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OCCASIONAL PAPER

The Perfect Storm

The Goldwater-Nichols Act and Its Effect on Navy Acquisition

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Prepared for the United States Navy

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Summary

The Goldwater-Nichols Department of Defense Reorganization Act passed in 1986 was one of the most sweeping pieces of legislation to affect the Department of Defense and the military services in decades. Its passage resulted from dissatisfaction on the part of Congress and other influential policymakers with what they perceived as the U.S. military's stubborn refusal to deal with long-festering problems. These problems included an inability on the part of the military services to mount effective joint operations and an inefficient, unwieldy, and at times corrupt system for acquiring weapon systems. These perceptions had some basis in reality. The historical landscape was littered with examples of mishandled military operations, including the Vietnam War and the failed attempts to rescue both the crew of the SS *Mayaguez* and the Americans taken hostage in Iran. The acquisition process fared no better in terms of success, as proven by the Ill Wind investigation, huge cost overruns, and such flawed systems as the A-12 Avenger.

But Goldwater-Nichols was only one manifestation of widespread discontent with the Department of Defense's operational and acquisition capabilities. Between 1986 and 1990, a remarkable number of events changed how the department was organized, conducted military operations, and did business. The climate surrounding the enactment of Goldwater-Nichols was indeed a "perfect storm," a confluence of disparate currents, some flowing from long-standing problems and others from more-recent events. These currents not only facilitated the passage of Goldwater-Nichols but also shaped its implementation in the military departments.

This paper focuses on the implementation of Goldwater-Nichols in DoN. It argues that the implementation of the act in DoN had three undesirable consequences:

- It erected an impenetrable wall between a military-controlled requirements process and a civilian-driven acquisition process to the overall detriment of acquisition in DoN.
- Its personnel policies deprived the DoN of a blended acquisition workforce composed of line officers with extensive operational experience who provided valuable perspective that those who spent most of their careers in acquisition assignments lacked.
- It created a generation of line officers who had little or no understanding of or appreciation for the acquisition process.

These consequences were unintended by those who crafted the legislation but were exacerbated by DoN's overly restrictive interpretation of the legislation.

To rectify the situation, we recommend that DoN

- change its directives to eliminate the wall between the requirements and acquisition processes and spell out a continuing role for the Chief of Naval Operations and the Commandant of the Marine Corps that is more in line with the practices of the other military services
- create an acquisition oversight body co-chaired by the Assistant Secretary of the Navy for Research, Development and Acquisition; the Vice Chief of Naval Operations; and, in matters of priority interest to the Marine Corps, the Assistant Commandant of the Marine Corps
- create desirable career opportunities for line officers in the material establishment.

In the final analysis, institutional balance is a central element of concern. Violent storms disturb the evolved balance of nature, with that equilibrium being restored over time. The authors observe that the “perfect storm” addressed in this paper distorted the balance of actors and forces that was key to institutional governance. A quarter of a century later, that balance has not been regained; if anything, distortions continue. The recommendations are a step in restoring that institutional balance.