security environment of the 21st century, it is axiomatic that at the strategic level, virtually all national security challenges require an integrated whole-of-government/nation approach across a variety of interagency and, in some cases, intergovernmental, tribal, and private-sector actors and equities. At the strategic level, that is, in the interagency space between the President/Executive Office of the President (EOP) and the departments and agencies, national security tasks and missions must be undertaken collaboratively and jointly by the multiple stakeholders to ensure that activities are defined and shaped by presidential policy and national security strategy. They must be planned, resourced, implemented, overseen, and assessed in a holistic manner. Strategic whole-of-government/nation collaboration requires all-source intelligence and interagency staff ownership and review, with decisionmaking and accountability freed from the interests of specific departments or lowest-common-denominator, short-term perspectives.

At the operational level—the departments and agencies—many 21st century national security challenges require *cooperation*, that is, execution of separate tasks in pursuit of a common goal, and in some cases interagency and intra-agency *collaboration among various bureaus and offices* will be necessary as well. For cases in which cooperation is required, *strategic collaboration* in Washington should ensure that separate operational activities are designed and executed to complement and reinforce one another.⁶⁹

Similarly, in the field, at the “pointy end of the spear,” whether in ongoing stabilization and peacebuilding operations in Iraq and Afghanistan or in our embassy country teams, *coordination*—the solicitation and response to input from others—and *cooperation* must combine to achieve the *collaboration* required

for the minimum requirements of field whole-of-government interoperability. This entails the ability of people, organizations, and equipment from separate departments and agencies to work together at all levels, and the ability of leaders to exercise initiative in mutual support, including the ability to draw upon each other's information and expertise.⁷⁰

Even though there has been belated recognition that the dimensions and attributes of our national security have long been changing, whole-of-government/whole-of-nation integration across departments and disciplines at the strategic level is still left almost entirely to an overburdened President. Our NSC system, and particularly the NSS, for managing our national security system and advising the President in these Article II responsibilities unfortunately remains mired in the past.

**PART 3:
NATIONAL SECURITY SYSTEM
FOR THE 21ST CENTURY**

In many ways, Washington today is a lagging indicator of how we should address national problems. Our national security system is vintage 1947—a basic linear industrial age system. It is much like the Sears and Roebuck Catalog sales of the 1950s trying to compete with today’s Amazon’s online “one-click shopping.” Our enemies are franchises while we operate our government and national security system as a regulated steel mill of the last century.⁷¹

Major General William Navas
Former Director of NSPD-IO

The greatness in America lies not in being more enlightened than any other nation, but in her ability to repair her faults.⁷²

Alexis de Tocqueville

Today, the need for Admiral Sidney Sourer’s highly touted “coordinated consideration” in 1949 has been replaced by the imperative for strategic management of a collaborative national security system of systems. President Obama focused on our nation’s future security and prosperity in his 2011 State of the Union speech when he asked, “How do we win the future?” He then went on to note, “We can’t win the future with a government of the past.”⁷³ Regrettably, that government of the past, at least as regards the national security system, remains, as former Secretary of Defense Robert Gates has noted, a “hodge-podge of jury-rigged arrangements constrained by our outdated and complex patchwork of authorities . . . and unwieldy processes.”⁷⁴ While President Obama’s *National Security Strategy* appears to address Secretary

Gates’s complaint head-on, the present reality has not matched the rhetoric of this key document.⁷⁵

The national security system of the 21st century must be more capable of incorporating all of the elements of national power, integrating intelligence, anticipating threats and opportunities, making timely and informed decisions, and taking decisive action. The current vertical, rule-based system is no longer appropriate for dealing with the “wicked,” complex horizontal problems that characterize the global security environment. Our national security system must think globally even while acting locally – think strategically even while acting tactically. It must prioritize investments in strengths and opportunities over threats while lowering costs and risks.

	<i>FROM</i>	→	<i>TO</i>
System Performance	Rigid; slow; low trust; cultural impediments	→	Anticipatory, collaborative, agile, innovative, integrative
Presidential Expectations	Not stated	→	Strong Messages: national missions, integrated effort, collaboration, speed
Strategic Guidance	Limited, vague, no unity of purpose	→	Extensive, precise, drive department priorities, programs, and mindsets
Resource Allocation	Input-oriented; departmental focus; no cross-departmental tradeoffs	→	Output-oriented; tied directly to strategic objectives; National Security Staff w/ OMB
National Security Advisor Role	Advocate/Advisor/honest broker	→	Strategic manager orchestrating national solutions
National Security Staff Focus	Individual issues; policy, crisis management, staff the President	→	High policy, grand strategy, foresight, strategic system management, transparent and predictable processes
Issue Management	Rules-based, vertical structure	→	Issues decentralized via interagency teams; NSC chartering and oversights
System Management	Urgent at expense of the important	→	Key National Security Staff task, supported by Executive Secretary
Personnel Management	None/little; incentives reinforce departmentalism	→	Personnel properly incentivized, trained, prepared, and rewarded

Source: Working papers from *Turning Ideas into Action*, Project on National Security Reform, 2009.

Figure 2. National Security System Transformation.

“Soft power” and “hard” or “kinetic power” must be integrated as “smart power” and employed in new and appropriate ways. Management changes long embedded in the private sector such as leaner and flatter, adaptive organizations that are teamed and networked must replace the current vertical department-centric approach to national security. Resources and the elements of national power must be aligned with strategic national security missions, goals, and desired outcomes. Key attributes of a transformed national security system must include:

- A new, comprehensive national security strategy that provides the highest level linkage of ends, ways, and means across all elements and sources of national strength and power and the linkages to broader problem sets, more diverse actors, and new constraints in the global environment;
- Foresight and anticipatory governance that allow the government to think and act strategically while linking long-range thinking and foresight to policymaking, thus rejecting the notion that the future is simply a linear extension of the past;
- Strategic system management of the national security system that begins with the national security advisor and the NSS as the system manager of networks, operating in the inter-agency space between the President and the departments and agencies with a cascading of that management system down to the departments and agencies so as to align processes and structure, resources, and decentralized execution;

- Interagency high-performance teaming that operates in mission-focused, interagency-centric, and new collaborative patterns of work;
- Performance-based resourcing through presidential planning and resource guidance on the alignment of resources with national security missions; and,
- Focused development of the national security system in the areas of human capital, knowledge management, and long-term planning.

Inertia and incrementalism will not suffice. The issue is not whether enhanced integration of the elements of national power is both desirable and essential, but rather, how this strategic imperative for integration in a whole-of-government/whole-of-nation approach can and should be effected in the context of a still-emerging strategic narrative and national grand strategy of prosperity and security. Such an approach must entail engagement and renewal as articulated in President's *National Security Strategy*, and replace the Cold War NSC-68 and national security strategy of containment.

The point of departure must be transformation of the NSC system beginning with the NSS to ensure a proper focus on defining our national security strategy as the touchstone for all that we do to guarantee this nation's security, prosperity, and enduring values.

PART 4: NATIONAL SECURITY STAFF ROLES FOR THE 21ST CENTURY

If the United States is to think and act more strategically, its government has to take an approach more like Hall of Famer Wayne Gretzky, who observed: “A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”⁷⁶

Transformation of a truly collaborative whole-of-government national security system must begin at the top, at the strategic level, of the system—that is, the NSC system and the NSS as part of the presidency broadly construed. President Obama has identified the goals and outcomes of a transformed national security system. But the national security strategy is totally lacking in specifics as to how to manage strategic choices and the national security system as *a system of systems* at the strategic level to achieve desired policy outcomes. It lacks an intellectual and doctrinal underpinning such as NSC-68, i.e., a concept for operationalizing a national security strategy based on strategic choice and an institutionalized strategic management system such as that which President Eisenhower implemented after Project Solarium. In all of this, a fundamental question is: What role will the NSC, and particularly the new National Security Staff, play in advising the President about generating the whole-of-government actions required for winning the future and achieving our national security, prosperity, and continued global leadership in the new global security environment?

This is not a question of issue micromanagement by the NSS, but rather a fundamental question of system management. Since President Eisenhower, the

national security system has not been managed effectively *as a whole of government system*, largely as a result of (1) an enduring narrow interpretation of the statutory language of the National Security Act of 1947; (2) a persistent lack of whole-of-government perspectives in the departments and agencies that is encouraged and underwritten by congressional oversight; (3) lingering post-Contra concerns about getting the NSS involved in operational matters; and, (4) insufficient NSS size and resource support.

While Presidents have often gotten around staff constraints by temporarily bringing in whom they want from the rest of the government, those who are detailed from the departments and agencies know that they must ultimately return and often bring their own agency viewpoints, cultures, and core competencies to the NSS rather than the needed culture of interagency collaboration. As a consequence, the system's current deficiencies continually force Presidents to use more informal arrangements such as the ubiquitous "policy czars" and special envoys that bypass agency equities and operate outside of congressional oversight. There is a persistent and excessive focus by an under-resourced and overwhelmed small NSS on urgent matters and policy formulation on the action end of the strategic system management process. There is insufficient attention devoted to the longer-term, whole-of-government/nation spectrum of national security interagency and intergovernmental activities required to integrate all of the elements of national power—ranging from a comprehensive and actionable national security strategy to presidential planning and resource guidance to the departments and agencies, alignment of resources with national security missions, oversight of policy implementation,

and performance assessment of and accountability for the collaborative performance of the interagency and intergovernmental effort.

To achieve that collaborative whole-of-government/nation effort, the national security advisor and the NSS must be able to carry out four principal roles to successfully manage the integration of the national security system and advise the President on the entire spectrum from policy formulation to the successful employment of all of the elements of national power to achieve our national security interests. The four distinct and critically important roles of the NSS as overseen by the national security advisor in providing the advice and support to the President mandated by the National Security of 1947 (as amended in 1949) are as follows:

- Acting as driver of the strategic end-to-end system management process(es) for the President;
- Conducting crisis management, to include anticipating opportunities, avoiding or mitigating “black swan events,”⁷⁷ and preventing conflict, as well as ensuring timely presidential decisionmaking and effective government action;
- Providing staff support to the President, the NSC, and the HSC for national security issues; and,
- Overseeing development of the national security system – human capital, knowledge management, and long-range planning – so the system has the necessary capacity across presidential administrations.

Strategic end-to-end management of the national security system involves six core functions that would enable the NSS to more effectively orchestrate genu-

ine whole-of-government/nation collaboration and integration, enabling the national security advisor to provide more comprehensive policy and strategy advice and options for the President with crisp strategic choices on ends, ways, and means rather than lowest common denominator consensus policies that invite noncompliance and foot-dragging from dissenting or demurring departments and agencies. *These strategic system management functions mirror the general standard in the private sector, where they have proven effective since the early 1990s.* Of special significance in the private sector is the revolution in thinking about what a corporation is in a world with fewer boundaries. These functions define what a corporate leadership has to keep, with all else being outsourced to another part of the corporation or outside the corporation. In the corporate world, success is principally about divestiture of the micromanagement of subordinate or peripheral issues. For the NSS, the challenge is to build that which has not existed before — strategic system management at the top with issue management pushed out to departments and agencies. The six end-to-end system management functions for the national security system to support the President include:

1. **Policy formulation:** Develop and harmonize national security policies *for presidential approval*;

2. **Strategy development:** Use foresight to assess capabilities, risks, and opportunities and develop broad national security strategy and national security goals and objectives based on strategic choices about ends, ways, and means *for presidential approval*;

3. **Planning and resource guidance for policy implementation:** Prepare, in partnership with OMB, interagency planning and resource guidance to the departments and agencies to achieve the Presi-

dent's policies and national security strategy for presidential approval;

4. Aligning resources with strategy: In partnership with OMB, ensure that department and agency budgets and other resources are outcome-based and aligned with long-term strategic objectives for national security missions as well as unanticipated nearer-term contingencies, rather than narrowly defined and input-based, often over-lapping departmental competencies. Integrated national security mission budget displays should be presented to Congress for consideration.

5. Oversight of policy implementation: Ensure *decentralized implementation of presidential decisions by departments and agencies to achieve a whole-of-government effort* across all instruments of national power and the accomplishment of national security objectives;

6. Assessment of and accountability for inter-agency and intergovernmental performance: Review basic assumptions and assess the interagency and intergovernmental accomplishment of national security objectives and policy outcomes with feedback on the implications for policy, strategy, resources, and implementation mechanisms.

Since 1953, each President has begun his term of office by issuing a document that outlines the national security system for his administration. Without exception, these foundational documents have been anchored in the National Security Act of 1947, beginning with the statutory formula, "to advise the President as to the integration of domestic, foreign, and military policies relating to national security." In PNSD-1, President George W. Bush went on to state:

That remains its purpose. The NSC shall *advise and assist* me in integrating all aspects of national security policy as it affects the United States—domestic, foreign, military, intelligence, and economics (in conjunction with the National Economic Council [NEC]). The National Security Council system is a process to coordinate executive departments and agencies in the effective development and implementation of those national security policies.⁷⁸

These foundational documents are always supplemented by organizational charts that reflect a traditional staff focus on geographic regions plus those functional or transboundary interests that reflect the specific national security concerns of the President that will be dealt with in the context of our four-tiered national security system.

What the previous principal organizing documents for the NSC have not done since Eisenhower's Project Solarium and design of his NSC Staff in 1953 is to *define the national security system in terms of the areas of the six strategic management competencies or functions* listed above that should underwrite the NSC's (and by extension, the Homeland Security Council's) work to support and advise the President in his role as the integrator of a collaborative whole-of-government national security system. Getting away from the current focus on functional and geographic breakdown will not be easy, since incumbents in government are educated and grow professionally in such disciplines, not in areas of "management competencies." (See Part 6.)

Early on, the Obama administration began to define the strategic management function in stages—to describe the transformed government that would be called for later in the 2010 *National Security Strategy* and the 2011 State of the Union address, and to put

its stamp on the NSC system. Several additional key documents were employed:

1. Presidential Policy Directive-1 (PPD-1): *Organization of the National Security System:* Critically, PPD-1, issued less than a month after President Obama's inauguration, identifies the NSC as "*the principal means for coordinating executive departments and agencies.*" It keeps in place the broad outlines of the traditional four-tiered NSC system, albeit with some subtle, yet notable changes that *firmly situate authority over the interagency at lower levels in the NSC system rather than the departments or agencies.* This policy directive structures the NSC in such a way that the NSC staff would have firm control over the timing, agenda, preparation for, and dissemination of NSC meetings and products. Importantly, PPD-1 effectively establishes the national security advisor and the NSC Staff as the key whole-of-government integrators at every level of the four-tiered NSC system and, by extension, gives the White House control over the national security *policy* process.⁷⁹

2. General Jones's Memorandum: "*The 21st Century Interagency Process:*" On March 18, 2009, General James L. Jones, then serving as national security advisor, issued this memorandum which, though lacking the import of an executive order or PPD, attempted to set the stage for an active role for the NSC and its staff to manage the national security system. It clearly reflected General Jones's expectations of how the national security process should be structured and run based on his earlier discussions with the President-elect.⁸⁰ General Jones's memorandum began by clearly focussing on the future and the need for transforming the NSC system:

The United States must navigate an environment in which traditional organizations and means of response to global challenges may be inadequate or deficient. Indeed, the ability of the Nation to successfully compete in global issues is being tested in ways that were unimaginable until recently. To succeed, the United States must integrate its ability to employ all elements of national power in a cohesive manner. In order to deal with the world as it is, rather than how we wish it were, the National Security Council must be transformed to meet the realities of the new century.⁸¹

In addition to calling for the transformation of the NSC and the national security system, the Jones memo made three clear contributions. First, it reaffirmed the purpose of the NSC system and interagency process: *“As the President directed in PPD-1, the National Security Council is responsible for managing the interagency process with respect to all national security related issues. At its core, the purpose of the interagency process is to advance the President’s policy priorities and, more generally, to serve the national interest by ensuring that all agencies and perspectives that can contribute to achieving these priorities participate in making and implementing policy.”* Second, the memo defined the role of the NSC and, by extension the NSC staff, as managing a “process that is strategic, agile, transparent, and predictable—all in order to advance the national security interests of the United States.” Third, it expanded upon each of these desirable attributes, couching the guidance in terms of whole-of-government principles, to shape the national security system process(es). The elaborated process attributes are as follows:⁸²

- **Strategic:** The NSC and its principal interagency bodies should concentrate primarily on those overarching, strategically important issues that

will likely involve the President at some stage in the process and ensure that all who can contribute to solving common problems will have a “seat at the table,” and that differing views and opinions will be heard.

- **Agile:** The NSC should be able to cope with multiple major issues simultaneously, consider the full range of options, and propose effective informed decisions in an appropriate time-frame, particularly in crisis situations.
- **Transparent:** The NSC staff should be responsive to the views and perspectives of the departments and agencies, and agencies have a right to be aware of and participate in the daily activities of the NSC and in interagency meetings.
- **Predictable:** Meetings should be scheduled on a regular announced schedule and should include an agreed-upon agenda that is provided in advance. Discussion papers should be circulated to participants at least 48 hours prior to regular meetings. Meetings should end with clear agreement on what was and was not decided with summaries and conclusions being circulated within 48 hours. Such an ending will also include the delegation of responsibilities for implementation. Agency representatives must be able to speak for their agency.

3. **Presidential Study Directive-1 (PSD-1):** *Organizing for Homeland Security and Counterterrorism Findings and Recommendations:* On February 23, 2009, President Obama issued PSD-1 directing the Homeland Security Advisor to lead an interagency review of ways to reform the White House organization for counterterrorism and homeland security “in order to

strengthen the Government's ability to craft and implement sound policies designed to keep our country secure and our citizens safe."⁸³

The results, publicly announced on May 27, 2009, included a series of major findings and recommendations for transformation of the NSS and national security system. Most notably, the President further empowered the coordinating role of the NSC and its staff previously promulgated in PPD-1 by announcing a major structural realignment that combined the separate HSC and NSC staffs into a unified NSS that would "strengthen the U.S. government's ability to develop and implement policies that comprehensively address the full range of transnational security challenges threatening the security of our country and the safety of our citizens in the 21st century."⁸⁴ Additionally, the PSD-1 decision memo called for a single Executive Secretariat to eliminate competing stovepipes and maximize administrative efficiencies; and ensuring that all other directorates with cross-cutting support missions, such as Strategic Planning, Legislative Affairs, and the office of the Legal Advisor, support all directorates on the newly integrated staff.⁸⁵

The PSD-1 decision memo identified five functions that the NSS would be expected to perform in the areas of counterterrorism and homeland security, and, by implication, the broader palette of national security missions being managed at the strategic level:

- Advising and staffing the President and national security advisor;
- Helping to formulate and facilitate the development of policy;

- Monitoring and ensuring effective implementation of presidential policy decisions;
- Serving as honest brokers and arbiters among the departments and agencies; and,
- Ensuring proper management of and response to crises while ensuring that NSS will not “go operational” (accepting a recommendation of the Tower Commission Report in 1987).

Other organizational and process reforms announced at this time included:

- Better integrating state/local/tribal/territorial/public/private sector perspectives into the national security policy process;
- Developing a single National Security Strategy that addresses the full range of security issues for the country, including homeland security and counterterrorism;
- Inculcating a culture of inclusion and integration into the National Security Staff;
- Institutionalizing a *culture of collaboration* across the interagency and the intergovernmental cast of players to ensure a team approach to solving multidisciplinary security challenges;
- Establishing the Deputy National Security Advisor for Global Outreach; and,
- Establishing the Strategic Planning and Resiliency Directorates.

In short, PSD-1 called for a newly constituted NSS that would “eliminate the unnecessary and potentially harmful seams posed by [the] artificial foreign-domestic divide” and better integrate interagency efforts and a broad range of foreign and domestic national security activities, expanding on a function the old NSC

staff had historically performed pursuant to the National Security Act of 1947 (as amended).⁸⁶ *Importantly, and perhaps fatally, these recommendations were presented as requiring no additional resources.*⁸⁷

Taken together, President Obama's PPD-1/PSD-1 and General Jones's memorandum reaffirm President George W. Bush's bold statement of the purpose and the role of the NSS as the President's system manager of the national security system. In varying degrees, the major departments in the national security system are beginning to take steps to establish more functional, performance-oriented management with regard to their core departmental functions. Significantly, in one case (DoD), the independent panel chartered by Congress to review the 2010 *Quadrennial Defense Review* (QDR),⁸⁸ has recommended reform measures that would require the NSS to formally accept and acknowledge what is already a *de facto* reality, namely, strategic management of the national security system as the basis for the NSC's advisory role to the President under the mandates of the National Security Act of 1947. The NSS organizational structure is shown in Figure 3.

Given the Obama administration documents cited above, it is reasonable to extrapolate from them to a series of organizing principles to guide the NSS in its role of strategic management of the national security system. These principles include:

- The NSS *drives* the national security system to meet 21st century national security opportunities and challenges.
- The NSS *maintains a focus* on both long-range strategic management (the important) and day-to-day activities (the urgent) to support the President and crisis management.

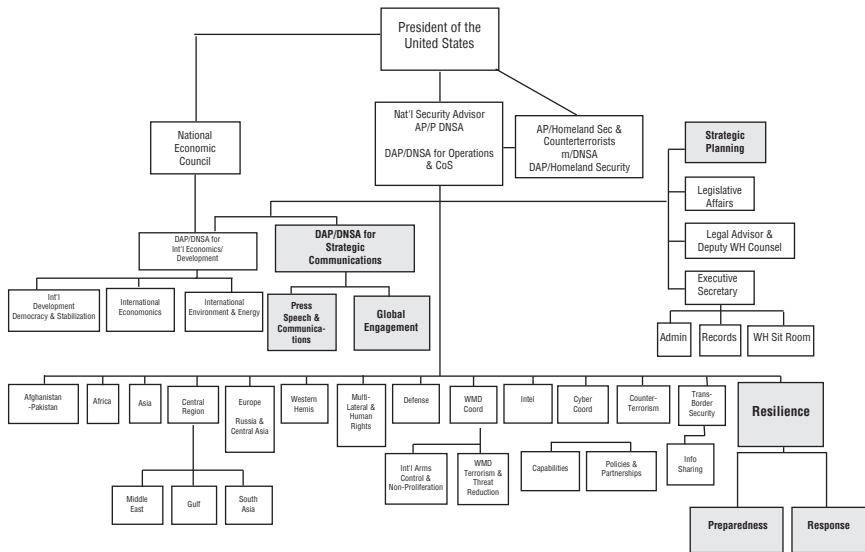


Figure 3. National Security Staff.⁸⁹

- The NSS *operates* from an integrated, collaborative, whole-of-government/whole-of-nation, presidential perspective rather than a department or agency-specific perspective.
- The NSS *leverages* the integration of all instruments of national security system end-to-end management functions. Those functions include policy formulation, strategy development, planning and resource guidance to the departments and agencies, alignment of resources with strategy and national security missions, oversight of strategy and decentralized policy implementation, and interagency performance assessment and accountability.
- The NSS *collaborates* with transparency vis-à-vis the departments and agencies and, as ap-

appropriate, state, local, tribal, private sector, and nonprofit entities.

- The NSS, through its director's role as chair of the Interagency Policy Committee (IPC), leverages a robust structure of interagency mechanisms outside the EOP to develop strategic whole-of-government whole-of-nation options, resource choices and plans for presidential, NSC, and HSC decision as appropriate.⁹⁰

PART 5:
NATIONAL SECURITY STAFF
STRATEGIC MANAGEMENT FUNCTIONS

As [an organization] matures, it develops settled ways of doing things and becomes more orderly, more efficient, more systematic. But it also becomes less flexible, less innovative, to look freshly at each day's experience. Its increasingly fixed routines are congealed in an elaborate body of written rules. . . . In most societies and organizations, there grows up a choking underbrush of customs and precedent. There comes to be an accepted way to do everything. . . . The old hand says, "You just have to understand how we do things around here," and what he means is that "how we do things" is Sound and Respectable, and The Best Way.

John Gardner⁹¹

We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein⁹²

Notwithstanding its admirable goals for system management, President Obama's May 2009 PSD-1 decision in practice leaves the newly constituted NSS focused almost exclusively on policy—that which is "fun" and exciting and can be spun into a constant crisis mode through the deeply ingrained, systemic staff cultural practice of focusing on "black swans," the urgent rather than the important. Although there is a nod to the concept of oversight of policy implementation through the Deputies Committee and the IPCs, the NSS organization chart and the lack of any further guidance in the form of a PPD as promised in the President's May 2009 PSD-1 decision memo, fail

to give any reorganizational hint for taking the President's national security strategy from its high rhetorical and aspirational nature in the unclassified document of May 2010 to a true national security strategy that aligns ends, ways, and means. Nor is there any known guidance for: providing crisp presidential planning and resource guidance for the departments and agencies; strategic choices on alignment of departmental resources with national security missions and budgets as called for by former DoD Secretary Gates and Secretary of State Hilary Clinton;⁹³ development of interagency and intergovernmental implementation strategies by the NSS-chaired IPCs; or oversight of policy implementation and assessments of and accountability for interagency and intergovernmental policy, strategy, and implementation outcomes. Rather, the NSS organization promulgated by PSD-1 is a very flat one composed of very thinly resourced directorates that currently have little if any capacity to go beyond policy formulation, crisis response, and staffing of the President that the Staff has traditionally done.

If enacted, many of the core roles and strategic management functions proposed by the Independent QDR Panel and the PNSR (and reflected in this monograph) would continue to flesh out previous initiatives by the Obama administration and do not involve the shifting of statutory authorities or placement of the national security advisor or the NSS in the chain of command between the President and the departments. Rather, they are consistent with the previously cited statutory language of the National Security Act of 1947:

to advise the President *with respect to the integration of domestic, foreign and military policies relating to the national security so as to enable the military services and other departments and agencies of the Government to cooperate more effectively* in matters involving the national security . . . [and to perform] such other functions as the President may direct, for the purpose of more *effectively coordinating the policies and functions* of the departments and agencies of the Government relating to national security.⁹⁴

A deliberate NSS design based on adding the strategic end-to-end system management functions to the present NSS organization, as reflected in Figure 3, would improve the balance between departmental/agency practices and the necessary whole-of-government/nation practices required for the global security environment of the 21st century. Moreover, it would ensure that the national security advisor, supported by the NSS, is *the strategic manager* for improving the performance, adaptability, and efficiency of the overall national security system.

Best Practices.

Critical next steps for achieving non-legislative elements of transformation of the NSS to a true strategic system management role include:

- *A formal description of the national security system and National Security Staff functions and processes, e.g., an Executive Order and/or Presidential Policy Directive (PPD). This document should:*
 - Describe how departments and agencies, together with the NSC and the NSS, constitute the national security system;

- Articulate the roles and strategic management functions of the national security advisor and NSS;
 - Articulate and establish expectations that senior officials approach policymaking issues from a national rather than departmental perspective;
 - Require the production of time-sequenced, aligned, and nested periodic strategy documents (e.g., the *National Security Strategy*, departmental quadrennial reviews, national security planning, and resource guidance to the departments and agencies); and,
 - Define processes for the alignment of resources with desired outcomes, collaborative implementation plans, and performance assessments of and accountability for the whole-of-government/whole-of-nation national security system.
- Job Descriptions: The *advisory roles and responsibilities* of the national security advisor should be established in a Presidential Decision Directive. In turn, the national security advisor should promulgate the advisory roles and responsibilities for the principal deputy national security advisor, the chief of staff, the assistants to the President/deputy national security advisors, the executive secretary and the senior directors of the strategy, functional/transnational, regional, and resiliency directorates.
 - Interagency Policy Committees (IPCs): As noted earlier, President Obama’s PPD-1 establishes the IPCs as “the main forums for day-to-day interagency coordination of national security

policy” and firmly situates authority over the interagency at lower levels in NSS rather than the departments and agencies. The IPCs are chaired by the NSS directors (and jointly by the National Economic Council staff as appropriate) who are empowered system-level agents for the President unless the Principals Committee (PC) or Deputies Committee (DC) specifies otherwise, and are composed of assistant secretary-level officials. IPC topics and focus should reflect key national security missions emanating from the national security strategy – e.g., Afghanistan, climate change, the financial crisis, or the Arab Spring – which are or should be driving the integrated and collaborative efforts of the departments. The President, PC, or DC may direct that an IPC be co-chaired or chaired by a departmental representative, although such an arrangement tends to weaken the concept of an IPC leader as providing a clearly delineated, whole-of-government/nation perspective and may cause other IPC members to view the IPC as being run by one department rather than a neutral chair. Key points concerning IPC structure and functioning include:

- Charter/Terms of Reference: Each IPC should have a written charter or terms of reference (TOR) approved by the President, PC, or DC that sets forth the IPC’s topic, functions, membership, deliverables, schedule, and processes. Draft charters should be written by the NSS with departmental input and submitted through the national security advisor for approval to the DC, PC, or President as appropriate. The terms of engage-

ment should guarantee fair process, full inputs from participants, and living with outcomes rather than brokered agreements. Charters should be reviewed annually for necessary changes, including termination of the IPC.

- Strategy/Resource Alignment: Each IPC should have a designated OMB representative who would attend IPC meetings and advise the NSS and IPC members concerning resource implications and tradeoffs and the preparation of national security mission budget displays.
- IPC Documents: IPC documents should be submitted by the IPC chair rather than by the IPC members as consensus products. The documents should note the degree of consensus regarding particular issues. However, the documents should include the NSS perspective, particularly to provide a crisp, whole-of- government perspective to balance departmental or least-common denominator consensus perspectives and to present the DC, PC, and the President with clear strategic “ends, ways, means” choices.
- Implementation Reviews: IPC chairs should conduct quarterly policy implementation reviews to identify problems in policy execution as well as any significant situational changes. The focus of the reviews should be on organizational learning and improved interagency policy formulation and implementation, not on NSS-departmental conflict based on a no-fault, zero-defects mentality.

- Cascading strategies: A central tenet underlying strategic management of the national security system by the NSA/NSS should be the practice of cascading strategies, that is, the downward flow of organization-specific (policy committee, department, agency team, etc.) implementation strategies and management systems from the higher echelon to the lower echelon, starting with the NSS at the top. Grand strategy and a national security strategy couched in terms of ends, ways, and means developed for the President by the NSC and NSS should inform presidential planning and resource guidance to the departments and agencies as well as issue-specific mission implementation strategies – which, in turn, should inform more specific implementation plans and guide oversight of implementation – all of which should then be assessed through the interagency lens in order to inform the next iteration of strategy and each component of the cycle. The 2010 State/USAID Quadrennial Diplomacy and Development Review (QDDR), and PSD-7 (*U.S. Global Development*), developed in parallel processes by State/U.S. Agency for International Development (USAID) and the NSS, appear to be closely linked and mutually reinforcing documents that establish the role of the Staff as manager of the national security system. (See Appendix 2.)
- Interagency and Intergovernmental National Security Planning Capabilities: Uniform, robust national (federal, state, local, tribal, private sector, and nongovernmental organization [NGO]) planning activities must be further de-

veloped, and at the federal level, planning cells must be better utilized in the interagency space outside the EOP. Although the Government Performance and Results Modernization Act of 2010 (GPRAMA)⁹⁵ mandates strategic planning on a 4-year time horizon for departments and agencies, with the exception of the DoD, the federal government does not yet have either an interagency or intergovernmental planning framework. Substantial improvements must be made to the federal departments and agencies, including the ability to develop short- and medium-term plans based on the President's strategic planning and resource guidance.

Designing the NSS System Management Functions.

Policy Formulation: Historically, the NSC staff has focused on policy. NSS members, in their capacity both as IPC chairs and staff directors, currently have the lead role in driving day-to-day policy formation for approval by the DC, PC, and the President. The new NSS should be informed by a whole-of-government/nation appraisal of the global security environment to develop and construct national security policies for the President. More than a staff prioritization of goals and itemization of obstacles to achieving those goals, the NSS must formulate policies that synchronize the elements of national power to achieve those goals. Policy should set the course for simultaneous adaptability and interagency collaboration in short, medium, and long-term time horizons. Enabled by foresight and over-the-horizon analyses, the NSS would identify emerging issues and opportunities and find ways to ramp up efforts on current pressing issues. Properly

resourced staff directorates of the NSS would have the lead role in day-to-day policy formulation at the strategic level while departments, agencies, and empowered interagency teams would develop cascading strategic implementing policies at their own levels.

Strategy Development: Strategy counts! Former Army Chief of Staff General Gordon L. Sullivan, when commenting on his program of the Louisiana Maneuvers designed to help define Force XXI and the Army's role in modern warfare in the information age after Operation DESERT STORM, once remarked that "if you don't know where you're going, any road will get you there," then wryly noting that "hope is not a method."⁹⁶

The strategy development function, often undervalued in the heat of policy and crisis response, is one of the most critical to the strategic management process.

The core of strategy work is always the same: discovering the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors. . . . A good strategy does more than urge us toward a goal or vision. A good strategy honestly acknowledges the challenges being faced and provides an approach to overcoming them. Bad strategy tends to skip over pesky details . . . [and] ignores the power of choice and focus trying instead to accommodate a multitude of conflicting demands and interests. Bad strategy covers up its failure to guide by embracing the language of broad goals, ambition, vision, and values. Each of these elements is, of course, an important part of human life. But by themselves, they are not substitutes for the hard work of strategy.⁹⁷

In a world of fierce competition for resources and quality life, strategy is more about what we choose to forgo than what we choose to embrace. This requires

redirecting the national tendencies of the system from serving stakeholders of the status quo rather than priorities rooted in our national interests. Unless national security goals are articulated, *resource tradeoffs and risk assessments are explicitly recognized and resolved*, and such goals and tradeoffs drive resource allocation—then national security policymaking and strategy will eventually produce incoherence, uncoordinated departmental actions, or, at best, weak, least-common-denominator approaches. As Rosa Brooks states:

Grand strategy is ‘the big idea’ of foreign and national security policy—the overarching concept that links ends, ways and means, the organizing principle that allows states to purposively plan and prioritize the use of ‘all instruments of national power,’ diplomatic, economic, cultural, and military. A grand strategy can’t be a list of aspirations, wishes, or even a country’s top 10 foreign-policy ‘priorities.’ (When you have 10 priorities, you really have no priorities at all.) Grand strategy is the big idea that guides the tough decisions, helping policymakers figure out which of those top 10 priorities should drop off the list, which aspirations are unrealistic and impossible, and which may seem like good ideas on their own, but actually undermine the nation’s broader goals.⁹⁸

A cogent example of the task of developing the national security strategy was the mid-1970s effort by Andy Marshall and James Roche to redefine defense during the Cold War in new terms that differed from the exclusive focus on Soviet strengths, defined as threats. Perhaps it was smarter to focus on Soviet weaknesses and constraints that would enable the United States to compete with the Soviet Union over the long term. The new *strategic concept of competitive advantage* as a part of the grand strategy of contain-

ment focused on seeking opportunities and engaging in actions that imposed exorbitant costs on the other side. In particular, it recommended investing in technologies that were expensive to counter and where the counters did not add to Soviet offensive capabilities. The goal was to break the budget-driven “balance of forces” logic of 1976.⁹⁹ Although it is too early to render judgment, President Obama’s recent *Strategic Guidance*¹⁰⁰ for the DoD may well be a similar effort. But the “strategic pivot” outlined in the document must be assessed against the realities of our own fiscal situation and the ironic fact that we now borrow billions from the Chinese to create and sustain the forces to contain China’s imputed ambitions in the Pacific.

The tendency of the NSS to focus on crisis management and the urgent at the expense of strategy can be countered only by the creation of an effective “strategy cell” tasked to do this hard work. The newly dedicated NSS Strategic Planning Directorate outlined in the PSD-1 decision memorandum—dedicated to foresight, properly resourced, and freed of responsibility for daily policy implementation or crisis management—should focus on the Staff’s core system management function of developing grand and long-term national security strategies for presidential approval rather than serving simply as a “fire brigade” or “skunk works” for the national security advisor. In line with General George C. Marshall’s directive for the creation of the Policy Planning Office at the State Department, the Strategic Planning Directorate should “look ahead, beyond the vision of the operating officers caught in the smoke and crises of current battle, far enough ahead to see the emerging form of things to come and outline what should be done to meet or anticipate them.”¹⁰¹ A good grand strategy and na-

tional security strategy are implemented over a long period of time – much longer than it takes to conceive them. Changes are generally evolutionary, but there is a requirement for periodic evaluations of execution and the application of the elements of national power.

The Strategic Planning Directorate should “coordinate the preparation and sequencing of the President’s national security strategy and other strategic planning documents, provide policy recommendations on specific subject areas for the medium and long terms, question existing and present alternatives, and plan for high-impact contingencies.”¹⁰² It should consist of strategists, experts in foresight, policy planners, and resource specialists who are “multilingual” in inter-agency communications.¹⁰³

Many pitfalls lie in front of the current Strategic Planning Directorate on the NSS. Several previous administrations have tried to create one; none have been demonstrably successful because the “strategy people” have never been fenced off from current affairs and were overwhelmed by the constant pressures of responding to urgent day-to-day crises and bureaucratic infighting. Peter Feaver and William Inboden, who worked in the Bush administration’s Directorate for Strategic Planning and Institutional Reform (consisting of just four people), described their duties and impressive portfolio as falling into five broad baskets: 1) cross-cutting, top-level strategy; 2) longer-range analysis; 3) internal critique; 4) policy incubator; and, 5) outreach. They noted that Strategy Directorates also face the dilemma of intruding into the domain of operators, while ensuring that strategy is not removed from the realities on the ground.¹⁰⁴ At present, the Strategy Planning Directorate is formally tasked to perform five core functions: 1) support of the admin-

istration's top national security priorities, particularly those that require the development of broad policy guidance; 2) assistance on urgent crises; 3) supporting the President's engagement of and outreach to key allies, partners, and the strategic community; 4) ensuring that strategic and contingency planning conforms to presidential guidance; and, 5) assisting the national security advisor with special projects.¹⁰⁵ In practice, however, the directorate spends most of its time on current crisis response because there is no effort by the President or the national security advisor to drive a comprehensive strategy development effort.

Richard Rumelt tells us that "strategy is an exercise in centralized power, used to overcome the natural workings of a system. Good strategy and good organization lie in specializing on the right activities and imposing only the essential amount of coordination."¹⁰⁶ The NSS should drive the strategy process and finalize the result rather than trying to do all of the work from start to finish. If the current Strategic Planning Directorate matures and is properly resourced—it began with four staffers under Presidents Bush and Obama and now has just two personnel—we should expect it, working closely with OMB, to produce three strategy documents for presidential approval in collaboration with other staff components as well as the departments and agencies. Although initial drafts or components of the national security strategy may come from the departments, these strategy products should be products of the NSS submitted through the NSC and approved by the President. Equally important, these presidential strategy documents should be mutually consistent and supportive among themselves, and an organization-specific version of each should be prepared at each lower echelon. The departments and agencies will thus be informed as they conduct their

mandated quadrennial reviews and develop their internal strategies and budgets that support the President's national security strategy. The three documents are as follows:

- *National Security Review (NSR)*. The NSR should be done in the first year of an administration and focused on getting beyond the heated rhetoric of campaign promises. This is when the President has the maximum power to move the system rather than having the system move him. The NSS Strategy Planning Directorate should lead the NSR to review and formulate the national security strategy of the United States that contains three elements: diagnosis, guiding policies, and coherent action. The NSR would be the administration's strategy *guide to ends-ways-means decisionmaking* that gathers inputs from top strategists and policy planners from across the national security interagency system as well as outside stakeholders and experts. The NSR would be designed to (1) assimilate and describe the strategic landscape, including an analysis of major ongoing or foreseeable worldwide commitments, the identification and prioritization of current and foreseeable threats to national security, and future-oriented strategic assessments of over-the-horizon trends and opportunities involving such areas as China, India, or the Arctic that significantly affect national security; (2) assess existing capabilities and resources against those necessary to successfully achieve our national security goals and objectives; (3) examine and make recommendations to the President regarding the missions, activities, and budgets across the national security system; and, (4) re-

view the scope of national security, including changes in the roles and responsibilities of the interagency, intergovernmental, and outside stakeholders. This strategic review should be aimed at the heart of the most important issues and with direct presidential investment of time and brainpower to make the review meaningful and consequential.

The NSR would be conducted on a quadrennial cycle, with the principal review conducted during the first year of a President's administration and with updates performed annually. The NSR would inform department-specific reviews such as the current ODNI *National Intelligence Strategy*, DoD *Quadrennial Review*, the *National Defense Strategy*, the *National Military Strategy*, the DHS *Quadrennial Review/Bottom Up Review* and the State Department/USAID *Diplomacy and Development Quadrennial Review* (QDDR).

These reviews would be done early in the second year of a presidential term so as to inform the next budget cycle after being informed by the NSR/National Security Strategy/NSPRG (National Security Planning and Resource Guidance). A key feature of the annual review would be a questioning and analysis of the basic assumptions underlying the NSR, to include constructive anticipation and alternative over-the-horizon views of the future security and budgetary environments that address emergent threats, conflict prevention, opportunities, and anticipated or unanticipated national security mission partners.

- *The National Security Strategy* (Strategy). Based on NSR findings and guidance, this is the Presi-

dent's national security strategy as required since 1986 by the Goldwater-Nichols Act—a narrative political document that translates the President's broad national security objectives and policies into a coherent strategy that firmly establishes in terms of ends, ways, and means, the President's general national security objectives and strategic choices supportable by available resources by region and national security mission. The Strategy would identify significant challenges and opportunities in the international security environment and implications for domestic security policy. The Strategy would be published in the first year of each administration following the NSR and *establish prioritized national security objectives and resource decisions, as well as criteria to manage risks and opportunities in the global security environment*. The National Security Strategy would provide unifying direction to department and agency strategies and policy planning and the department quadrennial reviews. It would have an unclassified public section that would satisfy current statutory reporting requirements, accompanied by a classified annex.

- *National Security Planning and Resource Guidance (NSPRG)*. This document would translate National Security Strategy into *presidential policy, planning, and resource guidance* to departments, agencies and interagency teams, including guidance concerning resource allocation and the necessary capabilities to be developed for current or future needs. The resource guidance would provide *annually updated 6-year resource profiles* covering each department/agency's capabilities for meeting future national secu-

rity needs as defined in the National Security Strategy. The NSS and OMB would jointly develop and issue the President's resource guidance each year at the beginning of the annual program/budget cycle and use that guidance as a validating standard during the fall budget review cycles.

The very flat organization of the current NSS relies on thinly staffed and overwhelmed directorates to accomplish its work. Since the work of the Strategic Planning Directorate is fundamental to our national security with the consequent need to keep it focused on the future rather than daily crisis management, this emerging section of the NSS should best be elevated to a divisional level headed by a Deputy Assistant to the President and Deputy Assistant National Security Advisor for Strategic Planning. This Strategic Planning Division staff should be adequately resourced and have primary responsibility for producing the three fundamental documents in consultation with each NSS directorate. In addition, the Division may assist each directorate in producing its short-term implementation strategy products. The division would work closely with the IPCs to tap their expertise. Finally, the regional and transnational or functional directorates would use the findings of the NSS policy implementation assessments as the basis for strategy and planning. Such collaboration would be particularly important for the OMB/Strategic Planning Division's joint development of planning and resource guidance.

This new division would have three directorates, each focused on one of the product lines identified earlier:

- The *National Security Environment Assessments Directorate* would lead the quadrennial *National Security Review* and annual updates.
- The *Strategy Formulation and Guidance Directorate* would focus on the periodic national security strategies and annual policy and planning guidance.
- The *Resources and Capabilities Directorate* would concentrate on linking strategy and resources by working closely with OMB and the departments and agencies to develop planning resource guidance and national security mission-budget displays (in accordance with the requirements of the Government Performance and Results Modernization Act of 2010 (GPRA-MA)). This directorate should have a close working relationship with designated OMB personnel so that the combined effort becomes again a single Staff/OMB cell, although OMB would not report to the NSS.

Cascading, issue-specific interagency implementation strategies for national security missions would not be drafted by the Strategic Planning Division, but instead would be informed by the National Security Strategy and the President's planning and resource guidance, and coordinated and drafted by NSS IPC Chairmen in conjunction with their IPCs. However, IPC Chairmen should consult members of the Strategic Planning Division to ensure continuity between the President's grand strategy, policy, national security strategy, planning and resource guidance documents, and the IPCs' issue-specific documents.

The newly formed Strategic Planning Division would periodically report to the President and would

have a cadre of issue-specialists who would assist each other in producing its products while continuing to work closely with the IPC-oriented transnational/functional and regional directorates to tap their expertise and ensure that grand strategy, the *National Security Strategy*, and the President's planning and resource guidance are not developed in a vacuum, but rather, through strategic assessment, foresight, and forward engagement.¹⁰⁷ It could even be supported by a Center for Strategic Analysis and Assessment (CSAA) similar to the National Counterterrorism Center's Directorate of Strategic Operational Planning (NCTC/DSOP).¹⁰⁸ The role of the CSAA would not be to create policy — that is the role of political leadership. Rather, such a center would provide a context and analytical basis to facilitate the development of forward-looking strategy by providing policymakers with an understanding of the range of possible futures they face and enabling them to see areas of convergence and overlap among departments. The CSAA, unburdened by the need to make or implement policy or engage in crisis management, would be totally devoted to problem analysis, research, scenario development, contingency planning, gaming, and assessment. (See Figure 4. The new strategic system management functions are located in the shaded area.)

Finally, grand strategy and the national security strategy are a tier above the issue-based implementation strategies for national security missions developed by IPCs for their individual areas and thus merit higher-level involvement than the assistant secretaries who attend IPCs and who have responsibility in their departments for only a subset of the strategic issues facing the departments. The Deputy Assistant to the President and Deputy National Security Advi-

sor for Strategic Planning should be advised by an interagency strategic advisory board composed of the departments' undersecretaries for policy or equivalents, with meetings to be attended regularly by the heads of their policy planning offices. Indeed, there is already precedent for such a body in NSPD-60,¹⁰⁹ which reflected former National Security Advisor Stephen Hadley's recognition of the need to strengthen the development of national security policy at the strategic level. Although flawed because it did not establish primacy over traditional departmental planning efforts and provided no formal NSS leadership, no link-up with OMB or other resource agencies, and no increase in staff to perform the policy development function, NSPD-60 remains in effect and is a point of departure for establishing the advisory function. This interagency strategic advisory board would meet less frequently than the IPCs or DC, in part due to the nature of grand strategy and also because the undersecretaries for policy often attend DCs in place of their respective deputy secretaries.

Planning and Resource Guidance for Policy Implementation: In its role as strategic manager of the national security system, the NSS would develop planning guidance for the interagency-based strategies approved by the President. The President's guidance would include prioritized strategic threats and opportunities that require the development of integrated interagency and intergovernmental implementation plans or contingency plans. The guidance would be sent to the department, agency, and interagency team level, where the operational and programmatic plans would be developed for implementation. The integrated plans would then be re-elevated to the NSC or HSC as appropriate for approval. The

content of these NSC/HSC-approved plans would be sufficiently detailed to drive the development of comprehensive operational-level interagency plans with specific tasks and resources identified by department or agency. At a minimum, the presidential planning guidance would provide the following for each issue area: assumptions, overall strategic intent, resource considerations, coherent action for desired outcomes and measures of success, a timeline for plan completion, and subsequent submission to the NSC and HSC.

Aligning Resources with Strategy—Integrating the Elements of National Power: Former OMB Director Richard Darman once said, “Policy without budget is just talk.”¹¹⁰ Although listed as a separate core management function, alignment of departmental and agency resources with presidentially-approved national security missions is the thread that links all of the NSS core strategic management functions together. At a minimum, the President’s planning and resource guidance would provide overall strategic intent, resource considerations, expected outcomes, and timelines for completion.

Submission of integrated budgets for national security missions: The first effort to develop an NSC-led interagency budget around a NSC-managed national security mission took place during the Clinton administration under Richard Clarke, widely known as the “counterterrorism czar.” Clarke (operating largely on his own recognizance) ultimately integrated and directed nearly \$11 billion in departmental funds toward this mission, and for a while attended Principals Committee meetings of the NSC. This practice was quietly discontinued by Condoleezza Rice during her tenure as National Security Advisor. Currently, the Office of National Drug Control Policy (ONDCP) and

the Joint Interagency Task Force-South (JIATF-South) come together as “coalitions of the willing” to produce interagency budgets for their narrowly defined national security mission areas and operations. While not perfect solutions, they provide proof-of-principle that various agencies and departments can come together to develop mission-oriented budgets.

Former Secretary of Defense Gates and Secretary of State Clinton called for unified national security budgets, and the State/USAID QDDR called for the first submission of a unified State-Defense development budget for FY 2012. This important first step has been realized in the Global Security Contingency Fund contained in the FY2012 National Defense Authorization Act (NDAA, Section 1207, H.R. 1540, as sent by Congress to the President on December 21, 2011), as well as in the House’s FY2012 Foreign Relations Authorization Act, Section 924, H.R. 2583. While this is a promising first step, the concept of integrated national security budget submissions must be extended to other departments with security equities beyond DoD, State, and USAID, and to other national security mission areas for presentation to Congress (perhaps those embodied in the current list of functional directorates on the NSS). This important work must be informed by presidential planning and resource guidance based on the national security strategy and annual national security reviews and close departmental collaboration (working jointly on the same mission) with OMB and the NSS, with OMB participation in the IPCs and sub-IPCs that help to define our interagency and intergovernmental strategies and resource requirements for national security missions.

The original Government Performance and Results Act (GPRA) of 1993¹¹¹ was intended to strengthen de-

partment and agency efficiency and performance of core missions—a laudable goal, especially in an era of declining resources and fiscal constraint. However, this sub-optimal focus on efficiency at the department level has had the unintended consequence of reinforcing the “stovepipe behavior” that has worked against the grain of interagency collaboration. The GPRA Modernization Act (GPRAMA) of 2010¹¹² points to a better way and provides a statutory basis for developing integrated budgets for national security missions. The act’s focus on identification of cross-cutting issues that are inherently interagency is a departure from the original act’s exclusive focus on government performance within agencies. Although GPRAMA identifies five areas for implementation, none are currently national security missions. However, that does not and should not preclude the cross-cutting analysis called for in GPRAMA in national security missions, to include departmental and agency overlaps, gaps, and achievement of intended national security goals and outcomes.

Finally, the submission of integrated national security budgets requires a more robust defense and explanation of presidential budgets on Capitol Hill. This, in turn, may well require a relaxation of prohibitions of presidential advisors testifying as a part of the rebalancing of executive and legislative branch actors. It will also require that the NSS, in conjunction with OMB, monitor and react to the progress of unified national security mission budgets working their way through Congress.

Oversight of Policy Implementation: Following the Iran-Contra Affair, the Tower Commission recommended that the NSC staff be barred from conducting operations. The exact definition of “operations”

remains unclear and can be interpreted broadly to preclude any role for the new NSS in policy execution. Departments have been particularly vigilant concerning this prohibition in order to prevent rogue operations run by the White House, and apparently to some lesser extent to preserve institutional prerogatives. White House staff members also have an interest in this prohibition, as it clearly places responsibility and accountability for policy execution on the departments, but not necessarily, on the interagency effort.

In the sense of tactical-level activities carried out by departments in executing policy, the PSD-1 prohibition on the NSS conducting operations is a correct decision because such a role is beyond staff expertise, would serve only to distract the NSS from its strategic focus and system management responsibilities, and would interfere with departmental or interagency chains of command. However, the new NSS should have a legitimate role in overseeing and assessing whole-of-government policy execution in order to ensure that presidential policies are being implemented effectively and efficiently and to be able to highlight and help resolve any execution problems.

The directorates of the NSS have *the lead role in day-to-day oversight of policy implementation*. Additionally, members of the Staff directorates chair the IPCs that correspond to their area of responsibility, and in doing so serve as the drivers of interagency policy formulation and implementation. Operational and tactical-level activities to implement the President's national security strategy carried out by departments, agencies, and interagency teams should be reviewed on a periodic basis to ensure whole-of-government/nation understanding of the President's policy and resource decisions and guidance. NSS directorates would iden-

tify and check bureaucratic drift to prevent national interagency missions from mutating into traditional sub-optimal department and agency missions based on core competencies of a lead agency.

The NSS directorates would also work closely with OMB to advise on policy considerations relevant to OMB's annual budget reviews of department and agency national security programs. The regional and transnational/functional directorates would also have the lead for reviewing draft congressional testimony on national security missions. The regional and transnational/functional directorates would also assist the President in the day-to-day conduct of national security policymaking. However, as much of the work as possible should be delegated to departments and/or to other White House elements in order to free NSS to focus on longer-term strategic issues and national security interagency system management and development rather than daily issue management. The duties of the NSS directorates can be summed as follows:

- Regional Directorates should reflect and reinforce a common U.S. Government interagency map. It may be advisable to create a new Canada/Mexico Affairs Directorate because many policy issues related to Canada and Mexico have direct implications for homeland security (e.g., border security, immigration, and cross-border violence) and are often substantively different than those facing Latin America—thus meriting a separate directorate.
- Transnational/functional directorates on the NSS should focus on key transnational policy and national security mission areas such as cybersecurity, energy, homeland security and counterterrorism, proliferation of weapons

of mass destruction, international economics, health and the environment, human rights and democracy, and global outreach, and on how to marshal all instruments of national power in an integrated fashion to achieve our strategic goals in those areas.

- The International Economics Division should continue to be led by an official dual-hatted as a member of the NEC staff in order to prevent overlap, duplication, or discontinuity between the NSS and the NEC.

In addition, the NSS policymaking and oversight processes should be enhanced and informed by current state, local, tribal, and territorial governments, private sector, and NGO personnel participating directly at all levels and functions of the NSS management processes, as appropriate. PSD-1 recognizes that formal and ongoing collaboration with, and input from, such nonfederal partners are essential to the homeland security (including emergency management) domain of the national security mission. In coordination with the White House Office of Intergovernmental Affairs (IGA) and Domestic Policy Staff, the new Directorate for Resiliency, established by PSD-1, should convey nonfederal perspectives on homeland security policy, including emergency management issues, at all levels of the 4-tiered NSS process. This directorate should provide input on the full range of national security interagency system functions related to homeland security—ranging from strategic guidance to implementation, assessment, and risk management. For example, the directorate, in conjunction with several of the transnational directorates, would recommend homeland security issues, including emergency man-

agement, for consideration at PC, DC, and IPC meetings. PPD-8, *Preparedness*,¹¹³ issued by the President in March 2011, is a welcome step forward in this area.

Assessment and Accountability for Interagency and Intergovernmental Performance: The President's National Security Planning and Resource Guidance (NSPRG) to the departments and agencies would inform the interagency performance assessment function. The NSPRG, which would specify desired policy outcomes and each organization's interagency responsibilities, resourcing needs, and commitments, should provide a benchmark for *evaluating whether departments are collaborating to commit the requisite resources and adequately performing assigned mission tasks jointly*. The performance assessment function would also identify best practices with strategic impact at the operational level as well as hindrances to effective performance that need to be addressed in the near term.

National Security Advisor Hadley recognized the need for this assessment function and instituted an implementing mechanism, *Record 2008*, managed by a National Security Staff Directorate for Policy Implementation and Execution (PIE). Hadley describes how he used *Record 2008*:

[W]e are now very focused on: once you have a policy, what is your strategy and plan for carrying out that policy? What are the tasks? Who's responsible for each task? When are they due? And what is the mechanism for tracking performance? . . . We have a 'Stoplight Chart' that says 'Green: You're on track'; 'Yellow': 'You're at risk of going off the track.' And, you know, 'Red': 'You're off track!' If you've got a red light on your implementation and execution chart, it means that you need to *get your interagency committee back together*, figure out what's the problem and how to fix it.¹¹⁴

Regrettably, this effort to establish accountability of the interagency system was misinterpreted by NSS Senior Directors and Directors as an assessment of personal performance, and was therefore resisted and slow-rolled during the Bush administration and discarded, or at least shelved, by the Obama administration.

Just as the Strategic Planning Directorate/Division must remain separate from the daily fray, so too the policy and interagency system performance assessment function must be a routine function whose objectivity is preserved, even as it is involved collaboratively in each national security mission area. This function should be headed by a Deputy Assistant to the President and Deputy National Security Advisor for Interagency Policy Assessment, and the division should have a degree of separation from the rest of the NSS in order to preserve its objectivity and strategic perspective, as opposed to a narrower issue perspective. At the same time, it must also be involved collaboratively in the other directorates' work and having other directorates participate as a matter of course in its work.

NSS (as opposed to IPC) interagency and inter-governmental policy assessments and accountability should be institutionalized and scheduled on a predictable basis to focus on six critical areas for the President:

1. Testing the underlying assumptions of our national security strategy and interagency implementation plans;
2. Determining whether departments have committed the requisite resources and are performing the ongoing mission tasks assigned to them by Staff/IPC-

developed and presidentially-approved interagency implementation strategies and plans;

3. Assessing whether mission objectives are being accomplished and whether policies and interagency implementation strategies and resource commitments are appropriate for such objectives;

4. Assessing the effectiveness and efficiency of interagency activities that seek to accomplish objectives and missions that involve the integration of expertise, capabilities, or resources of multiple departments;

5. Assessing the role of the instruments of national power in terms of current capabilities, and when there are gaps, addressing the need for reallocation of resources, development of further capabilities, and improved organization. (“Instrument of national power” refers to a national security function, sometimes summarized as “DIMEFIL+” [diplomacy, military, intelligence, economic, finance, information, law enforcement, plus others]). Each instrument of national power is inherently an interagency/intergovernmental activity; for example, federal law enforcement spans at least DOJ, DHS, Treasury, and JIATF-South at the federal level, while the military instrument of national power covers both DoD and DHS (Coast Guard) as well as the state national guards and the industrial base; and,

6. Identifying and distributing the information on best practices, lessons learned, and hindrances to effective and timely interagency policy implementation.

The new Assessments Division should produce net assessments of policy and national security mission implementation that compare the relative positions, strengths, and weaknesses of the United States and other global actors related to national security missions.

The interagency/intergovernmental assessment function is key to ensuring that information and knowledge are treated as strategic assets and are *shared continuously among the national security community and across administrations*. This strategic management function should produce assessments that cover not just problems but also successes in activities involving the expertise, capabilities, or resources of multiple departments. These assessments should also begin to form the doctrinal base for the management of our national security system (how to think about national security in the 21st century, not what to do) and offer expertise on interagency performance and assessment to the President, NSC and HSC, NSS, IPCs and issue-specific interagency teams, and special envoys or czars. Importantly, these assessments should be scheduled on a 12-month calendar of semi-annual assessments for each IPC and other policy areas as appropriate and defined by the President or the National Security Advisor.

PART 6: DEVELOPMENT OF THE NATIONAL SECURITY SYSTEM

However, work remains to foster *coordination across departments and agencies*. Key steps include more effectively ensuring alignment of resources with our national security strategy, adapting the education and training of national security professionals to equip them to meet modern challenges, renewing authorities and mechanisms to implement and *coordinate* assistance programs, and other policies and programs that strengthen *coordination*.

The President's National Security Strategy
May 2010¹⁵

This core role of the NSS as the strategic manager of the national security system focuses on developing an integrated interagency system beyond the NSS to ensure that the system operates with maximum effectiveness and efficiency as a cohesive, learning, and adaptive networked system rather than as a collection of autonomous departments and agencies focused on core competencies and often in conflict with each other. Key aspects of system development include human capital, knowledge management, and an integrated approach to long-term planning across the national security system.

A National Security Strategic Human Capital Plan.

The President's *National Security Strategy of 2010* explicitly calls for "adapting the education and training of national security professionals to equip them to meet modern challenges." Numerous studies over

the past 2 decades have pointed to the need for a professional national security corps in our government. Hurricane Katrina, 9/11, and the wars in Iraq and Afghanistan have provided additional emphasis on the need for interagency and intergovernmental collaborative efforts and a more effective application of all the elements of national power to national security missions.¹¹⁶

The U.S. experience in Afghanistan and Iraq has led to significant initiatives to foster interagency cooperation and to improve agencies' ability to carry out "state building" initiatives more effectively. On the military side, DoD Directive 3000.05, *Directive on Military Support for Stability, Security, Transition and Reconstruction (SSTR) Operations*, designated stability operations as a core U.S. military mission requiring systematic attention to doctrine, training, education, exercises, and planning capabilities. It also clarified DoD's role in supporting civilian leadership in these operations. On the civilian side, the Civilian Stabilization Initiative in 2004 and NSPD 44 (*Management of Interagency Efforts Concerning Reconstruction and Stabilization*, December 7, 2005), established the State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS [now a bureau]) and a new civilian interagency Civilian Response Corps.¹¹⁷

On May 17, 2007, additional promising first steps were undertaken by President Bush with the publication of Executive Order 14343 (*National Security Professional Development*), which provided legal authority for an interagency national security professional development (NSPD) program.¹¹⁸ The establishment of the National Security Professional Development Integration Office (NSPD-IO) funded by the DoD, publication of a *National Strategy for the Development of National Security*

Professionals, and an implementation plan that focused on the three pillars of training, education, and rotational experience were completed by 2008. However, the NSPD program did not allocate central resources and left each agency and department to develop its own national security professional capacity under the very broad generic program guidelines. Not surprisingly, deep-seated departmental resistance (as with PDD-56), a general lack of initiative, and an imputed sense of uncertainty during and after the 2008 presidential election resulted in a self-declared “strategic pause” as agencies and departments claimed they were waiting for guidance on national security professional development from the new (Obama) administration. In early 2009, the new administration moved the responsibility for the NSPD-IO from the DoD and placed it under the Strategic Planning Directorate of the National Security Staff, but there was little top-down guidance on the direction of the program, and the “strategic pause” continued.

Congress, recognizing the loss of forward progress in this area, expressed its concern in legislative language—Section 1054 of the FY 2010 National Defense Authorization Act—that required the President to report to Congress on the status of national security professional development by December 1, 2010. A NSS IPC and sub-IPC were established under the Strategic Planning Directorate to oversee production of the report, whose preparation was contracted to the PNSR.¹¹⁹ The report recommended an independent office with a Senate-approved director who reported to the national security advisor and an extensive training, education, interagency assignment, and four-stage credentialing program that would result in the development over time of a corps of national security

professionals steeped in the culture of interagency collaboration, thus meeting the intent of President Obama's PSD-1 and the *National Security Strategy*. The report was forwarded to Congress without comment by the President. In the interim, while the S/CRS was being elevated from office to bureau status in the State Department as a result of the State/USAID QDDR, plans for the Civilian Response Corps were scaled back dramatically and the NSPD-IO was moved from the Strategic Planning Directorate to the Resiliency Directorate of the National Security Staff to be managed as a small pilot program known as NSPD 2.0. While retaining the authority of Executive Order 14343, the new focus of the NSPD 2.0 is on preparing personnel to accomplish specific missions in emergency management rather than on the broader scope and intent of the executive order to foster an ability to collaborate across the broad spectrum of potential national security concerns. In 2011, Congress again attempted to provide an impetus for forward progress, with separate national security professional development bills focused on the original broad scope of Executive Order 14343 being introduced in both the House and the Senate.¹²⁰ However, those bills did not become law, in part because of opposition from the departments and agencies.

The President's National Security Strategic Human Capital Plan should be aligned with all superior national security strategy documents and in turn serve as the overarching guidance document for the national security human capital plans and systems of all national security departments and agencies. The plan should be updated at least biennially and would include requirements, goals, timetables, and metrics for the national security human capital system, including:

- *Strategic national security human capital management*: Competency analysis, work force analysis, mission-critical occupation analysis, and sourcing assessments (military, federal-state-local, civilian, contractor, and other).
- *Talent acquisition and management*: Recruitment, training, distribution, assignments, incentives, performance management, credentialing and promotions, succession, and transition programs, and the resources, support, and flexibilities needed to meet requirements.
- *Leadership development and collaborative inter-agency culture*: Standards for education and training programs, developmental and rotational assignments, community and career path development (including a national security professional executive corps), diversity, motivational values, and a results-oriented culture of continuous improvement.
- *Centralized management of the NSPD program*: A dedicated national security human capital integration, assessment, and oversight office outside of the U.S. Office of Personnel Management with a senate-confirmed director reporting through the national security advisor and NSS and linked to counterparts across government.

Knowledge Management: Knowledge and Intellectual Capital (KIC).

Vint Cerf, one of the fathers of the Internet, has noted: “Information isn’t power, information *sharing* is power.”¹²¹ Knowledge and intellectual capital are strategic assets and must be treated as such. Rooted

in data and information, KIC adds context and experience, enabling far higher levels of understanding and networked connectivity. Accessing information, sharing knowledge, and collaboration among partners are critical to success. These functions are at the heart of the assessment-decision-action paradigm of the NSS strategic system management role outlined earlier in this monograph. KIC seeks to ensure that “what an organization knows” can be captured, leveraged, and extended for the benefit of all members of our national security community.

System-wide situational awareness at the strategic level is a fundamental requirement of the national security system of the 21st century just as it is on today’s network-centric battlefield. Much of the government’s situational awareness is provided by the 24/7 news media and the thoughtful input of think tanks, opinion leaders, and commentators. However, as noted earlier, our national security system is currently organized as a vertical, rules-based system – much like the vertically integrated corporations of the 20th century and grounded in a Cold War belief that events are linear. That system is ill-suited for successful management of policies that address 21st century issues that are interactive, complex systems of systems, constantly changing. As a result, the national security system is characterized by systemic inefficiency, long lead times for decisions, lack of foresight, missed opportunities for shaping events as they unfold progressively faster than our ability to respond, stifled information flow, disjointed strategic planning and operations, endemic agency focus on survival, turf, and budget maximization, and continuity of familiar procedures.¹²²

The ultimate objective of strategic management of the national security system is to make better national

security decisions faster and take decisive action sooner. The challenge of internal information and knowledge sharing plagues most organizations; the flow among and between organizations and entities is even more problematic. Moreover, the ability to do so at the strategic national security system level is practically nonexistent, both because of agency cultures and lack of compatible information technology (IT) systems. As our national security challenges become more complex, involve an ever-increasing array of networked partners, and take place within compressed timelines, the *real-time flow of networked national security information and knowledge* becomes more critical. To meet the national security needs of the 21st century, we must be able to share data, information, and knowledge on a real-time basis within the NSS, across the federal interagency, with other government partners (state, local, and tribal), and with nontraditional partners, both anticipated and unanticipated.

Today, there are two opportunities that will greatly improve the flow of knowledge, information, and intellectual capital: the incorporation of collaboration tools and the movement to an information and knowledge-sharing networked culture, particularly among the younger cohorts of government employees. Of the two, motivating people and organizations to behave as stewards of information rather than “owners” is the greater challenge.

A national security knowledge management integration and analysis capability is key to both the strategy and assessment system management functions and must be established within the NSS and throughout the national security community writ large. This function would support the advisory role of the NSC and HSC as they assist the President by empowering

the NSS to anticipate, develop strategy, monitor extant and developing situations, and manage crises as they unfold. Specifically, the KIC integration and analysis function would have four principal objectives:

1. Facilitate national security studies (past, present, and future) in support of and with the collaboration of all mission partners, but first and foremost the NSS;

2. Orchestrate development and maintenance of the national security knowledge base, enabling access and discovery of relevant information and data to support the national security system;

3. Promote information and knowledge sharing in support of national security analysis and integration, reinforcing the notion that “information sharing is real power;” and,

4. Establish counterparts to this function throughout the departments and agencies that play a routine role, as well as those playing an occasional role, in national security. Networked liaisons would encourage contact and collaboration to illuminate organizational knowledge and information holdings, direct inquiries, facilitate timely information exchange, and support national security efforts with specific expertise.

In sum, national security system knowledge management by the NSS through access, sharing, and collaboration must become the new watchwords for the U.S. national security community.

Ensure an Integrated Approach to Planning across the Interagency System.

“Plans are nothing, but planning is everything,” [President] Eisenhower used to say, quoting Prussian General Helmuth von Moltke. “The secret of a sound,

satisfactory decision made on an emergency basis,” Ike continued, “has always been that the responsible official has been ‘living with the problem’ before it becomes acute.”¹²³ Yet in our national security system, with the exception of the DoD, long-term planning— with a 5- to 6-year time horizon—is largely nonexistent. However, as the Independent Commission on the QDR pointed out in its review of the last QDR, DoD 6-year planning and programming as part of the Future Year Defense Program (FYDP) process does little to anticipate events or problems over the period of the FYDP that might challenge the assumptions of the status quo. Rather, the department plans short-term, operates from the top down, thinks within existing parameters, and affirms the correctness of existing plans and programs of record.¹²⁴ Although the other departments and agencies have strategy and policy planning units, these units are narrowly focused on departmental perspectives, traditional core functions, and short-term resource needs. With rare exceptions, this department level planning, while possibly “strategic” for the department, is focused on a 1- to 2-year time horizon and takes place in a vacuum or is informed by quadrennial reviews that may or may not be informed adequately by the President’s national security strategy. Moreover, the interagency planning that does take place is issue-specific, and plan development, format, terminology, and approval are not consistent across issue areas.

Robust interagency operational and strategic planning capabilities outside the NSS are needed in order to flesh out options for senior leader consideration and to develop integrated implementation plans once the President’s policies and strategy are set. As noted earlier, for the last 4 years the NSC has used the Na-

tional Counterterrorism Center's Directorate of Strategic Operational Planning (NCTC/DSOP) for planning and assessments of interagency counterterrorism activities. However, despite efforts to better resource it, DSOP's capacity is not what it should be, nor is it obvious that it is scalable to the broader interagency domain. Recent quadrennial reviews have charged other major departments (State, DHS, and the intelligence community [IC]) to establish such processes and extended planning and resource horizons. Uniform, robust, integrated interagency national (federal, state, local, tribal, territorial, private sector, and NGO) planning capabilities must be further developed with 5- to 6-year planning horizons, and at the federal level planning cells must be better utilized outside the EOP.

Maintaining minimum standards for planning processes and products is imperative for ensuring that unity of effort is achieved. The current department and agency cultural and congressional oversight barriers to interagency collaboration and planning in the NCTC/DSOP and S/CRS-developed Interagency Management System (IMS) efforts currently underway must be rigorously overcome. Designing effective standing national interagency planning systems that take into account all instruments of national power, and that report to the President through the NSS and NSC, is critical.

Establishing the Steady State for Development of the National Security System.

The development of national security human capital, knowledge management, and long-term planning are all enablers of the national security system and enduring functions that should bridge across admin-

istrations. They are “policy neutral” and key to the long-term functioning of the national security system. Thus, they, like strategy development and implementation assessment, must be “fenced off” from the day-to-day NSS focus on crisis management and staffing the President. At the same time, staffing for these enablers requires “standing” with the President. This is probably best done by creating the position of Assistant to the President and Deputy National Security Advisor for National Security System Development, who would report through the national security advisor to the President on a semi-annual basis.

President Obama’s consolidation of the staffs and executive secretariats of the NSC and the Homeland Security Council was a welcome step. Currently, the Executive Secretariat manages the NSC system and processes to ensure that the trains “run on time.” In addition to this role, the executive secretary, appointed by the President, should also provide oversight for the strategic human capital plan, knowledge management, and long-term planning, within the NSS.

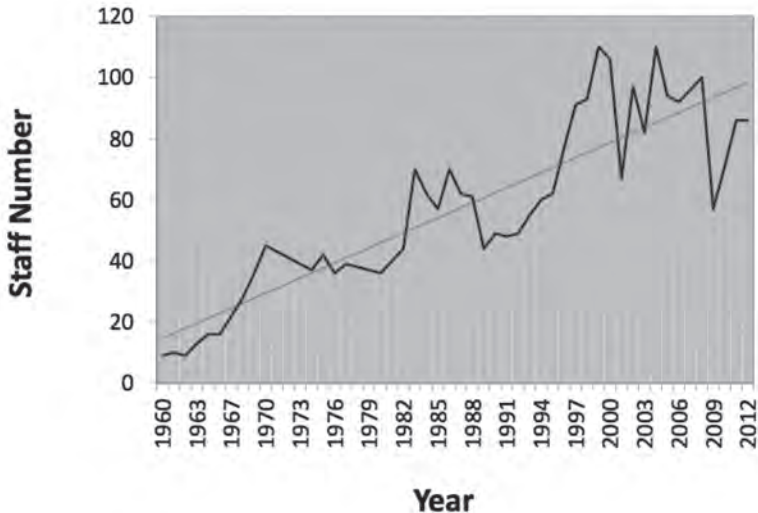
PART 7:
STRATEGIC CHOICE:
RESOURCING THE NATIONAL SECURITY
STAFF TO PERFORM
THE STRATEGIC SYSTEM MANAGEMENT ROLE

I thought that President Clinton made a terrible mistake in proclaiming that he was going to cut the size of the staff. . . . I include cutting the NSC staff as 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.

Former National Security Advisor
Anthony Lake¹²⁵

Presidents traditionally begin their terms by ostentatiously down-sizing the NSS, only to silently increase its later on, if only to deal with the demands of crisis response and staffing their own offices. They have also increased staff size to deal with new functional areas of responsibility. President Clinton, recognizing the increasing importance of the economy, created the NEC in 1993 to coordinate policymaking for domestic and international economic issues, with the deputy dual-hatted as a Deputy National Security Advisor for International Economic Affairs. President Bush expanded on the NSC portfolio in international economic affairs by adding homeland security with the creation of the Homeland Security Council, which was later enshrined in statute in 2004. Presidents have added and eliminated transnational and functional directorates over time as their visions of our national security interests have changed. However, since 1991, the size of the NSS—or least the allocation of staff effort to the strategic system management tasks out-

lined herein—has not been and is not now adequate for the needs of the national security system. The flexibility that Presidents do have to change the size of the NSS is shown in Figures 5 and 6. This flexibility presents opportunities for major changes by unilateral executive action without legislative action. System management of the national security system is a constant that should span presidential administrations. Improvements in the system management of our national security system should not be discarded based on “anything but that of my predecessor” or in this era of austere resources, “I’m going to prove how frugal I am.” Both maxims are usually disproved as a new administration gets into the business of governing rather than campaigning for the presidency.



Sources: Brookings Institution National Security Council Project¹²⁶ and White House Budget Submissions.

Figure 5. NSC/NSS Professional Staff, 1960-2011.

	FY09 Actual	FY 10 Actual	FY 11 CR Requested	FY 12 Requested	FY13 Requested
	NSC	NSC/HSC	NSC/HSC	NSC/HSC	NSC/HSC
FTE	57	71	86	86	77
Budget (\$ million)	8,994	14,787	12,917	13,074	13,048

Figure 6. National Security Staff Professional Staff Size in Obama Administration.¹²⁷

The NSC staff (now the NSS) has historically remained very small relative to needed system management functions at the strategic level. In 1939, FDR’s Brownlow Commission report on the burdens of presidential management of government affairs, which led to the establishment of the Executive Office of the President, pointed out that “[the] formal march of history depends more on effective management than upon any other single factor . . . and the President of the United States, managing the biggest business in the world, now has less assistance . . . than many State Governors, city managers and mayors, and executives of even small private concerns.”¹²⁸ In terms that sound very similar, the 9/11 Commission noted with regard to the NSC staff:

Even as it crowds into every square inch of available office space, the NSC staff is still not sized or funded to be an executive agency. . . . Yet a subtler and more serious danger is that as the NSC staff is consumed by these day-to-day tasks, it has less capacity to find the time and detachment needed to advise a president on larger policy issues.¹²⁹

The NSS is insanely small for the biggest, most complicated, and most important enterprise on earth. As a result of insufficient staff levels, it has very limited capacity to deal with a wide range of long-term or strategic issues, and, by default, can do policy formulation only in the boundaries of its allotted time, meanwhile jumping from crisis to crisis and the daily inbox as driven by the 24-hour news cycle.¹³⁰ Worse, the doers are often a pickup team of political advisors rather than security professionals with long experience. Many of the players are temporary hires or seconded from the departments and agencies who know they are going back in a future day, making it hard for them not to overweight their home agency's special interests. Small staff size tends to reinforce the traditional policy-based culture of the NSS, undermining the broader long-range planning role as intended by PPD-1, the Jones Memo, and PSD-1. Former National Security Advisor General James Jones made the point more directly: "The White House National Security Council is ill-organized to prepare for the future. The NSC staff is geared to respond to the crisis of the day. You wind up becoming more tactical instead of strategic."¹³¹ Recent events on the Korean Peninsula and in Tunisia, Egypt, Libya, Syria, and the Middle East, as well as the U.S. response to the Japanese earthquake and tsunami, only reinforce this concern. After the fall of the Mubarak regime in Egypt, experts on the NSS were asked whether the U.S. Government had contingency plans in case the Mubarak regime were to collapse. NSC officials had to admit they did not.¹³² Strategic surprise followed by "rediscovery learning" during crisis management continues to dominate the culture of the national security system and the NSS.

We must get beyond the traditional qualms about a larger staff size often used to explain a skeleton NSS, a qualm that was explicitly incorporated into the decision memo for PSD-1 – “This recommendation requires no additional resources.” We must step up to the strategic choice to resource the NSS (and by extension OMB) to perform the strategic management of our national security system required of a superpower.

Reform of the current national security system would imply some different ways of doing the same tasks that it and the NSS perform now – policy, crisis response, and staffing the President. But doing the same things differently may also confine the system to the sins of the past and ignore the realities of the global security environment in the 21st century. *The President’s national security strategy calls for transformation of the national security system – and by extension – transformation of the roles and strategic system management functions of the NSS.* The Staff must do different things in addition to adopting new ways of doing those things that it currently does – specifically strategic management and development of the national security system for the presidency across administrations. Emphasis on foresight and strategic thinking that goes beyond the short-term promises of political campaigns is essential. Presidential guidance for planning; resources based on 6-year timelines and resource profiles; alignment of departmental and agency resources with strategic missions; and oversight of policy implementation and accountability, are the new system management tasks that must be performed by the NSS. Additionally, the Staff must embrace long-term development of the national security system through a focus on human capital, knowledge management, and devel-

opment of a government-wide long-term planning capacity as critical enablers of this strategic system management function.

Agreement on the assessment and assignment of the strategic management role and functions we expect from the NSS is the first critical step in defining the staff organization, the personnel requirements for the staff, and the staff processes to advise and assist the President in integrating the interagency and intergovernmental efforts on a whole-of-government/nation basis at the strategic level. This analysis does not intend to suggest that the strategic management functions in the interagency space between the EOP and the departments and agencies outlined in this monograph require a super-department that would preempt the statutory authorities and prerogatives of cabinet officers. It does suggest that meeting the statutory requirements of the National Security Act of 1947 to advise the President in the complex environment of the 21st century through strategic management of the national security system requires that the NSS (and by extension OMB) be sufficiently and effectively resourced to perform these system management and advisory functions.

Former National Security Advisor James Jones, in informal conversations in January 2010 and later at a workshop on the NSS hosted by the Strategic Studies Institute of the U.S. Army War College in September 2011, estimated that 75-90 additional NSS professionals, as well as additional staff to perform the OMB management function, would be needed to institutionalize the role of the national security advisor and the NSS as the strategic managers of the national security system for the President. He called for an “agency-like” organization to perform the strategic management and development functions (outlined herein) composed of

70 percent national security professionals to provide for transition across presidential administrations and 30 percent political appointees.¹³³

In organizational design, form should follow function. An objective assessment of additional resources and staff required for the NSS and OMB to perform the “whole-of-government/nation “ strategy development, resource alignment, implementation oversight, and interagency assessment functions to support and sustain the departmental quadrennial reviews should be conducted with the help of outside management experts as soon as possible. As noted earlier, the addition of Deputy Assistants to the President/Deputy Assistants National Security Advisors for Strategy, Interagency Assessment, and Interagency System Development would provide the robustness required for the NSS to manage both the national security system and the enablers required to support it in the long term (human capital, knowledge management, and long-term planning). The White House should work with Congress to provide for transparency and the additional funding and manpower to ensure effective strategic management of the national security system in the interagency space. Even a doubling of the size of the new combined NSS, given the nature of the work expected at the strategic level, is a very reasonable price for the “whole-of-government” coherency and consistency in managing the increased number of actors—state and nonstate—and the exceedingly complex national security issues and challenges of the 21st century.

**PART 8:
STRATEGIC PARTNERSHIP:
FIXING THE FUTURE RATHER THAN THE PAST**

To succeed, we must update, balance, and integrate all of the tools of American power. . . . This requires close cooperation with Congress and a deliberate and *inclusive interagency process* so that we achieve *integration of our efforts* to implement and monitor operations, policies and strategies.

National Security Strategy, May 2010

The problems of our national security system are deeply rooted in its structures: the constitutional invitation to conflict between the executive and the legislative branches of government; the hierarchical and functional divisions of departments; and the extraordinarily cumbersome and layered procedures such as budgeting through which decisions are channeled. Many of the proposed changes to align the NSS with its system management and development roles outlined earlier can be done administratively and unilaterally by the President through executive orders, PPDs, and PSDs. However, none of the 1947-89 legacy system defects can be truly remedied without changes in law that will provide the requisite assurances that the system management and development changes will endure across administrations.

The Cold War required a “national security state” with large military forces along with engaged diplomacy focused on the issues of national existence and military interventions in proxy wars. Now the problem is understanding and acting upon a radically changed security environment. Does it require such a state or do all of the new national security challenges and op-

portunities demand new mechanisms? Over the last 65 years—under Presidents Harry S Truman (NSC-68 and containment of the Soviet Union), Dwight D. Eisenhower (getting things right early in the Cold War), Richard M. Nixon (rebalancing relationships with the Soviet Union and China), and George H. W. Bush (managing the first Gulf War and German reunification)—the NSC and the national security system¹³⁴ have well served the President and the nation. Each of these major achievements was undertaken with a strong sense of strategic cooperation between the President and Congress.

The question today is whether the NSC supported by the NSS in its roles as strategic manager and developer of the national security system can get the big things right and assist and advise the President in a rational discourse and strategic collaboration with Congress. Given the supreme importance of national security, the answer to that question is not preordained. A radically changed global security environment poses vastly different and more complex challenges and opportunities. These openings increasingly require new mechanisms, organizations, and processes.

Concerns about the misalignment of organizational arrangements and demands of the 21st century are not new. The Hart-Rudman Commission on National Security (1998), the 9/11 Commission Report (2004), and the PNSR report, *Forging a New Shield* (2008), and numerous other studies have urged a dramatic overhaul of our national security system. Critics, Congress, and the *cognoscenti*, in one report or another, have called for both a new grand strategy and all of the system management functions and enabling capabilities outlined in this monograph.¹³⁵ The question of where to locate this critical system management role boils down to a simple question: If not the NSS with

its enduring roles of crisis management and staffing the President, then where? If somewhere else, how do we maintain the momentum toward transformation of the national security system to support the President in his Article II powers?

In 1950, NSC-68 had the intellectual punch to unite the executive and legislative branches of the federal government in the execution of the grand strategy of containment of the Soviet Union as proposed by George Kennan. Public officials led by Paul Nitze, director of the Policy Planning Office at the State Department, did the hard strategy work, operationalizing Kennan's intellectual foundations through strategic decisions on resources and the elements of our national power. President Eisenhower's Project Solarium focused on competitive strategies and resource constraints, further confirming the ways in which the national security system would implement the national strategy of containment. This grand strategy was simple, readily understood across government, and amenable to execution. "The United States will contain the Soviet Union by forming strong alliances, assuring allies that we will stand by them, and maintaining sufficient military and nuclear dominance to deter Soviet aggression."¹³⁶ The existential threat to the nation's security and physical existence as posed by the Soviet Union and Warsaw Pact endured across eight administrations, providing a basis for bipartisan continuity of effort until the end of the Cold War. Today, we have only begun to discuss a strategic narrative that would address fundamental questions about the nature of America's power and national purposes and how to marry that power to purpose in a changing world.¹³⁷

The current national security system needs to be transformed to one that is truly managed as a system of systems in both the executive and legislative branches of government. Even though this transformation would not preclude the recent proliferation of “Black Swan” events, it would institutionalize system management, enable foresight at the strategic level, and provide the President with the ability to get beyond campaign promises to think about and respond better to the slow-moving but inexorable challenges that are obvious, but perhaps politically inconvenient to acknowledge and act upon. Such challenges are exemplified by the housing crisis and our economic situation that developed over the course of three presidencies; loss of strategic competitiveness in education (science, technology, engineering, and mathematics [STEM]); infrastructure, technology, and manufacturing; resource competition; and climate change. These challenges led both the Director of National Intelligence Admiral Dennis Blair and Chairman of the Joint Chiefs of Staff Admiral Michael Mullen to declare in 2009 that the greatest threat to our national security was the economy, not traditional military threats that had shaped our national security system since 1947.

Equally important, given a true national security strategy based on ends, ways, and means, a strategically managed national security system could assist the President in addressing strategic choices. These would include giving up some older priorities and structures based on new tradeoffs and “foreseeing” what will be important rather than the Black Swans that will surprise us. Do we need to keep military bases in Europe? Borrow billions from the Chinese for a military to contain China with our “strategic pivot” to Asia and the Pacific? Continue our old approaches to foreign aid and development?

In the *National Security Strategy of May 2010*, the Obama administration called for a transformed national security system based on a whole-of-government approach. In response, Congress required the President to submit an implementation plan for the organizational goals of the strategy. Section 1072 of the National Defense Authorization Act for Fiscal Year 2012 mandates (see full text of Section 1072 in Appendix I):

Not less than 270 days after the enactment of this Act, the President shall submit to the appropriate congressional committees an implementation plan for achieving the whole-of-government integration vision prescribed in the President's National Security Strategy of May 2010. This implementation plan shall include--

(1) a description of ongoing and future actions planned to be taken by the President and the Executive agencies to implement organizational changes, programs, and any other efforts to achieve each component of the whole-of-government vision prescribed in the National Security Strategy;

(2) a timeline for specific actions taken and planned to be taken by the President and the Executive agencies to implement each component of the whole-of-government vision prescribed in the National Security Strategy;

(3) an outline of specific actions desired or required to be taken by Congress to achieve each component of the whole-of-government vision prescribed in the National Security Strategy, including suggested timing and sequencing of actions proposed for Congress and the Executive agencies.¹³⁸

This congressionally mandated report offers the same chance for the executive and the legislative branches to come together as they did with the Eberstat Report and the Congressional Reorganization Act

of 1946. However, rather than focusing on fixing the past as was done in the National Security Act of 1947, the focus should be on how to fix the future and embark on a forward-looking, functional executive-legislative strategic partnership that will guarantee our nation's security and well-being far into the future.

In today's bitterly partisan atmosphere, unilateral actions by the President to transform the national security system are viewed as admissions of weakness, or perhaps failure. Yet the opportunity to do the right thing and get the big things right in cooperation with Congress—the signal accomplishment of a second-term President—is both unprecedented and fleeting. The congressionally mandated Section 1072 report—due just 1 month before the presidential election—presented a unique opportunity for creating a strategic framework to address these fundamental national security issues and establishing a collaborative dialogue and partnership with the Congress. President Obama has clearly identified the role of the NSC/NSS to be strategic managers of the national security system in the two organizational documents he has issued so far—PDD-1 (*Organization of the National Security System*) and the PSD-1 (*Organizing for Homeland Security and Counterterrorism*). His *National Security Strategy of May 2010* not only reinforces this focus on transformed strategic system management by the national security advisor and the NSS, but specifically calls for implementation of these functions as well as a very prominent identification of the need for a corps of national security professionals across the federal government.

Our current “Pearl Harbor legacy” national security system in both the executive and legislative branches strongly reinforces the old adage of “being able to describe every tree in the forest, but unable to

describe the forest itself.” Congressional oversight for national security issues has expanded well beyond that foreseen in the 1946 realignment of congressional oversight under the armed services and foreign affairs committees. At least six Senate and seven House committees have jurisdiction over some aspect of national security. The complex global security environment today demands that congressional oversight be strategic, holistically based, and focused on achieving the goals of national security strategy. This requires strategic system management of national security missions as reinforced by strategically oriented congressional oversight of integrated, interagency budgets and assessment of policy outcomes rather than the current myopic focus on traditional agency competencies and programs.

This strategic system management and development of the national security system in the executive branch can be done within the intent of the language of the National Security Act of 1947 (as amended) regarding the advisory role of the NSC. However, continuing to utilize an understaffed and overworked NSS in order to “stay below the horizon” of congressional interest and oversight perpetuates the executive branch dysfunctions of the current legacy national security system at great risk to the nation. It also conveniently ignores the fact that within the Executive Office of the President, the Director of OMB and two deputies are confirmed by the Senate and routinely testify before Congress.

In fact, the national security advisor spends considerable time meeting with legislators and congressional staffs as well as the news media that affect the President’s domestic standing. The national security advisor must work alongside other executive branch

officials to build trust with Congress in order to facilitate cooperation between the two branches to achieve the administration's national security objectives.¹³⁹ Formalizing the role of the national security advisor and properly resourcing the NSS as the strategic managers of the national security system through executive order, budgetary processes, and ultimately revision of congressional oversight are strategic imperatives whose time has come if we are to meet the President's goal of "winning the future" with a government of the future that the President called for in his 2011 State of the Union address.

The first "Section 1072 Report to the Congress" should outline the President's intent to staff for and perform the strategic system management functions of policy, strategy, planning and resource guidance, alignment of resources with national security missions, oversight of implementation, and assessment as an integral part of his Article II responsibilities. The report should explicitly describe the additional resource requirements for the NSS to properly perform these strategic system management tasks and include those requirements in the budget for FY 2014. Additionally, the report should address the problem of continuity across administrations — of having a full complement of national security professionals to provide strategic management of the NSC national security processes and the need to put together a fully functioning inter-agency national security team as quickly as possible, with particular focus on the confirmation of key assistant secretaries who populate the IPC level and do the critical first level work.

Additionally, the Section 1072 Report should focus on the need for integrated national security budgets with 6-year resource and planning profiles as an exten-

sion of the GPRAMA of 2010 and provide such budgets in several selected national security mission areas beyond that already provided for in the Global Security Fund established by the Departments of State and Defense in the FY 2012 budget. In this regard, the problem of the fungibility of funds – the “color of money” – that are inherent in integrated national security budgets must be addressed. The President should request that both houses of Congress review these integrated national security mission budgets through joint or select national security oversight committees rather than the currently constituted congressional committees that exercise oversight over the stovepiped departments and agencies. One need only look at the DHS and the current congressional oversight system of 88 separate subcommittees – a legacy system based on where the many components of the department were located in the executive branch 10 years ago rather than the five integrated mission areas defined in the QHSR/Bottom-Up Review of the department today. This fragmented oversight is within each current stovepipe! “Death by a thousand cuts” is probably not too far from describing the piecemeal approach to oversight of not only DHS, but the many other departments and agencies with equities in national security missions, many of them with overlapping and legacy programs that have outlived their usefulness. Holistic oversight of integrated interagency national security missions is totally lacking. New executive branch strategic system management of our national security system would, in fact, greatly improve Congress’s ability to provide responsible oversight.

The initial Section 1072 Report should also address the problem of sequencing national security documents mandated by statute today—the national security strategy, departmental quadrennial reviews, annual budgets, and reports to Congress—so that there is a logic and progressive path that forces the production of a true ends, ways, and means-based national security strategy, strategic choices about what we as a nation will and won't do, alignment of resources (ways and means) with national security missions, and assessment of outcomes. In many ways, this is analogous to the transformation of the DoD and the military services since Goldwater-Nichols in 1986, where the warfighters become the combatant commanders of joint forces and the services and service chiefs become force providers. In the same way, the departments and agencies must also come to view themselves as “capability providers” to larger integrated national security missions.

As a part of the Section 1072 report, the President should also submit to Congress his plan and resource needs for fulfilling the promise to adapt and provide the training and education for national security professionals to meet the challenges of the 21st century. This plan should include the rationale for departing from Executive Order 14343 and its broad system-based approach and the recommendations of the Section 1054 Study required by the National Defense Authorization Act of 2010 to the current NSPD 2.0 that is focused on a very narrow range of emergency management tasks. This is especially important as we face a “sea change” in the federal bureaucracy with the retirement of a large percentage of the workforce over the next decade—and with this change, we

will gain the opportunity to recruit, train, and educate a network-based corps of true national security professionals.

The national security system should not be an adversarial process or game of “gotcha” – either between the executive and the legislative branches or within and among the stove-piped departments and agencies bound to and protected by their congressional patrons. Both branches must realize that we are saddled with a legacy national security system designed to avoid the failure at Pearl Harbor. It allowed us to muddle through the Cold War, but it is both inappropriate and irrelevant for today’s national security challenges. The President has clearly stated that the national security system must be transformed if the nation is to remain a relevant, effective global leader in the 21st century.

The National Security Act of 1947 (as amended in 1949) attempted to fix the problems of the past in the hope that the security arrangement required in the future would be sufficiently similar for the fixes to have value. Lacking a real debate, the post-Cold War fixes to the national security system resulted in the four-tiered NSC system that once again fixed the system’s past defects. What followed the Cold War, 9/11, and the economic crisis of 2008 is more discontinuous than the change after World War II. That does not explain why we have avoided this debate at the highest levels, but it does suggest that the same retroactive approach to “fixing” our national security system would be a mistake. In that regard, the *CSIS 2012 Global Forecast: Risk Opportunity and the Next Administration* notes that the contraction of resources at home and the rising volatility and complexity of challenges overseas, while not necessarily equating to American decline, does mean added risk: “Every senior national secu-

rity leader in Washington is struggling with how to allocate shrinking resources on hand to address an expanding problem set.”¹⁴⁰

We are, as we were in 1946-47, faced with a strategic choice on to how to allocate resources and control our destiny. The President’s *National Security Strategy* properly describes the future and recognizes the role that Congress must play in providing answers. Through Section 1072, Congress has accepted the President’s invitation to parley and fix the future rather than the past. The President’s response to the reporting requirements of Section 1072 of the 2012 National Defense Authorization Act – to include what Congress can and should do as a committed strategic partner in a historic joint venture – can and should be the first step to true transformation of the national security system and meeting the intent of the President’s *National Security Strategy* to preserve our national security and prosperity in the 21st century.

ENDNOTES

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4. John W. Gardner, *Self Renewal: The Individual and the Innovative Society*, reprinted by W. W. Norton & Company, New York, 1995, p. 44.

5. Stuart, p. 35:

State Department representatives had traditionally argued that war and peace were mutually exclusive conditions that called for distinct institutional responses. Since US history had been characterized by long periods of relative peace, interrupted by brief instances of major war, this argument had served the interests of the Foreign Service. By the 1930s, however, America had developed global interests and had become increasingly vulnerable to distant enemies. Under these circumstances, the argument was inappropriate, then anachronistic, then dangerously irresponsible. The price that the State Department paid for clinging to this argument was almost total marginalization during the Second World War.

6. Cody M. Brown notes that President Truman, publicly calling for the unification of the War and Navy Departments, had written an article titled "Our Armed Forces Must Be Unified," *Collier's Magazine*, August 26, 1944, p. 16, cited in *Role of the National Security Council: Legal Affairs Roundtable on National Security Transformation*, American Bar Association Standing Committee

on Law and National Security, Washington, DC, February 2011, hereafter *Legal Roundtable*.

7. The Eberstadt Report is reprinted in U.S. Congress, Senate, Committee on Naval Affairs, *Report to Hon. James Forrestal, Secretary of the Navy, On Unification of the War and Navy Departments and Post-War Organization for National Security*, 79th Congress, 1st Sess., Washington, DC: U.S. Government Printing Office, October 22, 1945.

8. Legislative Reorganization Act of 1946, P.L. 79-601, May 17, 1946.

9. Project on National Security Reform, *Forging a New Shield*, Arlington, VA, November 2008, pp. 51-52, hereafter *FANS*.

10. National Security Act of 1947, P.L. 80-253, Stat. 496, 1947.

11. Unification – Memorandum, “Keeping the Nation Strong:” Box 17, Papers of Clark M. Clifford, Truman Library, quoted in Brown, *Legal Roundtable*, p. 3. See also Stuart, *Creating the National Security State*.

12. *FANS*, p. 51.

13. Karl F. Inderfurth and Loch K. Johnson, eds., *Fateful Decisions: Inside the National Security Council*. New York: Oxford University Press, 2004, p. 1.

14. David McCullough, *Truman*, New York: Simon & Schuster, 1992, p. 556.

15. Harvey Sicherman, “The National Security Council System: It’s Not Much, But We Like It,” p. 81, in Joseph R. Cerami, Robert H. Dorff, and Matthew H. Harbor, eds., *National Security Reform 2010: A Mid-Term Assessment*, Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2011. Within the executive branch of government, Presidents have long struggled with the concept of cabinet government. President Andrew Jackson’s distrust of his cabinet tied closely to the Vice President, and factions in Congress led to his formation of a “kitchen cabinet,” composed of friends who were not confirmed by Congress and whose ad-

vice was highly valued by the President. See Robert V. Remini, *The Life of Andrew Jackson*, Perennial Classics Ed., New York, W. W. Norton, September 1, 2001; and Arthur Schlesinger, Jr., ed., *Andrew Jackson*, BCE Ed., New York: Henry Holt and Company, 2005. President Lincoln's well-documented "team of rivals" is broadly cited for its inclusion of all of his former competitors for the republican nomination for President; yet by doing so, he managed to alienate friends and backers and spent a great deal of time and energy on managing backroom intrigues that seriously hampered, and in some cases compromised, the Union war effort. See Doris Kerns Goodwin, *A Team of Rivals*, New York, Simon & Schuster, 2005, available from articles.latimes.com/2008/nov/18/opinion/oe-pinsker18. Woodrow Wilson was heavily reliant on "Colonel" Edward House during the critical period leading up to World War I "to make the world safe for democracy" and the failed attempt to involve the United States in world affairs through the League of Nations. See Christopher Lasch, *Woodrow Wilson's Right Hand, The Life of Colonel Edward M. House*, New Haven, CT: Yale University Press, May 23, 2006; and en.wikipedia.org/wiki/Edward_M._House. President Harding was advised and informed by Albert D. Lasker, a non-cabinet member, on the need to return to "normalcy" – to return America to the world as unentangled with Europe as before the great war, nativism, and away from government activism in American life. See John A. Morello, *Selling the President, 1920: Albert D. Lasker, Advertising and the Election of Warren G. Harding*, Westport, CT, Praeger Publishers, 2001; and en.wikipedia.org/wiki/Warren_G._Harding.

16. *FANS*, p. 120.

17. Inderfurth and Johnson, eds., p. 28.

18. Sicherman, pp. 82-83.

19. Brown, *Legal Roundtable*, p. 1.

20. Reorganization Plan Number 4 of 1949, 63 Stat. 1067, effective Aug. 20, 1949. The Executive Office of the President (EOP) is composed of senior advisory groups or offices established to advise the President across a range of critical policy areas and is overseen by the White House Chief of Staff. Since its creation in 1939 by President Roosevelt, the following entities have been

created within the Executive Office of the President: National Security Council, National Economic Council, Council of Economic Advisors, Council on Environmental Quality, Domestic Policy Council, Office of Administration, Office of Management and Budget, Office of National Drug Control Policy, Office of Science and Technology Policy, Office of the United States Trade Representative, President's Economic Recovery Advisory Board, President's Intelligence Advisory Board and Intelligence Oversight Board, White House Military Office, and the White House Office, available from www.whitehouse.gov/administration/eop.

21. Sicherman, p. 83.

22. Daalder and Destler, p. 5.

23. Sicherman, p. 84.

24. See Cody M. Brown, *The National Security Council: A Legal History of the President's Most Powerful Advisors*, Washington, DC: The Project on National Security Reform, 2008, pp. 78-80, hereafter cited as *The National Security Council*. The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) created the position of Director of National Intelligence, displacing the role previously held by the Director of Central Intelligence since 1947 as the President's principal advisor on intelligence matters, and as a member of the Committee on Foreign Intelligence and the Committee on Transnational Threats, and as the intelligence community representative at NSC meetings. Most recently, Congress quietly amended Section 101(a) of the National Security Act for the first time in nearly 60 years when it added the Secretary of Energy as a statutory member of the National Security Council.

25. See Stuart.

26. David Auerswald, "The Evolution of the NSC Process," Roger C. George and Harvey Rishikof, eds., *The National Security Enterprise: Navigating the Labyrinth*, Washington, DC: Georgetown University Press, 2011, p. 35.

27. See Leon Fuerth, "Operationalizing Anticipatory Governance," *Prism*, No. 4, Washington, DC: National Defense University Press, September 2011, pp. 31-46.

28. This basic imbalance has only been exacerbated in the decades following the 1947 act. Since then, 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. The Mutual Security Act of 1951, which created the Mutual Security Agency, the Goldwater-Nichols Act of 1986 that completed the military unification originally embodied in the National Security Act of 1947, as amended, the creation of the Department of Homeland Security in 2002, and the Intelligence Reform and Terrorism Prevention Act (IRPTA) of 2004, which created the Office of the Director of National Intelligence, are the most obvious examples of this effort to reinforce “stovepipes” in the executive branch and their relationships with congressional oversight committees.

29. Robert L. Hutchings, *American Diplomacy and the End of the Cold War: An Insider's Account of U.S. Policy in Europe, 1989-1992*, Washington, DC: The Woodrow Wilson Center Press, 1997, pp. 22-23.

30. Cody W. Brown, p. 6. This four-tiered system remains intact today. The Interagency Committees are now called Interagency Policy Committees (IPCs) and the Sub-Interagency Committees are called Sub-IPCs. See a discussion on the IPCs in Part 5.

31. Daalder and Destler, pp. 203-204.

32. John P. Burke, *Honest Broker? The National Security Advisor and Presidential Decision Making*, College Station, TX: Texas A&M University Press, pp. 173-174.

33. *Ibid.*, pp. 183-184.

34. *FANS*, pp. 87-88.

35. *FANS*, pp. 88-89; and personal experience of the author, who was assigned to U.S. Southern Command in the lead-up to Operation JUST CAUSE.

36. These case studies are being published by the Strategic Studies Institute of the U.S. Army War College. See Richard Weitz, ed., *Case Studies*, Vol. 1, 2008, and Vol. 2, 2012.

37. *FANS*, pp. 91-101.

38. Carl Bildt, *Peace Journey: The Struggle for Peace in Bosnia*, London, UK: Weidenfeld and Nicholson, 1988, p. 387.

39. Richard Holbrooke, *To End a War*, New York: The Modern Library, 1999, p. 81.

40. Colonel Wally Walters, U.S. Army (Ret.), former Defense Attaché, U.S. Embassy, Sarajevo, comments on April 27, 2012.

41. *FANS*, p. 78.

42. Rowan Scarborough, "Study Hits White House on Peace-keeping Missions," *The Washington Times*, December 6, 1999, p. A-1.

43. David Auerswald, p. 46.

44. See Christopher Lamb and Evan Munsing, *Secret Weapon: High-value Target Teams as an Organizational Innovation*, Washington, DC: National University Press, 2011, available from ricks.foreignpolicy.com/posts/2011/03/25/the_surges_secret_weapon_lessons_of_interagency_high_value_targeting_teams.

45. *Ibid.*

46. *Ibid.*, p. 33.

47. See, for example, the Intelligence Reform and Terrorism Prevention Action (IRPTA) of 2004, which provides the CIA with an escape clause from direction by the ODNI.

48. Sicherman, pp. 101-104.

49. Rajiv Chandrasekaran, *Little America: The War Within the War for Afghanistan*, as reviewed by Tony Perry, *Los Angeles Times*, August 25, 2012.

50. See Project on National Security Reform, *Toward Integrating Complex National Missions: Lessons from the National Counterterrorism Center's Directorate of Strategic Operational Planning*, February 2010, hereafter cited as *NCTC/DSOP Report*.

51. See www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4X38IMS for a description of the S/CRS Interagency Management System. See Brown, *Legal Roundtable*, p. 22, for remarks of a former Coordinator for Reconstruction and Stabilization who noted during his comments at the ABA Legal Roundtable that:

. . . [I]ntegration was achieved through interagency negotiations across the different agencies. At the resource level, the Office 'didn't quite solve it' . . . because of pressure applied on the appropriators by USAID, the Office continues to be funded through two separate accounts in USAID and the State Department. Nevertheless, the Office was able to create a unified budget, but operations were not as smooth as they would otherwise be with a single funding stream. . . .

At the crisis response-level, i.e., execution, "the results aren't so good," he noted. To solve the "perpetual inefficiency of our government in responding to crises," the Office created the Interagency Management System which was approved by all of the relevant departments, "but of course it has never been used." In explaining why the system has never been used, he remarked:

We operate in an inefficient way because it is politically convenient. When a crisis erupts, anyone who has a plausible stake in that crisis and enough political clout will grab a piece of it. [It's a lot like peewee soccer — everyone runs to the ball instead of playing their position.] And as a consequence, you have multiple working groups and multiple senior groups, multiple chains of information and chains of command all doing duplicative work that cuts against each other.

52. See: "Organizing for National Security," Inquiry of the Subcommittee on National Policy Machinery, Senator Henry M. Jackson, Chairman for the Committee on Government Opera-

tions, United States Senate, 1961, p. 17; Arnold Kanter, quoted in Ivo Daalder and I. M. Destler, "Arms Control Policy and the National Security Council," *Oral History Roundtables* (3/23/2000); Robert L. Hutchings, pp. 22–23; Vincent A. Auger, "The National Security System After the Cold War," in *U.S. Foreign Policy After the Cold War*, Pittsburgh, PA: University of Pittsburgh Press, 1997, p. 60; and *FANS*, pp. 121-128.

53. Whittaker, *et al.*, *Update 2010*, p. 39.

54. Bob Dylan, 1964 album titled *The Times They Are a-Changin'*, Columbia Records.

55. Stuart, p. 35.

56. *Ibid.*, p. 15.

57. *Ibid.*

58. John Fass Morton, *Network Federalism: Toward a Security Governance for America's Post-Industrial Century*, Annapolis, MD: U.S. Naval Institute Press, 2012, pp. 2-3.

59. See Erik Peterson, *Seven Revolutions Initiative*, Washington, DC: The Global Strategy Institute, Center for Strategic and International Studies, 2007.

60. See Joseph S. Nye, "The Future of American Power," *Foreign Affairs*, Vol. 89, No. 6, November/December 2010; and *Soft Power: The Means to Success in World Politics*, New York: Public Affairs, 2004.

61. See "And the Best Country in the World Is?" *Newsweek*, August 23-30, 2010; *Foreign Affairs Special Issue: The World Ahead*, Vol. 89, No. 6, November-December 2010; and Daniel Gross, "America is Winning—and Why," *Newsweek*, May 7, 2012, pp. 22-26.

62. See Paul Kennedy, *The Rise and Fall of Great Powers: Economic Change and Military Conflict from 1500 to 2000*, New York: Random House, 1987; and Craig Cohen and Josiane Gabel, *2012 Global Forecast: Risk Opportunity, and the Next Administra-*

tion, Washington, DC: The Center for Strategic and International Studies, 2012.

63. Andrew Erdmann, former Director for Iran, Iraq and Strategic Planning on the NSC Staff and former member of the Secretary of State's Policy Planning Staff, during a Strategic Studies Institute, U.S. Army War College Workshop on the National Security Staff, Washington, DC, September 26, 2011.

64. The Project on National Security was founded in 2006 as a nonpartisan, nonprofit organization. It received a mandate and funding from Congress in the FY 2008 National Defense Authorization Bill to recommend improvements in the national security system. See www.govtrack.us/congress/bill.xpd?bill=h110-4986.

65. *FANS*, pp. iv-v.

66. Mr. Y, *A National Strategic Narrative*, Washington, DC: Woodrow Wilson International Center for Scholars, 2011.

67. Fuerth.

68. *Joint Publication (JP) 1.02: Department of Defense Dictionary of Military and Associated Terms*, updated February 15, 2012, available from dtic.mil/doctrine/new-pubs/jpl.02pdf.

69. In the case of post-combat Iraq, the military's security-focused effort had, at a minimum, to be done in cooperation with other agencies' efforts to promote good governance, economic development, and the like. Military operations and civilian surge operations enabled each other's success. The synergistic effect of both became greater than the sum of their separate efforts.

70. Successful field interoperability involves a wide variety of activities including equipment and protocols for communications, a culture of sharing that is encouraged by senior leadership, the ability to provide or exchange resources without legal or other inhibitions, common understanding of intents and capabilities, and clear standards for accountability that are also agile enough to embrace and expect cross-functional and interagency mutual support. In other cases, such as with Provincial Reconstruction Teams (PRTs) and the S/CRS Field Advanced Civilian Teams (FACTs), collaboration may be required in field settings as well.

71. Major General William A. Navas, Jr., U.S. Army (Ret.), former Director of the National Security Professional Development Integration Office (NSPD-IO) during remarks at the roll-out of PNSR's *The Power of People: Building an Integrated National Security Professional System for the 21st Century*, a report completed in compliance with Section 1054 of the National Security Authorization Act of 2010.

72. "Alexis de Tocqueville quotes," ThinkExist.com Quotations Online, August 1, 2012, available from en.thinkexist.com/quotes/alexis_de_tocqueville.

73. Barack Obama, *State of the Union Speech*, January 25, 2011, available from www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-state-union-address.

74. Secretary of Defense Robert M. Gates, remarks at The Nixon Center, Washington, DC, February 24, 2010, available from www.defense.gov/speeches/speech.aspx?speechid=1425.

75. *National Security Strategy*, pp. 14-16.

76. Christopher Holshek, *America's First Quarter Millennium: Envisioning a Transformed National Security System in 2026*, Arlington, VA: Project on National Security Reform, November 9, 2011, p. 6.

77. "Black Swan" events are those that are a surprise to the observer and have major impact. These are events of large magnitude and consequence that play a dominant role in history and are generally recognized only in hindsight.

78. President George W. Bush, National Security Presidential Decision-1 (NSPD-1), *Organization of the National Security System*, February 13, 2001, available from www.fas.org/irp/offdocs/nspd/nspd1.htm.

79. Auerwald, p. 47.

80. Bob Woodward, *Obama's Wars*, New York: Simon & Schuster, 2010, p. 39.

Jones said he had seen the Bush NSC up close. It was understaffed [and] under-resourced The national security adviser had little clout and failed to think strategically by plotting out the detailed steps and plans of a policy for a year or two. This was the biggest missing piece in the Bush operation. The national security adviser had to develop measurements to ensure reasonable progress was being made toward the goals. If not, the plans had to be revised—radically if necessary. Too much policy was on automatic pilot. Second, Jones said, the national security adviser had to find a way to get results without ‘micromanaging’ what the departments and agencies should do. . . . What sealed the deal for Jones was a promise Obama made. If he accepted [the job], Obama said that on national security issues, ‘I will always ask your opinion or judgment before I do anything.’ It was a personal pledge. (To the former commandant of the Marines, whose motto is ‘Semper Fidelis’, ‘Always Faithful’, it meant everything.)

81. *Ibid.*, Jones Memo.

82. *Ibid.*

83. *PSD-1 Decision Memo Organizing for Homeland Security and Counterterrorism Findings and Recommendations*, May 8, 2009.

84. *Ibid.* See also, Homeland Security Policy Institute, Briefing of the PSD-1 Decisions, May 9, 2009, available from www.gwumc.edu/hspi/events/psd1PRF.cfm.

85. *PSD-1 Decision Memo*.

86. The 1947 Act explicitly charged the NSC, and by extension the staff, with *advising* the President on the integration of both foreign and domestic national security policies. See 50 U.S.C. § 402(a). (“The function of the Council shall be to advise relating to the national security....”).

87. *Ibid.*

88. Stephen J. Hadley and William J. Perry, *The QDR in Perspective: Meeting America's National Security Needs in the 21st Century, The Final Report of the Quadrennial Defense Review Independent Panel*, Washington, DC: United States Institute for Peace, 2010.

89. Alan G. Whittaker, Shannon A. Brown, Frederick C. Smith, and Ambassador Elizabeth McKune, *The National Security Policy Process: The National Security Council and Interagency System: Annual Update*, Washington, DC: National Defense University, August 2011, p. 69, hereafter cited as *Update 2011*.

90. Jack A. LeCuyer and Nancy Bearg, *Designing the National Security Staff for the New Global Reality*, unpublished paper for the PNSR, Washington, DC, November 2009, p. 9.

91. Gardner, pp. 43-44.

92. Albert Einstein," *Quotes.net*, STANDS4 LLC, 2012, May 31, 2012, available from www.quotes.net/quote/9285.

93. See www.csmonitor.com/USA/Foreign-Policy/2010/0423/Gates-Clinton-oppose-cuts-to-State-Department-budget.

94. National Security Act of 1947, P.L. 80-253, Stat 496, 2947.

95. See the Government Performance and Results Modernization Act of 2010, Public Law 111-352, January 4, 2011, available from www.gpo.gov/.../pkg/PLAW-111publ352/pdf/PLAW-111publ352.pdf.

96. See Gordon R. Sullivan and Michael V. Harper, *Hope Is Not a Method*, New York: Times Books, 1996.

97. Richard P. Rumelt, *Good Strategy – Bad Strategy: The Difference and Why It Matters*, New York: Crown Business, Crown Publishing Company, 2011, pp. 2-5.

98. Rosa Brooks, "Obama Needs a Grand Strategy," *Foreign Policy*, January 23, 2012, available from www.foreignpolicy.com/articles/2012/01/23/obama_needs_a_grand_strategy?page=0,0.

99. Rumelt, pp. 28-30.

100. President Barack Obama, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, available from www.defense.gov/news/Defense_Strategic_Guidance.pdf.

101. Dean Acheson, *Present at the Creation: My Years in the State Department*, New York, W. W. Norton, 1969, p. 214.

102. Paul Lettow and Tom Mahnken, "Toolbox: Getting Serious About Strategic Planning," *The American Interest*, Vol. 5, No. 1, September/October 2009, pp. 73-78.

103. Peter Feaver and William Imboden, "A Strategic Planning Cell on National Security at the White House," Daniel W. Drezner, ed., *Avoiding Trivia: The Role of Strategic Planning in American Foreign Policy*, Washington, DC, The Brookings Institution Press, 2009, pp. 255-56.

104. Interview with Peter Feaver, former Special Advisor for Strategic Planning and Institutional Reform in the Hadley NSC, December 8, 2009. See also Feaver and Imboden.

105. Whittaker *et al.*, *Update 2011*, p. 30.

106. Rumelt, p. 94.

107. Fuerth; and *Operationalizing Anticipatory Governance*, unpublished paper, Spring 2012.

108. See Dr. Sheila D. Ronis, ed., *Project on National Security Reform Vision Working Group Report and Scenarios*, Carlisle, PA: Strategic Studies Institute, U.S. Army War College, July 2010.

109. NSPD-60, *Establishing an Interagency Strategy Coordination Board*; see also Lettow and Mahnken.

110. PNSR, *NCTC/DSOP Report*, p. 81, available from pnsr.org/data/files/pnsr_nctc_dsop_report.pdf.

111. See www.doleta.gov/Performance/goals/gpra.cfm or www.whitehouse.gov/omb/mgmt-gpra/index-gpra.

112. Public Law 111-352, January 4, 2011, available from *www.gpo.gov/.../pkg/PLAW-111publ352/pdf/PLAW-111publ352.pdf*.

113. See *www.fas.org/irp/offdocs/ppd/ppd-8.pdf*.

114. Interview with Stephen Hadley, former National Security Advisor for President George W. Bush, January 21, 2010.

115. Barack Obama, *National Security Strategy*, May 2010, available from *www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf*.

116. See Nina M. Serafino, Catherine Dale, and Pat Towell, *Building Civilian Interagency Capacity for Missions Abroad: Key Proposals and Issues for Congress*, Washington, DC: Congressional Research Service, December 22, 2011, pp. 73-82, for an excellent summary of these reports.

117. *Ibid.*, p. 6.

118. President George W. Bush, Executive Order 14343, *National Security Professional Development*, Washington, DC: The White House, May 22, 2007.

119. *The Power of People: Building An Integrated National Security Professional System for the 21st Century*, Arlington, VA, PNSR, November 2010, hereafter cited as *The Power of People*.

120. *Ibid.* See also *www.fas.org/sgp/crs/natsec/RL34565.pdf*, CRS Report RL34565, Catherine Dale, *National Security Professionals and Interagency Reform: Proposals, Recent Experience, and Issues for Congress*, September 26, 2011; *www.govtrack.us/congress/billtext.xpd?bill=h111-6249*, H.R. 6249, Interagency National Security Professional Education, Administration, and Development System Act of 2010, 111 Cong., 2010, Introduced September 28, 2010, Last Action: referred to committee on September 29, 2010; *www.govtrack.us/congress/billtext.xpd?bill=h112-2314*, H.R. 2314, Interagency Personnel Rotation Act of 2011, 111 Cong. (2011), introduced June 23, 2011, Last Action: referred to committee on July 20, 2011; *www.govtrack.us/congress/billtext.xpd?bill=s112-1268*, S. 1268, Interagency Personnel Rotation Act of 2011, 111 Cong. (2011), introduced June 23, 2011, Last action: October 19, 2011.

121. See www.youtube.com/watch?v=vogNX9pwKwU; and www.iadb.org/news/detail.cfm?language=English.id=3586.

122. Fuerth, p. 11.

123. William B. Pickett, "Solarium Reprise," available from www.rose-hulman.edu/~pickett/solarium04.html.

124. See Hadley and Perry, p. iii.

125. Quoted in Ivo Daalder and I. M. Destler, "The Role of the National Security Adviser," Oral History Roundtables, October 25, 1999.

126. See www.brookings.edu/projects/archive/nsc/overview.aspx.

127. Data for each Fiscal Year are taken from the President's Budget for those years.

128. See Samuel I. Rosenman, "Summary of the Report of the Committee on Administrative Management, January 12, 1937," *Public Papers and Addresses of Franklin D. Roosevelt*, Vol. 5, New York: Random House, 1941, p. 674. "The New Deal had led to an extraordinary expansion of the functions of the federal government, and with this expansion, the management burdens of the president." Faced with these expanded responsibilities, FDR created the President's Committee on Administrative Management, the Brownlow Committee, to study ways to improve the management of executive affairs.

129. The National Commission on Terrorist Attacks Upon the United States, *9/11 Commission Report*, New York: W. W. Norton & Company, Inc., 2004, p. 32.

130. David Rothkopf, *Running the World: The Inside Story of the National Security Council and the Architects of American Power*, New York, Public Affairs, 2005, p. 459.

131. See www.nationaldefensemagazine.org/blog/Lists/Posts/Post.aspx?ID=383.

132. Charles Levinson, Margaret Coker, and Jay Solomon, "How Cairo, U.S. Were Blinded by Revolution," *The Wall Street Journal*, February 2, 2011, available from online.wsj.com/article/SB10001424052748703445904576118502819408990.html.

133. General James L. Jones, PNSR rollout of *Toward Integrating Complex National Missions: Lessons from the National Counterterrorism Center's Directorate for Strategic Operational Planning*, held at the Center for Strategic and International Studies, Washington, DC, January 2010; and Strategic Studies Institute, U.S. Army War College Workshop on the National Security Staff, Washington, DC, September 26, 2011.

134. The complex of all U.S. national security institutions.

135. See Serafino, Dale, and Towell for an excellent summary of these studies. See also Senators Gary Hart and Warren Rudman, Co-chairmen, U.S. Commission on National Security/21st Century, Washington, DC: Government Printing Office, 1999-2001; National Commission on Terrorist Attacks on the United States, *The 9/11 Commission Report*, Washington, DC: Government Printing Office, July 22, 2004; *Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era: Phase 2 Report*, Washington, DC: Center for Strategic and International Studies, 2005; Feaver and Inboden, "A Strategic Planning Cell on National Security at the White House"; and Bruce W. Jentleson, "An Integrative Executive Branch Strategy for Policy Planning," in Daniel W. Drezner, ed., *Avoiding Trivia: The Role of Strategic Planning in American Foreign Policy*, Washington, DC, Brookings Institution Press, 2009; Michele A. Flournoy and Shawn W. Brimley, "Strategic Planning for National Security: A New Project Solarium," *Joint Forces Quarterly*, No. 41, Spring 2006; Michele A. Flournoy and Shawn W. Brimley, *Strategic Planning for U.S. National Security: A Project Solarium for the 21st Century*, The Princeton Project on National Security, Princeton, NJ, September 2006; Aaron L. Friedberg, "Strengthening U.S. Strategic Planning," *The Washington Quarterly*, Vol. 31, No. 1, Winter 2007/2008, The Center for Strategic and International Studies and the Massachusetts Institute of Technology, pp. 47-60; PNSR, *Forging a New Shield*, Arlington, VA, 2008; and *Turning Ideas Into Action*, September 2009; Andrew Krepinevich, "Hearing of the Oversight and Investigations Subcommittee of the House Armed Services Committee: National Security Reform," Federal News Service, Washington, DC, March

19, 2009; and Paul Lettow and Tom Mahnken, "Toolbox: Getting Serious about Strategic Planning," *The American Interest*, Vol. 5, No. 1, Autumn 2009.

136. Brooks.

137. See Mr. Y, *A National Strategic Narrative*, Washington, DC: Woodrow Wilson International Center for Scholars, 2011; Michele Flournoy and Shawn Brimley, *Finding Our Way: Debating American Grand Strategy*, Washington, DC: Center for a New American Security, June 2008; and, Richard Fontaine and Kristin M. Lord, eds., *America's Path: Grand Strategy for the Next Administration*, Washington, DC: Center for a New American Security, May 2012.

138. Section 1072, H.R. 1540, FY 2012 National Defense Authorization Act.

139. Whittaker, *2011 Update*, p. 27.

140. Craig Cohen and Josiane Gabel, eds., *2012 Global Forecast: Risk, Opportunity and the Next Administration*, Washington, DC: Center for Strategic and International Studies, 2012, p. 2.

APPENDIX I

NATIONAL DEFENSE AUTHORIZATION ACT OF FY 2012: SEC. 1072. REPORT ON PLAN TO IMPLEMENT ORGANIZATIONAL GOALS RECOMMENDED IN THE NATIONAL SECURITY STRATEGY-2010

(a) Findings. Congress makes the following findings:

(1) An urgent need exists to transform the United States national security system in order to employ all elements of national power effectively and efficiently to meet the challenges of the 21st century security environment.

(2) The Quadrennial Defense Review Independent Panel emphasized this need in its July 2010 report, writing that 'the Panel notes with extreme concern that our current Federal Government structures--both executive and legislative, and in particular those related to security--were fashioned in the 1940s and, at best, they work imperfectly today. . . . A new approach is needed'.

(3) The National Security Strategy-May 2010 calls for such a transformation of the U.S. national security system through its identification of organizational changes already underway, its recommendation of additional organizational changes to be undertaken, and its commitment to strengthening national capacity through a whole-of-government approach.

(4) The realization of these organizational goals can best be assured by the preparation of a report by the President on progress being made on organizational changes already underway and on an imple-

mentation plan for the organizational changes newly recommended in the National Security Strategy.

(b) Plan To Implement Recommendations Required:

(1) IN GENERAL - Not later than 270 days after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report setting forth a plan to implement the organizational goals recommended in the National Security Strategy-May 2010.

(2) ELEMENTS - The report required under this subsection shall include the following:

(A) A progress report identifying each organizational change identified by the National Security Strategy as already underway, including for each such change the following:

- (i) The goal such organizational change seeks to achieve.
- (ii) The actions required of the Executive Branch to achieve such goal.
- (iii) The actions required of Congress to achieve such goal.
- (iv) The preferred sequencing of the executive and legislative actions specified under clauses (ii) and (iii).
- (v) The preferred timetable for such executive and legislative actions and for achievement of such goal.
- (vi) The progress that has already been achieved toward such goal, and the obstacles that have been encountered.

(B) An implementation plan addressing each organizational change newly recommended by the National Security Strategy, including for each such change the following:

(i) The goal each organizational change seeks to achieve.

(ii) The actions required of the Executive Branch to achieve such goal.

(iii) The actions of Congress required to achieve such goal.

(iv) The preferred sequencing of the executive and legislative actions specified under clauses (ii) and (iii).

(v) The preferred timetable for such executive and legislative actions for achievement of such goal.

(c) Annual Update—Not later than December 1 in each year following the year in which the report required by subsection (b) is submitted, the president shall submit to the appropriate committees of Congress an update of the report setting forth a description of the following:

(1) The progress made in achieving each organizational goal covered by the report required in subsection (b).

(2) The modifications necessary to the plan required by subsection (b) in light of the experience of the Executive Branch in implementing the plan.

(d) Appropriate Committees of Congress Defined—In this section, the term appropriate committees of Congress means –

(1) the Committee on Armed Services, Committee on Foreign Relations, Committee on Homeland

Security and Government Affairs, Committee on the Budget, Committee on the Judiciary, Committee on Appropriations, and Select Committee on Intelligence of the Senate; and

(2) the Committee on Armed Services, Committee on Foreign Affairs, Committee on Homeland Security, Committee on the Budget, Committee on the Judiciary, Committee on Oversight and Government Reform, Committee on Appropriations, and Permanent Select Committee on Intelligence of the House of Representatives.

APPENDIX II

THE STATE DEPARTMENT/USAID QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW (QDDR) AND PSD-7

This long-awaited *Quadrennial Diplomacy and Development Review* and its companion piece, the decision memorandum for PSD-7 (Presidential Study Directive on Global Development) were released in September, 2010, well after the *National Security Strategy* and with sufficient time to be fully informed by the president's strategy. Unlike any of the preceding departmental strategies or quadrennial reviews, the QDDR is replete with references to the National Security Strategy, the interagency, whole-of-government, and the role of the National Security Staff as the driver and integrator for diplomacy and development, and more generally, the elements of "civilian power" in the national security system. Secretary of State Hilary Clinton notes:

The QDDR is not simply a review. It defines how to make diplomacy and development coordinated, complementary, and mutually reinforcing. It assesses what has worked in the past and what has not. And it forecasts future strategic choices and resource needs. . . . But diplomacy and development can only be mutually reinforcing if the U.S. government gets its house in order. The first step is to move beyond agency "stove-piping" and use all the talent and expertise within the federal government.

The QDDR's repeated reference to the State/US-AID relationship to the National Security Staff is especially relevant in terms of strategic management of the national security system as detailed below:

- Under the guidance of the National Security Staff, the State Department will lead for operations responding to political and security crises, while USAID will lead for operations in response to humanitarian crises resulting from large-scale natural or industrial disasters, famines, disease outbreaks, and other natural phenomena (p. 20).
- Work with the National Security Staff and our interagency partners toward a national security budgeting process that would allow policymakers and lawmakers to see the whole of our national security priorities (p. 25).
- It is now up to State and USAID to work with the National Security Staff and other civilian U.S. Government agencies to develop an effective civilian capability to promote short-term stabilization, sustainable peace, and development (p. 125).
- The National Security Staff provides overall policy leadership and coordinates the interagency in responding to major crises. In all crises, it is critical to refine the division of labor between State and USAID to increase operational effectiveness. Going forward, State and USAID will adopt a lead agency approach to guide our own operations (p. 157).
- In Washington, State and USAID will work closely with the National Security Staff and other federal agency partners to ensure unified interagency guidance, planning, and execution. In situations that call for a joint civil-military approach, State and USAID will coordinate with the Department of Defense. Our approach does not diminish the unique capabilities of

either agency, but seeks to more precisely differentiate responsibilities, align mandates, and clarify roles (p. 159).

- State and USAID will coordinate with inter-agency partners, through the National Security Staff-led process, to develop an International Operational Response Framework that establishes the systems and procedures necessary to ensure transparent and accountable leadership structures and agency lines of responsibility which, when combined, will leverage and deliver the full range of U.S. international disaster, crisis, and conflict response resources (p. 165).
- Guided by the National Security Staff-led Review of Security Sector Assistance, the QDDR examined how State and USAID could become more effective at providing security and justice assistance. Our overall approach needs to be comprehensive—integrating military assistance, police and internal security, and rule of law programs—and sustained to achieve results. To be effective, we must prioritize and select our partners, ensure that security sector assistance promotes responsible democratic governance, and improve coordination within State and USAID as well as across the inter-agency to promote unity of effort (p. 178).
- The National Security Staff-led interagency review of Security Sector Assistance will provide policy guidance for a U.S. Government approach to security and justice assistance. Under the guidance of the President, State and USAID will work together with the National Security Staff (p. 180).

- *Develop a common strategic framework and operational guidance.* Working with other agencies, we will develop a common security and justice sector reform framework, consistent with the ultimate findings of the National Security Staff-led Security Sector Assistance Review, that describes U.S. objectives and priorities, and inter-agency roles and responsibilities (p. 181).

The QDDR takes on the fundamental task of defining a State/USAID vision, mission, and core capabilities to implement the objectives laid out in the President’s National Security Strategy. Importantly, a performance-based management philosophy for management at the strategic level in the State Department/USAID is embedded in the QDDR, and organizational structure, process, and cultural changes are identified for implementation. Interestingly, the department has turned to the private sector that long ago abandoned strict hierarchical organization for performance-based management through flat organization and cross-functional teams for guidance and inspiration. The *Study – Managing 21st Century Diplomacy: Lessons from Global Corporations* – was done by Dr. Kristin Lord and Richard Fontaine for the Center for a New American Security in December of 2010. It begins by noting that:

. . . as the State Department prepares to implement recommendations from its first QDDR, its leadership team must inevitably focus on management. This report, based on extensive interviews with executives from four major global corporations—GE, McDonald’s Corp, FedEx, and IBM—offers recommendations for how the State Department can include corporate management lessons as it grapples with its own efforts at reform.

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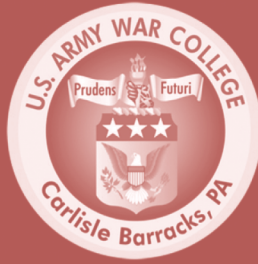
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