A RAND NOTE

Studies in Defense Organization: A Guide to Title III of the Department of Defense Reorganization Act of 1986

James L. Lacy

April 1987

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Prepared for
The United States Army

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PREFACE

This Note has been prepared by RAND's Arroyo Center at the request of the Army Reorganization Commission. Its purpose is to help inform the Army's overall examination of the defense agencies and Department of Defense field activities. The overall examination is mandated in Title III of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433). Title III requires each Service Secretary to conduct a separate, independent study of these agencies and activities.

The materials that follow are concerned with the legislative background of the Title III study requirement. This Note traces the emergence and evolution of Title III in the deliberations of the House and Senate Armed Services Committees, reviews the factors that evidently animated the Congress to act as it did, and examines the specific provisions of Title III against this background. In addition, it recasts the specific provisions of Title III in ways more directly attuned to the studies themselves than is the case with the statutory format of amending legislation of this kind. It suggests, in general terms, the kind of study most appropriate to respond to the evident Congressional intent, and to deal with the Army's own interests regarding the agencies and activities as well.

Although this Note discusses both the terms and the legislative record of the Title III study requirement, it is not a legislative history in the usual sense of the term. While it seeks to describe what happened and why, it does not attempt to resolve ambiguities or inconsistencies in the record. These latter matters are properly concerns for the Army's legal staff.

Although the materials have been prepared specifically for the Army, they should be of interest to others concerned with the defense agencies and DoD field activities, and with the implementation of Title III.

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SUMMARY

The defense agencies and Department of Defense field activities were not an early priority of the Congress when it took up DoD organization in the early 1980s. When the Congress did turn attention to these common service and supply agencies in late 1985/early 1986, it confronted criticisms of them on several counts. Among these were that the agencies and activities:

- have become excessive in number and size;
- are not as effective, economical, or efficient in providing services and supplies as the Congress had intended in authorizing the Secretary of Defense to create them;
- are not adequately supervised by the Secretary of Defense;
- seriously complicate organizational relationships within the Department of Defense that already are too complicated;
- are not sufficiently responsive to the needs of the users of their services and supplies;
- have acquired too great a peacetime orientation at the expense of their wartime responsibilities; and
- individually or collectively may no longer be the best organizational choices in terms of effectiveness, economy, or efficiency.

Title III of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 was drafted with these criticisms in mind. Title III deals exclusively with the defense agencies and DoD field activities. It prescribes a number of changes in their organization and reporting, and imposes a cap on their overall personnel strength. Most important for purposes here, it prescribes a series of parallel studies of the agencies and activities to be conducted in 1987 by each of the Service Secretaries, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense.

Although each of these studies is to be an integrated report, three somewhat different examinations are called for. The first assumes and concerns the status quo. The studies are to examine whether the existing allocation of functions to, and organizational structure of, the agencies and activities meet the statutory requirement of providing a common service or supply in a more effective, economical, or efficient manner. The second concerns the changes introduced elsewhere in Title III. The Congress seeks assessments from within the Department of Defense on whether these changes will enhance the readiness and responsiveness of the agencies in the event of war or national emergency. The third part of the examination concerns alternatives to the status quo. Among the alternatives to be considered are the elimination or consolidation of agencies and activities, return of their functions to the military departments, and transfer of responsibility for their functions to other DoD organizations.

Between 20 and 23 agencies and activities are involved. They employ nearly 100,000 personnel, and control a broad range of services and supplies--from strategic communications and intelligence to "wholesale" support such as POL, food, and maps.

The legislative history of Title III is not extensive. Most who testified about DoD reorganization did not address the agencies and activities directly or specifically. Reorganization of the Joint Chiefs of Staff (JCS) was the dominant issue in the Congress's deliberations, and most of the commentary concerned changes within the JCS structure.

Still, there is enough of a record to suggest what the Congress had in mind in calling for parallel studies of the defense agencies and field activities. On the one hand, the Congress has set forth fairly precise common study elements ("matters to be considered") and has listed evaluation criteria (effectiveness, economy, efficiency, readiness, responsiveness, and accountability). On the other hand, it seeks assessments of the agencies and activities that bear the distinctive mark of the DoD organization that is conducting the assessment. That is, it is also interested in the perspectives of the Army, Navy, Air Force, Office of the Secretary of Defense (OSD), and JCS with respect to the agencies and activities.

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I. INTRODUCTION

Title III of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 directs the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Secretaries of the military departments to conduct separate studies ("reassessments") of the defense agencies and Department of Defense field activities.[1] These are centralized organizations of the Defense Department set up to carry out supply and service activities that are common to more than one military department. Since 1958, the Secretary of Defense has been authorized to establish such single agencies, and to consolidate within them supply and service functions previously performed by the military departments, whenever he determines that to do so would be advantageous to the government in terms of effectiveness, economy, or efficiency.[2] Once established, the agencies report to the Secretary of Defense, not to the military departments.[3]

The defense agencies and DoD field activities have grown considerably since 1958. In 1960, there were three defense agencies (and no DoD field activities) performing a limited set of activities and employing approximately 8,600 personnel.[4] Today, by contrast, the

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[1]Public Law 99-433, October 1, 1986. Other titles in the Act deal with the Department of Defense Generally (I), Military Advice and Command Functions (II), Joint Officer Personnel Policy (IV), The Military Departments (V), and Miscellaneous Matters (VI).

[2] The Secretary's authority predated 1958, but was formally codified that year. The McCormack-Curtis Amendment to the 1958 Defense Reorganization Act, Public Law 85-599, provides as follows: "Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate."

[3]Defense agencies and DoD field activities are both subordinate organizations of the Office of the Secretary of Defense (OSD). The DoD field activities--not to be confused with field activities of the defense agencies or of the military departments--differ from the defense agencies primarily in the more limited scope of their activities.

[4]Two of the three predated the McCormack-Curtis Amendment. The National Security Agency was established by Presidential directive and

agencies and activities number as many as 23, employ nearly 100,000 permanently assigned civilian and military personnel, and control a host of services and supplies--from strategic communications and intelligence to "wholesale" support, such as POL, food, and maps.[5] Included are major organizations like the National Security Agency (NSA), Defense Intelligence Agency (DIA), Defense Mapping Agency (DMA), and Defense Logistics Agency (DLA), as well as a number of smaller entities of more limited scope.

Despite this growth, there have been few across-the-board assessments of defense agency performance, of the underlying concept, of whether the three "E's" (effectiveness, economy, and efficiency) are in fact being achieved, or of what centralization of functions within these agencies has come to mean for the organization and combat readiness of the armed forces.[6] The few assessments that have been made have been mostly critical. They have been exploratory and inconclusive, however, and conducted outside the Congressional orbit.[7]

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placed under the Secretary of Defense in 1952. The Advanced Research Projects Agency (rechristened the Defense Advanced Research Projects Agency and formally designated a Defense Agency in 1972) was established under the Secretary in February 1958. The Defense Atomic Support Agency (which became the Defense Nuclear Agency in 1972) was established in 1959.

[5]The 23 are described in Section III and in Appendix B. Not everyone agrees that all 23 qualify as defense agencies and DoD field activities. Some put the number as low as 19.

[6]This is not to say that specific agencies have not been examined in these terms, only that there have been relatively few across-the-board assessments. For illustrative agency-specific evaluations by the General Accounting Office, see, e.g., *Management Review: Progress and Challenges at the Defense Logistics Agency* (April 1986); *Department of Defense Progress in Resolving Contract Audits* (October 1983); and *Opportunities Exist to Reduce Operating Costs of the Department of Defense Overseas Dependent Schools* (August 1982).

[7]An exploratory review of the defense agencies was undertaken in 1978-1979 as part of the Carter administration's Defense Organization Study of 1977-1980 (DOS 77-80), and resulted in a critical report by Major General Theodore Antonelli, USA (Ret.), *Report to the Secretary of Defense of the Defense Agency Review* (1979) [hereafter *Antonelli Report*]. A follow-on to DOS 77-80 (which was terminated before a complete report was prepared) was subsequently written by a staff member of the House Armed Services Committee while posted as a Senior Research Fellow at the National Defense University: Archie D. Barrett, *Reappraising Defense Organization* (1983). The Barrett volume also dealt

The Congress seeks to remedy this situation in Title III by, among other things, requiring a fundamental reassessment of the agencies and activities. The reassessment--a series of separate studies by major organizational elements of the Department of Defense--has a prescribed deadline: Reports are due to Congress on or before October 1, 1987.

The discussion that follows is organized in four parts. Section II deals with the statutory setting. It reviews the origins of Title III, how it fits with the rest of the Reorganization Act, and the dual track the Congress has taken in legislating in some areas and calling for studies in others. Section III deals with the agencies and activities themselves--what they are, how they have evolved, and what about them evidently led the Congress to act as it did.

With this as backdrop, Section IV examines the specific terms the Congress has prescribed for reassessing the agencies and activities. Title III is unusually detailed in this regard. Not only has the Congress specified who will do the reassessments and when and how their results are to be reported, it also has set forth the matters to be considered.

Finally, Section V discusses the kind of reassessment and report most appropriate within the statutory setting. This Note considers all Title III studies, with particular emphasis on those studies to be done by the Service Secretaries. Elsewhere in the Reorganization Act, the Congress has called for a Joint Service study.[8] In Title III, each

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with the Defense Agencies (pp. 70-75) in critical fashion. In a somewhat different vein is the *Report on the Office of the Secretary of Defense, President's Private Sector Survey on Cost Control* (1983) [*Grace Commission Report*]. While occasionally critical of specific agency performance, the Grace Commission had fewer qualms about the basic idea of consolidating common noncombatant services and supplies than did Antonelli and Barrett. "Frequently...the facts may indicate that noncombatant functions can be done better if consolidated, and that consolidation would be more effective.... These consolidation recommendations do not confuse consolidation with centralization. In some cases, consolidation and decentralization may be appropriate, but decentralization by service may not be the most effective way to accomplish operational efficiency." *Ibid.*, p. 6.

[8]Title I, Section 109(B), calls for a joint study by the Service Secretaries of the functions and organization of the Office of the Secretary of Defense.

Service Secretary is to conduct a separate study--a provision that was added specifically to elicit each Service's viewpoints and perspectives. Section V speaks to the mandatory and discretionary aspects of Title III, the resulting latitude of the Services in fashioning their reassessments, and evident Congressional expectations regarding the exercise of that latitude.

II. THE STATUTORY SETTING

Title III is part of a complex piece of legislation, four years in the crafting. The stated aims of the 1986 Reorganization Act are to:

- Reorganize the Department of Defense and strengthen civilian authority within it;
- Improve the military advice provided to the President, the National Security Council, and the Secretary of Defense;
- Place clear responsibility on the commanders of the unified and specified combatant commands for the accomplishment of missions assigned to those commands;
- Ensure that the authority of the commanders of the unified and specified commands is fully commensurate with the responsibility of those commanders for the accomplishment of missions assigned to their commands;
- Increase attention to the formulation of strategy and to contingency planning;
- Provide for more efficient use of defense resources;
- Improve joint officer management policies; and
- Enhance military effectiveness and improve the Department of Defense's management and administration.[1]

The Act makes a number of changes in the principal organizational elements of the Department of Defense, eliminates some existing reporting requirements and specifies new ones, and requires studies in 1987 of the Office of the Secretary of Defense (OSD), the defense agencies, and the DoD field activities. The fourth such statutory reorganization of the Department of Defense since the Department's formation in 1947, the 1986 Act is also the most sweeping.[2]

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[1]Public Law 99-433, Sec. 3.

[2]Previous statutory reorganizations were the Security Act Amendment of 1949, Defense Reorganization Plan No. 6 in 1953, and the Defense Reorganization Act of 1958. Their provisions are summarized in U.S. Congress, Senate, *Defense Organization: The Need for Change*, Staff

BACKGROUND

The defense agencies and DoD field activities were not an early concern for the Congress. The Defense Reorganization Act of 1986 began in the House chiefly as an exercise in JCS reorganization. Spurred by criticisms of structural problems within the JCS by the then Chairman and then Army Chief of Staff, the House Armed Services Committee (HASC) began hearings on the JCS in April 1982.[3] These and subsequent hearings led to a series of JCS reorganization acts which passed the House in 1982, 1983, 1984, and 1985.[4]

The Senate Armed Services Committee (SASC) entered the picture in June 1983, and took a broader tack. While also addressing the JCS, the committee's leadership sought a comprehensive review of all major organizational elements of the Defense Department. In the Senate committee's view, the complex interrelationships among major DoD organizations made it difficult to examine any one organization (like the JCS) in isolation. In late 1983, the SASC directed its staff to undertake a comprehensive review of the Department of Defense.[5]

Report, Committee on Armed Services, 99th Cong., 1st Sess., 1985, pp. 51-53 [hereafter *SASC Staff Report*].

[3]General David C. Jones, JCS Chairman at the time, called for three major changes: strengthening the role of the JCS chairman; limiting service involvement in the joint process; and broadening the training, experience and rewards for joint service. Army Chief of Staff General Edward C. "Shy" Meyer urged the Congress to move beyond "tinkering" to a full-scale examination of "the issues which in the past have been put in the box which says 'Too tough to handle.'" U.S. Congress, House, *Background Material on Structural Reform of the Department of Defense*, Staff Report, Committee on Armed Services, 99th Cong., 2d Sess., 1986, pp. 2-3 [hereafter *HASC Staff Report*]. See generally, David C. Jones, "What's Wrong with Our Defense Establishment," *New York Times Magazine*, November 7, 1981, p. 81, and *Newsweek*, December 20, 1982, p. 32, quoting Jones.

[4]For the early legislative history of the 1986 Reorganization Act, including the House-passed JCS reorganization bills, see U.S. Congress, House, *Bill Nichols Department of Defense Reorganization Act of 1986*, Report, Committee on Armed Services, 99th Cong., 2d Sess., 1986, pp. 27-29 [hereafter *House Report 99-700*].

[5]U.S. Congress, Senate, *Department of Defense Reorganization Act of 1986*, Report, Committee on Armed Services, 99th Cong., 2d Sess., 1986, pp. 5-6 [hereafter *Senate Report* 99-280].

The SASC published the results of its staff study in October 1985. In keeping with its charter, the staff study left little about Defense Department organization untouched.[6] In November and December, the SASC conducted a series of 10 hearings based on the staff report.

In early 1986, "recognizing that the leadership of the Senate Armed Services Committee intended to address organizational problems throughout the Department of Defense," and having completed work on its JCS reorganization bill, the HASC followed suit and expanded the compass of its reorganization activities.[7] In February and March, the Committee's Investigations Subcommittee began a new round of hearings to "consider other elements of the Defense structure," specifically,

- the unified and specified commands;
- the military personnel system as it relates to officers who perform joint military duties;
- consolidating the military department headquarters staffs; and
- the defense agencies.[8]

In April 1986, the SASC reported an original bill, S. 2295, the *Department of Defense Reorganization Act of 1986*. The bill branched considerably beyond the JCS to address also the Office of the Secretary of Defense, the unified and specified commands, the defense agencies and DoD field activities, and the three military departments.[9] The bill passed the Senate by a vote of 95-0 on May 7, 1986.

In July, the HASC reported H.R. 4370, the *Bill Nichols Department of Defense Reorganization Act of 1986*. Similar in many respects to the Senate bill, H.R. 4370 also encompassed the major organizational

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[6] *SASC Staff Report*, (see p. 4, fn. 2). Although the report was written by the committee staff, it was prepared with the guidance and under the review of a task force of nine members of the committee led by the chairman and ranking minority member. *Senate Report 99-280*, p. 12.

[7] *House Report 99-700*, p. 29.

[8] *Ibid.*, pp. 30-31.

[9] *Senate Report 99-280*, pp. 2-4.

elements of the Department of Defense.[10] H.R. 4370 was approved by the House as an amendment to the Department of Defense Authorization Act, 1987, on August 5, 1986, by a vote of 406-4.

A Senate-House conference committee to reconcile the two bills convened on August 13 and completed action on September 11. The Senate agreed to the conference report on September 16; the House, on the following day. The Act was signed into law on October 1.[11]

EMERGENCE OF TITLE III

As the Congressional compass expanded beyond the JCS, the defense agencies and DoD field activities came in for Congressional scrutiny and critical commentary for the first time in nearly 25 years. The SASC staff report in October 1985 considered the growth of these agencies a "key organizational trend" in the evolution of OSD. It faulted those agencies with wartime responsibilities for too heavy a peacetime orientation, and expressed concern about "weaknesses of OSD control and supervision of the Defense Agencies."[12] In announcing its expanded round of hearings in early 1986, the HASC Investigations Subcommittee characterized its interest in the agencies in similarly critical terms.

> Increasingly, the Congress hears calls (sometimes from incumbent DoD officials) for the elimination of several, or all, defense agencies. The subcommittee will consider the viability of the defense agency concept; whether agencies with missions to support combat forces are sufficiently responsive to combat-related operational requirements and capable of performing their war-time missions; and the adequacy of financial oversight of the defense agencies within the Department of Defense.[13]

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[10] *House Report 99-700*, p. 201.

[11] Although the Department of Defense had vigorously opposed various parts of the bill, the President gave unqualified praise to its Congressional sponsors in signing it. "This legislation is the product of a four-year effort led by the House and Senate Armed Services Committees. It is a milestone in the long evolution of defense organization since our national security establishment was created in 1947.... After long and intense debate, we have set a responsible course of action by taking another important step forward...." 22 *Weekly Compilation of Presidential Documents*, October 6, 1986, p. 1317.

[12] *SASC Staff Report*, pp. 55, 114.

[13] *House Report 99-700*, p. 21.

Two of the five bills before the subcommittee as it began its hearings concerned the defense agencies: H.R. 4237, "a bill relating to improved oversight of Defense Agencies," and H.R. 4068, which would have eliminated DLA and the Defense Contract Audit Agency.[14]

Committee reports were broadly critical. The April report accompanying S. 2295 spoke of the defense agencies and DoD field activities in the following fashion.

> There are 14 Defense Agencies and 8 DoD Field Activities that carry out common supply or service functions for the entire DoD. These agencies and activities have not been adequately supervised and controlled. One negative consequence of this inattention is that the Defense Agencies are more oriented to peacetime activities than to supporting the combatant commands in wartime.[15]

The HASC report in July had more of a questioning character, but the tone was similarly negative.

> Have defense agencies lived up to their expected potential? Are they more *effective*, or more *economical*, or more *efficient* in their performance than were the military departments when they performed the functions now assigned to defense agencies? What is the evidence?
>
> A number of critics think that the agencies have not measured up....[16]

THE DUAL TRACK OF TITLE III

Against this backdrop, Title III of the Act proceeds on a dual track. Reflecting both committees' interest in tightening up with specific provisions--and the House's interest in probing fundamental considerations--it prescribes a number of changes in the oversight and

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[14] *Ibid.*, p. 32.
[15] *Senate Report 99-280*, p. 9.
[16] *House Report 99-700*, p. 49. [Emphasis in original.]

reporting of the defense agencies and DoD field activities, but it also reserves a number of basic questions for further study. These one-time studies, to be completed by October 1987, presumably will form the basis for any later legislative action.

On the first track, the title reaffirms the authority of the Secretary of Defense to establish defense agencies and DoD field activities, but it adds a statutory framework that did not exist previously.[17] This includes provisions regarding the size, supervision, testing and review, and reporting of the agencies and activities.[18]

First, growth is to be halted and may also be reduced. A permanent cap on personnel strength is imposed beginning with fiscal year 1990. Excluding NSA, the total number of military and civilian personnel on permanent duty in the defense agencies and DoD field activities after September 30, 1989, may not exceed the total number on duty on September 30, 1989.[19] Furthermore, by October 1, 1987, the Congress requires plans to reduce total personnel strength (excluding NSA) by 5 percent, 10 percent, and 15 percent on or before September 30, 1988, "together with a discussion of the implications of each such reduction and a draft of any legislation that would be required to implement each such plan."[20]

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[17]Section 301(a) (10 USC 191) provides: "Whenever the Secretary of Defense determines such action would be more effective, economical, or efficient, the Secretary may provide for the performance of a supply or service activity that is common to more than one military department by a single agency of the Department of Defense." The previous authorization, in the McCormack-Curtis Amendment of 1958, used "shall" rather than "may" in characterizing the Secretary's authority.

[18]These provisions, the Senate-House conferees made clear, are meant to apply to all such agencies and activities, including those in existence at the time of enactment. U.S. Congress, House, *Goldwater-Nichols Department of Defense Reorganization Act of 1986*, Conference Report, 99th Cong., 2d Sess., 1986, p. 130 [hereafter *Conference Report*].

[19]Section 301(a), 10 USC 194.

[20]Section 303(e)(4), 10 USC 191 note. On its face, Title VI of the Act goes further. Section 601(b) specifically directs the Secretary of Defense to reduce the total number of personnel assigned to the agencies and activities by an average of 9.9 percent (based on the overall agency and activity personnel strength as of September 30, 1986) in annual increments through September 30, 1989. Whether this will be done is unclear, however. Section 601(d) permits the Secretary to reallocate some or all of these reductions to other elements of the Department of Defense, should he determine that national security requirements so dictate.

Second, reflecting Congressional concerns about supervision and control, the title seeks to strengthen oversight by the Secretary of Defense by ensuring that there is an intermediate overall supervisor between the Secretary and the agency head for nearly all agencies and activities. Formalizing current practice, Title III requires that the Secretary assign responsibility for the overall supervision of each agency and activity (except NSA and DIA)[21] to either a senior civilian OSD assistant or the Chairman, JCS.[22] Henceforth, the designated supervisor is to advise the Secretary on the extent to which the program recommendations and budget proposals of the agency or activity conform with the material requirements of the military departments and the operational requirements of the unified and specified combatant commands.[23]

Third, Title III requires periodic reappraisals by the Secretary of Defense of all of the agencies and activities to ensure that the rationale for each agency's establishment (effectiveness, economy or efficiency) continues to apply. No less often than every two years, the Secretary is to review the services and supplies provided by each agency and activity to ensure that (1) there is continuing need for the agency or activity and (2) the provision of services or supplies by a single agency is more effective, economical, or efficient than were the services or supplies to be provided by the military departments themselves.[24]

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[21]NSA and DIA are explicitly excluded. Section 303(a)(1), 10 USC 192(a)(3). The conferees specified, however, that in not requiring an intermediate supervisor for NSA and DIA, they did not intend to alter the authority of the Secretary to take such action himself. *Conference Report*, p. 130.

[22]Section 301(a), 10 USC 192(a)(1). At present, only one defense agency (and no DoD field activity) reports to the Secretary of Defense through the Chairman of the Joint Chiefs. The exception is DIA.

[23]Section 301(a), 10 USC 192(a)(2). The section also requires that the Secretary of Defense establish procedures to ensure that there is full and effective review of these program recommendations and budget proposals. 10 USC 192(b).

[24]Section 301(a), 10 USC 192(c)(1). The review of NSA is subject to specialized provisions. 10 USC 192(c)(2). The first of these reports is to be completed not later than October 1, 1989. Section 304(a), 10 USC 192 note.

Fourth, reflecting concern about support to combatant commands, defense agencies with wartime support responsibilities are now designated "Combat Support Agencies" and are subject to additional provisions.[25] No less often than every two years, the Chairman of the Joint Chiefs is to report to the Secretary of Defense the Chairman's assessment of the responsiveness and readiness of each combat support agency to support operating forces in the event of war or threat to national security.[26] The Chairman is further required to provide for the participation of the combat support agencies in joint training exercises, to evaluate their performance in such exercises, to take steps in accordance with the Secretary's guidelines to improve such performance, and to develop a readiness reporting system regarding their wartime and emergency preparedness.[27] The Secretary of Defense is to include in his annual reports to the Congress, beginning with the report for 1988, a report on the steps taken to implement these provisions.[28]

The second track, the requirement for a reassessment of the agencies and activities in 1987, originated in the House and aims at fundamental questions. Up to this point, Title III mostly assumes the existence of the agencies and activities, and makes changes within the status quo. The call for a series of reassessment studies in Section 303, by contrast, is an explicit invitation to reconsider the basics.[29]

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[25]Four agencies are so designated in the Act: DIA, DLA, DMA, and the Defense Communications Agency (DCA). The Secretary of Defense is authorized to add to the list by designating any other defense agency a combat support agency. Section 301(a), 10 USC 193. Although NSA is not so designated, the additional provisions apply, but only with respect to combat support functions NSA performs for the Defense Department. *Ibid.*

[26]*Ibid.* The first such report is to be completed not later than October 1, 1987. Section 304(b), 10 USC 193 note.

[27]Section 301(a), 10 USC 193. This is to be a uniform system for readiness reporting to the Secretary of Defense, the commanders of the unified and specified commands, and the Secretaries of the military departments.

[28]Section 304(b), 10 USC 193 note.

[29]*House Report 99-700*, p. 49: "In light of the criticisms of the defense agencies...an in-depth review of the functions of defense agencies is appropriate."

As in the case of Title I studies of OSD, Title III does not leave much to chance: Section 303 specifies not only who will do the reassessment studies, but also how and when they will be submitted to the Congress, along with the matters they are to consider.[30] In addition to a study and report by the Secretary of Defense, Section 303 requires separate parallel studies by the Chairman of the JCS and by each of the Service Secretaries.[31] The report by the Secretary of Defense is to include a discussion of the reports of these other studies, and the Secretary of Defense must transmit copies of these reports to the Congress.[32] The deadline for submission is October 1, 1987.[33]

Among the matters to be considered in each reassessment study are the adequacy of the changes already introduced by Title III and the need for any additional legislative or administrative action.[34] Beyond these, Section 303 aims squarely at two questions: (1) whether the existing allocation of functions to the agencies and activities meets the statutory requirement of providing supplies and services in a more effective, economical, or efficient manner; and (2) whether alternative ways of doing so would make the performance of these functions *more* effective, economical, or efficient.[35] Unlike the biannual reviews by the Secretary of Defense,[36] the Section 303 reassessment directly solicits the recommendations of other DoD organizational elements--the JCS and the military departments--and requires that these be transmitted to the Congress.

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[30]Title I management studies of OSD are essentially similar. Section 109, 10 USC 131 note.

[31]Section 303(a) and (b).

[32]Section 303(e).

[33]Section 303(f).

[34]Section 303(a)(3), (4) and (5).

[35]Section 303(a)(1) and (2). Among the alternatives to be considered are elimination or consolidation of one or more agencies, devolution of functions to the military departments, and transfer of functions to other organizational entities.

[36] See fn. 24 above and accompanying text.

III. THE ANIMATING FACTORS

Before turning to the specific provisions of Section 303, a brief review of the agencies themselves, and of the particular concerns that animated the Congress to act, is appropriate. Although some of the single agencies have been in existence for over 25 years, the number and diversity of functions that are now included may come as a surprise to persons who have not closely followed developments in this area. The 23 agencies and activities, with combined personnel strengths of nearly 100,000--encompassing functional areas from logistics, maps, and intelligence to the Strategic Defense Initiative and the DoD medical school--represent one of the most significant organizational trends in OSD in recent decades.[1] As noted previously, however, apart from annual authorization and appropriations hearings, the Congress had not systematically considered the agencies since the early 1960s.[2] When it did turn its attention to them in late 1985/early 1986, it found sharp criticisms on several counts. Among these were that the agencies and activities:

- have become excessive in number and size;
- are not as effective, economical, or efficient as the Congress had intended in authorizing the Secretary of Defense to create them;
- are not adequately supervised by the Secretary of Defense and OSD;

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[1]The SASC staff ranked their establishment as "the most significant organization trend." *SASC Staff Report*, p. 65.

[2]In 1962, a special subcommittee of the House Armed Services Committee, chaired by Congressman Porter Hardy, Jr., looked into centralization of decisionmaking in OSD, and expressed concern about the trends. Nothing much came from the hearings, however, and no further Congressional evaluations of these trends followed until the early 1980s. See, in this regard, *Antonelli Report*, pp. 5-6.

- seriously complicate organizational relationships within the Department of Defense that already are too complicated and too diffused in terms of sound principles for distributing responsibility and authority;
- are not, despite best efforts, sufficiently responsive to the needs of the users of their services and supplies;
- have acquired too great a peacetime orientation at the expense, in some important cases, of their wartime responsibilities; and
- individually or collectively, may no longer be the best organizational choices in terms of effectiveness, economy, or efficiency.

THE LEGACY

To judge by the ambitions of the cosponsers of the McCormack-Curtis Amendment, one might think the complaint in 1986 was that not enough has been consolidated within single agencies since the Congress had given the green light in 1958. The 1958 amendment did not specify which supply and service activities were the better candidates for consolidation (this was left to the discretion of the Secretary of Defense whenever he found consolidation to be advantageous to the Government), but, in introducing the amendment, Mr. McCormack spoke expansively of

> procurement, warehousing, distribution, cataloging, and other supply activities, surplus disposal, financial management, budgeting, disbursement, accounting, and so forth, medical and hospital services, transportation--land, sea, air--intelligence, legal, public relations, recruiting, military police, training, liaison activities, and so forth....[3]

Nothing quite so sweeping has taken place, although, if one considers the full range of more or less "centralizing" actions, the record is not insignificant.[4] However, it was not the overall record that troubled the Congress in 1985-1986. Rather, it was the agencies

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[3]Quoted, *ibid.*, p. 3.

[4]In 1978, for instance, in addition to the defense agencies and DoD field activities, the *Antonelli Report* listed 71 single manager, 140

and activities that are directly subordinate to OSD. Here, the evident complaint was not that too little had been done, but rather, too much, with too many unintended consequences.

The agencies and activities--15 defense agencies and 8 DoD field activities for purposes of consideration here (fewer in number in some accounts[5])--have several things in common. All are subordinate organizations of OSD: that is, they are responsible to the Secretary of Defense level of the Department of Defense and are not subordinate to any one service or client. All provide services or supplies that are common to more than one military department. They are, by definition, support organizations. The vast majority of their staffs--more than 90 percent overall--are civilian employees.[6] The DoD field activities differ from the defense agencies chiefly in terms of their more limited size and scope.[7]

Taken together, the 15 defense agencies form a sizable part of the Department of Defense--employing about 85,000 personnel (compared to less than 2,000 in OSD and less than 3,500 in the Army headquarters staff). Three were established in the 1950s; four more followed in the 1960s; the remainder came about in the early 1970s and 1980s. Table 1 lists them in the order in which they or their predecessor organization came into existence.

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executive agent, 103 lead service, and 145 delegation of authority assignments. *Ibid.*, p. iv. (At present, the Army alone has 137 executive agent agreements with OSD, totaling over $4 billion in annual expenditures.) The difference between these "consolidations" and those of the defense agencies and DoD field activities is chiefly a matter of who winds up controlling the service or supply function. See, in this regard, fn. 47 below.

[5]Prior to the 1986 Act, there was no statutory definition of "Defense Agency" or "Department of Defense Field Activity." Even with Title III's definitions (Section 302) there is some disagreement about whether a few agencies fall properly within the category. Three in particular (DAVA, USUHS, and DIG, Table 1) are sometimes excluded on grounds that they were established by the Congress, not by the Secretary of Defense employing his McCormack-Curtis authority.

[6]See Tables 2 and 4.

[7]As will be seen, however (Tables 2 and 4), several DoD field activities have larger staffs than do several defense agencies.

Table 1

DEFENSE AGENCIES IN ORDER OF ESTABLISHMENT

National Security Agency (NSA)	1952
Defense Advanced Research Projects Agency (DARPA)[a]	1958
Defense Nuclear Agency (DNA)[b]	1959
Defense Communications Agency (DCA)	1960
Defense Intelligence Agency (DIA)	1961
Defense Logistics Agency (DLA)[c]	1961
Defense Contract Audit Agency (DCAA)	1965
Defense Security Assistance Agency (DSAA)	1971
Defense Mapping Agency (DMA)	1972
Defense Investigative Service (DIS)	1972
Uniformed Services University of the Health Sciences (USUHS)	1972
Defense Audiovisual Agency (DAVA)	1979
Defense Legal Services Agency (DLSA)	1981
DoD Inspector General (DIG)	1983
Strategic Defense Initiative Organization (SDIO)	1984

[a] Established as Advanced Research Projects Agency in 1958; reconstituted as DARPA in 1972.

[b] Formerly the Defense Atomic Support Agency; reconstituted as DNA in 1972.

[c] Formerly the Defense Supply Agency; reconstituted as DLA in 1977.

As the listing suggests, the functions performed are varied.[8] In broad functional terms, however, the agencies may be grouped in four categories:

- Support of the Operating Forces
  - Defense Communications Agency
  - Defense Intelligence Agency
  - Defense Logistics Agency
  - Defense Mapping Agency
  - National Security Agency

[8] An agency-by-agency functional description is found in Appendix B.

- Staff Support
  - Defense Advanced Research Projects Agency
  - Defense Audiovisual Agency[9]
  - Defense Nuclear Agency
  - Defense Security Assistance Agency
  - Strategic Defense Initiative Organization
- Audit and Investigation
  - Defense Contract Audit Agency
  - Defense Inspector General
  - Defense Investigative Service
- Other
  - Defense Legal Services Agency
  - Uniformed Services University of the Health Sciences

As might be expected given this range of functions, there are considerable variations in size among them. DLA, largest of the defense agencies, accounts for nearly two-thirds of the combined personnel strength. Others have only a couple of hundred personnel or less (Table 2).

Although most began by consolidating functions previously performed by the military departments, they have not co-opted the departments entirely in the functional areas concerned--in most cases, the military departments have retained functional counterparts.[10] Over time, a number of the agencies have taken on entirely new responsibilities.[11] A few also provide services and supplies to other agencies of the federal government.[12]

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[9]DAVA still exists officially. Administratively, it was disestablished in 1985.

[10]The division, in theory, is that the defense agencies control strategic and "wholesale" services and supplies; tactical and "retail" services and supplies remain with the military departments. See *Antonelli Report*, p. 4.

[11]SDIO is one example; DMA, another. See Appendix B.

[12]DCAA, for instance, provides contract audit services to about 30 other federal agencies at contractor locations where the Department of Defense has a continuing audit interest, or where it is considered efficient from a government-wide point of view. DLA operates the

Table 2

DEFENSE AGENCY PERSONNEL STRENGTHS: FY 1986[a]

Agency	Civilian[b]	Military	Total
Defense Advanced Research Projects Agency	107	20	127
Defense Inspector General	1,080	35	1,115
DCA/DIA/NSA[c]	5,500	3,909	9,409
Defense Contract Audit Agency	4,992	-	4,992
Defense Investigative Service	3,969	-	3,969
Defense Legal Services Agency	115	5	120
Defense Logistics Agency	52,603	969	53,572
Defense Mapping Agency	8,863	441	9,304
Defense Nuclear Agency	787	518	1,305
Defense Security Assistance Agency	107	27	134
Strategic Defense Initiative Organization	90	91	181
Uniformed Services University of the Health Sciences	772	789	1,561
Total	78,985	6,804	85,789

SOURCE: OASD/FM&P (Reports CP01, MP01, January 5, 1987).

[a] Does not include Defense Audiovisual Agency, disestablished in 1985.

[b] Includes direct and indirect hires.

[c] Combined agency total; specific agency strengths are classified.

Up to 1977, the heads of defense agencies enjoyed a special entree to the Secretary of Defense: typically, they reported directly to him. Since then, most report to the Secretary through a senior level OSD assistant.[13] The exceptions are NSA and SDIO (which continue to report directly to the Secretary) and DIA (which serves as the J-2 of the Joint Staff and reports to the Secretary both directly and through the JCS).

The DoD field activities are fewer in number (8) and employ fewer overall personnel (about 13,000). They also came later in time (the first of the current crop was established in 1974) and perform functions of a more limited scope than the defense agencies (Table 3).[14]

Federal Cataloging System. NSA's customers include the Central Intelligence Agency.

[13] Secretary of Defense Harold Brown placed 10 of the agencies under the direction of an under or assistant secretary "to strengthen the Department and reduce my own span of control." U.S. Department of Defense, *Annual Report, Fiscal Year 1979*, p. 352.

[14] An activity-by-activity functional description is in Appendix B.

Table 3

CURRENT DOD FIELD ACTIVITIES
IN ORDER OF ESTABLISHMENT

Department of Defense Dependent Schools (DoDDS)	1974
Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)	1974
American Forces Information Service (AFIS)	1977
Washington Headquarters Services (WHS)	1977
Office of Economic Adjustment (OEA)	1978
Defense Medical Systems Support Center (DMSSC)[a]	1985
Defense Technology Security Administration (DTSA)	1985
Defense Information Services Activity (DISA)	1985

[a] Incorporated the Tri-Service Medical Information System (TRIMIS), established as a DoD field activity in 1976.

Whereas most of the defense agencies began with the consolidation of functions performed by the military departments, several of the DoD field activities were either fresh creations or transfers to field activity status of functions previously performed by the OSD headquarters staff.[15] All report to the Secretary of Defense through an Assistant Secretary of Defense. Although they are field activities, all but one are headquartered in the Washington, D.C. area. As in the case of the defense agencies, they vary considerably in size, with one (DoDDS) accounting for 90 percent of the total personnel assigned (Table 4).

[15]WHS and OEA, for example, were established as part of the drive by Secretary Brown to reduce the size of the OSD staff. See fn. 12 above. DoD Dependent Schools, by contrast, were a consolidation of overseas dependent school functions that were formerly performed on a regionally decentralized basis by the military services. A couple of other activities--OCHAMPUS and TRIMIS--previously had been managed by a single service.

Table 4

PERSONNEL STRENGTHS OF DOD FIELD ACTIVITIES: FY 1986

Activity	Civilian	Military	Total
DoDDS	12,099	-	12,099
OCHAMPUS	229	9	238
AFIS	144	67	211
WHS	485	139	624
OEA	29	6	35
DMSSC	63	36	99
DTSA	59	45	104
DISA	36	19	55
Total	13,144	321	13,465

SOURCE: OASD/FM&P (Reports CP01, MP01, January 5, 1987).

GROWTH, ECONOMY, AND EFFICIENCY

Although the HASC Investigations Subcommittee had before it a bill to eliminate a couple of defense agencies,[16] neither House called for the disestablishment or reduction in size of any particular agency. Still, a general uneasiness about the proliferation in number and size of the agencies and activities was evident as the two Armed Services Committees took up the subject. Critics, like Secretary of the Navy John Lehman, were especially outspoken in their testimony.

> Is the Defense establishment overgrown? Yes. To cope with this avalanche of legislation and regulation, each military department headquarters numbers 2,000, as does the Joint Staff and its appendages and the Office of the Secretary of Defense staff. There are 10 Defense agencies numbering 85,000, and nine joint and specified commands that each average nearly a thousand. No intelligent human being would pay $700 for a toilet cover. It took a unified buying agency of 50,000 billets to do that.[17]

[16]H.R. 4068 would have eliminated DLA and DCAA.
[17]Quoted in *HASC Staff Report*, p. 18.

Personnel growth in the agencies and activities had been tracked by the SASC staff. In the aggregate, it was quite spectacular: Total growth between 1960 and 1983 had been tenfold (see Table 5). "The most significant organization trend" in OSD, according to the SASC staff in 1985, "is the creation of 15 Defense Agencies and 8 DoD Field Activities which now have combined personnel strengths of about 86,000."[18]

In fact, however, most of this personnel growth resulted from new agencies being added, not from expansions of existing agencies--a finding that was before the House Committee on Appropriations in 1984.

> After 1965...total Defense Agency manpower growth was more a result of new agencies being created than of increases in existing workload or manpower. In fact, half of the agencies that existed in 1965 have experienced manpower decreases since

Table 5

GROWTH IN PERSONNEL STRENGTHS OF DEFENSE AGENCIES AND DOD FIELD ACTIVITIES: 1960-1986[a]

Item	1960	1965	1970	1975	1980	1983	1986
Defense agencies	8,669	47,513	73,017	77,492	69,490	74,565	85,789
Field activities	0	504	231	417	9,699	11,366	13,465
TOTAL	8,669	48,017	73,248	77,909	79,189	85,931	99,254

SOURCES: Data for 1960-1983, *SASC Staff Report*, p. 57; for 1986, OSD/FM&P.

[a] Does not include data on NSA for 1960-1983; accordingly, 1986 totals are not comparable with earlier years.

[18] *SASC Staff Report*, p. 65. While most of the movement has been in the direction of creating and expanding agencies and activities, there are at least two cases in which existing agencies have been effectively eliminated within the Department of Defense. The Defense Civil Preparedness Agency, created in the early 1970s to manage civil defense functions, was disestablished within DoD in the late 1970s and its functions transferred to the Federal Emergency Management Agency. DAVA has been administratively disestablished.

then. But during the same period eight new agencies were established, accounting for almost 17,000 initial staffing spaces.[19]

Nor, for that matter, was the budget growth of the major agencies notably out of line when adjusted for inflation and given the addition of certain functions over the years. According to a General Accounting Office review in early 1986, most major agencies had experienced only moderate growth between September 1975 and September 1985 (Table 6).

Table 6

COMPARISON OF SELECTED DEFENSE AGENCIES' BASE YEAR AND FY 1986 BUDGETS

($ Millions)

Agency	Base Year Budget[a] FY	Amount	Base Year Budget Converted to 1986 Dollars[b]	FY 1986 Budget
DARPA	1962	$246.7	$ 901.7	$ 670.0
DCA	1963	33.3	119.9	416.4
DCAA	1967	41.8	135.8	198.0
DIS	1973	33.6[c]	79.3	144.9
DLA	1975	823.0	1,618.2	1,945.0
DMA	1973	156.0	367.5	721.4
DNA	1959	77.4	296.9	364.2
DSAA	1975	3.1	7.3	6.1

SOURCE: U.S. General Accounting Office, *Selected Defense Agencies: Current and Historical Information on Missions, Work Force, and Budget*, March 1986, p. 30.

[a] Year agency established or earliest year where data readily available.

[b] Base year dollars converted to calendar year 1986 dollars using gross national product implicit in price deflators index as reported in *Economic Report of the President to the Congress*, February 1986.

[c] DIS operational only in three quarters of FY 1973. Base year budget shown is calculated on a full-year basis.

[19]U.S. Congress, House, *A Report to the Committee on Appropriations on the Defense Agencies' Manpower Requirements*, Surveys and Investigations Staff (April 1984), p. 1 (mimeo).

Still, both Armed Services Committees evidently were sympathetic to Lehman's criticism. In the words of the House Armed Services staff report:

> Some Members of Congress, as well as some officials of the Department of Defense, have taken note of the proliferation and increasing power of the independent Defense Agencies. They were intended to reduce duplication and save money. Yet some analysts and observers are now suggesting that...the agencies...may be adding another layer of duplicated efforts, stifling competition among contractors, and adding costs through excessive bureaucracy and planning procedures.[20]

The Senate's reaction was especially strong. The Senate bill would have mandated a reduction of 9,947 personnel in the defense agencies and DoD field activities by September 30, 1988, with the intent that these be absolute cuts. While Title III as enacted does not go this far, it expresses the general thrust by (1) imposing a ceiling on total personnel strengths beginning September 30, 1989, and (2) requiring plans for an overall 5, 10, and 15 percent reduction between now and September 30, 1988.[21] In short, while the Secretary of Defense is still authorized to establish single support agencies, henceforth he will do so within the limits of the same or fewer overall personnel.

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[20] *HASC Staff Report*, p. 16.

[21] *Senate Report 99-280*, p. 47. The cuts were to be a 15 percent reduction in management personnel and 10 percent in nonmanagement personnel. The Senate bill explicitly prohibited personnel reduction by recategorizing or redefining duties, functions, offices, or organizations. "It is the Committee's intent that these personnel reductions be achieved through careful management review of personnel needs and not by the transfer of personnel performing the same functions to new or existing organizations that would not be affected by these reductions." *Ibid.* Although cuts of this magnitude were dropped from Title III, they reappear in Title VI. Section 601(b) requires an overall personnel reduction of 9,788 by September 30, 1989. *Conference Report*, p. 98. However, Section 601(d) authorizes the Secretary of Defense to reallocate some or all of the Section 601(b) to other elements of the Department of Defense should he determine that "national security requirements dictate that a reduction (or any portion of a reduction) required by subsection [601(b)] not be made from the Defense Agencies and Department of Defense Field Activities...."

In part, the Congress was reacting to "centralization tendencies" in the Department of Defense which the SASC staff report had concluded were a large part of DoD's overall organization problems.[22] Navy Secretary Lehman was again one of the sharpest critics.

> The present administration's well-established management philosophy of "centralized policy formulation and decentralized...execution" is a movement away from the damaging trend to consolidate, centralize and bureaucratize essential management functions in defense. Yet the Defense Department is still hampered by decades of central growth. Remote staffs and bureaucracies each have a share in a heavily centralized decision-making process. The Office of the Secretary of Defense, originally fifty people, is now two thousand people.... The Defense Logistics Agency, originally to be the "coordinator" of commodities, is now fifty thousand people. There are eleven central defense agencies and nine joint and specified commands with staffs that run into the thousands each.
>
> My argument is not against change--only the tried and failed theme of further centralization that has formed the basis for most of the changes masquerading as reform. The system could benefit greatly from some prudent modification.... The changes should reduce stultifying layers of lapping and overlapping central bureaucracy. They should decentralize authority more--and give accountability back to the responsible, knowledgeable line managers in the Services....[23]

But the Congress was also reacting to perceived inefficiencies in the management of the agencies and activities--the excessive bureaucracy and layering cited in the HASC staff report.

> Are [the agencies] more effective, or more economical, or more efficient in their performance than were the military departments when they performed the functions now assigned to defense agencies?... A number of critics think the agencies have not measured up. Some appeared before the committee.[24]

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[22] *SASC Staff Report*, p. 79.

[23] John Lehman, *Testimony Before the Senate Armed Services Committee*, December 6, 1985, pp. 11, 30.

[24] *House Report 99-700*, p. 49.

On this count, the SASC took the harder line. In calling for reductions in management and nonmanagement personnel, its confidence that essential operations would not be adversely affected was an undisguised vote of no-confidence.

> The Committee believes that too many people are assigned to management activities in these organizations and that the prescribed reductions would enhance economy and efficiency.
>
> The Committee believes that improved supervision and control of these common supply and service activities and a rigorous review of the scope of their responsibilities will permit a 10-percent [non-management] personnel reduction without affecting essential operations.[25]

SUPERVISION AND ACCOUNTABILITY

Curbing growth and tightening the internal management of the agencies and activities were not the sum of the Congressional interest. Both committees had in hand the Antonelli Report, which underscored what they were hearing from witnesses.

> Every organizational entity, however worthy its purposes, has its own interests, which it will advance if unchecked, and which may not necessarily further the interests of the larger whole of which it is part. Human enterprises require some watching over.[26]

Part of the criticism advanced by Antonelli and others was that the DoD program and budget review process does not adequately challenge the budgets and proposals of the agencies and activities.[27] In the words of the SASC staff report: "Apparently, the focus of OSD is on the budgets of the Military Departments and not on the budgets of the Defense Agencies."[28] The SASC itself was more explicit:

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[25] *Senate Report 99-280*, p. 47.

[26] *Antonelli Report*, p. 38.

[27] *Ibid.*, p. 43: "Our examination...supports the validity of the view that there is need for improving the participation of the Agencies in the PPB System."

[28] *SASC Staff Report*, p. 89. The SASC staff suggested that a special office within OSD be established "to strengthen control of the agencies' major programs." "Given the weaknesses of OSD control and

DoD's resource allocation process is oriented toward the proposals of the Military Departments and gives insufficient attention to resource management by the Defense Agencies and DoD Field Activities. [The Committee] seeks to provide more appropriate emphasis on the programming and budgeting of the common supply and service agencies and activities.[29]

Part of the criticism was more generalized in character.

...[T]he hierarchical structure of OSD violates normal standards of span of control for the Secretary and Deputy Secretary of Defense. Currently, the Secretary and his Deputy have 24 senior OSD and Defense Agency officials reporting to them as well as the JCS Chairman and members, and nine unified or specified commanders for a total span of control of 41 subordinates.

Given that the Secretary and the Deputy Secretary must spend much of their time on relations with external organizations (the White House, the Congress, alliances, etc.), they are too busy to actively manage OSD and those Defense Agencies that report directly to them. Essentially, they manage OSD and subordinate organizations by exception (e.g., only when a problem arises) which fails to provide the desired level of supervision and coordination.

In particular, the Defense Agencies are poorly controlled and supervised by OSD. The Defense Agency Review conducted in 1979 by Major General Theodore Antonelli...found that overburdened OSD officials are unable to devote the time necessary to adequately oversee the agencies; as a result, the agencies are essentially free of OSD supervision.[30]

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supervision of the Defense Agencies, it may be useful to create a Deputy Director of PA&E [Program Analysis and Evaluation] whose office would be responsible for reviewing the program proposals of each Defense Agency." *Ibid.*, p. 114. As noted in the preceding section, the SASC chose a different course.

[29] *Senate Report 99-280*, p. 46. The SASC provision, incorporated in Title III, requires the Secretary of Defense to establish procedures for the full and effective review of the program recommendations and budget proposals of the agencies and activities. Sec. 301(a).

[30] *SASC Staff Report*, pp. 87, 89. As noted earlier in fn. 12, Secretary Brown had already introduced some reforms in this regard. The Senate bill, nevertheless, made the provision of an intermediate supervisor mandatory for all agencies except DIA and NSA. The SASC "has specified this requirement with the goal of improving the supervision and control of these agencies and activities." *Senate Report 99-280*, p. 46.

A large part of the criticism, however, extended beyond direct lines of supervision to broader questions of accountability: in the SASC's words, there was a need to "link closely the output of these agencies and activities with the needs of the organizations that they serve."[31] The Antonelli Report had been especially critical on this count. Antonelli's review had noted that the agencies typically receive guidance and direction from various elements of OSD, the JCS, and non-DoD organizations as well, but ambiguity and multiplicity in this guidance effectively allow each agency "to select which guidance it chooses, if any."[32] Users of the services and supplies have insufficient influence over the plans, policies, and priorities which determine the substance and timing of defense agency support. "The basic difficulty," in the Antonelli Report's diagnosis, "lies in the divisions between mission responsibility and authority over resource allocation."[33] Among these divisions are:

- The authority of some agencies to levy requirements on the unified and specified commands and the Services without commensurate responsibility for the operating missions;
- The authority of the Services to levy various requirements on certain agencies without commensurate fiscal responsibility;
- The authority of an agency to control quality inspection and acceptance of materiel whose utilization is the responsibility of the Services.[34]

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[31] *Ibid.*

[32] *Antonelli Report*, p. 39.

[33] *Ibid.*, p. 49.

[34] *Ibid.*, p. 50. "In general, the creation of a unified Agency structure complicates an already complex set of relationships among OSD, the JCS, the Services and the U & S commands.... [T]he gradual development of the Defense Agency system has placed an additional burden on an organizational system which was already strained by some inherent limitations." *Ibid.*, p. 49.

The HASC report was in similar vein. "One of the principal criticisms of defense agencies is that they are not sufficiently responsive to their customers--the services, combatant commands, and other Department of Defense organizations for whom the agencies perform supply or service functions."[35]

Among those testifying, it was again Navy Secretary Lehman who spoke to the point in the sharpest terms:

> Central bureaucracies with no responsibility for carrying out line functions should not have the authority to veto and second-guess those who do. Operational commanders should be allowed to do their job without constant meddling by remote staffers in and out of uniform. That kind of system just leads to confusion, ignorance, mistakes and disaster.
>
> It is essential that we cut back on the legions of extraneous military and civilian bureaucracies whose chop is needed to initiate even the simplest actions.[36]

A PEACETIME ORIENTATION

Nowhere were the foregoing concerns more manifest than when it came to responsiveness to the needs of the operating forces. The bills of both houses sought to strengthen the unified and specified commands, their commanders, and the relationship of those commands and their commanders to the Chairman of the JCS, the JCS, the Secretary of Defense, and the military departments.[37] This was part of a broader Congressional concern about too much emphasis within the Department of

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[35] *House Report 99-700*, p. 64. The Antonelli Report had recommended the establishment of policy councils with representatives of OSD, the Services, and JCS to advise and participate in the formulation of broad agency policies, and as a means to iron out discontinuities between authority and responsibility. *Antonelli Report*, p. 68. The HASC considered but not did adopt the recommendation. *House Report 99-700*, pp. 64-65. Instead, it made the Antonelli Report's recommendations a matter to be considered in the Title III studies.

[36] John Lehman, *Testimony Before the Senate Armed Services Committee*, December 6, 1985, pp. 30, 31.

[37] See, e.g., *House Report 99-700*, p. 20; *Senate Report 99-280*, pp. 7-9.

Defense on "material inputs, not mission outputs," and the inhibition of strategic planning "by the absence of an organizational focus on major missions and strategic goals."[38] One major cause of poor mission integration, in the finding of the SASC staff report, was "the limited contribution that the unified commanders can make to policy and resource allocation decisions."

> Given the weaknesses of the JCS system and the relative isolation of the unified commanders from the Secretary of Defense, the unified commanders do not have sufficient influence over the readiness of their assigned forces, their joint training, their ability to sustain themselves in combat, or the future capabilities of their forces that derive from development and procurement decisions. As a result, a key force for integrated functioning of the defense establishment--the unified commands--plays only a minor role in the most important defense decisions.
>
> While the limited input from the unified commands reduces the integrating staff support readily available to the Secretary of Defense, it is a major problem for the unified commanders themselves because they have limited ability to influence policy and resource allocations affecting their commands.[39]

In these regards, both Armed Services Committees viewed the defense agencies as especially problematic. The agencies were born of "centralization tendencies," but "centralization tendencies are the result of an inadequate level, or put another way, a poor quality of mission integration."[40] In particular, "the Defense Agencies are more oriented to peacetime activities and efficiencies than to supporting the combatant commands in wartime."[41]

> Certain Defense Agencies have wartime support responsibilities. However, these responsibilities do not now receive adequate attention.[42] The combat support agencies have

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[38] *SASC Staff Report*, p. 3.
[39] *Ibid.*, p. 87.
[40] *Ibid.*, p. 79.
[41] *Senate Report 99-280*, p. 9.
[42] *Ibid.*, p. 46.

> been criticized for being peacetime oriented organizations, too independent of combat-related concerns. This allegation is particularly troublesome to the committee. If the combat-support agencies fail to perform adequately in a crisis or in wartime, the consequences for U.S. forces could be disastrous.[43]

The Antonelli Report had showcased as "an especially difficult problem" the imbalance between the operational responsibility of the unified and specified commanders and their authority in the allocation of resources.

> The CINC has only a limited voice in the resource allocation process (PPBS) for Agency activities which are important to his capacity to accomplish his operational mission. These include the design and installation of communications equipment, the collection and production of various types of intelligence, and the production of maps and charts....[T]he existing budgetary process for Defense Agencies which provides critical communications, intelligence, MC&G, and logistic support to the Unified and Specified Commands does not provide any formal consideration of the CINC's priorities in the decision process on the Agency budgets.[44]

Not all defense agencies were matters of concern in this setting, but those that were--essentially DCA, DIA, DLA, DMA, and certain functions of NSA--the Congress intended to treat specially in Title III, by formally designating them "combat support agencies" and prescribing a series of measures aimed at improving their wartime readiness.

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[43] *House Report 99-700*, p. 64. Not available to either committee as it marked up its bill was a General Accounting Office (GAO) review of the war and emergency planning and preparedness of the largest of the defense agencies, DLA. While the GAO was critical on several counts, its overall assessment of DLA was not greatly unfavorable. See General Accounting Office, *Management Review: Progress and Challenges at the Defense Logistics Agency*, April 1986, pp. 27-30.

[44] *Antonelli Report*, p. 54. The report recommended "greater participation by the U & S Commanders in the review of major issues in the programs and budgets of the Defense Agencies." *Ibid.*, p. 50.

ABSENCE OF EVALUATION

Undergirding all of the Congress's concerns, however, was the question posed by the House Armed Services Committee: "What is the evidence?"[45] "[T]he agency concept, as a management tool for the Department of Defense, has never been evaluated, despite more than 20 years of experience with defense agencies."[46]

> Despite the clear-cut prerequisites required by Congress as their raison d'etre--effectiveness, economy, or efficiency--the performance of Defense Agencies has never been evaluated to ascertain how they measure up despite more than twenty years of experience with these organizations.
>
> The committee intends to initiate such a reassessment.[47]

Whereas the House would have confined this reassessment to the defense agencies, the Senate sought to have the DoD field activities included as well.[48] The House's terms for these reassessments, adopted in Title III, were threefold: Agency and activity performance was to be evaluated, the changes introduced by Title III itself were to be appraised, and alternative organizational arrangements (including abolishing some or all agencies and activities) were to be considered. These terms are taken up in detail in the next section.

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[45] *House Report 99-700*, p. 49.

[46] *Ibid.*

[47] *Ibid.*, p. 63. The Senate Armed Services Committee was similarly animated. In calling for biannual reviews of the agencies and activities by the Secretary of Defense [Sec. 301(a)] it intended to "force a reexamination of common supply and service agencies to ensure that they continue to provide the most effective, economical, or efficient arrangements." *Senate Report 99-280*, pp. 46-47.

[48] The inclusion was made in conference (*Conference Report 133*). Noteworthy is that the Congress stopped with the agencies and activities. It did not require consideration of other "consolidating" or "centralizing" types of arrangements. These others include "executive agent" (where a DoD component, often a military department, is designated, often by OSD, to perform a function or service for some other organization, often OSD); "delegation of authority" (where the authority delegated is given to more than one agency or agent, again, often by OSD); and "lead agency" (where other agencies, often the sister services, have some role in the assignment given to the lead agent). See generally *Antonelli Report*, Appendix C; and fn. 4 above.

IV. THE PRESCRIBED STUDIES

As noted in Section II, the Congress left little to chance in calling for the Title III studies. Section 303 prescribes not only who will do the agency and activity assessments, but also when and how they will be submitted to the Congress, and the matters they are to consider. The section calls for:

- Parallel studies of essentially the same subject matter by the Secretary of Defense, the Chairman of the Joint Chiefs, and each of the Service Secretaries
- Special additional studies to be conducted by the Secretary of Defense
- A report by the Secretary of Defense to the Congress transmitting the findings and recommendations of all such studies

While each of the parallel studies is to be an integrated report, three somewhat different examinations are called for. The first of these largely assumes and concerns the status quo. The studies are to consider:

- "whether the existing allocation of functions to, and organizational structure of, the Defense Agencies and Department of Defense Field Activities meet the statutory requirement of providing a supply or service activity common to more than one military department in a more effective, economical, or efficient manner" [Sec. 303(d)(1)]; and
- "whether the findings and recommendations of [the Antonelli Report] should be the basis for additional legislative or administrative actions" [Sec. 303(d)(4)].

The second examination concerns the changes introduced elsewhere in Title III, specifically, those relating to the newly designated "Combat Support Agencies." Section 303(d)(3) seeks to learn

- "whether [these changes] will have the effect of ensuring the readiness and responsiveness of the Defense Agencies in the event of a war or national emergency"; and
- "whether any additional legislation is necessary to ensure such readiness and responsiveness."

The third part concerns alternatives to the status quo. The studies are to consider "alternative allocations of authority and functions" and "other organizational changes in the Department of Defense designed to make the performance of those functions more effective, economical or efficient" [Sec. 303(d)(2)]. Among the alternatives to be considered are the elimination or consolidation of defense agencies and activities, devolution of functions to the military departments, and transfer of responsibility for functions to other DoD organizations, including the JCS and the unified and specified commands.

SEPARATE STUDIES

The provision that there be separate studies of essentially the same subject matter originated in the House bill.

> To ensure airing of a full range of views from the different perspectives of constituent elements of the Department of Defense, [the section] would require that the Chairman of the Joint Chiefs of Staff and the Secretary of each military department conduct separate, independent studies and submit them to the Secretary of Defense for his use in fulfilling his requirements under this section.[1]

Not only are these studies to be separate and independent of the reassessment study required of the Secretary of Defense, they are to be separate and independent of each other as well.[2]

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[1]*House Report 99-700*, pp. 63-64.

[2]The House bill contained a similar provision for the Title I studies of OSD, but, in the case of the OSD studies, the Conference

> The committee intends that independent positions of DoD elements be conveyed to the Secretary on the several matters to be considered.[3]

The Secretary is to submit his own study of the most effective, economical, or efficient means of providing common supplies and services after considering these other studies. His report to the Congress is to include a "discussion" of the reports of the other studies, along with a copy of each report.[4] It is to consider the same matters specified for these other studies, and additional matters set forth in Section 303.[5] The Secretary's report is due to the Congress on or before October 1, 1987. OSD administratively has set a September 1 deadline for receipt of the JCS and Service Secretary studies.

THE AGENCIES AND ACTIVITIES INVOLVED

As noted in Section III, the House had intended the studies to encompass only the defense agencies. The DoD field activities were added by the Senate in conference.

The legislative history makes it clear that both houses are particularly concerned with the agencies now designated "combat support agencies" (DCA, DIA, DLA, DMA, NSA). Beyond this, nothing in the record suggests that the Congress is interested in an assessment of one agency or activity more so than another, or that it seeks an assessment of fewer than the total number of agencies and activities.[6] Throughout Title III (as in setting ceilings on overall personnel strengths) the legislation speaks of the agencies and activities as a whole.

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substituted a provision that the Secretaries of the military departments conduct a joint study. *Conference Report*, p. 104. No such substitution was made regarding Title III.

[3]*House Report 99-700*, p. 64.

[4]Section 303(d)(a)(1) and (e)(1) and (2). "The committee also intends that the Congress receive each of the materials specified...." *House Report 99-700*, p. 64.

[5]These additional matters are discussed on p. 39.

[6]It should be recalled, however, that Navy Secretary John Lehman had singled out DLA for particular criticism, and that the HASC had before it a bill that would have eliminated DLA.

Whether, however, all 23 agencies and activities listed in the preceding section qualify as defense agencies and DoD field activities for purposes of Section 303 is a different matter. Defense agency and DoD field activity are defined for the first time in Title III.[7] A strict interpretation would suggest that three of these are not properly included, but whether the exclusion was deliberate or inadvertent is not evident from the record.[8] There is certainly nothing in the record to suggest that they may not be included if a military department chooses to study them.

The National Security Agency is a different matter. Explicit provisions for its study were made in Section 303. The Secretary of Defense, in consultation with the Director of the CIA, is to establish parameters for the assessment of NSA, and establish procedures under which information required for its review is to be obtained.[9] The Secretary of Defense has subsequently determined that "NSA shall not be included in the Defense Agencies and DoD Field Activities studies that are currently being conducted."[10]

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[7]A "Defense Agency" is an organizational element of the Department of Defense (other than an entity that is designated by the Secretary of Defense as a DoD Field Activity) that performs a supply or service activity that is common to more than one military department--established by the Secretary of Defense under the authority of Title III or its predecessor provision or so designated by him. A DoD Field Activity is defined the same and is merely designated differently by the Secretary of Defense. Section 302.

[8]Inasmuch as three agencies--DAVA, USUHS, and DIG--were established directly by the Congress, they may not be considered to be within the defense agency category, although, arguably, the fact that they have from time to time been listed by the Department of Defense as defense agencies might warrant their inclusion as "designated" by the Secretary of Defense. No such ambiguities attend the DoD field activities.

[9]Section 303(c).

[10]*Memorandum*, Secretary of Defense Caspar Weinberger to the Service Secretaries and Chairman, Joint Chiefs of Staff, February 2, 1986. The memorandum cites "the fact that NSA is exempt from the personnel reductions imposed on other Defense Agencies..., together with the already extensive scope and complexity of issues associated with the study of the other Defense Agencies," as principal reasons for the NSA exclusion.

ASSESSING PERFORMANCE

For an assessment to be conducted, there must be some standard, criterion, or expectation against which the performance of the agencies and activities may be measured. Section 303 speaks in terms of two broad measurements--effectiveness, economy, and efficiency (E3); and wartime readiness and responsiveness--and strongly implies a third: peacetime accountability and responsiveness. It also speaks of the status quo, and of alternatives to it.

EFFECTIVENESS, ECONOMY, AND EFFICIENCY

While the HASC report spoke of comparing current agency performance to the time when the military departments performed the functions now assigned to the defense agencies,[11] it is unlikely that the Congress had in mind a strict historical comparison. For one thing, too much time has elapsed. A number of the agencies have been in existence for more than 25 years. Data regarding the situation that predated the agencies are not likely to be available in usable form; several of the agencies have taken on functions and responsibilities that have only remote (if any) counterparts in the past; evolutions in technology and sophistication in the intervening years would render such a comparison suspect in any case.[12] For another thing, historical comparisons shed very little light on the question that is uppermost in Section 303: Are the agencies and activities the most effective, economical, or efficient means for providing common services and supplies today, and, if not, what is?[13]

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[11] *House Report 99-700*, p. 49.

[12] See, e.g., *Antonelli Report*, p. 26. "Additional areas of complexity are added in attempting to compare organizational performance. As an example, DLA forthrightly stated, realistically, that if the Military Services had not transferred missions and functions to DLA, it is probable they also would have achieved savings through management improvements. Comparisons of statistical measures of performance of similar functions are not always valid because in at least some cases, the Agencies are funded to meet higher levels of performance than are the Services. A further difficulty in comparisons over time results from changes in missions and technology."

[13] This was the thrust of the Antonnelli Report, which was before both committees. "Our belief [is] that determination of the optimal *future* organizing concept for support and services is the central issue of this review...." *Ibid.*, p. 22 [emphasis added].

Rather, the considerations discussed in the preceding section point strongly to a Congressional interest in assessing current agency performance against: (1) expectations and requirements (that is, do the agencies do what the Congress intended them to do; specifically, do they provide services and supplies in an effective, economical, and efficient manner?); and (2) alternative ways of providing these services and supplies (are there more effective, economical, or efficient ways of doing business?). Neither of these, to be sure, is an easy undertaking.[14] Still, there are broad standards that may be applied. On the first count (expectations and requirements), agency performance can be measured against the broad intent of the McCormack-Curtis Amendment, the charters and mission statements of the agencies and activities themselves, and the requirements of users of the services and supplies (in this case, the military department concerned). On the second count, among alternative ways to provide these services and supplies, the Congress has directed that several be considered:[15]

- Various redistributions of responsibilities among the agencies and activities;
- Transfer of the responsibility for agency functions to
  - -- the military departments
  - -- the JCS
  - -- commanders of the unified and specified combatant commands
- Creation of new agencies or activities;
- Consolidation of two or more agencies or activities;
- Elimination of particular agencies and activities; and
- Other organizational changes.[16]

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[14]"Fundamental to the dilemma of how to appraise the Agencies' performance are the imprecise and varying definitions of the terms efficiency, economy and effectiveness." *Ibid.*, p. 25.

[15]Not all of these will be applicable in every case, of course. Purely Washington-based activities--like WHS and OEA--for instance, would not be sensible candidates for transfer to the U&S commands.

[16]Among these other organizational changes, presumably, are such things as executive agent and lead service arrangements.

WARTIME READINESS AND RESPONSIVENESS

The second set of assessment criteria--applicable to the combat support agencies--seeks a professional appraisal of the wartime readiness and responsiveness of these agencies at the present time, and a professional judgment of whether (1) the exercise and reporting requirements introduced by Title III go far enough in the right direction, and (2) more or different legislative action is warranted.[17] Among the matters to be considered in making these judgments are

- The plans of each combat support agency with respect to its support of operating forces in war or threat to national security;
- The participation and performance in joint training exercises by the combat support agencies; and
- The readiness of each agency to perform in a war or threat to national security, as measured by current readiness reporting systems (if any) and the uniform reporting system to be established pursuant to Title III.[18]

MEASURES TO IMPROVE

As noted previously, the Congress had in hand the Antonelli Report when it drafted Section 303. It specifically incorporated the report in Section 303(d)(5). The reassessment studies are to consider whether legislation based on the findings and recommendations of the report are warranted. These findings and recommendations fall into four broad categories:

- Improve the responsiveness and readiness of the agencies for crisis and war;

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[17]Section 303(d)(3). Given that the changes introduced by Title III will not have been fully implemented during the time frame in which the Section 303 studies are being conducted, these will necessarily be matters of professional judgment.

[18]Section 301(a).

- Strengthen the PBBS system of the Department of Defense regarding the defense agencies;
- Review the current system of personnel management, training, and education of specialists in the agencies and activities; and
- Improve coordination among the agencies, the JCS, military departments, and unified and specified commands.[19]

Beyond these, as the background materials in Section III suggest, the Congress is concerned about matters of general supervision, accountability, and responsiveness to the end-users of the services and supplies provided by the agencies and activities.

ADDITIONAL MATTERS

Not included in the parallel studies, but explicitly made a part of the study to be conducted by the Secretary of Defense, are several additional matters:

- Additional legislative or administrative actions that the Secretary considers necessary to ensure effective oversight of agency and activity resource management, personnel policies, and budget procedures, and to clarify supervisory responsibilities;
- A study of improved application of computer systems to functions of the agencies and activities, including a plan for the rapid replacement, where necessary, of existing automated equipment; and
- Plans to reduce the total number of employees in the agencies and activities by 5, 10, and 15 percent by September 30, 1988, together with a discussion of the implications of each such reduction and a draft of any legislation required to implement each such plan.[20]

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[19] *Antonelli Report*, p. 58-59.

[20] Section 303(d)(4); (e)(3); (e)(4).

V. FASHIONING A RESPONSE

Evident from the foregoing, the Congress is looking for separate studies of essentially the same subject matter that: (1) share a number of common study elements but (2) bear the distinctive mark of the DoD organization that is conducting the study. Put another way, there is a minimum statutory study requirement but, deliberately, no restriction on or discouragement of going beyond this minimum.

Moreover, although the common study elements are intended to apply to the agencies and activities generally, it is safe to venture that the Congress recognizes and agrees with one key finding of the Antonelli Report: The differing types of agencies may require different approaches in several key respects.[1] This has been recognized explicitly in the case of the combat support agencies, where the Congress has required separate additional assessments. Beyond these, some differences in approach are bound to follow from differences in the size and functions of the agencies concerned. This is evident when one considers that the 55,000-strong DLA--with worldwide responsibilities and impacts--and the 35-strong Office of Economic Adjustment--which coordinates federal economic assistance to communities affected by base realignments in the United States--are part of the same universe to be assessed.

The common study elements have been discussed in the preceding section. The latitude the Congress evidently has in mind for the separate studies--both in applying the common elements to a given agency and in going beyond the specified elements--warrants brief mention here.

In crafting a set of provisions in the 1986 Defense Reorganization Act to cover the agencies and activities, the Congress was confronted with very generalized criticisms of the agencies and activities, with little data and virtually no systematic examination of the organizational alternatives. Given this situation, it acted in moderate fashion: Avoiding radical changes but seeking studies that would get to

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[1] *Antonelli Report*, p. 56.

the heart of the matter. What the "heart" of the matter is is not entirely clear, however.[2] The Antonelli Report focused on one set of concerns; Secretary of the Navy John Lehman, on another; the Grace Commission, on a third. The HASC and the SASC themselves had different priorities as they came to conference on Title III.

In these circumstances, Title III presents both a requirement and an open invitation to the Secretary of Defense, the Service Secretaries, and the Chairman of the JCS. The Congress appears to be saying: cover what we want to know, but also reach beyond to tell us what we need to know in anticipation of any further legislative action. Involved is as much a matter of systematic problem identification (and of recommended correctives) as an exercise in analyzing problems already identified as such.

The Army has structured its own Title III study with this in mind.

> This study requirement presents a significant challenge given the varying complexity and size of the Defense Agencies and Actvities. At the same time, it provides the Army with a unique opportunity to influence legislation that could correct problems of long standing concern and substantially improve the services and support that we receive from these DoD Agencies and Actitivies.[3]

From all that can be gleaned from the terms and background of Title III, this is precisely what the Congress sought to encourage.

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[2]External constraints on the performance of the agencies and activities--such as laws and directives governing (and perhaps impeding) the procurement of quality supplies and performance of responsive services--are, in theory, important ingredients both in evaluating efficiency, economy, and effectiveness and in determining whether organizational or other kinds of remedies are the better kinds of adjustments, but Title III does not speak to this dimension. In similar vein, excessive regulation is a potentially significant problem area in its own right, but was not a primary consideration in the deliberations on Title III.

[3]*Memorandum*, Assistant Secretary of the Army Michael P. Stone to HQDA Staff Elements, January 30, 1987.

Appendix A

TITLE III, PUBLIC LAW 99-433

TITLE III—DEFENSE AGENCIES AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES

SEC. 301. ESTABLISHMENT AND MANAGEMENT OF DEFENSE AGENCIES AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES

(a) IN GENERAL.—Chapter 8 is amended—

(1) by redesignating section 191 as section 201; and

(2) by striking out the chapter heading and the table of sections at the beginning of such chapter and inserting in lieu thereof the following:

"CHAPTER 8—DEFENSE AGENCIES AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES

"Subchapter Sec.
" I. Common Supply and Service Activities 191
"II. Miscellaneous Defense Agency Matters 201

"SUBCHAPTER I—COMMON SUPPLY AND SERVICE ACTIVITIES

"Sec.

"191. Secretary of Defense: authority to provide for common performance of supply or service activities.
"192. Defense Agencies and Department of Defense Field Activities: oversight by the Secretary of Defense.
"193. Combat support agencies: oversight.
"194. Limitations on personnel.

"§ 191. Secretary of Defense: authority to provide for common performance of supply or service activities

"(a) AUTHORITY.—Whenever the Secretary of Defense determines such action would be more effective, economical, or efficient, the Secretary may provide for the performance of a supply or service activity that is common to more than one military department by a single agency of the Department of Defense.

"(b) DESIGNATION OF COMMON SUPPLY OR SERVICE AGENCY.—Any agency of the Department of Defense established under subsection (a) (or under the second sentence of section 125(d) of this title (as in effect before the date of the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986)) for the performance of a supply or service activity referred to in such subsection shall be designated as a Defense Agency or a Department of Defense Field Activity.

"§ 192. Defense Agencies and Department of Defense Field Activities: oversight by the Secretary of Defense

"(a) OVERALL SUPERVISION.—(1) The Secretary of Defense shall assign responsibility for the overall supervision of each Defense Agency and Department of Defense Field Activity designated under section 191(b) of this title—

"(A) to a civilian officer within the Office of the Secretary of Defense listed in section 131(b) of this title; or

"(B) to the Chairman of the Joint Chiefs of Staff.

"(2) An official assigned such a responsibility with respect to a Defense Agency or Department of Defense Field Activity shall advise the Secretary of Defense on the extent to which the program recommendations and budget proposals of such agency or activity conform with the requirements of the military departments and of the unified and specified combatant commands.

"(3) This subsection does not apply to the Defense Intelligence Agency or the National Security Agency.

"(b) PROGRAM AND BUDGET REVIEW.—The Secretary of Defense shall establish procedures to ensure that there is full and effective review of the program recommendations and budget proposals of each Defense Agency and Department of Defense Field Activity.

"(c) PERIODIC REVIEW.—(1) Periodically (and not less often than every two years), the Secretary of Defense shall review the services and supplies provided by each Defense Agency and Department of Defense Field Activity to ensure that—

"(A) there is a continuing need for each such agency and activity; and

"(B) the provision of those services and supplies by each such agency and activity, rather than by the military departments, is a more effective, economical, or efficient manner of providing those services and supplies or of meeting the requirements for combat readiness of the armed forces.

"(2) Paragraph (1) shall apply to the National Security Agency as determined appropriate by the Secretary, in consultation with the Director of Central Intelligence. The Secretary shall establish procedures under which information required for review of the National Security Agency shall be obtained.

"§ 193. Combat support agencies: oversight

"(a) COMBAT READINESS.—(1) Periodically (and not less often than every two years), the Chairman of the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on the combat support agencies. Each such report shall include—

"(A) a determination with respect to the responsiveness and readiness of each such agency to support operating forces in the event of a war or threat to national security; and

"(B) any recommendations that the Chairman considers appropriate.

"(2) In preparing each such report, the Chairman shall review the plans of each such agency with respect to its support of operating forces in the event of a war or threat to national security. After consultation with the Secretaries of the military departments and the commanders of the unified and specified combatant commands, as appropriate, the Chairman may, with the approval of the Secretary of Defense, take steps to provide for any revision of those plans that the Chairman considers appropriate.

"(b) PARTICIPATION IN JOINT TRAINING EXERCISES.—The Chairman shall—

"(1) provide for the participation of the combat support agencies in joint training exercises to the extent necessary to ensure that those agencies are capable of performing their support missions with respect to a war or threat to national security; and

"(2) assess the performance in joint training exercises of each such agency and, in accordance with guidelines established by the Secretary of Defense, take steps to provide for any change that the Chairman considers appropriate to improve that performance.

"(c) READINESS REPORTING SYSTEM.—The Chairman shall develop, in consultation with the director of each combat support agency, a uniform system for reporting to the Secretary of Defense, the commanders of the unified and specified combatant commands, and the Secretaries of the military departments concerning the readiness of each such agency to perform with respect to a war or threat to national security.

"(d) REVIEW OF NATIONAL SECURITY AGENCY.—(1) Subsections (a), (b), and (c) shall apply to the National Security Agency, but only with respect to combat support functions the Agency performs for the Department of Defense.

"(2) The Secretary, after consulting with the Director of Central Intelligence, shall establish policies and procedures with respect to the application of subsections (a), (b), and (c) to the National Security Agency.

"(e) COMBAT SUPPORT CAPABILITIES OF DIA AND NSA.—The Secretary of Defense, in consultation with the Director of Central Intelligence, shall develop and implement, as they may determine to be necessary, policies and programs to correct such deficiencies as the Chairman of the Joint Chiefs of Staff and other officials of the Department of Defense may identify in the capabilities of the Defense Intelligence Agency and the National Security Agency to accomplish assigned missions in support of military combat operations.

"(f) DEFINITION OF COMBAT SUPPORT AGENCY.—In this section, the term 'combat support agency' means any of the following Defense Agencies:

"(1) The Defense Communications Agency.

"(2) The Defense Intelligence Agency.

"(3) The Defense Logistics Agency.

"(4) The Defense Mapping Agency.

"(5) Any other Defense Agency designated as a combat support agency by the Secretary of Defense.

"§ 194. Limitations on personnel

"(a) CAP ON HEADQUARTERS MANAGEMENT PERSONNEL.—After September 30, 1989, the total number of members of the armed forces and civilian employees assigned or detailed to permanent duty in the management headquarters activities or management headquarters support activities in the Defense Agencies and Department of Defense Field Activities may not exceed the number that is the number of such members and employees assigned or detailed to such duty on September 30, 1989.

"(b) CAP ON OTHER PERSONNEL.—After September 30, 1989, the total number of members of the armed forces and civilian employees

assigned or detailed to permanent duty in the Defense Agencies and Department of Defense Field Activities, other than members and employees assigned to management headquarters activities or management headquarters support activities, may not exceed the number that is the number of such members and employees assigned or detailed to such duty on September 30, 1989.

"(c) PROHIBITION AGAINST CERTAIN ACTIONS TO EXCEED LIMITATIONS.—The limitations in subsections (a) and (b) may not be exceeded by recategorizing or redefining duties, functions, offices, or organizations.

"(d) EXCLUSION OF NSA.—The National Security Agency shall be excluded in computing and maintaining the limitations required by this section.

"(e) WAIVER.—The limitations in this section do not apply—

"(1) in time of war; or

"(2) during a national emergency declared by Congress.

"(f) DEFINITIONS.—In this section, the terms 'management headquarters activities' and 'management headquarters support activities' have the meanings given those terms in Department of Defense Directive 5100.73, entitled 'Department of Defense Management Headquarters and Headquarters Support Activities' and dated January 7, 1985.

"SUBCHAPTER II—MISCELLANEOUS DEFENSE AGENCY MATTERS

"Sec.

"201. Unauthorized use of Defense Intelligence Agency name, initials, or seal.".

(b) CONFORMING AMENDMENTS.—(1) Section 125 is amended by striking out subsection (d).

(2) Subsection (c)(2) of section 113 (as redesignated by section 101(a)) is amended by striking out "section 125" and inserting in lieu thereof "sections 125 and 191".

SEC. 302. DEFINITIONS OF DEFENSE AGENCY AND DEPARTMENT OF DEFENSE FIELD ACTIVITY

Section 101 is amended by adding at the end the following new paragraphs:

"(44) 'Defense Agency' means an organizational entity of the Department of Defense—

"(A) that is established by the Secretary of Defense under section 191 of this title (or under the second sentence of section 125(d) of this title (as in effect before the date of the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986)) to perform a supply or service activity common to more than one military department (other than such an entity that is designated by the Secretary as a Department of Defense Field Activity); or

"(B) that is designated by the Secretary of Defense as a Defense Agency.

"(45) 'Department of Defense Field Activity' means an organizational entity of the Department of Defense—

"(A) that is established by the Secretary of Defense under section 191 of this title (or under the second sentence of section 125(d) of this title (as in effect before the date of the enactment of the Goldwater-Nichols Department of Defense

Reorganization Act of 1986)) to perform a supply or service activity common to more than one military department; and

"(B) that is designated by the Secretary of Defense as a Department of Defense Field Activity.".

SEC. 303. REASSESSMENT OF DEFENSE AGENCIES AND DOD FIELD ACTIVITIES

(a) SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall conduct a study of the functions and organizational structure of the Defense Agencies and Department of Defense Field Activities. The study shall determine the most effective, economical, or efficient means of providing supply or service activities common to more than one military department, after considering the matters set forth in subsection (d) and the reports submitted under subsection (b).

(2) To the extent that the most effective, economical, or efficient means of providing those activities is determined under paragraph (1) to be the existing Defense Agency and Department of Defense Field Activity structure, the study shall analyze methods to improve the performance and responsiveness of Defense Agencies and Department of Defense Field Activities with respect to the entities to which they provide supplies and services, particularly with regard to the unified and specified combatant commands.

(b) SERVICE SECRETARIES AND CHAIRMAN OF THE JCS.—The Secretaries of the military departments and the Chairman of the Joint Chiefs of Staff shall each conduct a study of the functions and organizational structure of the Defense Agencies and Department of Defense Field Activities. The Secretaries and Chairman shall each submit a report to the Secretary of Defense on such study at a time specified by the Secretary. Each such report shall include a discussion of and recommendations concerning each matter set forth in subsection (d).

(c) NATIONAL SECURITY AGENCY.—This section shall apply to the National Security Agency as determined appropriate by the Secretary of Defense, in consultation with the Director of Central Intelligence. The Secretary shall establish procedures under which information required for review of the National Security Agency shall be obtained.

(d) MATTERS CONSIDERED.—The studies required by subsections (a) and (b) shall consider the following matters:

(1) Whether the existing allocation of functions to, and organizational structure of, the Defense Agencies and Department of Defense Field Activities meet the statutory requirement of providing a supply or service activity common to more than one military department in a more effective, economical, or efficient manner.

(2) Alternative allocations of authority and functions assigned to the Defense Agencies and Department of Defense Field Activities, including—

(A) various possible redistributions of responsibilities among those agencies and activities;

(B) transfer of the responsibility for those functions to—

(i) the Secretaries of the military departments;

(ii) the appropriate officers in the Office of the Secretary of Defense;

(iii) the Chairman of the Joint Chiefs of Staff; or

(iv) the commanders of unified or specified combatant commands;

(C) creation of new Defense Agencies or Department of Defense Field Activities;

(D) consolidation of two or more such agencies and activities;

(E) elimination of any such agency or activity; and

(F) other organizational changes in the Department of Defense designed to make the performance of those functions more effective, economical, or efficient.

(3) Whether the requirements of the amendments made by section 301 will have the effect of ensuring the readiness and responsiveness of the Defense Agencies in the event of a war or threat to national security and whether any additional legislation is necessary to ensure such readiness and responsiveness.

(4) Additional legislative or administrative actions that the Secretary considers necessary to ensure effective oversight of Defense Agency and Department of Defense Field Activity resource management, personnel policies, and budget procedures and to clarify supervisory responsibilities.

(5) Whether the findings and recommendations of the report of March 1979 entitled "Report to the Secretary of Defense of the Defense Agency Review" and directed by Major General Theodore Antonelli, United States Army (Retired), should be the basis for additional legislative or administrative actions.

(e) REPORT.—The Secretary of Defense shall submit to Congress a report that includes the following:

(1) A report on the study required by subsection (a) that includes—

(A) a discussion of and recommendations concerning each matter set forth in subsection (d); and

(B) a discussion of the reports required by subsection (b).

(2) A copy of each report required by subsection (b).

(3) A study of the improved application of computer systems to functions of Defense Agencies and Department of Defense Field Activities, including a plan for the rapid replacement, where necessary, of existing automated data processing equipment with new equipment.

(4) Plans to achieve reductions in the total number of members of the Armed Forces and civilian employees assigned or detailed to permanent duty in the Defense Agencies and Department of Defense Field Activities (other than the National Security Agency) by 5 percent, 10 percent, and 15 percent of the total number of such members and employees projected to be assigned or detailed to such duty on September 30, 1988, together with a discussion of the implications of each such reduction and a draft of any legislation that would be required to implement each such plan.

(f) DEADLINE FOR SUBMISSION.—The report required by subsection (e) shall be submitted not later than one year after the date of the enactment of this Act.

SEC. 304. TRANSITION

(a) SECRETARY OF DEFENSE REVIEW OF DEFENSE AGENCIES.—The first review under section 192(c) of title 10, United States Code (as added by section 301(a)), shall be completed not later than two years

after the date that the report under section 303(e) is required to be submitted to Congress.

(b) REPORT AND OTHER ACTIONS BY CHAIRMAN OF JCS.—The first report under subsection (a) of section 193 of such title (as added by section 301(a)) shall be submitted, and subsections (b) and (c) of such section shall be implemented, not later than one year after the date of the enactment of this Act. The Secretary of Defense shall provide a report on the implementation of such subsections (b) and (c) in the report of the Secretary submitted to Congress for 1988 under section 113(c) of title 10, United States Code (as redesignated by section 101(a)).

Appendix B
THE DEFENSE AGENCIES AND DOD FIELD ACTIVITIES[1]

ORGANIZATIONS AND FUNCTIONS--DEFENSE AGENCIES

DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA)
(DoD Directive 5105.41)

DARPA, under the direction, authority, and control of the Under Secretary of Defense for Research and Engineering, has the responsibility to manage high-risk, high-payoff basic research and applied technology programs in projects as may be designated by the Secretary of Defense. In the performance of its responsibilities, DARPA utilizes the services of the Military Departments, other Government agencies, private industrial and public entities, individuals, and educational or research institutions. The Agency's objective is to carry advanced programs to feasibility demonstration and then transfer them to an appropriate Military Service.

DEFENSE COMMUNICATIONS AGENCY (DCA)
(DoD Directive 5105.19)

DCA, under the direction, authority, and control of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence, is responsible for: system engineering and operational and management direction of the Defense Communications System (DCS); system engineering and technical support for the National Military Command System (NMCS); architecture of Military Satellite Communications (MILSATCOM) systems; leasing of communications circuits, services, facilities, and equipment for DoD and other Government agencies; and communications support for the White House. DCA also responds directly to the Chairman, Joint Chiefs of Staff, on operational matters, and communication requirements associated with joint-planning that are of primary concern to the Chiefs.

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[1]Source: *Department of Defense, Organization and Functions Guidebook*, pp. 33-48 (November 1985).

DEFENSE CONTRACT AUDIT AGENCY (DCAA)
(DoD Directive 5105.36)

DCA, under the direction, authority, and control of the Assistant Secretary of Defense (Comptroller), is responsible for performing all contract audits for the Department of Defense, and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. They include evaluating the acceptability of costs claimed or proposed by contractors and reviewing the efficiency and economy of contractor operations. DCAA also provides contract audit service to other Government agencies, as appropriate; its operations are conducted on a worldwide basis.

DEFENSE INTELLIGENCE AGENCY (DIA)
(DoD Directive 5105.21)

DIA operates under the direction, authority, and control of the Secretary of Defense. Primary staff supervision of DIA is exercised for the Secretary of Defense by the Assistant Secretary of Defense for Command, Control, Communications and Intelligence. The Director, DIA is under the operational control of the Joint Chiefs of Staff for the purposes of providing the intelligence support required to perform their statutory and assigned responsibilities and for ensuring that the necessary intelligence support is available to the Unified and Specified Commands. Under its Director, DIA organizes, directs, manages, and controls DoD intelligence resources assigned to or included within the Defense Intelligence Agency, and reviews and coordinates those DoD intelligence functions retained by or assigned to the Military Departments; satisifies the intelligence requirements of the major components of the DoD; supervises the execution of all approved plans, programs, and policies for intelligence functions not assigned to the DIA; and obtains the maximum economy and efficiency in the allocation and management of DoD intelligence resources.

DEFENSE INVESTIGATIVE SERVICE (DIS)
(DoD Directive 5105.42)

DIS, under the direction, authority, and control of the Under Secretary of Defense (Policy), conducts all Personnel Security Investigations (PSI's) for DoD Components and, when appropriate, also conducts PSI's for other U.S. Government activities. These PSI's include investigations of allegations of subversive affiliations, adverse suitability information, or any other situation that requires resolution to complete the PSI. DIS is also responsible for the three major programs involving industrial security: the Defense Industrial Security Program; the Industrial Facilities Protection Program; and the Survey Program for Contractors with conventional arms, ammunition and explosives.

DEFENSE LEGAL SERVICES AGENCY (DLSA)
(DoD Directive 5145.4)

DLSA, under the direction, authority and control of its Director, who also serves as the General Counsel of the Department of Defense, provides legal advice and services for the Office of the Secretary of Defense, DoD Field Activities, and the Defense Agencies. This includes technical support and assistance for development of the DoD Legislative Program; coordinating DoD positions on legislation and Presidental Executive Orders; providing a centralized legislative and Congressional document reference and distribution point for the DoD; and, maintaining the Department's historical legislative files.

DEFENSE LOGISTICS AGENCY (DLA)
(DoD Directive 5105.22)

DLA, under the direction, authority, and control of the Assistant Secretary of Defense (Acquisition and Logistics), functions as an integral element of the Defense military logistics system and as such, directs its efforts and operations toward worldwide logistics support of the missions of the Military Departments and the Unified and Specified Commands under all conditions of peace and war. Also provides the Military Departments, other DoD Components, Federal civil agencies, foreign governments and others as authorized, materiel commodities and items of supply determined through application of approved DoD criteria for supply management involving requirements determination, acquisition, receipt, storage, and issuance of materiel. Furnishes logistics services directly associated with the supply management function and other support services including scientific and technical information, federal cataloging, industrial plant equipment, reutilization and marketing and systems analysis, design, procedural development and maintenance for supply and service systems. Maintains a wholesale distribution system for assigned items. Provides contract administration services in support of the Military Departments, other DoD Components, Federal civil agencies and when authorized to foreign governments and others.

DEFENSE MAPPING AGENCY (DMA)
(DoD Directive 5105.40)

DMA, under the direction, authority, and control of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence, provides all mapping, charting, and geodetic (MC&G) products and data required by the Secretary of Defense, the Joint Chiefs of Staff (JCS), the Unified and Specified Commands, the Military Departments, and other DoD Components. The Director also serves as program manager and coordinator of all DoD MC&G resources and activities and carries out statutory responsibilities to provide nautical charts and other marine navigational data for all vessels of the United States and navigators generally. The Director of DMA is responsible to the Chairman of the JCS for operational matters within JCS cognizance.

DEFENSE NUCLEAR AGENCY (DNA)
(DoD Directive 5105.31)

DNA, under the direction, authority, and control of the Under Secretary of Defense for Research and Engineering, is responsible for consolidated management and direction of the DoD nuclear weapons, nuclear weapons effects research, and nuclear weapons test program. It is the central coordination agency for the DoD with the Department of Energy (DoE) on nuclear weapons effects research, nuclear weapons testing and nuclear weapons stockpile management. DNA manages the DoD nuclear weapons stockpile and its associated report system and conducts technical investigations and field tests to enhance the safety and security of theater nuclear forces. DNA also provides advice and assistance to the Joint Chiefs of Staff and the Services on all nuclear matters, including such related areas as site security, tactics, vulnerability, radiation effects, and biomedial effects.

DEFENSE SECURITY ASSISTANCE AGENCY (DSAA)
(DoD Directive 5105.38)

DSAA, under the direction, authority, and control of the Under Secretary of Defense for Policy, directs, administers, and supervises the execution of approved security assistance plans and programs, such as military assistance and foreign military sales. DSAA directs and supervises organization, functions, and staffing of DoD elements in foreign countries responsible for managing security assistance programs.

ORGANIZATION AND FUNCTIONS--DOD FIELD ACTIVITIES

Under the provisions of Title 10, United States Code, the Secretary of Defense, in administering the Department of Defense, is given the authority to establish such organizations considered appropriate in the interest of effectiveness, economy and efficiency to provide specialized services in a designated DoD support system or program area, or to provide a broad range of support services for specified DoD activities.

Such authority and administrative prerogatives of the Secretary of Defense are reflected in the organization and functions of the DoD Field Activities, as indicated below:

- American Forces Information Service (AFIS)
- Department of Defense Dependents Schools (DODDS)
- Defense Information Services Activity (DISA)
- Defense Medical Systems Support Center (DMSSC)
- Defense Technology Security Administration (DTSA)
- Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)
- Office of Economic Adjustment (OEA)
- Washington Headquarters Services (WHS)

Functions of DoD Field Activities are as follows:

AMERICAN FORCES INFORMATION SERVICE (AFIS)
(DoD Directive 5122.10)

AFIS, under the policy guidance and operational direction of the Assistant Secretary of Defense (Public Affairs): (1) provides joint interest print, radio, television materials for use in the internal information programs of the Military Departments and other DoD organizations; and (2) assists the ASD(PA) in managing the DoD Internal Information Program. The Director, AFIS, plans and manages functions as indicated below:

- Recommends and oversees the implementation of policy guidance concerning the publication of Defense periodicals, Armed Forces newspapers, and civilian enterprise publications prepared for distribution to members of the Armed Forces.

- Publishes periodicals, pamphlets, posters, books and brochures on matters of DoD-wide, joint interest nature.

- Recommends and oversees the implementation of policy guidance, and exercises program/resource management control over information and entertainment radio and television activities of the Military Departments, commonly known as Armed Forces Radio and Television.

- Develops and oversees the implementation of policy guidance management objectives and standardized procedures for the management and operation of all DoD audiovisual activities.

- Acquires and distributes public service and commerical program materials, and provides a free flow of news, sports, and current events programs for broadcast over Armed Forces Radio and Television.

- Develops and oversees the implementation of guidance concerning the education and training of DoD public affairs personnel.

- Serves as the DoD point of contact with the Joint Committee on Printing of Congress for matters pertaining to DoD periodicals, Armed Forces newspapers, and civilian enterprise publications serving the military community.

- Organizes, directs and manages the Armed Forces Radio and Television Spot Announcement Program and the DoD Joint Interest Program.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS (DODDS)
(DoD Directive 1342.6)

DODDS, under the policy guidance and operational direction of the Assistant Secretary of Defense (Force Management and Personnel), administers a worldwide educational system from kindergarten through grade 12 for eligible minor dependents of military and civilian personnel of the Department of Defense stationed overseas. The Director, DODDS, plans and manages the following functions:

- Provide policy, advisory, and executive secretariat services to the Defense Dependents Education Council, which recommends DODDS policy to the ASD(FM&P).

- Develop policy and regulatory issuances, organize and fund, and manage and administer the Dependents Schools program.

- Effect agreements with Military Departments and other Government entities, as required, for the effective operation of the Dependents Schools system.

- Analyze requirements, and support the development and justification of school construction, modification, and/or repair projects included in annual military construction programs.

DEFENSE INFORMATION SERVICES ACTIVITY (DISA)
(DoD Directive 5122.15)

DISA, under the policy guidance and operational direction of the Assistant Secretary of Defense (Public Affairs) (ASD(PA)): (1) implements assigned DoD policies and programs relating to the provision of information to the media, public forums, and the American people; and (2) assists the ASD(PA) in developing policies and providing guidance on DoD public information programs and activities. The Director, DISA, through his Deputy Director (who also serves as Director, Freedom of Information and Security Review), plans and manages functions as indicated below:

- Conducts security reviews, in accordance with Executive Order 12356, of DoD materials for public release, including testimony before Congressional committees, and all materials submitted for security review by sources outside of DoD.

- Conducts policy reviews of material originated within DoD and intended for public release and of similar materials submitted by sources outside the DoD for clearance.

- Administers the DoD Freedom of Information (FOI) program, including the internal administration of FOI programs for OSD, Organization of the Joint Chiefs of Staff (OJCS), Defense Agencies, and specified activities receiving administrative support from OSD.

- Administers the DoD Mandatory Declassification Review program, including internal administration of the program for OSD, OJCS, and other DoD activities receiving administrative support from OSD.

- Serves as the point of contact within OSD, OJCS, and other DoD activites receiving administrative support from OSD for individuals requesting information on or access to records and copies thereof concerning themselves.

- Serves as point of contact for public and media appearances by DoD officials and conducts advanced planning and coordination with private, public, and media organizations for such events.

- Replies to inquiries regarding DoD policies, programs or activities received from the general public, either directly or from the Congress, White House, or other Government agencies.

- Prepares speeches, public statements, Congressional statements, articles for publication and other materials for public release by DoD and White House officials.

DEFENSE MEDICAL SUPPORT ACTIVITY (DMSA)

DMSA is responsible for all aspects of the information systems needed to support the activities of the military health care system and the planning, programming, and budgeting for medical facility construction projects. Established in 1985, under the policy guidance and operational direction of the Assistant Secretary of Defense for Health Affairs, the Activity absorbed the Tri-Service Medical Management Information System (TRIMIS) Program Office and consists of the Defense Medical Systems Support Center and Defense Medical Facilities Office.

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION (DTSA) (DoD Directive 5105.51)

DTSA, under the policy guidance and operational direction of the Under Secretary of Defense (Policy), serves as the focal point within DoD for planning, management, and policy review of international economic policy matters of defense interest related to NATO, other European countries and Soviet affairs; and on all international trade and technology security matters of defense interest. The Director, DTSA, has primary responsiblity within OUSD(P) for:

- Analysis of the interaction of international economic and export control factors affecting U.S. national security; and the subsequent development, preparation and coordination of related DoD positions, plans, procedures and policy recommendations.

- Formulates and recommends to USD(P), DoD and USG policy positions on East-West and Free World trade and technology transfer cases reviewed by the multilateral Coordinating Committee (COCOM). Reviews munitions license applications for USD(P).

- Responsible to assess end use and the potential military application of transferred technology which could impact U.S. national security, and to conduct the annual assessment of technology transfer, as well as directing compliance with DoD Directive 2040.2, "International Transfers of Technology, Goods, Services, and Munitions."

OFFICE OF CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (OCHAMPUS) (DoD Directive 5105.46)

OCHMPUS, under the policy guidance and operational direction of the Assistant Secretary of Defense (Health Affairs), administers civilian health and medical care programs for military retirees and for spouses and children of active duty, retired, and deceased military members. OCHAMPUS also administers a similar program for selected beneficiaries of the Veterens Administration, the Coast Guard, National Oceanographic and Atomospheric Administration (NOAA), and the Public Health Service Commissioned Corps. The Director, OCHAMPUS, is responsible for the following functions:

- Organize and manage OCHAMPUS resources and develop policy and regulation issuances required for effective administration of civilian health benefits to eligible members of the Uniformed Services and their dependents.

- Ensure the administration of OCHAMPUS programs contributes to the DoD medical readiness posture.

- Effect agreements with Military Departments and other Government entities, as required, for effective administration of OCHAMPUS programs.

- Execute, administer, and monitor contracts for the delivery and financing of civilian health benefits, and to provide utilization control, peer review, and quality assurance of health care received by eligible beneficiaries.

- Conduct studies, demonstrations, and research activities, including contract studies, in the health care area with a view to improving the quality, efficiency, convenience, and cost-effectiveness of OCHAMPUS programs and the DoD health care delivery system.

- Convey OCHAMPUS information to health care providers, users, and others needing such information.

OFFICE OF ECONOMIC ADJUSTMENT (OEA)
(DoD Directive 3030.1)

OEA, under the policy guidance and operational direction of the Assistant Secretary of Defense (Force Management and Personnel), plans and manages the following functions:

- Recommend policy, develop procedural issuances, and budget and manage resources for the implementation and operation of economic assistance programs; and, appraise and improve programs performance.

- Monitor changes in DoD programs and activities; assess or assist as required in the assessment of possible impacts; and, as appropriate, develop and recommend strategies and action plans to lessen serious local impacts.

- Provide information and advice on economic adjustment programs and the resources available to meet community economic adjustment needs.

- Plan, organize, coordinate, and administer economic adjustment assistance projects for communities, areas, and States adversely affected by DoD realignment actions.

- Assist local communities, areas, or States in expanding public service facilities to meet requirements generated by major expansions or the establishment of new DoD installations.

- Provide technical advice and assistance to Defense-dependent communities in efforts to diversify their economic base, reduce their vulnerability to change, and minimize the possible impact of future DoD realignments.

- Support the Secretary of Defense as chairperson of the Economic Adjustment Committee (EAC), and provide staff support of the community assistance activities of EAC.

The Director, OEA, is also designated as the Assistant to the ASD(FM&P) for Economic Adjustment, and as the Executive Director of the Economic Adjustment Committee.

WASHINGTON HEADQUARTERS SERVICES (WHS)

(DoD Directive 5110.4)

WHS provides administrative and operational support to specified Department of Defense activities in the National Capital Region (NCR). The Deputy Assistant Secretary of Defense (Administration) has collateral responsibility as Director, WHS, and plans and manages the following functions:

- Provide administrative support (including budgeting and accounting, civilian and military personnel management, office services, security, correspondance and cables management, directives and records management, travel and other such administrative services as required) to the Office of the Secretary of Defense, DoD field activities, and other specified Defense activities.

- Administer information and data systems in support of the OSD decision and policy-making processes, including management, information collection, and reports preparation in the areas of procurement, logistics, manpower, and economics.

- Provide computer services and associated support to OSD, including validation of ADP requirements, management and control of ADP resources, systems development and operation, and the provision of consulting services.

- Manage DoD occupied GSA controlled administrative space in the NCR and DoD common support facilities, including office space, concessions, layout design, and other related building administration functions.

- Perform staff activities in support of the responsibilities of the Secretary of Defense for the Federal Voting Assistance Program.