PROJECT ON NATIONAL SECURITY REFORM

TURNING IDEAS INTO ACTION

SEPTEMBER 2009

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Project on National Security Reform

September 30, 2009

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear President Obama:

In November 2008, the Project on National Security Reform (PNSR) delivered a landmark report, entitled Forging a New Shield, to President George W. Bush. In that report, our Guiding Coalition, whose alumni include General James Jones, Admiral Dennis Blair, Mr. Jim Steinberg, and Ms. Michèle Flournoy affirmed unanimously that the national security of the United States of America is fundamentally at risk. The study provides compelling evidence of this risk and the increasing misalignment of the national security system with a rapidly changing global security environment. It analyzes the problems in the system's performance, their causes, and their consequences and proposes an integrated set of reforms for the Executive Branch and Congress.

PNSR's Cooperative Agreement with the Department of Defense and Office of the Director of National Intelligence, funded by Congress, requires a progress report on the work that has been performed since delivery of Forging a New Shield. This letter forwards that progress report. It includes new and evolved recommendations for reform of the national security system based on the results of additional research and engagement with government partners. The report also includes steps that you, your assistants and Cabinet secretaries, and Congress could take

immediately to further national security reform. It also contains draft legal instruments that could be used to implement these recommended reforms.

The Project on National Security Reform is ready to assist in consideration and action on a bold and urgent transformation of the national security system.

Respectfully yours,

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ABOUT THE PROJECT ON NATIONAL SECURITY REFORM

The non-partisan Project on National Security Reform (PNSR) was established to assist the nation in identifying and implementing the kind of comprehensive reform that the government urgently needs. Numerous efforts, many of which were initiated by Congress, have attempted to rethink national security for the 21st Century. However, little has changed. The studies undertaken typically suffered from three major deficiencies. First, they were largely dominated by the traditional military/defense approach, rather than the much broader range of perspectives required today. Second, while many offered valuable recommendations, the presenting commissions were not positioned to take on the harder challenge of implementation. Finally, previous efforts examined issues and offered recommendations, but often without the important context of a vision for the future national security system. PNSR's approach directly addresses each of these shortcomings.

PNSR has established a team and developed a network that touches many of the public and private sector partners and participants that are critical to our security challenges – both threats and opportunities. While the first phase of PNSR's work focused on identifying problems and developing recommendations. The current focus of effort is supporting the development of tools for actual implementation, applying its holistic principles for long term reform to many of today's challenges. Finally, and perhaps most importantly, PNSR has a vision for the 21st Century national security system. PNSR envisions a system that is collaborative, agile, and innovative that integrates all elements of national power – both vertically and horizontally – and successfully addresses security challenges based on timely, informed decisions and decisive action.

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

PROJECT ON NATIONAL SECURITY REFORM

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Project on National Security Reform

Turning Ideas Into Action

September 2009

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Executive Summary

The work has begun. The goal is holistic reform of the U.S. national security system to enable effective response to 21st-Century challenges and opportunities.

The Obama administration supports reform and has moved toward it, rhetorically and in first steps. President Obama adopted the language of reform when he noted in his inaugural address that "the world has changed and we must change with it"[1] and spoke in his 2009 State of the Union address of the complex national security environment and the need to use all elements of national power.[2]

> *"To meet the challenges of the 21st century – from terrorism to nuclear proliferation; from pandemic disease to cyber threats to crushing poverty – we will. . . use all elements of our national power."*
>
> *President Barack Obama, February 24, 2009*

In February 2009, national security advisor General James Jones stated that "to succeed against 21st century challenges, the United States must use, balance, and integrate all elements of national influence."[3] He also reflected on the necessary role of the National Security Council as a strategic integrator.

Since then, the National Security Council and Homeland Security Council staffs have been merged into a single National Security Staff in recognition of the crosscutting nature of today's threats, and announcements have been made of other intended changes to strengthen the staff.[4] The State Department has undertaken a major review to integrate and align diplomacy and development. Some on Capitol Hill have shown interest in reform, but no changes have been made and a determined leader of reform has not emerged in Congress.

The language of reform is heard more widely and more often than before. Leaders and others in government, the non-profit sector, and academia use terms such as "whole-of-government," "interagency action," and "integrating all the instruments of national power."

Momentum for reform is building, but it is largely rhetoric and good intentions. The hard work of reform lies ahead. Strategic management of the national security system remains absent and is desperately needed to make it integrated, cohesive, and agile. It will take much more effort and time to transform the current outdated system into one based on a whole-of-government approach in the national interest, updated to today's challenges.

> *Momentum for reform is building, but it is largely rhetoric and good intentions. The hard work of reform lies ahead.*

---

1 Barack Obama, "The White House - Blog Post - President B arack Obama's Inaugural Address," *The White House*, 20 January 2009, 15 September 2009 <http://www.whitehouse.gov/blog/inaugural-address/>.

2 Barack Obama, "The White House - Press Office - Remarks of President Barack Obama -- Address to Joint Session of Congress," *The White House*, 24 February, 2009, 15 September 2009 <http://www.whitehouse.gov/the_press_office/remarks-of-president-barack-obama-address-to-joint-session-of-congress/>.

3 General James Jones, "The White House - Press Office - Remarks By National Security Adviser Jones At 45th Munich Conference On Security Policy," *The White House*, 9 February 2009, 15 September 2009 <http://www.whitehouse.gov/the_press_office/RemarksByNationalSecurityAdviserJonesAt45thMunichConferenceOnSecurityPolicy/>.

Reform is never easy, nor quick, and there are obstacles to recognize and overcome. The *first* is intellectual – the mental model of many is the Cold War system, dominated by defense and intelligence and, to a lesser extent, diplomacy, each in its own separate domain. An integrated, horizontal model that includes non-traditional players is a leap beyond long-held beliefs about what works. *Second*, it is a politically sensitive issue that breeds uncertainty and serious questions about power, jurisdiction, and resources. *Third*, the sheer size of national security reform is huge and can be daunting unless broken into manageable pieces. The *fourth* obstacle is ownership. At this point, the primary owner, or leader, of national security reform is the national security advisor, but he lacks the capacity to transform the system. Although the national security advisor sits at the head of the organization that must integrate the system and give it strategic direction, other stakeholders also must assume ownership, especially in Congress where leadership is needed. The *fifth* obstacle is bandwidth, that is, the time and attention needed to focus on the task. By the time the crisis of the day has been averted or addressed, by the time the inbox has been drained and refilled, there is no time for system reform. Reform takes education, political will, a plan for proceeding in steps, perseverance, leadership, and time.

The sheer size of the national security reform task is huge and can be daunting unless broken into manageable pieces.

The Project on National Security Reform (PNSR) is trying to help overcome these obstacles to move national security reform forward, with intelligent thinking and a practical approach toward implementation, often working through the problems with government partners. In November 2008, PNSR published *Forging a New Shield,* a 800-page report that offers a rigorous and comprehensive analysis of the problems of the national security system and recommendations for reform. PNSR continues to work vigorously, turning to implementation and refining recommendations as it learns from engagement with key stakeholders. Several key initiatives are designed to test reform concepts and acquaint stakeholders with the benefits of reform. In this report, *Turning Ideas Into Action*, PNSR outlines the building blocks of reform, implementation initiatives, and specific steps the nation must take to move from the national security system it has to the national security system it needs. It is about turning ideas into action.

The Reform Imperative

The threats faced by the United States in the 21st Century are more complex, interconnected, and far-reaching than ever before. They occur in ever wider, overlapping spheres. National security now encompasses economic security, environmental security, homeland security, and technology security, among others. Threats and issues are manifested in the global financial crisis, spread of weapons of mass destruction, terrorism, pandemics, climate change and resource scarcity, and regional instability.

Our world has changed profoundly since the fall of the Berlin Wall 20 years ago. We have become dependent on a networked global information grid that is increasingly vulnerable to catastrophic attack. Economic interdependency between nations means the actions of a single actor can have a significant and immediate global impact. A loose affiliation of transnational organizations – operating in the shadows and leveraging technology and ungoverned spaces – has found new and increasingly sophisticated means of attack. Global climate change and its impact on food production threaten political stability in many world regions.

Dealing with these cross-cutting threats and situations requires accepting that the scope of "national security" is broader than it used to be, and it requires updating the increasingly inadequate national security system to address this complex set of issues.

The list of deficiencies is long. The current system is built of disjointed stovepipes that don't connect sufficiently well to address complex problems. The results are predictable. Crisis management takes precedence over long-term strategic management. Redundancy and turf wars among agencies preclude whole-of-government approaches. Individual departmental missions take precedence over national missions. National strategy and planning guidance are missing. Resources and priorities are misaligned. Interagency cooperation is not encouraged. Diverse subcultures, incompatible protocols, and outdated technologies prohibit information sharing. Congressional oversight is fragmented.

Recognition is growing that the system – built to deal with the Cold War – is inadequate and has failed severely a number of times in recent years: for example, Somalia in 1993 and Rwanda in 1995, the September 11, 2001 terrorist attacks on the United States and the ineffective response to Hurricane Katrina in 2005, and many aspects of the Iraq and Afghanistan wars. Under the current system, mismanagement and failures like these are inevitable. The system will fail again, at home and abroad, unless it is changed.

Reform is imperative. The White House and Congress must reorient, reshape, and reform the national security system to meet 21st-Century challenges and opportunities.

The risks and costs of failing to reform are unacceptable. The United States must be able to anticipate and respond effectively to the next crisis. An overall strategy that drives plans, actions, and resources and incorporates the broad range of national power options is required.

The current system is built of disjointed stovepipes that don't connect sufficiently well to address complex problems.

The Vision for National Security Reform

PNSR has developed a vision for the national security system of the 21st Century. *The vision is for a collaborative, agile, and innovative national security system that horizontally and vertically integrates all elements of national power to successfully meet 21st Century challenges and opportunities based on timely, informed decisions and decisive action.*

The United States needs a national security system that can develop an overall strategy, a plan to execute it, and the means to provide timely resources and adequate authorities for pursuing the plan in support of national goals. The elements of such a system are presented in *Forging a New Shield*. A superior system would employ whole-of-government approaches that integrate entities throughout the federal government as well as its diverse state, local, and other mission partners. Attaining such unity requires strong leadership at all levels of government, not just at the presidential level. A stable and effective national security system relies on strategic management and interagency cohesion. Enduring success requires combining all the resources of the U.S. government in a manner that endures from election to election and from administration to administration.

Building Blocks of Reform

PNSR envisions holistic reform of the system as its ultimate goal. To accelerate progress toward that end, PNSR has focused on the initial building blocks for reform and on implementation measures that can be taken now, without legislation. The key reform themes, ideas, and implementation initiatives are outlined below.

New Approaches Based on National Missions and Outcomes: *Reform the national security system to establish strategic management of end-to-end processes and achieve overall integrated effort, collaboration, and agility.*

The national security interagency system does not leverage and integrate all instruments of national power. Additionally, there is no approach that fosters governmentwide collaboration on actions and outcomes through a coherent application of available resources to achieve desired objectives or end states. The absence of even the most fundamental strategic management of the interagency system typically prevents the development of whole-of-government policy options for presidential consideration and for implementation of decisions throughout the system.

> *The NSC's role is to manage an interagency process that is strategic, agile, transparent, and predictable —all in order to advance the national security interests of the United States.*
>
> *General James L. Jones*
> *National Security Advisor*
> *March 18, 2009*

After the Obama administration merged the National Security Council and Homeland Security Council staffs into a single National Security Staff and announced other changes to strengthen the staff in May 2009, PNSR undertook an initiative to design the optimal National Security Staff to meet current global realities with more comprehensive capability. Strategic management of end-to-end national security interagency system processes was identified as one of the key roles that the national security advisor and staff must be able to accomplish. The three other key roles are overseeing development of the national security interagency system, including human capital and knowledge and intellectual capital; managing crises to include anticipating and preventing conflict; and providing staff support to the president on national security matters.

Strategic management of end-to-end processes leverages and integrates all elements of national power. It has the following core functions: policy formulation, strategy development, planning guidance, strategy and resource alignment, oversight of policy implementation, and strategic assessment of interagency performance. These same functions should be performed throughout the national security system.

PNSR recommends that the president issue an executive order describing the new national security interagency system, roles of the national security advisor, and processes for end-to-end strategic system management.

In another initiative, PNSR is researching means for developing end-to-end management capability at the departmental level, centered on building an organizational model for the "Next Generation State Department" that emphasizes a unified, interagency approach to the management of global civilian affairs.

Strategy Development and Planning Guidance: *Develop a national security strategy and accompanying planning and resource guidance for the interagency system.*

Previous efforts to impose strategic management of national security policies have been inconsistent. The webs of policy committees and working groups that loosely integrate departments and agencies across the domains of defense, diplomacy, intelligence, and now economics, law, energy, homeland security and others, have become fragmented, slow, unwieldy, and often in conflict. Strategy development and long-term planning should become a core competency of the National Security Staff. The staff must focus

on strategic management and develop the strategy and tools to provide resource allocation guidance throughout the interagency.

PNSR concluded that establishing a permanent strategy directorate in the National Security Staff could strengthen strategy development. The directorate would set direction and advance objectives to ensure the government is prepared to address near-, medium-, and long-term challenges, as well as capitalize on new opportunities. To fulfill these objectives, the strategy directorate would periodically produce three documents: a National Security Review to assess strategic challenges and capabilities, a National Security Strategy to focus the executive branch, and a National Security Planning and Resource Guidance to implement and fund the strategy.

Aligned Strategy and Resources: *Link resources to goals through national security mission-based analysis and budgeting.*

National security executives must be able to link resources to strategic goals. In the current system, funding is distributed program by program, department by department. In theory, this is designed to produce desired mission outcomes. In practice, however, the process focuses on means rather than ends and relies on policy entrepreneurs within the interagency space to work around the bureaucratic impediments to achieve successful mission outcomes.

National security executives must be able to link resources to strategic goals

National security reforms must focus on strategic objectives and the integrated means to reach them, for example requiring each department and agency to submit its annual budget to OMB consistent with national security planning guidance and creation of an integrated national security budget.

Interagency Teams and Task Forces: *Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces*

U.S. national security missions are shifting, broadening, and becoming increasingly interdisciplinary. In light of today's multidimensional national security challenges, the system's inflexible stovepipes demand reform. The recommendations made in Forging a New Shield stressed the importance of employing an interagency team approach to issue and mission management. Yet, PNSR's recommendations extend beyond staffing national security missions. They also seek to rectify the problems posed by overly centralized decisionmaking, insufficient guidance for and coordination of policy implementation, and insufficient authorities for mission execution. These recommendations encompass systemwide changes, as well as the enabling mechanisms.

Through an initiative with the National Counterterrorism Center's (NCTC) Directorate of Strategic Operational Planning (DSOP), PNSR is studying DSOP's mission of interagency integration with respect to four specific factors: DSOP's relationship to the White House; the concept of strategic operational planning; the process for linking resources to strategy; and the authorities and personnel that DSOP has been granted.

Another arena for the study of interagency teams is a group led by the President's Special Envoy to Sudan. PNSR's research initiative in this area will facilitate our understanding of how the concept of czars and, in this case special envoys, can be

translated to empowered interagency teams for a small set of presidential-priority issues or geographic areas of focus, what authorities could be delegated to similar teams, and what skill sets, resources, and training are required for optimal team performance.

Significant Implementation Initiatives

Design of the National Security Staff for strategic end-to-end management and its other key roles (development of the national security system, crisis management, and presidential staffing)

Design of the Next Generation State Department

Case Study of National Counterterrorism's Directorate of Strategic Operational Planning as an interagency team

U.S. Special Envoy to Sudan interagency team study

National Preparedness System of regional intergovernmental homeland security planning teams

National Security Collaboration Environment Pilot for information sharing

Homeland Security Mission Integration and Coordination: *Create a homeland security and emergency management system that integrates federal, state, local, territorial, and tribal interests.*

The homeland security problem areas analyzed in *Forging a New Shield* detailed the flaws resulting from the currently fragmented national security and homeland security structures. For most of the nation's history, national security threats against the homeland originated outside U.S. borders and involved only the federal level of government. Today, national security encompasses both "borders-out" and "borders-in" and thus demands that local and state security entities have the ability to integrate and communicate up to the national level to address all hazards, from natural disasters to terrorist attacks. Communication has to run in both directions. The transforming security landscape also requires that the federal security apparatus provide the organizational conduits, processes, resources, and planning guidance to allow that linkage when appropriate, both constitutionally and as homeland emergency operations dictate.

PNSR calls for the development of a National Operational Framework (NOF) to better address homeland security challenges. The NOF would encompass the entire homeland security mission continuum, easing confusion throughout the interagency and intergovernmental systems while enabling a closer working relationship among all stakeholders—both public and private.

PNSR has undertaken an initiative to study how risk assessment, regional planning, and grants management can best complement each other as an integrated component of a formalized National Preparedness System (NPS), as defined under the Post-Katrina Emergency Management Reform Act (PKEMRA). This initiative is consistent with the current regionally empowered approach.

Human Capital: *Align personnel incentives, leader development, personnel preparation, and organizational culture with strategic objectives.*

Effective collaboration and cooperation across the interagency system will require significant changes to the way we develop, prepare, and incentivize personnel. The qualities we have long demanded of our national security executives—toughness, dedication, intelligence—are as important as ever. But these individuals must master

new skills. They must become the world's best team players, ablest negotiators, and most careful listeners. They must be able to come together, pool ideas, and take integrated action.

The government's National Security Professional Development Integration Office provides an important first step toward the creation of national security professionals. Congressional momentum on interagency executive education has potential to produce significant successes in national security reform. To assist this effort, PNSR has drafted national security human capital legislation and recommends a new executive office to develop a human capital plan.

Knowledge and Intellectual Capital: *Greatly improve the flow of knowledge and information.*

The national security community must make intelligent information sharing the norm, shifting from "need to know" to "need to share." Parochial cultures, outdated technologies, and bureaucratic practices remain barriers to interagency cooperation. Requirements for security clearances and information classification policies vary widely from agency to agency. Time-sensitive information is often relayed by fax machine. Agencies' computer systems are often incompatible with those of other agencies. As a result, our national security personnel do not know all that they need to know. Across the system, it is essential to leverage the tools available to create an online, real-time collaboration capability. But, technology alone is not the answer. It must be complemented by an information sharing culture that extends throughout the greater national security community. The bottom line is that significant advances in the knowledge and information capital practices of the national security system can easily be made.

Across the system, it is essential to leverage the tools available to create an online, real-time collaboration capability.

PNSR is pursuing an initiative to develop a National Security Collaboration Environment (NSCE) pilot in support of the national security community. Initially focused on the National Security Staff and its interagency partners, this online, real-time environment must eventually extend to all mission partners. It would be comprised of the tools, policies, and processes to enable information and knowledge sharing. This collaboration environment would include the services, registry, browser, protections, and a portal to make the environment viable. It will help make information sharing a reality.

Congressional Responsibilities: *Create mechanisms for the oversight and resourcing of integrated national missions.*

The complexities of the Afghanistan situation alone provide a daily reminder on Capitol Hill of the pronounced need for aligning and integrating strategy and resources. Members of Congress presently struggle to see the big-picture interrelationship among all elements of national power. Instead of structuring itself to catalyze interagency approaches, Congress reinforces outdated, department-centric practices. Existing committees examine the activities of individual departments and agencies, but no one committee has a whole-of-government perspective on national security. It will take aligning congressional structures to 21st-Century challenges to change this. PNSR

recommends adding new subcommittees to the armed services and foreign relations/ foreign affairs committees in both chambers. These subcommittees should meet jointly and hold hearings that provide integrated oversight of the national security interagency system.

Strategic management, effective resource allocation, empowered interagency teams, a dedicated national security workforce, a collaborative culture of information sharing, and integrated oversight are all hallmarks of the system we need to remain secure in the 21st Century.

Turning Ideas Into Action

Reform has become a question of when, not if. It is time to turn ideas into action.

Many of our leaders have spoken of the need for defining national security more broadly, integrating its ability to employ all elements of national power, promoting interagency collaboration, and establishing a strategic national security planning capability. The Obama administration has taken actions that are promising signals of intent; early decisions and directions have laid the groundwork for potentially significant reform.

Good intentions, however, are not enough. Much work lies ahead in the government to establish new offices and interagency processes, change the entrenched culture of stovepipe bureaucracy and decisionmaking, improve communication and collaboration, build a national security personnel system, and gain greater institutional continuity across administrations. Congress, too, must take more of an active interest in updating the system and their own oversight. National security reformers hope that the obvious need for comprehensive reform in the executive and legislative branches will beget the necessary leadership.

A modern national security system will not emerge of its own accord. It will take leadership and action by the White House and Congress.

Turning Ideas Into Action is organized to provide a concise but thorough understanding of the problems, recommended solutions, the path to reform, and progress to date. It concentrates on providing tools and steps that can make reform real. Part II, Path to Reform, summarizes the analysis undertaken to date by PNSR, explains the refinement of recommendations and the strategic impact of their implemention, and highlights the progress of reforms currently under way. Part III, Significant Initiatives, describes six ongoing activities that demonstrate how PNSR is applying the principles of national security reform to today's challenges in support of decisionmakers and leaders. The report concludes with Part IV, which outlines next steps that must be taken in order to achieve reform. Legal instruments, including presidential letters, executive orders, and legislation, that can mandate implementation are found in Appendix 1.

Recommended Next Steps

There is much that can—and must—be done today. The "Next Steps" recommended in Part IV are organized by the key decisionmakers who need to take these actions, from the president and his national security advisor, to cabinet officers and Congress. The most important immediate step would be for the president to issue an executive order defining the national security interagency system, especially with respect to setting up the processes for strategic management. The executive order is the foundation for the changes that will result in a more cohesive and agile national security interagency system that integrates all the elements of national power. Each

recommended reform step would contribute significantly to integrating and improving the overall national security system. Collectively these steps are only part of the needed national security reform, but they are synergistic, practical, doable, and necessary.

Collectively these steps are only part of the needed national security reform, but they are synergistic, practical, doable, and necessary.

President

- Articulate principles to guide the functioning of the national security system.
- Issue a presidential letter to heads of departments and agencies articulating presidential expectations for the national security interagency system, primacy of national missions and outcomes, and imperative for integrated effort, collaboration, and agility.
- Issue a presidential letter to chiefs of mission prescribing their authority as national representatives.
- Issue a presidential letter to heads of departments and agencies regarding the authority of chiefs of mission.
- Sign an executive order on the national security interagency system to define the interagency space, set forth presidential expectations for interagency integration, establish functions of the national security interagency system and key personnel, and provide continuity for fundamental aspects of the system across administrations.
- Sign a presidential directive prescribing the duties of the assistant to the president for national security affairs.
- Sign a presidential directive establishing the duties of the senior director for strategy development on the National Security Staff.
- Sign a presidential directive to establish a National Security Strategy Development Board to strengthen the development of national security strategy and associated planning and resource guidance.
- Sign a presidential directive prescribing the role and authorities of interagency teams established to address the most pressing national security issues that require integration of expertise, capabilities, and resources across departments and agencies.
- Approve a charter for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.
- Include in the President's Budget Request funding sufficient to enable the National Security Staff to perform its four major roles, including strategic management of end-to-end national security interagency system processes.

Assistant to the President for National Security Affairs

- Adopt strategic management of end-to-end processes which includes formulating policy, developing strategy, aligning strategy and resources, preparing integrated plans, overseeing execution, and assessing performance of the national security interagency system as one of the principal roles of the National Security Staff.

- Organize the National Security Staff to enable it to perform the four major roles of strategic management, development of the national security interagency system, crisis management, and presidential staffing.
- Advise the president on the requirements for funding, personnel, facilities, and modern information sharing technology to enable the National Security Staff to perform its four major roles.
- Provide sufficient personnel to enable a strategy directorate to (1) lead efforts to conduct the National Security Review and prepare the National Security Strategy and National Security Planning and Resources Guidance (the latter in collaboration with the Office of Management and Budget) and (2) support each senior director on the National Security Staff on development of strategy within his or her area of regional or functional responsibility.
- Request the director of the Office of Management and Budget to assign one or more personnel to the strategy directorate to assist in efforts to better align resources with strategy.
- Create a Homeland Security Collaboration Committee on the National Security Staff to ensure appropriate consideration of the perspectives of state, local, tribal, and territorial governments and private-sector and non-governmental organizations in the formulation of homeland security policy.
- Approve a written position description for each position on the National Security Staff.
- Approve a charter for each Interagency Policy Committee.
- Approve schedules for the annual work of the Principals Committee and Deputies Committee involving major milestones and recurring weekly meetings.
- Direct the use of modern information sharing technology to improve collaboration between the National Security Staff and departments and agencies.
- Ensure that the National Security Professional Development Integration Office is sufficiently empowered to execute its mission to educate, train, and prepare personnel to serve in interagency assignments.
- Create an office on the National Security Staff to manage national security reform.

Director of the Office of Management and Budget

- To complement the creation of a single National Security Staff, transfer the Homeland Security Branch from General Government Programs to National Security Programs.
- Assign one or more personnel to the strategy directorate of the National Security Staff to assist in better aligning resources with strategy.
- In collaboration with the assistant to the president for national security affairs, prepare the National Security Planning and Resource Guidance for the president's approval.

Secretary of State

- Adopt integrated end-to-end management of global civilian affairs as the principal role of the Department of State.
- Transform the structure, processes, culture, and staff capabilities of the Department of State to enable it to perform integrated end-to-end management of global civilian affairs.
- Prescribe mandatory training, including training in team dynamics and conflict resolution, for each person to be assigned to a U.S. embassy staff.
- Include as a key performance evaluation measure the ability of a chief of mission to institutionalize an integrated whole-of-government approach by the mission.

Secretary of Defense

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Strengthen the role of the National Defense University in education of personnel who will serve in interagency assignments.
- Determine an appropriate role for the U.S. Joint Forces Command in training interagency personnel for multiagency operations.

Secretary of Homeland Security

- Develop a National Operational Framework for interagency and intergovernmental operational integration across the full range of the homeland security continuum, building on existing plans and frameworks.
- Establish an Office of Intergovernmental Coordination in the Office of the Secretary to work with state, local, tribal and territorial governments on all matters.
- Establish in each region of the Federal Emergency Management Agency a joint interagency, intergovernmental working group for regional catastrophic preparedness.

Director of National Intelligence

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Determine the proper role of the Directorate of Strategic Operational Planning of the National Counterterrorism Center in assisting the National Security Staff's strategic management of the combating terrorism mission.

Congress

Enact the National Security Human Capital Act to establish an interagency personnel system.

Have subcommittees from two or more committees with national security jurisdiction hold joint hearings on interagency issues, including hearings on the performance of Provincial Reconstruction Teams in Iraq and Afghanistan, evaluation of Commander's Emergency Response Program (CERP) funds, reviewing the national security strategy submitted by the president, and strategic communications programs of departments and agencies.

Enact a provision requiring the president to issue a charter, prior to appointment, for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.

Enact a provision requiring the assistant to the president for national security affairs to assign to the office of each senior director on the National Security Staff a person who has been particularly trained and especially qualified in the art of strategy development.

Request the president or secretaries of state and defense to conduct a study on each of the following subjects: (1) organizational impediments to achieving unity of effort for U.S. government policies and programs in Afghanistan and Pakistan; (2) the concept of creating an interagency regional center for each world region to perform national security missions assigned by the president; and (3) the need to establish a common alignment of world regions in the internal organization of departments and agencies with international responsibilities.

Request the director of the Office of Management and Budget to conduct a study on each of the following topics: (1) the need to modify the resource allocation process to better align resources with strategic national security objectives; and (2) the utility of creating an integrated national security budget.

The Continuing Role of PNSR

PNSR's mission is to provide the government and its mission partners with the knowledge and tools required to transform the components of national security into an agile system that operates as an integrated, effective whole.

PNSR acts as an orchestrator and an enabler. It understands the challenges inherent in planning and carrying out the recommended reforms. PNSR cannot approve or enact the reforms, but it can help government overcome some of the obstacles through education, the development of implementation plans built through initiatives and test projects with stakeholders, and practical advice for leaders. PNSR also has the time and perseverance to pursue progress.

The next phase of PNSR's work is focused on facilitating progress, specifically in completing the steps outlined above, helping to meet the challenges, and continuing its high-value, high-priority initiatives with mission partners.

Conclusion

Reform will not come easily. Despite universal awareness that the world has undergone profound change and growing consensus that our system for dealing with it has not kept pace, a modern national security system will not emerge of its own accord. It will take leadership and determined action by the White House and Congress. It will take a concerted and sustained push. Most importantly, it will take foresight and a holistic view of the system and its fundamental purpose in the 21st Century.

Project on National Security Reform

Turning Ideas Into Action

September 2009

Part I: Introduction

The Reform Imperative

The U.S. national security system is not able to handle effectively the range and complexity of 21st-Century threats and opportunities. The system, designed in 1947 to overcome post-World War II threats, is outdated and misaligned with current realities and requirements.

As the world has changed, piecemeal reform has occurred, but the system remains one of stovepiped departments and agencies focused on individual missions, rather than an integrated, horizontal system promoting national missions. The United States has repeatedly failed to integrate the diplomatic, military, economic, and other elements of national power needed to address current challenges as well as new opportunities. No overarching strategy and processes effectively connect the various parts. The system has failed and will fail again.

Reform is imperative. The United States needs holistic reform to create a new national security system that employs a whole-of-government approach and is collaborative, agile, and innovative. It must integrate entities across the federal government, as well as its diverse state, local, and other mission partners. It must use all elements of national power.

The Obama administration has taken early steps to implement some reforms aimed at better integrating and managing the system, but a much more comprehensive transformation is required to give the United States the national security system it needs and deserves. Good intentions and early steps are a beginning, but hard work still lies ahead.

Reform does not come easily or quickly. It will take time and determined leadership by the president, others in the White House and executive branch, and Congress. Obstacles of intellectual resistance, fear of change, the daunting scope, questions of ownership, and limits on bandwidth – simply the time and energy to focus on reform given day-to-day tasks and crises – make progress difficult and hard won.

The Role of PNSR

PNSR's mission is to provide the U.S. government and its mission partners with the knowledge and tools required to transform the components of national security into an agile system that operates as an integrated, effective whole.

Congress created PNSR to analyze and propose how the U.S. national security system can be transformed to meet the challenges and opportunities of the 21st Century. The work of the first two years culminated in over 100 case studies and the 800-page report, *Forging a New Shield*, in November 2008, with analysis and a comprehensive set of recommendations. PNSR remains actively engaged in reform efforts and is now focused on implementing national security reform.

Turning Ideas Into Action

It is time for action. PNSR has written this report to assess the progress thus far and suggest a realistic and practical way forward on several reform fronts.

Turning Ideas Into Action is organized to provide a concise, but thorough, understanding of reform needs, where the problems lie, solutions, how to get there, and steps taken to date. It concentrates on the actual implementation tools and actions to make reform a reality.

- Part II, Path to Reform, summarizes the analysis undertaken to date by PNSR, organized by reform themes, which are the building blocks of reform. It explains further refinement of recommendations since publication of *Forging a New Shield* and the strategic impact of implementing them, and it highlights progress of reforms currently under way.
- Part III, Significant Initiatives, describes six ongoing activities that demonstrate how PNSR is applying principles of national security reform to today's challenges in support of decision makers and leaders.
- Part IV, Conclusion, sets forth the practical next steps that can be taken to reform the system, associating specific steps with executive branch decisionmakers and the Congress. Part IV also outlines the next phase of PNSR's work.
- Appendix 1 contains draft legal instruments, including presidential letters, executive orders, and legislation that can mandate implementation of reform objectives.
- Other appendices contain material on mapping the current national security system, end-to-end management of the national security system, comparison of PNSR's original and current recommendations, and a list of acronyms.

Part II: Path to Reform

In the months preceding the release of our report *Forging a New Shield* in November 2008, members of the Project on National Security Reform (PNSR) began referring to the document as "the report" rather than "the final report." The text clearly contained some of the most comprehensive written work ever on national security reform, particularly its seminal analysis of the entrenched problems throughout the national security system. But, simply publishing and distributing it throughout the national security community risked committing it to the same fate as other recent reform studies: at best, some elements would be embraced; at worst its powerful ideas would be ignored until the next catastrophic failure shocked the national conscience.

The veteran reformers associated with PNSR also cautioned that even if the report offered perfect solutions, actually implementing them would be much more challenging than the two years spent developing them. The publication of an 800-page document and review of over one hundred case studies, capturing the work of not just PNSR but also other prominent national security organizations and academics, was only a departure point. Moreover, if stakeholders were not aggressively engaged as the report's solutions were refined and additional ones were developed, practical and effective reform would never be realized.

The publication (by PNSR) of an 800-page document and review of over one hundred case studies…was only a departure point.

In January 2009, PNSR reorganized around eight reform themes and established teams of experienced practitioners and subject-matter experts to refine and advance PNSR's *Forging a New Shield* recommendations. Each team was assigned a set of related recommendations to further develop and build on. Given the complexity of holistic reform and the interdependencies of the recommendations, PNSR established an additional team with the sole purpose of ensuring that the revised recommendations were integrated, consistent in direction, and mutually reinforcing. With a primary objective of actual implementation, PNSR's reform teams engaged stakeholders and other experts—outside and inside government—to develop, augment, and in some cases reject proposed solutions.

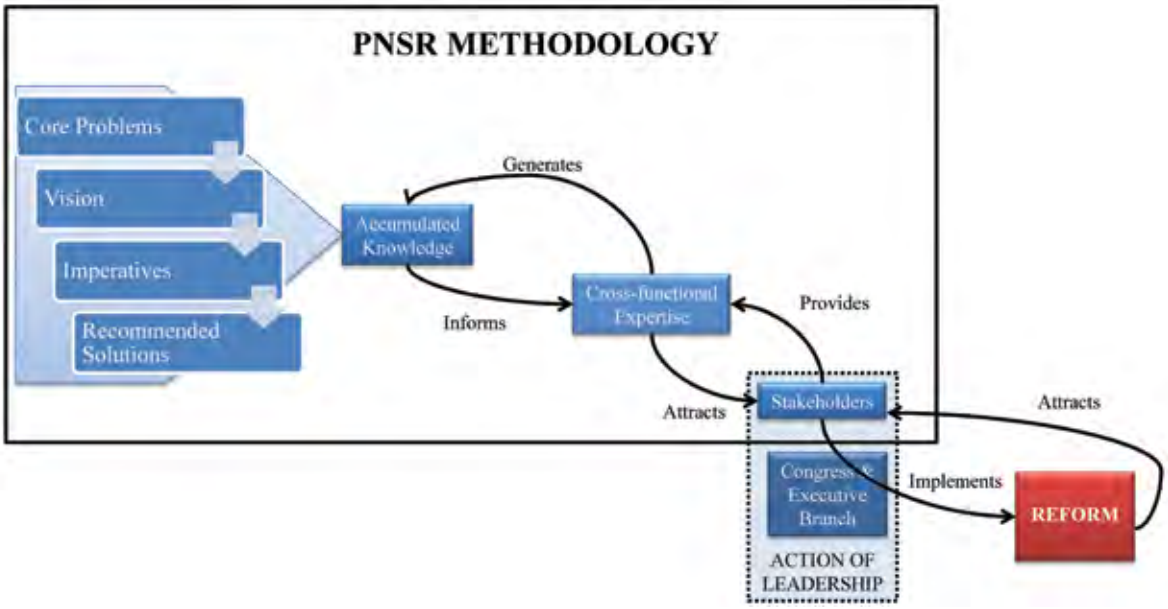
A. PNSR Methodology

Forging a New Shield's comprehensive problem-cause analysis is the conceptual underpinning that continues to guide our reform effort of collaborative discovery and solution development. PNSR's work over the past nine months has reaffirmed the validity of this methodology of systemically assessing problems and the associated underlying causes that continue to plague the current system. PNSR's vision of a reformed system as described in *Forging a New Shield*, a vision of a system free from major structural, organizational, and procedural impediments, remains valid after months of further reflection and analysis. It is an integrated vision of a national security system that is agile, collaborative, transparent, and innovative—a system capable of horizontally and vertically integrating all the elements of national power and enabling timely action. Any reform recommendation put forth must be examined in light of these parameters to determine if it can be implemented in a way that produces the type of change that moves the system closer to that vision.

Only within this construct can the linkages between problems and imperatives become clear, yet the relationship between problems and potential solutions remains dauntingly complex.

In attempting to depict this complexity by mapping linkages between identified problems and recommendations, PNSR found that such linkages between the two were persistently non-linear and non-quantifiable, reaffirming the aphorism that systemic flaws in a complex system call for systemic solutions.

Figure 1: Enduring National Security Reform



PNSR engages with stakeholders and external experts to further discover and develop potential solutions, augmenting and iterating them where real-world realities and system complexities demand, using the conceptual construct of PNSR's imperatives and vision for a reformed system. That reformed U.S. security system—a national system within a global system—must be sufficiently agile and able to meet today's complex challenges and opportunities as well as those emerging tomorrow.

B. Mapping the Current National Security Environment

Reforms aimed at addressing discrete elements of a complex system in isolation, whether individual agencies or processes, risk either failing to have much impact or having unpredictable, and perhaps unwelcome, consequences. Successful national security reform requires a holistic approach that embraces many elements, one of which is to understand—to the greatest extent possible—the scope of the system, the larger environment in which it is embedded, the system's components, and the relationships and interdependencies among the components.

> *"Climate change, energy, global health, and environmental security are often intertwined, and while not traditionally viewed as 'threats' to US national security, they will affect Americans in major ways"*
>
> *Admiral Dennis Blair*
> *Director of National Intelligence*
> *February 12, 2009*

The "Scope of the National Security System" (Figure 2), captures the expanded scope of issues impacting national security and the accelerating trend toward increasingly complex global and national interdependencies.

Figure 2: Scope of the National Security System

The "Current U.S. National Security System" (Figure 3) delineates the multiple major national security participants, larger communities within the system, and key system functions.

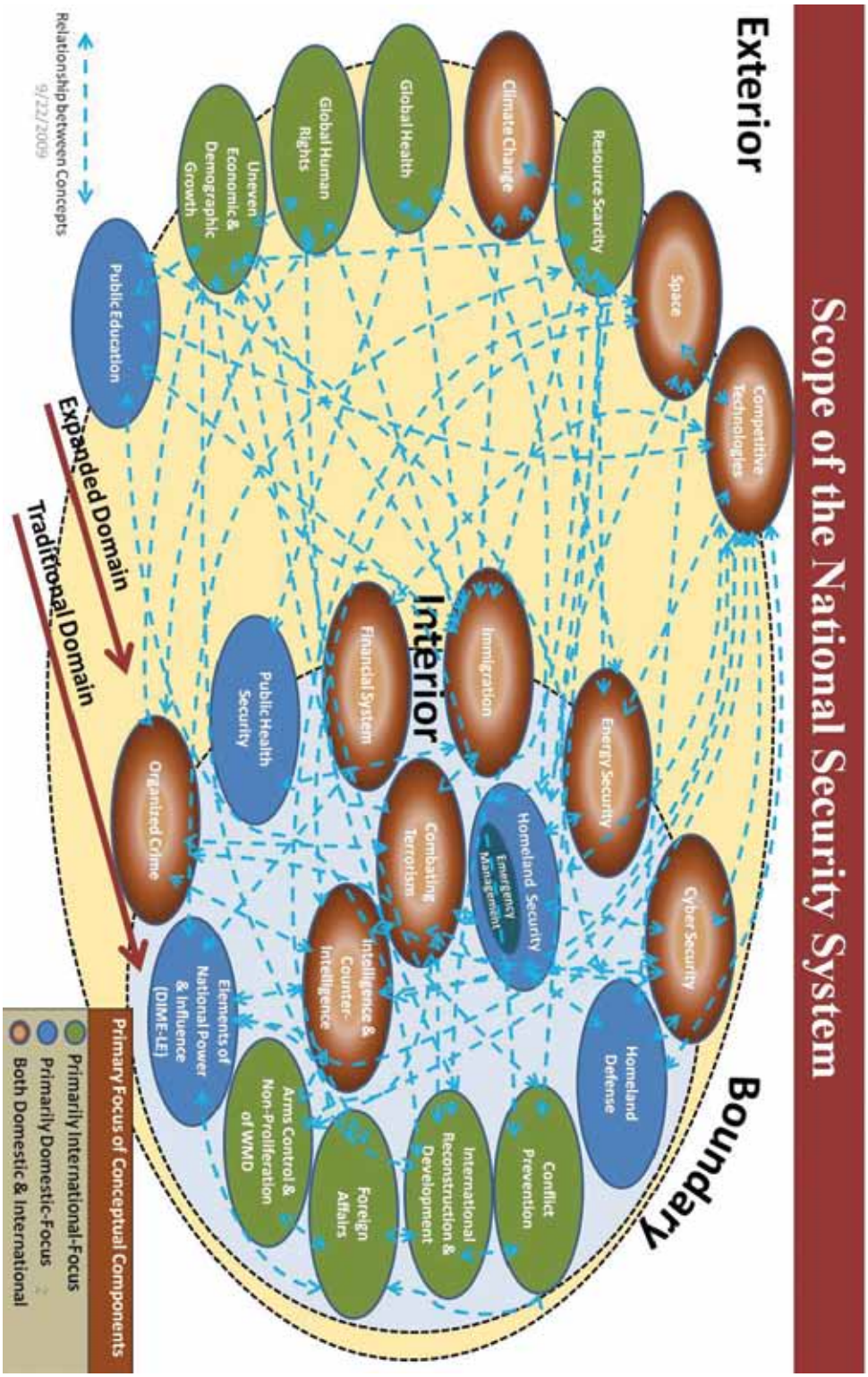
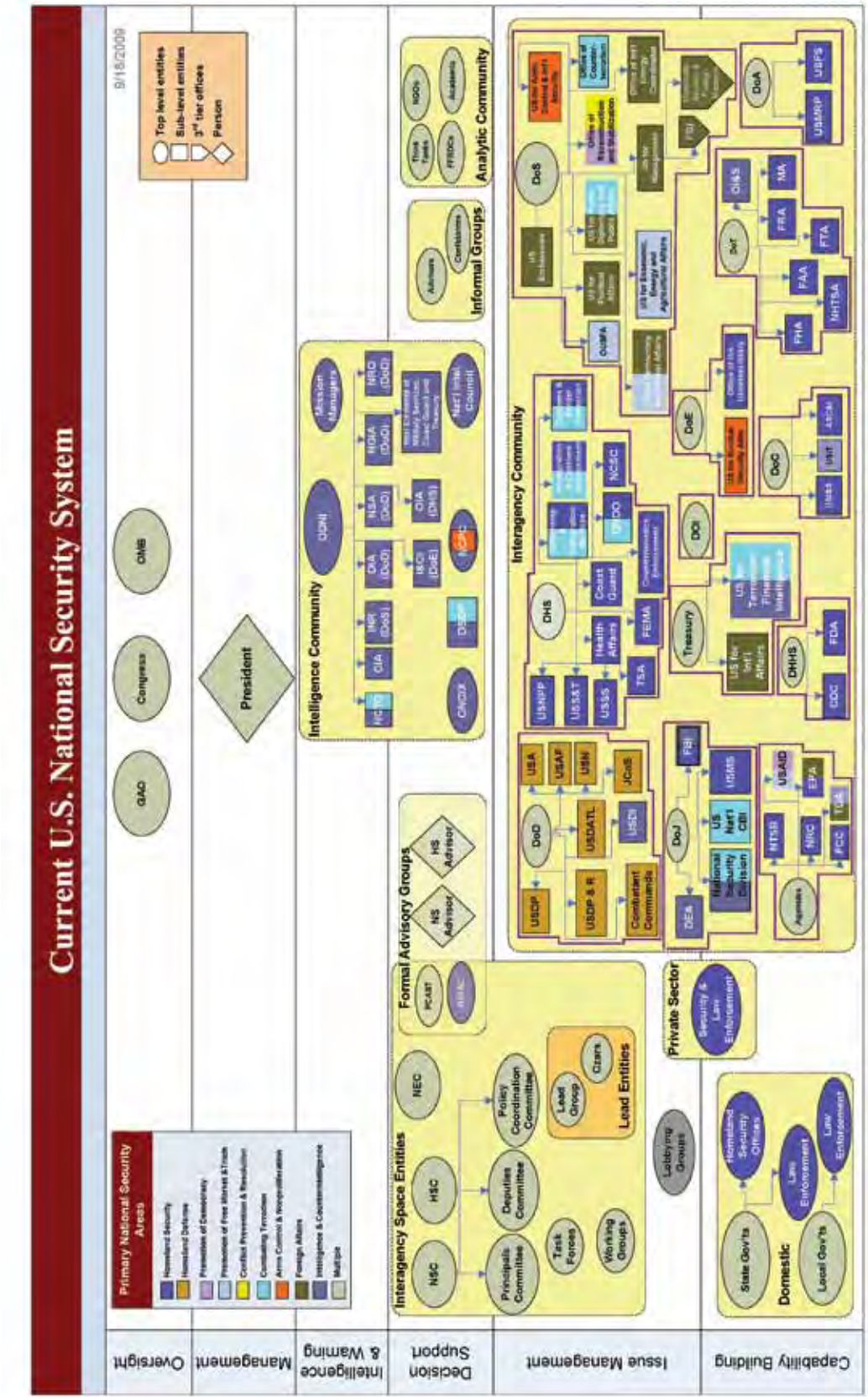


Figure 3: Current U.S. National Security System


Current U.S. National Security System
9/18/2009
Top level entities
Sub-level entities
3rd tier offices
Person
GAO
Congress
OMB
President
Intelligence Community
DCNI
Mission Managers
NCTC
CIA
NIC (DoS)
DIA (DoD)
NSA (DoD)
NGA (DoD)
NRO (DoD)
USCI (DoE)
OIA (DHS)
Nat'l Intel Council
CNO/IX
DCIP
Informal Groups
Advisors
Contractors
Analytic Community
Think Tanks
FFRDCs
Academia
NGOs
Formal Advisory Groups
PCAST
NSAC
NS Advisor
HS Advisor
Interagency Space Entities
NEC
NSC
HSC
Principals Committee
Deputies Committee
Policy Coordination Committee
Task Forces
Working Groups
Lead Group
Czars
Lead Entities
Lobbying Groups
Private Sector
Security & Law Enforcement
Interagency Community
DoS
DHS
DoD
DoJ
DoE
DoC
DoT
DoA
DOI
Treasury
DHHS
USCIS
USCG
TSA
FEMA
Health Affairs
USSS
USBST
USNPP
USCIP
USDP & R
USDATL
USDI
USA
USAF
USN
JCoS
Combatant Commands
DEA
FBI
US Nat'l CBI
USMS
National Security Division
USAID
EPA
NRC
FCC
TTB
NTSB
Agencies
FDA
CDC
US for Int'l Affairs
US for Economic, Energy and Agricultural Affairs
US for Public Affairs
US for Political Affairs
US for Intelligence
US for Counter-Terrorism
US for Terrorist Financial Intelligence
US for Homeland Security Affairs
US for Consular Affairs
US for Diplomatic Security
US for Consular Affairs
US for Diplomatic Security
US for Counter-Terrorism
US for Intelligence
US for Economic, Energy and Agricultural Affairs
US for Political Affairs
US for Public Affairs

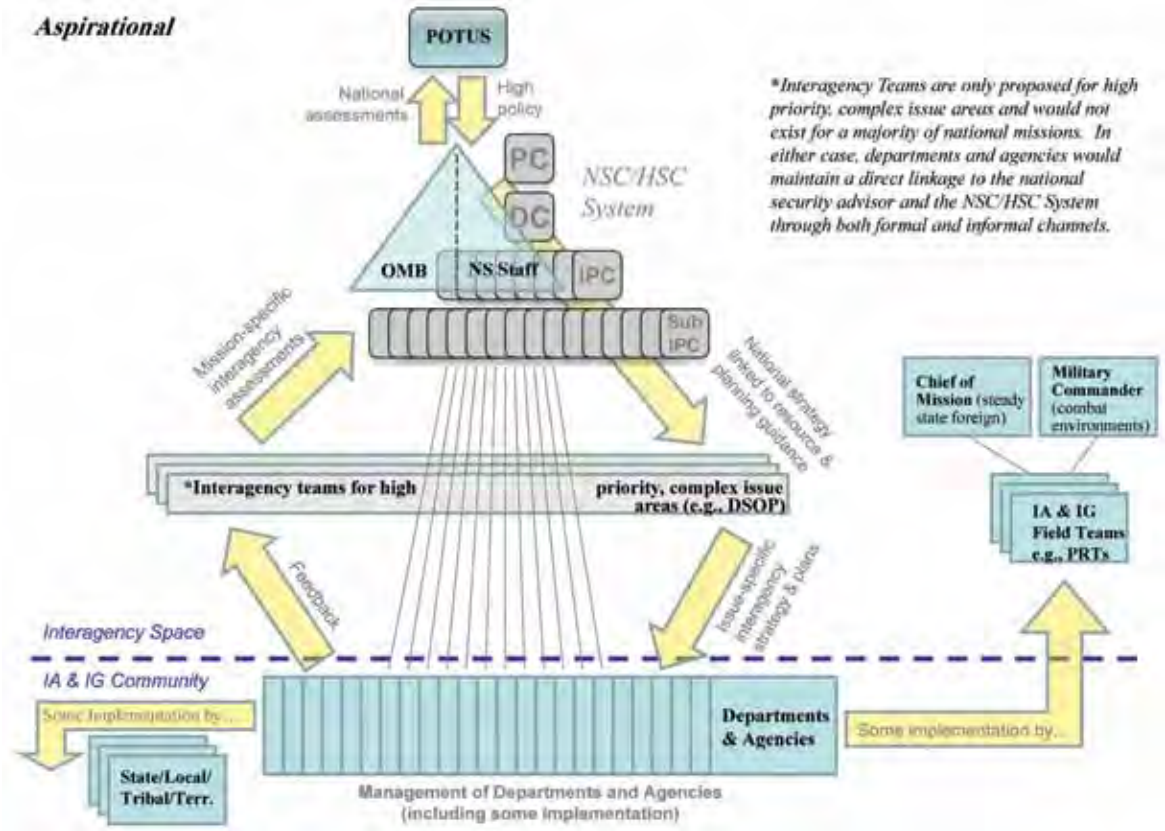
A detailed description of national security system complexities and component interaction and interdependencies is located in Appendix 2 of the report.

PNSR is in the process of depicting how its vision of a radically improved ("to be") national security system might look using the same framework. It will entail a more comprehensive approach to the scope of national security as well as an improved national security system and processes to better manage the increasingly diverse and evolving systemic challenges.

C. Structures Analysis – The End-to-End Management Lens

In *Forging a New Shield*, PNSR introduced the concept of "end-to-end national security processes" to describe the cyclical spectrum from policy development through operational assessment that is required in an improved national security system.[1] Specifically, those national security processes were identified as assessment of the strategic environment, policy formulation, strategy development, strategy and resource alignment, planning, implementation oversight, and assessment of interagency system performance.[2] PNSR recognizes that limitations exist when applying a linear model of analysis to a non-linear, complex system. However, it is a useful construct for identifying gaps and shortcoming in functions and processes. The following diagram illustrates the end-to-end processes required for an effective national security system:

Figure 4: End-to-End National Security Processes and Actors



1 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 225, 258, 298, 380.
2 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 596.

Separately, the report identified a critical gap in holistic management of the national security system and its end-to-end processes. Recognition of this gap led to the development of the foundational framework for "strategic management of end-to-end processes" — the high-level management of the national security system and associated processes.

PNSR proposed that the hub for strategic-level management be the national security advisor and his staff. This recommendation was based on the fact that very few entities exist within the "interagency space" —the space above the cabinet level and below the president — that could possibly maintain a perspective of the entire system. Chapters 1, 2, and 10 describe in detail the specific functions associated with this strategic management role to be fulfilled by the National Security Staff. The functions identified include: policy formulation; strategy development; planning guidance for policy implementation; strategy and resource alignment; oversight of policy implementation; interagency strategic performance assessment; development of the national security interagency system (to include human capital, knowledge and intellectual capital, and systemwide long-term planning); crisis management; and staffing for the president.

For specific national security issue areas, interagency teams could be empowered to assist the National Security Staff with system management for certain high-priority complex national security missions. For example, development of strategies, plans, operational oversight, and assessments for the counterterrorism mission could be managed by an interagency team such as the Directorate of Strategic Operational Planning (DSOP) within the National Counterterrorism Center (NCTC) (see Chapter 12). PNSR continues to explore the most appropriate role for interagency teams along this spectrum of end-to-end issue management.

The system management required at the strategic level can and should be replicated to varying degrees and scales throughout lower levels of the national security system, such as the policies, strategies, and plans specific to an organization. For example, the Department of State could adopt an end-to-end perspective on their own department's activities, which would then nest within and support the overall national security system and its processes. These end-to-end management processes, initiated at the strategic level and continued down through departments, agencies, and lower components, are referred to as "cascading" end-to-end management.

Refer to Appendix 3 for a more detailed description of end-to-end management processes.

D. Conclusion

This report outlines steps the nation must take to implement needed reform and fundamentally transform the outdated national security system into the system it needs for continued vitality. The ideas put forth—some innovative, some strongly advocated for years—are not theoretical. They are rooted in research, informed by real-world experience, and serve as a practical and implementable blueprint for reform.

What continues to drive our efforts is an aspiration to realize our vision of a national security system capable of meeting complex security challenges and taking advantage of emergent opportunities.

Organized by reform themes and beginning at the strategic management level, the next section will discuss the original problem set posed in *Forging a New Shield* and how it has evolved. In some cases, presidential and legislative action has shifted the focus of the problem. In others, new dimensions of problems have arisen or been discovered, changing not only the scope of the effort to address those problems, but also the scope of the wider solutions meant to eradicate them.

What continues to drive our efforts is an aspiration to realize our vision of a national security system capable of meeting complex security challenges and taking advantage of emergent opportunities. The chapters that follow will describe in detail how the combination of a conceptual construct based on what we have learned, the understanding of where we are, and the input provided by stakeholders has advanced our reform efforts toward implementing solutions that will ultimately achieve holistic national security reform.

Chapter 1: New Approaches Based on National Missions and Outcomes

Reform the national security system to establish strategic management of end-to-end processes and achieve overall integrated effort, collaboration, and agility.

A. Reform Needs

Since the National Security Act of 1947, each major national security reform has been piecemeal, focusing on individual system components (e.g., the Department of Defense, Intelligence Community, and Department of Homeland Security) and not on the national security system as a whole. Such reform efforts have only reinforced segregated approaches and ad hoc responses to a complex security environment. To meet rapidly changing 21st-Century security challenges and opportunities requires an end-to-end management approach that leverages and integrates all elements of national power.

In this approach, strategic management of end-to-end national security interagency system processes would employ critical functions at the strategic level,[3] including policy formulation, strategy development, planning guidance, alignment of resources and strategy, implementation oversight, and assessment of system performance. If adequately performed, these key functions enable systemic reform of entrenched systemic problems. Unfortunately, previous efforts to impose strategic management of national security policies have been inconsistent, and, if attempted, were abandoned too soon as the National Security Council (NSC) staff focused exclusively on the policy function and was nearly always overwhelmed by the urgency of the inbox and more recently, the drumbeat of a 24/7 news cycle.

> *"The interagency process simply does not function well. The NSC is overwhelmed and has underperformed."*
>
> *Lee Hamilton*
> *Vice Chair, 9/11 Commission*
> *February 25, 2008*

The most impressive NSC strategic management effort occurred during the Eisenhower administration, when Project Solarium convened strategic thinkers from across the government to debate strategy options. President Kennedy eschewed the NSC altogether, relying on close advisors to drive day-to-day policy and convening interagency executive committees during crises. President Nixon's national security advisor, Henry Kissinger, personally conducted many of the Nixon administration's foreign policy initiatives, using the NSC staff for policy ideas and the bureaucracy for technical knowledge. President George W. Bush introduced strategic planning in his NSC staff midway through his first term, but interagency resistance stalled it. A more successful attempt in his second term focused the process on combating terrorism, democracy promotion, operations in the Middle East, and preparing options for the next administration.[4]

Compounding the ad hoc and incremental approach over the last five decades, the capacity and processes within the current national security apparatus are woefully inadequate. First, the

3 The strategic level is defined as that space between the President and the departments, agencies and interagency teams charged with executing national security missions.

4 Organized in 2005, National Security Advisor Stephen Hadley's small, two-person Strategic Planning and Institutional Reform office drafted the *National Security Strategy*, helped prepare the *National Strategy for Combating Terrorism*, and led a strategic review that significantly changed the U.S. strategy in Iraq. It was paired with a two-person Policy Implementation and Execution office that tracked progress and effectiveness.

president and NSC and staff are focused almost exclusively on policy formulation and dealing with crises, leaving little time, energy, or inclination to develop strategy and guidance for the whole system. The national security interagency system's current hierarchy of committees mirrors this focus on policy formulation and crisis management. The policy formulation process is often dominated by clashes between department-specific perspectives and frequently (a) fails to move issues to conclusion, (b) results in least-common-denominator truces among departments without the president being informed of disagreements, (c) produces weak policy recommendations for the president, or (d) forces principals to operate outside official processes.

One powerful force inhibiting effective integration is the entrenched pursuit by autonomous departments and agencies of individual missions over national missions.

Key elements in the requisite end-to-end management functions at the strategic level are repeatedly ignored. On the ground, where the true costs of such systemic deficiencies are imposed, operational approaches stemming from undisciplined strategy development and planning almost always fall short. They usually take advantage of only a few elements of national power. Whatever national capabilities that are ultimately expended are rarely integrated effectively.

Every administration since Eisenhower's has ultimately confronted the fact that horizontal integrating mechanisms are weak at every level of the interagency system, from the NSC staff to the country team in the field. One powerful force inhibiting effective integration is the entrenched pursuit by autonomous departments and agencies of their individual missions over national missions. There is no approach that fosters governmentwide collaboration on purpose, actions, and outcomes through a coherent application of available resources to achieve desired objectives or end states. As a result, the absence of even the most fundamental strategic end-to-end management processes of the interagency system typically prevents the development of whole-of-government policy options for presidential consideration.

More specifically, several endemic structural problems contribute to the system's overall inefficiency:[5]

1. The structure of the current national security interagency system does not facilitate horizontal coordination; routine integration of efforts across functional departments and agencies is rare, even when missions require it.
2. Little deliberate and regular assessment of policy outcomes occurs, making it difficult to achieve the feedback required to alter flawed strategies, remedy resource shortfalls or build on initial successes. This situation also makes it difficult to hold people accountable for failures or to reward superior performance.
3. Lack of alignment among agencies and departments on what constitutes national security challenges and opportunities means that the national security system does not prepare equally for all missions; the system's ability to identify and assign responsibilities for nontraditional threats and opportunities is especially limited.
4. Weak integrating structures are dominated by strong functional organizations. Interagency committees, the most common integrating institution, become arenas where

5 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 182, 188-223, 246, 324, 344.

departments and agencies pursue their own interests rather than working collectively to solve problems. Institutional structures designed to facilitate coordination are neglected and have limited authority.

5. Strong functional organizations control and often thwart policy implementation. Departments and agencies traditionally resist or refuse nontraditional missions. Those strong organizations having different policy views can stymie interagency policy processes so that the approved policies are either watered down, abandoned as too difficult, promulgated without sufficient coordination, or frustrated or manipulated during execution.

6. The system is unable to resource the full range of required capabilities for national priority missions. Resources, such as people and equipment, are not balanced across agencies to meet interagency mission requirements or within agencies to address nontraditional threats and opportunities. This results in a shortage of resources allocated to national security interagency activities.

7. Weak integrating structures and presidential delegation recur at the regional level. There are no coordinating structures at the regional level to implement whole-of-government approaches to national security other than Interagency Policy Committees (IPCs). Formerly known as Policy Coordination Committees, these structures have not yet produced interagency unity of effort.

8. Country-level unity of purpose and effort is limited by the perception by embassy staff that ambassadors and chiefs of mission (COMs) act like State Department rather than presidential (i.e., national) representatives. When interagency disputes result, ambassadors and COMs often disengage from active management, leaving the assorted agency representatives in the embassy to pursue separate agendas.

9. Ineffective interagency mechanisms confuse multilateral actors and permit departments and agencies the discretion to interpret U.S. policy and strategy. A lack of strategic management of the interagency system allows organizations to view multilateralism as an opportunity to pursue their own missions and views. This confusing and frustrating situation can undermine others' willingness to collaborate with the United States.

10. Implementation of interagency policy is poorly integrated and resourced. Authorities and appropriations flow through traditional departments and agencies, making interagency implementation rare. In the field, the ambassadors and COMs do not have the *de facto* authority to match their *de jure* authority to integrate policy implementation.

The system is unable to resource the full range of required capabilities for national priority missions.

These structural deficiencies have severely negative consequences.[6] Many interagency policy issues that warrant presidential consideration do not reach that level. Even if they do, no effective model of presidentially-delegated authority exists to integrate or enforce the interagency approach over traditionally segregated departmental functions. One byproduct of this situation is that the president becomes overburdened with day-to-day issue management when he does pursue interagency missions. Second, those agencies with policy implementation responsibilities pursue their own objectives to the detriment of interagency mission success. Third, segregated

6 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 219-20.

policy execution makes the national security interagency system perform poorly in regional and multilateral venues. Fourth, the nation is unprepared for unconventional threats, missions, and opportunities. Finally, the collaboration required for homeland security missions is frustrated by insufficient information sharing, segregated crisis response, and inappropriate investments in infrastructure protection.

Reforms needed to fix these structural problems center on two significant initiatives. The first is design of the National Security Staff, formerly the National Security Council and Homeland Security Council staffs. To establish the leadership necessary for the national security interagency system, there is a need to expand, modify, and enrich the core functions of the new staff if it is to address modern security threats and opportunities successfully and overcome the deficiencies listed here. The staff must conduct strategic management of end-to-end national security interagency system processes.

The second key initiative would reform the Department of State. This "Next Generation State Department" must conduct traditional core activities of bilateral diplomacy and consular functions, but it also needs to have the organizational capacity to develop, field, and manage a broad range of integrated civilian capabilities to meet new security challenges and opportunities. The Next Generation State Department needs proactive and anticipatory approaches to global affairs. It must possess structures, processes, and personnel for carrying out core strategic management functions as part of the national security interagency system, as well as being able to deal effectively with non-state actors and non-governmental organizations.

B. Recommendations and Analysis

1. Current Recommendations

1A BROADEN THE SCOPE OF NATIONAL SECURITY BEYOND SECURITY FROM AGGRESSION TO INCLUDE SECURITY AGAINST MASSIVE SOCIETAL DISRUPTION AS A RESULT OF NATURAL FORCES AND SECURITY AGAINST THE FAILURE OF MAJOR NATIONAL INFRASTRUCTURE SYSTEMS AND TO RECOGNIZE THAT NATIONAL SECURITY DEPENDS ON THE SUSTAINED STEWARDSHIP AND INTEGRATION OF ALL ELEMENTS OF NATIONAL POWER.

i. Prescribe in statute the national security roles of each department and agency, especially those that heretofore have not been viewed as part of the national security system.

ii. Audit all departments involved in dealing with the expanded notion of 21st-Century national security issues to ensure that each has created the position of assistant for national security to that department's secretary as outlined in the national security advisor memorandum of March 18, 2009, *The 21st Century Interagency Process*.[1]

   a. Through an executive order defining the national security interagency system, task each assistant for national security with facilitating the preparation and coordination of the department's new national security strategy and missions and associated roles and functions.

iii. Direct that one or more interagency teams focus on the foundational sources of American strength (sound economic policy, energy security, robust physical and human infrastructure, including health and education systems, especially in the sciences and engineering).

1B Replace the National Security Council and Homeland Security Council with a single National Security Council.

i. Provide that the single National Security Council address international security, homeland security, economic security, and energy security issues in an integrated manner.

ii. Maintain the traditional core of participants without prescribing their mandatory attendance.

iii. Move council membership and operations away from the restrictions imposed by the National Security Act of 1947 and the Homeland Security Act of 2002 to accommodate the need for seamless and fluid boundaries.

iv. Provide the president long-term strategic planning and resource allocation advice through the broadest participation in council meetings.

IC Enable the National Security Staff to perform strategic management of end-to-end national security interagency system processes.

i. Organize the National Security Staff to enable it to perform the four major roles: strategic management of end-to-end national security interagency processes, development of the national security interagency system, crisis management, and presidential staffing.

ii. Improve cross-administration continuity by staffing the Executive Secretariat of the National Security Staff with career civil servants.

1D Assign the national security advisor the following responsibilities:

i. Serving as the principal assistant to the president on all matters relating to national security;
ii. Promoting effective performance of the national security interagency system;
iii. Developing the National Security Review, National Security Strategy, and National Security Planning and Resource Guidance, to include resource allocation for interagency teams and task forces (in conjunction with the director of the Office of Management and Budget (OMB));
iv. In close collaboration with the intelligence community, identifying and/or validating national security opportunities and threats that require an interagency response, either at the national or regional level, and recommending their assignments to appropriate interagency teams, interagency crisis task forces, or lead departments and agencies;
v. Securing presidential approval for each interagency team, its charter (specifying mission, objectives, authorities, and resources), and the strategy developed by the team;
vi. Monitoring the performance of interagency teams approved by the president;
vii. Assisting the president in overseeing and reconciling differences among teams, task forces, and other multi-agency organizations, and conflicts between interagency organizations and departments and agencies;
viii. Assessing continually the efficiency and effectiveness of the system;
ix. Supporting the president's supervision and coordination of the policies, plans, and actions that are the primary responsibility of a single department or agency;
x. Creating appropriate organizational linkages and arrangements across regional and issue-specific teams to ensure unity of purpose with the president's security strategy; and
xi. Developing the national security interagency system to include human capital, shared knowledge and intellectual capital, and systemwide long-term planning.

1E Urge the president to issue an executive order, to be supplemented by derivative presidential policy and study directives that would establish a coherent, continuing framework and normative process for the national security system. At a minimum, the executive order should:

i. Define the national security interagency system, both with respect to end-to-end management of the national security interagency system and with respect to decentralized implementation by departments, agencies, and interagency teams.

ii. State the overall policy of the executive branch for the national security interagency system.

iii. Set forth the expectations of the president for performance of the senior officials of the national security interagency system.

iv. Establish fundamental norms for all roles and functions for end-to-end management processes of the national security interagency system, including policy formulation; strategy development; planning guidance for policy implementation; strategy and resource alignment; oversight of policy implementation; interagency strategic performance assessment; development of the national security interagency system (to include human capital, knowledge and intellectual capital, and systemwide long-term planning); crisis management, and staffing the president.

v. Provide continuity across administrations for fundamental aspects of the strategic management processes of the national security interagency system.

vi. Note: Because the executive order would be designed to endure, details of these fundamental norms that would be prone to change from administration to administration should be included in presidential directives derived from the order.

1F Urge the president to appoint cabinet secretaries and agency heads who are skilled in collaboration and who fully appreciate the need to (a) effectively integrate the expertise and capabilities of departments and agencies in order to carry out national security missions and (b) fully support interagency teams.

i. The president should state his expectations for cabinet secretaries and their subordinates in an executive order on the national security system or presidential directive that prescribes the joint National Security Council/Homeland Security Council system for strategic management of end-to-end national security processes and decentralized implementation by departments, agencies, and interagency teams.

ii. During confirmation hearings, nominees for positions within the national security interagency system should reinforce the fact to Senate committees that they are fully committed to working as part of a highly collaborative team focused on national missions and outcomes.

1G Provide new language for the president's letter to chiefs of missions and ambassadors to reinforce the de jure authority provided in Title 22 USC Section 3927, and establish procedures for ensuring that country teams are, in fact, true interagency teams rather than a collection of individuals pursuing independent departmental/agency agendas. The chief of mission (COM) letter should be signed by the president, and a presidential letter reinforcing the COM authorities should be provided to each cabinet and interagency head.

i. Direct mandatory training in team dynamics including conflict resolution for the ambassador and each member of an embassy (country team) or mission staff.

ii. Provide each ambassador and other chief of mission control over the assignment, evaluation, and rewards for any official assigned to an embassy or mission staff.

1H Establish arrangements for increasing the collaboration on homeland security issues among the federal government, state, local, tribal and territorial governments, the private sector, and non-governmental organizations.

i. Create a mechanism within the National Security Staff for effective partnerships with non-federal stakeholders and decisionmakers in the national and homeland security community. A Homeland Security Collaboration Committee in the National Security Staff would convey State, local, tribal, and territorial government, private-sector and non-governmental organization (NGO) perspectives on homeland security policy, including on emergency management issues. This office would have formal, systematic, up-front concur/non-concur responsibility for strategic guidance, assessment, strategy/policy formulation, and implementation/evaluation, and as may be required, issue management. It would also provide input into deliberations involving decisions on homeland security and emergency management risk assessment and resourcing.

1I Develop an integrated approach to the management of global civilian affairs that mirrors the core strategic management functions of the national security interagency system outlined above.

i. Develop a collaborative process with key stakeholders for conducting problem analysis on the management of global civilian affairs, to include:
   a. Core bilateral diplomacy
   b. Foreign assistance
   c. Public diplomacy
   d. Stabilization and reconstruction

ii. Develop an overarching blueprint for a Next Generation State Department that includes the following components:
   a. A new organizational culture that would promote operational skill sets and an expanded concept of the foreign affairs professional
   b. Stronger department-level oversight functions for budget, comptroller, and personnel
   c. A "family" of core sub-departments or bureaus, each organized around a functional role and possessing a degree of operational autonomy
   d. A management structure that permits the department to think, anticipate, plan, prepare, and act across different temporal domains in an integrated fashion.
   e. A merger of overlapping administrative, budgeting, and planning functions between the Department of State and USAID
   f. A consolidation of stabilization and reconstruction capabilities
   g. An improved operational chain of command from the secretary to the execution lead
   h. Multiyear strategic planning and budgeting processes that both facilitate the development of long-term capabilities and permit flexibility in making tradeoffs in response to new threats, guidance, or operational requirements
   i. A new overarching personnel system of systems that would permit the continuation of specialized personnel systems but would require a common professional education program and formal interagency assignments

iii. Develop a three-year plan of steps that could be taken to advance toward this new organizational model, with early focus in late 2009 on:
   a. The merging of functions between the office of the Under Secretary for Political Affairs (S/P) and the Bureau of Resource Management (RM)
   b. Training and education for current increases in personnel
   c. The use of the Quadrennial Diplomacy and Development Review (QDDR) to display funding priorities to congressional leadership

2. Analysis

These nine recommendations address major deficiencies and reform needs identified in *Forging a New Shield*. They form the framework for basic reform throughout the national security interagency system, including comprehensive end-to-end management. The proposed reforms would leverage and integrate all instruments of national power across the full spectrum of system activities: strategic assessment, policy, strategy, planning and resource guidance, implementation oversight, and assessment of interagency performance. This strategic management would provide a whole-of-government approach toward threats and opportunities, focused on national missions and outcomes. It also would promote governmentwide collaboration on purpose and actions. The more effective the interagency system becomes, the less reactive and the more anticipatory the national security system will be.

Broaden the Scope of National Security

Achieving joint effort, collaboration, and agility in the national security interagency structure requires broadening the traditional scope of national security to encompass all instruments of national power.[7] It also calls for increasing the number of players at the table representing the broader definition of national security. Under PPD-1, released February 2009, the size of the National Security Council was increased by naming the following departmental leaders as standing members of the NSC: the attorney general and secretaries of state, defense, energy, treasury, and homeland security. This modified the previous tradition under PDD-2 of January 1993 and NSPD-1 of February 2001, which named only the secretaries of state, defense, and treasury as standing members. Prior to 1993, administrations from Presidents Harry Truman to George H.W. Bush limited standing NSC membership from departments to those designated by statute, namely the secretaries of state and defense.

The most fundamental PNSR recommendation seeks a more inclusive recognition of the departments' and agencies' national security roles[8] in the interagency system (probably through an executive order defining the national security interagency system). In accordance with National Security Advisor Jones's March 18, 2009 memorandum on "The 21st Century Interagency Process," this reform would refine and reinforce the functions of the newly created position of assistant for national security in each department and agency, who would liaise with the National Security Staff. This would help the National Security Staff integrate department and agency efforts.

Strategic Benefit

Most importantly, this reform reflects the realities of the new global security environment. From a strategic development and planning guidance perspective, it serves as a critical first step in realigning disparate departmental prerogatives into unified interagency national security missions. Each assistant for national security would facilitate the preparation and coordination of the roles and functions necessary for new national security strategies and missions.

7 "Instrument of national power" is summarized as "DIMEFIL+" (diplomacy, intelligence, military, economic, finance, information, law enforcement, plus others).

8 Project on National Security Reform, "Executive Order on the National Security Interagency System Draft," July 2009, (Arlington, PNSR, 2009).

Create a Single National Security Council

To end the duplication of effort and responsibilities between the Homeland Security Council (HSC) and the NSC, PNSR originally recommended merging the two councils into the President's Security Council (PSC). Others have identified the need to merge the two councils because the national and international arenas are increasingly blurred, requiring a combined council and staff capable of integrating several different agencies not traditionally considered part of the national security system.[9] Since the original PNSR recommendations, the White House, as a result of the Presidential Study Directive–1 (PSD-1) study, has combined the NSC and HSC staffs into a single "National Security Staff," with a single Executive Secretariat.[10] The NSC and HSC remain separate. PNSR continues to recommend combining them into a single National Security Council.

National Security Advisor and National Security Staff

Originally, PNSR recommended creating a director for national security with expanded roles and responsibilities beyond those of the traditional national security advisor. This recommendation would require the director to promote effective performance of the national security interagency system, addressing the lack of coordination and integration within the current system, in addition to performing the traditional duties of supporting the president and managing short-term crises. However, to do so, the position would need legal directive authority over departments and agencies. This would require the national security director to be vested with new, independent statutory authority and, most likely, subject the individual to Senate confirmation and congressional testimony when called upon to do so.

As the recommendation now stands, the national security advisor, in addition to his traditional role as an advisor to the president, would be authorized via executive order and presidential directive to *manage* and *develop* the national security interagency system. Supported by an enhanced staff capacity to effectively oversee the large and complex national security interagency system, the national security advisor would be responsible for orchestrating genuine whole-of-government national security policy and implementation among departments and agencies.

The current administration has made strides in further developing and increasing the role of the national security advisor as a manager of the NSC and HSC processes, agendas, and membership. PPD-1 first named the National Security Council as "the principal means for coordinating executive departments and agencies,"[11] and PSD-1 empowered this coordination function by combining the NSC and HSC staffs to better integrate interagency efforts and national security objectives. PNSR goes further, using this as a launching point to focus the national security advisor and staff on four specific roles.

The four distinct and critically important roles of the National Security Staff, as overseen by the national security advisor, include:

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9 Institute of Land Warfare, "Reforming the National Security Council for the 21st Century: Integrating Homeland Security and Transnational Threats," *Defense Report*, 4 (2008).

10 Barack Obama, "Statement by the President on the White House Organization for Homeland Security and Counterterrorism," 26 May 2009, 17 July 2009 <http://www.whitehouse.gov/the_press_office/Statement-by-the-President-on-the-White-House-Organization-for-Homeland-Security-and-Counterterrorism>.

11 Barack Obama, "Presidential Policy Directive–1: Organization of the National Security Council System," 13 Feb 2009, 17 July 2009 <http://ftp.fas.org/irp/offdocs/ppd/ppd-1.pdf>: 2.

1. Acting as drivers of strategic management of end-to-end national security interagency system process;
2. Overseeing interagency national security system development so it has the necessary capacity and capability to carry out end-to-end management throughout the system.
3. Managing crises to include anticipating and preventing conflict as well as ensure effective presidential decisionmaking and government action; and
4. Providing staff support to the president for national security issues and to the NSC and HSC.

Crisis management and providing staff support for the president are traditional roles. The major new role is strategic management of end-to-end national security interagency system processes. This role is meant to empower the National Security Staff to coordinate effort across all departments, agencies, and all levels of government, better integrating all elements of national power to achieve national missions. An added responsibility for the national security advisor and staff would be the development of the interagency system, particularly in the areas of human capital, shared knowledge and intellectual capital, and systemwide long-term planning. Chapter 10 exlores these functions further.

Although all four key roles are important to successful and effective system management, the role of strategic management of end-to-end processes would be especially vital.

Strategic Management of End-to-End National Security Interagency System Processes

Strategic management of end-to-end processes of the national security interagency system has six core functions that would enable the National Security Staff to more effectively orchestrate genuine whole-of-government integration, and enable the national security advisor to provide more comprehensive policy and strategy options to the president. These core functions are:

1. Policy formulation: Develop and harmonize national security policies for presidential approval;
2. Strategy development: Assess capabilities, risks, and opportunities and develop broad national security objectives for presidential approval;
3. Planning guidance for policy implementation: Prepare interagency planning guidance to achieve the president's policies and strategy for presidential approval;
4. Aligning resources with strategy: In partnership with OMB, ensure that department and agency budgets and other resources align with long-term strategic objectives and unanticipated nearer term contingencies.
5. Oversight of policy implementation: Ensure implementation of presidential decisions to achieve a whole-of-government effort across all instruments of national power and the accomplishment of national security objectives;
6. Interagency performance assessment: Assess the accomplishment of objectives and policy outcomes and the implications for strategy, resources and implementation mechanisms.

National Security Staff members, in their capacity as both Interagency Policy Committee chairs and directorate members, have the lead role in driving day-to-day interagency policy formulation and overseeing policy implementation. Historically, staffs have focused most of their energy in this area.

The National Security Staff would continually assess interagency and intergovernmental policy and plans. Interagency and intergovernmental policy assessments would validate the underlying assumptions of the national security strategy and interagency implementation plans. They would also evaluate whether policy and plan development considered the full range of national power, incorporated the appropriate national security mission tasks, and contained adequate resource commitments consistent with presidentially-approved strategy and policy.

The strategy development function, although undervalued from administration to administration, is one of the most critical to the strategic management process. Acknowledging the problem of poorly integrated efforts of departments and agencies, this function would assess national security capabilities, threats, opportunities, and risk – in the near-, medium-, and long-term – and develop broad national security objectives and strategy for presidential approval. The Intelligence Community, with other inputs as appropriate, would provide assessments of the security environment to inform strategy development. This reform would require the National Security Staff to develop a quadrennial National Security Review (NSR) at the beginning of each presidential term to inform a national security strategy, a National Security Strategy (NSS) to subsequently establish objectives by region and function, and a National Security Planning and Resource Guidance (NSPRG) to translate the president's NSS into policy, planning, and resource guidance to departments, agencies, and interagency teams (see Chapter 2 and 3 for additional detail on these documents).

The National Security Staff would develop planning guidance for the interagency based on presidentially-approved strategies. The guidance would include prioritized strategic threats and opportunities that require the development of integrated interagency implementation plans or contingency plans. Although these plans would be developed at the departmental or interagency team level, they would be approved by the NSC or HSC when complete. The content of these plans would be sufficiently detailed to drive the development of comprehensive operational-level interagency plans with specific tasks and resources identified by department or agency. At a minimum, the planning guidance would provide the following for each issue area: overall strategic intent, resource considerations, a timeline for plan completion and subsequent submittal to the NSC or HSC.

The interagency performance assessment function, informed by the NSPRG, would also address the problem of a lack of responsibility for some national security missions. The NSPRG, which specifies each organization's interagency responsibilities and resourcing needs, would provide a benchmark for evaluating if departments were committing the requisite resources and adequately performing assigned national security mission tasks. Also, the performance assessment function would identify best practices with strategic impact at the operational level as well as hindrances to effective performance that need to be addressed in the near term.

Together, these core functions address current deficiencies of poorly integrated efforts of departments and agencies, strong departments and agencies thwarting policy, policy inconsistency, and misalignment and insufficient resourcing. The new processes are designed to ensure common departmental and agency focus on specific national missions.

The reforms can be established by a new draft executive order that sets forth the expanded roles of the National Security Staff.[12] Furthermore, the size of the National Security Staff must be increased to meet the complex demands, threats, and opportunities of the modern security environment and the new roles and functions described here. (See Chapters 2, 3, and 10 for further analysis).

Strategic Benefit

The primary role of the national security advisor is to provide the president with the necessary information, ideas, and whole-of-government policy recommendations, including implications for resources, to make informed decisions. Expanding the portfolio of the national security advisor to include the full suite of functions for providing strategic management of end-to-end national security interagency system processes and enhancing the capacity and functional scope of the staff would measurably increase the national security advisor's value to the president. Making the national security advisor and National Security Staff presidentially-empowered managers of the interagency system would increase the president's strategic planning options and instill increased accountability and process discipline.

Some of the biggest benefits to the nation would come from better aligning resources with national security missions. The proposed responsibilities for the national security advisor would emphasize resource guidance in addition to planning and strategy. The National Security Staff's relationship with OMB should result in the more efficient and effective allocation of resources across departments and agencies (see Chapters 2 and 3 for a detailed explanation of OMB and resourcing functions).

A single National Security Council supported by a National Security Staff with the capacities to perform strategic management of end-to-end national security processes on a dedicated, full-time basis would have a formidable impact on policy and strategy formulation for two reasons. It would establish the potential for the first clearly defined, multidisciplinary body for strategic end-to-end process management of the interagency system in the context of the broadened definition of national security. Furthermore, the end-to-end management model for the National Security Staff (and the new single National Security Council) should be replicated at the department, agency, and interagency-team level. These reforms would replace the current system of strong departmental capabilities and independent decentralized policy formulation and execution with one of strategic guidance, interagency system management, and more effective integrating mechanisms. As a result, the U.S. government would leverage a more diverse set of tools and resources to apply against complex threats and take advantage of strategic opportunities.

Executive Order

An executive order should be issued by the president to establish a coherent, continuing framework and normative process for the national security system. The draft "Executive Order on the National Security Interagency System" (see Appendix 1) would define the national security interagency system in order to enable and empower strategic management of end-to-end processes and decentralized implementation by departments, agencies, and interagency teams.

12 A companion PPD would call for increased responsibilities for the national security advisor, strategy development, policy formulation and planning guidance for policy implementation, strategy and resource alignment, assessment of interagency functions, and development of the national security interagency system.

One major influence on the development of the draft executive order is PNSR's recommended design of the National Security Staff.[13] The draft contains a set of fundamental norms to be established for all phases of strategic end-to-end management functions.[14]

Strategic Benefit

An executive order that institutionalizes the four roles and strategic management end-to-end functions of the National Security Staff would ensure enduring mechanisms and processes that provide the president with whole-of-government approaches to our increasingly complex national security missions. The broad understanding of the national security interagency system at the strategic level – that space between the president and the departments and agencies, including interagency teams – would ensure a smooth transition across change of administrations by providing a set of norms for translating the president's national security policies into properly resourced interagency missions. This understanding would represent a major cultural change that provides the model for cascading end-to-end management at every level of the national security interagency system from the NSC and HSC to the country-team level.

Clear articulation of the four roles of the National Security Staff and the core strategic end-to-end management functions in an executive order accompanied by a PDD that defines the responsibilities of the national security advisor would eliminate the ambiguities that plague the current interagency system and encourage strong departments and agencies to follow their own agendas rather than integrated, interagency missions. Creating a culture that focuses on the important as well as the urgent would make strategy, planning, resourcing, implementation, and assessment more anticipatory. Establishing a norm for assessing interagency policy implementation on a regular basis would allow for more timely adjustments in policy or resources while traditional obstacles to institutional agility and whole-of-government approaches, such as budgeting, personnel, systemwide long-term planning and implementation oversight, would be streamlined to function inside the interagency process. A national security culture based on the four roles of the National Security Staff and its strategic management functions would ensure that the national security interagency system would work both faster and smarter whole-of-government approaches to national security missions within and across administrations.

Appoint Cabinet Secretaries Who Are Skilled in Collaboration

The recommendation urges the president to appoint cabinet secretaries and agency heads who understand and value interagency approaches to national security missions. The requirement persists for cabinet secretaries and agency heads with a proven track record in collaboration, integration, and interagency support to see beyond department and agency missions toward truly national missions. Appointees must meet the president's expectations, defined in the recommendation and draft executive order (see Appendix 1), to work as strategic managers, to operate in the national security interagency system, and to facilitate decentralized implementation by departments, agencies, and interagency teams.

Finally, a draft letter complements this recommendation. PNSR recommends that the president issue a letter to department and agency heads that reinforces the concept of service as an officer

13 Project on National Security Reform, *Designing the National Security Staff for the New Global Reality: End-to-End Management of the National Security Interagency System*, (Arlington, PNSR, 2009).

14 In the original recommendation, these fundamental norms included strategic planning, policy development, policy decision-making, policy implementation, oversight, system management, budgeting and resourcing, human capital, and knowledge management.

of the United States focused on national missions rather than as an advocate for narrower departmental equities. The draft letter appears in Appendix 1.

Strategic Benefit

Strategically, this recommendation would provide the leadership necessary for careful integration of multiple department and agency efforts so that the national security interagency system can negotiate numerous, subtle, ever-evolving security challenges. The system would become more flexible, responsive, and effective as it confronts challenges and opportunities as quickly as, or even faster than, they arise. If national security leaders embrace the same interagency norms rather than differing department and agency rules and regulations, the overall national security system would more likely achieve the agility required to meet modern threats and opportunities.[15]

Chief of Mission Authorities

This recommendation provides new language for the president's letter to chiefs of missions and ambassadors. The recommendation reinforces COMs' and ambassadors' *de jure* authority in the country teams. Empowering COMs and ambassadors abroad is integral to establishing strategic end-to-end management of the national security interagency system at all levels. Interagency integration is needed in each country team as well as in Washington.

> ***"More and more, solutions to the challenges we face lie not in the narrow expertise of one agency acting in one country, but in partnerships among multiple agencies working creatively together to solve common problems across entire regions."***
>
> ***Condoleezza Rice***
> ***Former Secretary of State***
> ***February 8, 2007***

This recommendation has gone through some historical changes. PNSR's original recommendation called for new language for the president's letters to COMs, ambassadors, cabinet officers, and agency heads to reinforce Title 22, U.S. Code, Section 3927, which would make country teams operate as true interagency units rather than as atomized groups reproducing different agencies' agendas abroad. Though the original recommendation sought to amend Title 22, closer examination showed amendment to be unnecessary since the authority of COMs is already sufficiently codified.[16] The challenge is to align *de facto* authority with *de jure* authority.

PNSR recommends that the president issue two letters. Both letters would alleviate the strategic ambiguity that frustrates the interagency effort. The first would specify each COM's authority as an officer of the United States over an interagency country team. The second letter would affirm to department and

15 Defense Leadership Project, "Transforming the National Security Culture," Harvard Kennedy School, April 2009, 24 July 2009 <http://content.ksg.harvard.edu/leadership/index.php>: 6, 17. However, there are simultaneous difficulties in implementing this kind of institutional change for strategic planning; for instance, multiple planning systems lead to confusion, some departments and agencies lack the resources required for long-term strategic planning, and there is a lack of a planning culture at the interagency level. The problems may be so pronounced as to require a dedicated strategic planning directorate inside the national security staff: Paul Lettow and Thom Manhken, "Toolbox: Getting Serious about Strategic Planning," *The American Interest*, 5.1 (2009): 73-78. PNSR anticipated this problem by attaching three responsibilities to the newly created strategy directorate. These include the National Security Review (NSR), the National Security Strategy (NSS), and the National Security Planning and Resource Guidance (NSPRG).

16 Legal Information Institute, § 3927, Chief of Mission, Subchapter ii, Management of Service, Chapter 52, Foreign Service, Title 22, *Foreign Relations And Intercourse*, United States Code, Cornell University Law School, 15 July 2009, < http://www.law.cornell.edu/uscode/22/usc_sup_01_22.html>.

agency heads that each COM is in charge of all executive branch activities and operations in his or her mission or international organization.[17] All non-governmental organizations receiving U.S. funding would be obliged to coordinate with the relevant COM. In addition, all Department of Defense (DoD) personnel not under the direct command of a combatant commander would operate under the supervision of the COM through the Senior Defense Official as defined in DoD Directive 5105.75, issued on December 27, 2007.

Recent developments affect this recommendation. Under the current administration, the Department of State (DoS) has taken a slightly different approach than that recommended by PNSR. The president's letter to the COMs is included inside Secretary of State Hillary Clinton's own message. The letter, as written, does not clearly establish the chief of mission's authority over the interagency country teams. There is no mention of COMs operating as officers of the United States or as having direct authority over personnel assigned to their post, making it harder for the COM to ensure cross-agency collaboration and a whole-of-government approach.[18] Consequently, PNSR recommends that the president issue a third letter to department and agency heads reinforcing the authority of COMs.

Strategic Benefit

The letters reinforcing COMs' and ambassadors' *de jure* authority in country teams would provide strategic benefits to the interagency system. The authority detailed in these letters would synthesize multiple departments' overseas initiatives into a unified national effort at the country-team level while maintaining an efficient division of labor. Moreover, affirming COMs' *de jure* authority as officers of the United States would provide the basis for extending end-to-end management to the operational level of the country teams by ensuring a whole-of-government unity of effort as multiple agencies bring their coordinated expertise and resources to bear on increasingly complex national security missions.[19]

Homeland Security

Provide a clear and consistent process and structure at the White House level for state, local, territorial, tribal government, private-sector, and non-governmental organization participation to support national security and homeland security policy development.

This recommendation calls for increasing the collaboration on homeland security issues among the federal government, state, local, tribal, and territorial governments, the private sector, and non-governmental organizations. The first component of this recommendation calls for the creation of a NSC/HSC statutory mechanism within the National Security Staff for effective partnerships with non-federal stakeholders and decisionmakers in the national and homeland security community. This mechanism is called the Homeland Security Collaboration Committee. The Collaboration Committee recommendation would provide a clear and consistent process and structure at the White House level for state, local, territorial, tribal government, private-sector, and non-governmental organization participation to support homeland security and emergency management policy development. The proposal would enable

17 Project on National Security Reform, "Letter to Department and Agency Heads Regarding Chief of Mission Authority," July 12, 2009, ed. (Arlington, PNSR, 2009).

18 Barack Obama, "The President's Letter of Instruction to Chiefs of Mission," E-mail to Chiefs of Mission, July 14, 2009.

19 Robert Oakley and Michael Casey, "The Country Team: Restructuring America's First Line of Engagement," *Joint Force Quarterly*, 47 (2007): 146-154.

direct and regular reporting access to relevant cabinet secretaries and White House advisors when appropriate. It would establish a mechanism for non-federal approval of strategic guidance, assessment, and the formulation, implementation, and evaluation of strategy and policy when required. It would also provide for non-federal input into deliberations involving decisions on homeland security and emergency management risk assessment and resourcing.

PSD-1 reflects the intent of this recommendation, but it opts to establish the NSC Resilience Policy Directorate under existing statutory authority as the mechanism within the National Security Staff to manage effective partnerships with non-federal stakeholders and decisionmakers in the national and homeland security community. Should the evaluation of the effectiveness and efficiency of the Resilience Policy Directorate determine that further structural and process improvements are necessary and would require a new statutory authority, PNSR would re-introduce its Homeland Security Collaboration Committee recommendation.

Strategic Benefit

One strategic benefit of creating the Homeland Security Collaboration Committee inside the National Security Staff is that it would incorporate non-federal perspectives on emergency management issues, including policy, strategy, plans, implementation oversight, assessment of performance, and risk assessment. The adjusted institutional structure would produce more efficient response, recovery, prevention, and protection functions because non-federal entities would be efficiently guided by the Collaboration Committee.

Next Generation State Department

The recommendation for a Next Generation State Department develops an integrated approach to the management of global civilian affairs. This reform would mirror the core management functions of the national security interagency system. The Next Generation State Department addresses the problem of ineffective interagency mechanisms that confuse multilateral actors and leave departments and agencies excessive discretion to interpret U.S. policy and strategy. In a reformed State Department, a strong hub would oversee and manage all internal programs, as well as relationships with related programs in other departments, components of other governments and international organizations, and societies and sub-national organizations.

> *"If we are to meet the myriad challenges around the world in the coming decades, this country must strengthen other important elements of national power both institutionally and financially, and create the capability to integrate and apply all of the elements of national power to problems and challenges abroad."*
>
> *Robert Gates*
> *Secretary of Defense*
> *November 26, 2007*

The recommendation would establish an interagency approach to the management of global civilian affairs. This approach would include the core activities of bilateral diplomacy and consular functions, while also having the organizational and managerial capacity to develop and field a broad range of civilian capabilities. At a minimum, these capabilities would include public diplomacy, stabilization and reconstruction, and economic development and foreign assistance. In addition to its reactive responsibilities in state-to-state relations, the Next Generation State Department must have proactive and anticipatory approaches to global affairs and must possess structures, processes, and personnel for dealing effectively with non-state actors and non-governmental organizations.

PNSR proposes the development of a three-year plan that could advance toward this new organizational model, with early focus in late 2009 on the merger of functions between the Office of Policy Planning (S/P) and the Bureau of Resource Management (RM), training and education for current increases in personnel, and the use of the Quadrennial Diplomacy and Development Review (QDDR), informed by a national security strategy, to display funding priorities to congressional leadership. This initiative is discussed further in Chapter 11.

Strategic Benefit

The strategic benefits of the Next Generation State Department reform include both internal and external efficiency and effectiveness gains. Integrating the strategic management of U.S. government global civilian affairs would ensure a more robust yet flexible Department of State, able to respond efficiently and effectively to the fluctuating demands of an increasingly globalized world and to shape proactively the international environment to favor U.S. interests. The specific recommendations of PNSR would enable the secretary of state to exercise more effective leadership across the instruments of power and oversight over the implementation of the department's core mission areas and capabilities. A strong hub would oversee and manage all programs within the State Department as well as relationships with related programs in other departments, components of other governments and international organizations, and societies and sub-national organizations. This reform would align the State Department not only with DoD but also with all other actors as well. In addition, the Next Generation State Department reform would build a management structure that permits the department to think, plan, prepare, and act in an integrated fashion across three different temporal domains: near-term, medium-term, and long-term.

3. Strategic Impact

The institutional reforms discussed here would enable each department and agency to bring its expertise to bear on complex security challenges. The nation's security would be enhanced because the interagency system would employ a multidisciplinary whole-of-government strategy to deal with complex, multifaceted threats and opportunities. The system would also more consistently consider both long-term and short-term strategy. The resulting increase in foresight would allow for a more proactive U.S. security posture that can allocate scarce resources more efficiently and obviate expensive tragedies.

The nation's security would increase because the interagency system would employ a multidisciplinary whole-of-government strategy to deal with complex, multifaceted threats and opportunities.

PNSR's structural recommendations would increase the interagency system's strategic impact by improving system performance. They would transform the presently rigid, slow, distrustful, and culturally impeded system to one that is more agile, fast, trusting, and culturally aligned.

Together, these reforms would achieve strategic-level management of end-to-end national security interagency processes. The National Security Staff as well as departments and agencies would leverage and integrate all instruments of national power across the full spectrum of interagency system activities.

C. Recent Reform Developments

Forging a New Shield identified an inability of the current organizational structure of the national security interagency system to integrate all elements of national power in the pursuit of national security missions. Adopting new approaches focused on national rather than departmental missions requires interagency effort, collaboration, and agility to achieve strategic management of the national security interagency system processes. Recent personnel appointments, memoranda, directives, and congressional activity indicate initial progress, sometimes pursued with PNSR's assistance.

1. White House

1. On February 13, 2009, Presidential Policy Directive–1 (PPD–1) established the following organizational changes:[20]
   - The Principals Committee (PC) is the senior interagency forum for national security policy issues.
   - The Deputies Committee (DC) acts as the primary body for reviewing and monitoring the interagency process.
   - The Interagency Policy Committees (IPCs) manage the development and implementation of interagency policies.
2. On February 23, 2009, Presidential Study Directive–1 (PSD–1) called for a study on the merging of the NSC with the HSC.[21]
3. On March 18, 2009, National Security Advisor Jones issued "The 21st Century Interagency Process" memorandum, calling for all members of the NSC to designate a Director for National Security Affairs to facilitate communication between the NSC and each executive agency's representatives to the NSC, PC, and DC.[22]
   - General Jones established the core attributes for the interagency process as strategy, agility, transparency, and predictability.
   - The interagency process is defined to ensure that all elements of national power are employed in a cohesive way and that relevant federal agencies participate in policymaking and implementation.[23]
4. In March 2009, the administration published an interagency assessment of U.S. policy toward Afghanistan and Pakistan. To meet the study's objectives, "all elements of international power—diplomatic, informational, military and economic—must be brought to bear."[24]
5. On May 26, 2009, the statement by the president on the White House Organization for Homeland Security and Counterterrorism responded to the review mandated in PSD–1 and combined the HSC and NSC staffs into the National Security Staff.[25]

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20 Barack Obama, "Presidential Policy Directive–1: Organization of the National Security Council System," 13 Feb 2009, 17 July 2009 <http://ftp.fas.org/irp/offdocs/ppd/ppd-1.pdf>: 3.

21 Barack Obama, "Presidential Study Directive–1: Organizing for Homeland Security and Counterterrorism," 23 Feb 2009, 17 July 2009 <http://www.fas.org/irp/offdocs/psd/psd-1.pdf>: 1-2.

22 James L. Jones, General, USMC (Ret), "The 21st Century Interagency Process," 18 March 2009, 17 July 2009 <http://www.fas.org/irp/offdocs/ppd/nsc031909.pdf>: 4.

23 Ibid, 2.

24 White House, "White Paper of the Interagency Policy Group's Report on U.S. Policy toward Afghanistan and Pakistan," March 2009, 24 Aug. 2009 < http://www.whitehouse.gov/assets/documents/Afghanistan-Pakistan_White_Paper.pdf>.

25 Ibid

6. The White House statement on May 26 established new directorates within the National Security Staff to deal with new, unconventional threats, including cyber security, weapons of mass destruction (WMD) terrorism, transborder security, information sharing, and resilience policy.[26]
7. On May 27, 2009, the public briefing on PSD-1 revealed the creation of a strategy directorate to focus on grand and long-term strategies; additionally, the strategy directorate will work with the OMB to align strategy and resources.[27]
8. On May 27, 2009, the public briefing also announced a Resilience Policy Directorate to interface with non-federal mission partners. The Resilience Policy Directorate will bring together all actors dealing with preparedness and response, and it will be the first forum for negotiating policy issues that transcend state, local, territorial, and tribal domains.[28]

2. Executive Branch Departments and Agencies

1. On July 10, 2009, the State Department announced its intention to produce a Quadrennial Diplomacy and Development Review (QDDR) to guide diplomatic and development efforts. The State Department acknowledges that foreign policy challenges require a multidisciplinary approach: "By using all the tools of American power, we can pave the way for shared peace, progress and prosperity. This comprehensive approach is the essence of smart power."[29]
2. In August 2009, the Office of the Director of National Intelligence issued the 2009 National Intelligence Strategy outlining four strategic goals of the intelligence community. The second of those goals is to provide the interagency system with necessary intelligence: "The IC will deliver actionable intelligence to support diplomats, military units, interagency organizations in the field, and domestic law enforcement organizations at all levels."[30] Information sharing is a vital source of power for interagency success, and these efforts will improve increased coordination across the national security system.
3. On August 31, 2009, the president issued a new PSD to review U.S. global development policy. The review will be governmentwide and include an examination of all relevant agencies that can contribute to a more strategic and coordinated development policy. The review will then make an assessment of what is required to achieve an interagency approach to global development. Results will be submitted to the president in January 2010.
4. By December 31, 2009, the Department of Homeland Security (DHS) will conduct the first Quadrennial Homeland Security Review (QHSR). The QHSR is a guide for homeland security policies, programs, and missions. To construct the QHSR, DHS incorporates input from a wide range of stakeholders, including 11,000 mission partners

26 Barack Obama, "Statement by the President on the White House Organization for Homeland Security and Counterterrorism," 26 May 2009, 17 July 2009 <http://www.whitehouse.gov/the_press_office/Statement-by-the-President-on-the-White-House-Organization-for-Homeland-Security-and-Counterterrorism>.

27 John Brennan, Keynote Address, "Presidential Study Directive-1: Organizing for Homeland Security and Counterterrorism," Frank Cilluffo moderator, Policy & Research Forum, Homeland Security Policy Institute, George Washington University, Washington. 27 May, 2009. 11 August 2009 <http://www.gwumc.edu/hspi/events/psd1PRF.cfm>.

28 Ibid

29 State Department, "The Department of State's Quadrennial Diplomacy and Development Review," *United States Department of State*, 10 July, 2009, 23 Sept. 2009 < http://www.state.gov/r/pa/prs/ps/2009/july/125956.htm>.

30 Office of the Director of National Intelligence, 5 *The National Intelligence Strategy of the United States of America*, Aug. 2009, 21 Sept. 2009 <http://www.dni.gov/reports/2009_NIS.pdf>.

from the federal, state, local, and tribal levels.[31] By evaluating the security concerns of all relevant homeland security actors, the QHSR should organize, improve, and unify DHS's strategic end-to-end management of prevention, protection, response, and recovery.

5. The 2010 Department of Defense Quadrennial Defense Review (QDR) will guide DoD strategies and priorities. The review itself is being conducted from a whole-of-government approach, utilizing advice and input from across the national security system. One of the areas of emphasis in the 2010 QDR is on institutionalizing greater "partnership capacity" across all capabilities and capacities at DoD.[32] This effort lends itself to greater interagency coordination between the military component of national power and the remaining components, such as diplomacy, intelligence, and economy (development).

3. Legislative Branch

1. On February 4, 2009, in a Senate hearing on the sustainability of U.S. defense plans, Rep. James Langevin (D-RI) examined national security reform from a global perspective, advised the use of soft power assets in an "overall national security strategy," and promoted the use of a Quadrennial National Security Review to build a more efficient defense budget.[33]
2. In May 2009, Rep. Ileana Ros-Lehtinen (R-FL) proposed the United States-Pakistan Security and Stability Act, which reiterated the study's objectives and required the president to develop, in coordination with the Director of National Intelligence, an interagency strategy for Afghanistan and Pakistan: "The President shall develop and transmit to the appropriate congressional committees a comprehensive interagency strategy and implementation plan for long-term security and stability."[34] The white paper and bill represent a test for the administration's new interagency approach.
3. On April 30, 2009, Rep. Randy Forbes (R-VA) proposed the Interagency Cooperation Commission Act, which would develop legislative and administrative proposals to advance the interagency system. The bill acknowledged the long-term global challenges facing the United States and incorporated strategic planning, policy, budgeting, and resource dimensions. The bill was referred to the Committee on Oversight and Government Reform and the Rules.[35]
4. On June 10, 2009, Rep. Michael McCaul (R-TX) introduced an amendment to H.R. 2410 requesting the president to create, for the appropriate congressional committees, an interagency strategy and implementation plan for addressing the crisis in Sudan.[36] The amendment was forwarded to the Senate and referred to the Committee on Foreign Relations.

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31 "Quadrennial Homeland Security Review (QHSR)," *Department of Homeland Security*, 18 Sept. 2009, 23 Sept. 2009 < http://www.dhs.gov/xabout/gc_1208534155450.shtm#2>.

32 Department of Defense, "2010 QDR Terms of Reference Fact Sheet," *United States Department of Defense*, 27 April 2009, 21 Sept. 2009 <http://www.defenselink.mil/news/d20090429qdr.pdf>.

33 United States. Cong. Senate, "Long–Term Sustainability of Current Defense Plans," No. 111–2, 111th Cong. 1st session, Washington: GPO, 2009: 54.

34 United States, Cong. House, "United States-Pakistan Security and Stability Act," H. R. 2481, 111th Cong. 1st session, Washington: GPO, 2009.

35 United States, Cong. House, "Interagency Cooperation Commission Act," H.R.2207, 111th Cong., 1st session, Washington: GPO, 2009.

36 United States, Cong. House, Amendment to "Foreign Relations Authorization Act, Fiscal Years 2010 and 2011," H.AMDT.186 (A006), 6 June 2009, 24 Aug. 2009 < http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HR02410 >.

5. On June 11, 2009, Rep. Geoff Davis (R-KY) introduced a resolution that acknowledged the need for greater agency integration and resolved the following: "That Congress recognizes the urgent need to reform the United States national security system in order to employ all elements of national power effectively and efficiently to meet the challenges of the 21st century security environment."[37]
6. The House Foreign Affairs Committee introduced bipartisan legislation requiring a comprehensive National Strategy for Global Development.[38] This bill establishes review and coordination processes between departments and agencies, acting as a step toward achieving greater unity of effort.
7. The Foreign Relations Authorization Act of 2009 as proposed mandated a State Department review of diplomacy and development. In addition to identifying key objectives and missions for U.S. foreign policy and assistance, it calls for an interagency approach to strategy: "Each Quadrennial Review of Diplomacy and Development shall take into account the views of the Secretary of State, the Administrator of the United States Agency for International Development, the Secretary of Defense, the Secretary of the Treasury, the United States Trade Representative, and the head of any other relevant agency."[39]

37 United States, Cong. House, "Expressing the sense of Congress that comprehensive national security reform is urgently needed to enable our Government to meet the novel and complex challenges of the 21st century, and calling on the Executive Branch to implement reforms that achieve greater agency integration for the effective use of the Nation's power, military and nonmilitary," H. CON. RES. 148, 111th Cong., 1st session, Washington: GPO, 2009.

38 "Berman Introduces Bipartisan Legislation Requiring U.S. Foreign Assistance Strategy," U.S. House of Representatives, Committee on Foreign Affairs, Washington, April 28, 2009, August 12, 2009, <http://www.internationalrelations.house.gov/press_display.asp?id=614>.

39 United States, Cong. Senate, "Foreign Relations Authorization Act, Fiscal Years 2010 and 2011," H.R. 2410, 111th Cong., 1st session, Washington: GPO, 2009.

Chapter 2: Strategy Development and Planning Guidance

Develop a national security strategy and accompanying planning and resource guidance for the interagency system.

A. Reform Needs

The National Security Act of 1947 established the National Security Council (NSC) to draw upon the expertise of the diplomatic, military, and intelligence departments and agencies to advise the president and coordinate policy. The NSC of today consists of the president as well as select department secretaries and agency heads. A national security advisor and a small National Security Staff support the NSC's policy development and coordination roles.

Although the NSC staff has grown in influence since its creation, the council and staff continue to be used primarily to drive national security policymaking, manage crises, and provide critical staffing support to the president. The current staff structure, processes, and size are typically overwhelmed by urgent issues, crowding out important core functions of strategic management. The charting of medium- and long-term strategy becomes ad hoc or nonexistent, and little if any substantive integrated planning at the strategic level is produced.

When urgent matters regularly crowd out the most important questions, the charting of medium- and long-term strategy becomes ad hoc or nonexistent.

Yet, the current national security advisor, General James Jones, recently underscored the importance of strategic thinking and guidance:

> [T]he NSC must be strategic. . .It is easy to get bogged down in the tactical concerns that consume the day-to-day conduct. . .But we won't effectively advance the priorities if we spend our time reacting to events, instead of shaping them. And that requires strategic thinking. The National Security Council. . .is unique in its ability to step back and take a longer and wider view of our American national security and our role in the shared context of our international security as well.[40]

Although the president determines broad policies and approves a general strategy, strong departments tend to advocate parochial interests. As a result, with the National Security Staff consumed with day-to-day priorities and without comprehensive strategies for the medium- and long-term timeframe in place, planning and budgeting unavoidably lack coordination and coherence. In *Forging a New Shield*, PNSR concluded that:[41]

1. An overburdened White House cannot manage the national security system as a whole, thus degrading agility, collaboration, and timely performance.
2. Assessments of the strategic environment tend to be static, heavily qualified, and of limited use.
3. Strong departments and agencies often thwart well-coordinated policies by imposing their own preferences.

40 James L. Jones, General, USMC (Ret), "Remarks By National Security Adviser Jones At 45th Munich Conference On Security Policy," 8 February 2009, The White House, August 12, 2009, <http://www.whitehouse.gov/the_press_office/RemarksByNationalSecurityAdviserJonesAt45thMunichConferenceOnSecurityPolicy>.

41 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 223 -259.

4. Strategy documents rarely provide sufficient context for understanding strategic decisions, which are often determined by informal deliberations among senior officials.
5. Interagency planning is irregular, resisted by individual agencies, and too laborious to keep pace with the strategic environment.
6. Policy implementation is typically poorly integrated and subject to unrealistic budgeting.
7. The national security system resists rigorous self evaluation.

PNSR reaffirms that these problems persist, and the project has since examined specific internal structures and processes within the national security community to inform possible solutions. Preoccupation with daily crisis management continues to leave the National Security Staff with little time and few people to advise the president on the strategic environment, assess capacities, prioritize threats and opportunities, or assign resources. Without deliberate reform, strategy development will likely continue to produce an unprioritized list of goals and objectives, while budgeting will remain a contest among strong departments, and planning capacity will continue to vary greatly. As a result, planning and budgeting will continue to lack strategic depth and integrated effort.

PNSR recommends establishing a permanent strategy directorate within the National Security Staff.

Guidance to establish the context, transparency, and processes for interagency security assessments, strategy, planning, and budgeting is needed. These processes are necessary to enrich strategy as well as bring coherence and direction to the national security system, driving integrated plans, actions, and application of resources. These processes must:

- Prepare the national security system to react and adapt faster to crises and contingencies in the near term
- Set direction and advance objectives in the medium term
- Ensure appropriate distribution of resources in the near term to better address long-term challenges and opportunities, and
- Be institutionally placed so they are protected from being submerged in urgent day-to-day issues.

In order to exploit the maximum advantages of strategy, the owners of these processes must fulfill two responsibilities:

- Periodically update and reassess assumptions about the security environment, as well as capacity and resources, and
- Contemplate potential crises and opportunities as well as alternative future scenarios.

To help achieve these goals, PNSR recommends establishing a permanent strategy directorate within the National Security Staff. The new directorate would strengthen presidential stewardship of national security by providing comprehensive assessments and options for overarching policies, promulgating an improved national security strategy, and, in coordination with the Office of Management and Budget (OMB), establishing more realistic resource guidance for departments and agencies engaged in national security.

B. Recommendations and Analysis

1. Current Recommendations

2A Focus the National Security Staff on high-level policy formulation and strategy guidance (National Security Review, National Security Strategy, National Security Planning and Resource Guidance) and provide guidelines for interagency teams.

i. Establish and institutionalize a robust strategy directorate within the National Security Staff.

ii. Create a National Security Strategy Development Board representing policy/planning leadership of each department and agency with national security responsibilities to advise the strategy directorate.

2B Perform a National Security Review at the beginning of each presidential term.

i. The National Security Review would describe the strategic landscape with an analysis of major ongoing or foreseeable worldwide commitments, the identification and prioritization of current and foreseeable national security opportunities and threats, and trends that significantly affect national security.

   a. Assess existing capabilities and resources against needs to successfully defend and advance national interests;

   b. Make recommendations regarding the missions, activities, and budgets across the national security interagency system; and

   c. Review the scope of national security, including possible changes in roles and responsibilities within the interagency system, and among outside stakeholders.

ii. Conduct the National Security Review on a quadrennial cycle, with the principal effort taking place within the first six months of a president's term and updates performed annually.

iii. Use the National Security Review to inform department-specific reviews such as the current ODNI, DoD, and DHS Quadrennial Reviews and the recently announced State Department's Quadrennial Diplomacy and Development Review.

iv. Use annual reviews to assess the continuing applicability of basic assumptions underlying the National Security Review, to include emerging risks, opportunities, and threats; conflict prevention; and changes in national security mission partners.

2C Publish a National Security Strategy once during each presidential term. Prepared on the National Security Review baseline, this is the administration's strategy—a narrative, political document that would establish the president's national security objectives by region and issue.

i. Identify significant challenges in the international security environment and implications for domestic security policy.

ii. Establish prioritized national security objectives, as well as criteria to manage threats, risks, and opportunities, given available resources.

iii. Provide unifying direction to department and agency strategies and policy planning.

iv. Include an unclassified, public section that would satisfy current statutory reporting requirements, accompanied by a classified annex.

2D Based upon the assessments and priorities of the National Security Review, require the preparation of National Security Planning and Resource Guidance to be issued annually by the president to all national security departments and agencies. This document would also translate the president's National Security Strategy into policy, planning, and resource guidance to departments and agencies, including guidance concerning the necessary capabilities to be developed for current and future needs. The National Security Staff and the Office of Management and Budget (OMB) should jointly issue this guidance at the beginning of the annual program/budget cycle. The National Security Planning and Resource Guidance would:

i. Provide specific objectives, directives, and measures of performance to executive branch organizations contributing to national security.
ii. Establish and routinely update principles for the functioning of the national security system.
iii. Guide the preparation of interagency plans to build required national security capabilities, linking strategy to resource allocation.

2. Analysis

Based on *Forging a New Shield* and ongoing dialogue with national security experts as well as former and current senior officials, PNSR believes that strategy development and long-term planning should become a core competency of the National Security Staff.

Establish a Permanent Strategy Directorate within the National Security Staff

The national security advisor has recently established a small strategy office, but without institutionalizing it in a presidential directive or other supporting document. Presidential directives and an executive order should follow to make it an enduring staff component (see Appendix 1: Legal Instruments and Supporting Analytic Memoranda). Future presidents can rescind such orders, but if a permanent strategy directorate serves a useful purpose, dissolution is less likely.

Ideally, such an office or directorate should consist of about a dozen functional and regional issue-specialists, as well as strategic thinkers and implementation experts. Most would be career personnel detailed from departments and agencies who would rotate into and out of the staff on staggered assignments, thus helping to ensure continuity between administrations. Leadership, as in other executive branch agencies, would be political.

The directorate's main mission would be developing medium- and long-term security strategy, but members could advise and assist other National Security Staff directorates as well as Interagency Policy Committees (IPCs) in producing contingency-oriented policy products. The directorate's staff would take into account the findings of internal policy implementation assessments in their ongoing strategy and planning. The strategy office would also ensure that IPC decisions and plans concerning specific issues complement medium- and long-term national strategy. A key element of the directorate would be an embedded OMB liaison to advise on aligning strategy and budgets.

For medium-term strategies, the strategy directorate would work to guide the government by developing documents that assess conditions and capabilities as well as establish national strategy. For long-term strategies, the strategy directorate—using scenario planning, future projections by the National Intelligence Council (NIC), and other sources—would establish priorities for

investment in new national capabilities to address emerging and anticipated challenges. The directorate would also have an independent office to weigh near-term alternative policies and strategic courses of action. Overall, greater preparedness and strategic coherence across the government in addressing 21st-Century challenges would be the most significant benefit of institutionalizing strategy development, as well as institutionalizing other functions within the National Security Staff of managing end-to-end processes.

Create a National Security Strategy Development Board

To draft strategy documents for presidential approval that would be well received by department and agency leadership, a National Security Staff strategy directorate would need a means of collecting inputs to strategy formulation and soliciting feedback. Former NSC staff and senior officials reacted favorably to a new PNSR concept of a National Security Strategy Development Board to facilitate dialogue between the strategy directorate and departments and agencies.[42] Such a board would constitute a high-level interagency team comprised of departmental under secretaries for policy or equivalent. They would help integrate the National Security Staff and interagency strategic planning efforts. In turn, board members would be expected to share NSC/HSC and National Security Staff strategic intentions and concerns with their departments.

Establish Vehicles to Convey Assessments, Strategy, and Resource Guidance

The new strategy directorate should produce three documents for presidential approval:

A National Security Review (NSR)

- This process would establish the administration's strategy baseline for decisionmaking. It would guide senior strategists and policy planners from across the national security interagency system as well as other government stakeholders and experts. The NSR would:
- Describe the strategic landscape
- Assess existing capabilities and resources against needs
- Make recommendations regarding missions, activities, and budgets
- Review the scope and assumptions of national security, including possible changes in roles and responsibilities within the interagency and among external stakeholders
- Occur on a quadrennial cycle, preceding and informing departmental reviews, with annual updates

42 Some former NSC staff and scholars have already proposed this. See, for example, pp. 255-56, Peter Feaver and William Inboden, "A Strategic Planning Cell on National Security at the White House," and Bruce W. Jentleson, "An Integrative Executive Branch Strategy for Policy Planning," in Daniel W. Drezner, *Avoiding Trivia: The Role of Strategic Planning in American Foreign Policy*, (Washington: Brookings Institution Press, 2009); Michele A. Flournoy and Shawn W. Brimley, "Strategic Planning for National Security: A New Project Solarium," *Joint Forces Quarterly* (no. 41, Spring 2006); Aaron L. Friedberg, "Strengthening U.S. Strategic Planning," *The Washington Quarterly* (The Center for Strategic and International Studies and the Massachusetts Institute of Technology, 31:1, Winter 2007/2008) pp. 47-60; Paul Lettow and Tom Mahnken, "Toolbox: Getting Serious about Strategic Planning," (*The American Interest*, 5:1), Autumn 2009; and Andrew Krepinevich, "Hearing of the Oversight and Investigations Subcommittee of the House Armed Services Committee: National Security Reform," (Federal News Service, Washington, March 19, 2009).

The National Security Strategy (NSS)

- Based on the NSR, this would be the administration's strategy—a narrative, political document that would establish the president's national security objectives by region and transnational issue. It would identify significant challenges in the international and domestic security environment and their implications for homeland security policy. It would be published once during each presidential term and establish prioritized national security objectives as well as criteria to manage risks and opportunities, given available resources.[43]

National Security Planning and Resource Guidance (NSPRG)

- This document would translate the president's NSS into policy, planning, and resource guidance to departments and agencies. The resource guidance would provide annually updated six-year resource profiles covering the capabilities of each department and agency for meeting future national security needs as defined in the NSS. The National Security Staff and OMB would jointly issue this resource guidance at the beginning of the annual program and budgeting cycle. A copy of the annual resource guidance would be provided to Congress to help inform the authorization and appropriation processes.

> *"I always thought that the NSC, as the agent of the president, ought to have a long-range planning function. I tried it both times and it never worked satisfactorily. Either nobody had time to pay attention to it or you had to grab them when a fire broke out."*
>
> *Brent Scowcroft*
> *Former National Security Advisor*
> *October 25, 1999*

To be useful, these documents should be timely, concise, and clear. They should not tie the hands of the departments and agencies but facilitate the development of coordinated policies and plans throughout the national security interagency system. Above all, the president's commitment to this process must be clear. As Brent Scowcroft, former national security advisor to Presidents Gerald Ford and George H. W. Bush, observed: "I always thought that the NSC, as the agent of the president, ought to have a long-range planning function. I tried it both times and it never worked satisfactorily. Either nobody had time to pay attention to it or you had to grab them when a fire broke out."[44] Current and former senior officials suggested a need to assign responsibility outside of the IPC structure for conducting periodic assessments of the medium- and long-term strategic environment, generating the president's national strategy portfolio, and producing resource guidance documents.[45]

43 See 50 USC § 404a. The Goldwater-Nichols Act of 1986 mandated an annual transmission by the executive branch of a national security strategy report to Congress within 150 days after an administration takes office. This mandate is not always met, and the National Security Strategy document is a public, usually rhetorical document, rather than one that provides a practical context for the national security system to make strategic decisions. An amendment to make the National Security Strategy a quadrennial requirement due 365 days after taking office with updates as needed would allow more time for thoughtful policy input and make its production align more with actual practice.

44 Brent Scowcroft quoted in Ivo Daalder and I.M. (Mac) Destler, "The Role of the National Security Advisor," (Oral History Roundtables, 25 October 1999) < http://www.cissm.umd.edu/papers/display.php?id=265>. However, President Bill Clinton was able to establish a strategic planning office through a Senior Director for Strategic Planning, Antony Blinken. In recent times, Stephen Hadley's Strategic Planning and Institutional Reform office was perhaps the most successful example.

45 Individual conversations and a not-for-attribution conference, "National Strategy Development Roundtable," Project on National Security Reform, Arlington, June 23, 2009.

PNSR's initial recommendation for a quadrennial NSR similar to the Defense Department's Quadrennial Defense Review (QDR) made sense if it could be done quickly enough (within the first six months of a new administration) to inform departmental/agency reviews. A current career official said that the NSR should include a discussion of assumptions, which rarely appears in high-level strategies. More attention was needed to consider how the NSR might interface with the NSS. Some former NSC staff members concluded that it would be more useful for the analysis-focused NSR to be updated annually, and that the policy-driven National Security Strategy be produced every four years to serve as a more enduring statement.[46]

Together these reforms would enhance U.S. security, use scarce resources more efficiently, prepare decision-makers better for various contingencies, and enhance the ability of the U.S. government to respond to challenges and opportunities.

Another *Forging a New Shield* recommendation for two additional documents, a National Security Planning Guidance and a National Security Resource Guidance, foresaw the National Security Staff and OMB issuing separate directives, one informing the other. The planning guidance document was meant to provide resource allocation guidance to shape department and agency budget requests, while the resource document was intended to confirm these directions after the departments and agencies had provided inputs. The preparation of two documents with similar intent seemed redundant. Another option subsequently emerged—that the National Security Staff and OMB should work together on one guidance document submitted for interagency review.

A critical consideration is how to organize this work. Some administrations have delegated the writing of the NSS (a public document required annually by law since 1986) to various NSC staff regional and functional directors, whose work on the NSS was performed as an additional duty. Former NSC staff members considered this practice suboptimal because few busy directors, preoccupied with immediate matters, have found time to contemplate the future.[47] Most former NSC staff who were consulted favored having a separate "deepthink" office dedicated to developing strategy. They stressed the office should be isolated from daily decisionmaking, though some doubted this could occur.[48] A former staffer cautioned, however, that completely removing a strategy staff from daily crisis response risked "ghettoizing" it. The president and the national security advisor could counter this risk by clearly communicating throughout the staff and interagency their commitment to a robust strategy process, and by ensuring the strategy staff stays in the loop for important policy reviews and decisions.

3. Strategic Impact

The National Security Staff needs a permanent directorate to lead the strategy development and planning and resource guidance process. Such a group would provide assessments and options for the president's overarching policies through a national security review process. It would promote better cooperation among disparate federal departments and agencies by promulgating a national security strategy. The directorate would send realistic budget direction to national security departments and agencies through a policy, planning, and resource document coordinated

46 Op cit. "National Strategy Development Roundtable," Project on National Security Reform, June 23, 2009.

47 One former senior director said that, if "you're not getting 50 emails a day about strategy," it will not be a priority like daily crises. Another expert noted that the national security culture was "obsessed with the near term" and that this was pervasive. Minutes from the conference, "National Strategy Development Roundtable." (Project on National Security Reform, June 23, 2009).

48 Ibid.

with the OMB. Added to this, an interagency strategic performance assessment function could determine whether departments have committed the requisite resources and are performing the ongoing national security mission tasks. Together these reforms would enhance U.S. security, use scarce resources more efficiently, prepare decisionmakers better for various contingencies, and enhance the ability of the U.S. government to shape events as well as respond to challenges and opportunities.

C. Recent Reform Developments

Forging a New Shield identified the demands of daily crisis management as a major obstacle to national security system reform. Despite a challenging security environment and an as-yet incomplete National Security Staff, the Obama administration has taken several encouraging steps toward strategically managing national security matters.

1. White House

- In the first few months of the administration, the NSC staff conducted a National Security Priorities Review as a precursor to the National Security Strategy. The National Security Priorities Review will inform strategic planning processes in the departments.[49]
- In the fall of 2009, a strategic planning office will be incorporated into the new National Security Staff. The national security advisor has expressed the need for greater strategic competency in the National Security Staff.[50]

2. Executive Branch Departments And Agencies

- The Defense Department's Quadrennial Roles and Missions Report 2009 recommended the institutionalization of whole-of-government approaches to addressing national security challenges, including "an authoritative national-level strategic guidance document that addresses interagency roles and responsibilities, and resolves seam issues between agencies."[51]
- The process for composing the Quadrennial Defense Review 2010 began with the formation of teams that included interagency stakeholders.
- The Quadrennial Homeland Security Review 2009 includes a public national dialogue component.
- These actions should make better interagency coordination possible and enhance the president's ability to guide those agencies with national security roles through a more agile and informed national security strategy.

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49 Under the leadership of former Executive Secretary Mara Rudman; see also Michele Flournoy, "Rebalancing the Force: Major Issues for QDR 2010," (Center for Strategic and International Studies, 29 April 2009) August 12, 2009, <http://csis.org/files/media/csis/events/090501_flournoy.pdf>; and Senior Defense Official and Senior Military Official, "DoD Background Briefing," U.S. Department of Defense, 23 April 2009, August 12, 2009 <http://www.defenselink.mil/Transcripts/Transcript.aspx?TranscriptID=4408>.

50 James L. Jones, General, USMC (Ret),"Remarks By National Security Adviser Jones At 45th Munich Conference On Security Policy," 8 February 2009, *The White House,* 12 August 2009,<http://www.whitehouse.gov/the_press_office/RemarksByNationalSecurityAdviserJonesAt45thMunichConferenceOnSecurityPolicy> and James Jones, "U.S. National Security: The Obama Approach," 27 May 2009, *The Atlantic Council,* 12 August 2009,http://www.acus.org/event/nsa-james-jones-first-speech/transcript.

51 U.S. Department of Defense. *Quadrennial Roles and Missions Review Report*, (Washington, 2009) pg. 31

3. Legislative Branch

- The Oversight and Investigations Subcommittee of the House Armed Services Committee held a hearing on PNSR's *Forging a New Shield*. Testimony at the event endorsed institutionalizing strategic planning in the national security system.[52]
- The HFAC also introduced the Foreign Relations Authorization Act for Fiscal Years 2010 and 2011 (H.R. 2410) mandating a Quadrennial Diplomacy and Development Review.[53]

52 The witness was Andrew Krepinevich of The Center for Strategic and Budgetary Assessments. See "Hearing of the Oversight and Investigations Subcommittee of the House Armed Services Committee: National Security Reform," (*Federal News Service*, Washington,) March 19, 2009.

53 United States. Cong. Senate. 111th Congress, 1st Session. HR. 2410, *Foreign Relations 8 Authorization Act, Fiscal Years 2010 and 2011* [introduced in the U.S. Senate; 24 May 2009]. 111th Cong., 1st sess. Congressional Bills, GPO Access. Web. 26 September 2009. <http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=111_cong_bills&docid=f:h2410rfs.txt.pdf>.

Chapter 3: Alignment of Strategy and Resources

Link resources to goals through national security mission-based analysis and budgeting.

A. Reform Needs

According to budgeting experts, the effective allocation of resources is the single greatest determinant of successful policy execution.[54] The dictum holds doubly true for national security leaders, who must consider available capacities and resources to determine where strategic advantages exist. Yet, national security strategies have traditionally consisted of lists of goals largely uninformed by resource or capacity considerations. Resource guidance in the form of Office of Management and Budget (OMB) circulars instructs federal agencies on particular issues, but it does not address larger national security considerations.

This section reviews three core problems regarding resource management identified by PNSR. It then describes new insights and approaches to these challenges that PNSR has developed through further research and analysis. The basic problems are:[55]

1. Strategy and policy priorities do not drive resource allocation or budget tradeoffs.
2. The national security system is unable to resource the full range of required capabilities for national priority missions.
3. It is difficult to provide resources for crises requiring an urgent interagency response.

More specific problems include:

4. There is no agreement on which parts of an agency budget should be included in an integrated national security budget; a process for even making this determination does not exist.
5. National security departments and agencies differ considerably in terms of program/budget calendars, resource displays/formats, and planning horizons (e.g., DoD, the Department of Homeland Security, and the Intelligence Community use 5–6 years, but other agencies typically consider only 1–2 years).
6. The current congressional committee structure does not provide a comprehensive, cross-agency review of national security strategy, programs, and budgets.

> *"Although our defense, foreign affairs, homeland security, intelligence, energy budgets are carefully examined from the incremental perspective of where they were in the previous year, our budget process gives neither Congress nor the executive branch the ability to adequately evaluate whether the money flowing to these areas represents the proper mix for the 21st century."*
>
> *Senator Richard Lugar (R-IN)*
> *April 24, 2008*

The U.S. federal budgeting model follows a process that predates the American colonies. The legislature appropriates funds while the executive expends them according to congressional specifications.[56] During the past two centuries, however, the budgetary role of the president and

54 Philip G. Joyce, Robert D. Lee, and Ronald Johnson, *Public Budgeting Systems,* 8th edition (Washington: George Washington University, 2008).
55 Project on National Security Reform. *Forging a New Shield* (Arlington: PNSR, 2008): 340-351.
56 Akhil Reed Amar, *America's Constitution: A Biography* (New York: Random House, 2005) 105 ff., and Benjamin Wright, *The Federalist Papers on the Principles of American Government* (New York: Metrobooks, 2002) :49 ff.

his staff has grown substantially. The process has also become more complex. At any time, the budgets for three fiscal years are simultaneously under consideration. Historically, departments and agencies prepare their own budget requests each summer with guidance from OMB. The president and OMB review the requests, make final decisions, and submit a consolidated budget request to Congress. Congress reviews the requests and appropriates funds, sometimes with accompanying authorizing legislation. The executive branch then executes the functions for which monies were appropriated.

From the late 1940s through the end of the Cold War, the resource allocation system for national security consisted largely of forming and reviewing the defense and intelligence budgets. At the time, this process may have been appropriate since most national security funding, including intelligence funding, resided in the Department of Defense (DoD) budget. Starting in the early 1990s, and especially since 2001, the growing complexity of potential threats and importance of interagency cooperation for accomplishing national security missions have exposed systemic weaknesses in the traditional resource allocation system. In particular, serious problems exist regarding national strategy development as well as aligning resources with strategy, which requires cross-agency resource allocation.

Departments and agencies formulate budget requests to support their own programs. National strategy and contingency funding are not primary considerations. This orientation makes it difficult to assess whether budgets will support strategy. It also can mislead officials into thinking that they can carry out policies when insufficient funds have been provided. Not all decisions need initial budgetary inputs, but they eventually must be considered to prevent policy failure.

Furthermore, the current process of mediating agency budget requests after formulation does not effectively address contingencies that require integrated interagency action. The National Security Council (NSC) and OMB have traditionally believed that resources could be redirected from unspent funds at other agencies. Yet, existing processes for moving funds between agencies with national security responsibilities are generally cumbersome and inefficient. As a result, crosscutting programs that address complex threats often do not receive adequate or timely funding.

Former NSC staff, OMB directors, and congressional staff agree that a considerably stronger strategy-resource alignment and an integrated national security budget are needed to overcome major problems with the current process. On June 25, 2009, PNSR held a Resources and Planning Roundtable with academics, policy experts, and former NSC and OMB staff. In general, these participants concluded that daily crises override opportunities to think and plan; that both the NSC staff and OMB need additional personnel to play a more proactive role in aligning strategy and resources; and that OMB should not develop strategy directly, but instead should help strategy architects understand the budgetary implications of their choices.

Former NSC staff, OMB directors, and congressional staff agree that a considerably stronger strategy-resource alignment and an integrated national security budget are needed.

B. Recommendations and Analysis

1. Current Recommendations

3A Direct each national security department and agency to prepare a six-year budget projection derived from National Security Planning and Resource Guidance.

3B Direct the National Security Staff's strategy directorate in partnership with the Office of Management and Budget (OMB) Office of National Security Programs to produce and disseminate annual policy planning and resource guidance to departments and agencies, including guidance concerning necessary capabilities to be developed for current and future needs. The resource guidance would provide annually updated six-year resource profiles covering each department/agency's capabilities for meeting future national security needs as suggested by the National Security Review and as defined in the National Security Strategy.

i. Direction on annual policy planning and resource guidance would be provided in the National Security Planning and Resource Guidance which would be disseminated to departments and agencies with national security roles and missions, as well as to appropriate congressional committees.

3C Require each department and agency to submit its annual budget to OMB consistent with the guidance in the National Security Planning and Resource Guidance.

3D Develop the capability to produce an integrated national security budget.

i. Deriving from the National Security Review process and National Security Strategy, the president's budget submission to Congress should provide a single integrated national security budget display along with integrated budget justification material that reflects how each department's and each agency's budget aligns with underlying security assessments, strategy, and resource guidance.

3E Build a core competency within the National Security Staff and OMB to execute the above tasks, including performing national security mission-based analysis.

2. Analysis

Strategy should drive national security resource allocation.

Strategy should drive national security resource allocation. Therefore, developing a strategic management capability within the National Security Staff—a PNSR priority—is a necessary step in promoting better prioritization and budgetary coordination among federal agencies, the White House, and Congress. That recommendation (see Chapter 2) contemplates a strategy directorate (with an embedded OMB liaison) as a permanent addition to the National Security Staff to develop high-level strategy and guide its implementation across the interagency system. Such an office would lead an interagency National Security Review (NSR) in the first year of each presidential term that would in turn inform the departmental quadrennial reviews. It would combine this review and associated presidential decisions on policy and strategy into a National Security Strategy document, completed by the second year of each presidential term. The strategic planning office and its OMB partners would also annually provide more detailed budget guidance to agencies in an integrated policy planning and resources guide.

Assuming that this basic structure for strategy development and implementation is established, two preliminary "resourcing" activities should be initiated promptly. First, OMB should lead an interagency dialogue to determine how much of each department's and agency's programs to include in the overall national security enterprise. The integrated national security budget should cover those portions of agency programs that are applicable to one or more national security mission areas. To accomplish this complex work, national security personnel must (1) understand the structure, missions, programs, and information systems of their home department or agency but (2) consider themselves a part of the larger national security enterprise. In addition to providing strong leadership, the president's national security advisor and OMB must ensure that workable guidelines are developed and applied consistently across all agencies.

Second, OMB should lead an interagency effort to reconcile program/budget calendars, formats/displays, and time horizons. (This harmonization would apply only to the national security-designated parts of each department's and agency's program.) OMB would also need to assist agencies that currently lack multi-year programs to generate their data entries for future years.

These recommendations build on the conclusions contained in *Forging a New Shield*. The report emphasized the overarching need to align national security strategy with budgeting because no resourcing plan is genuinely strategic unless it accounts for both capabilities and the costs of implementation. *Forging a New Shield* concluded:

> Budgets are developed and appropriated along departmental lines and then disbursed through departmental mechanisms. Departments and agencies typically shortchange interagency missions and nontraditional capabilities. As a result, the requirements for national mission success are often not met. In particular, resource allocation processes do not provide the full range of required capabilities, do not permit the system to surge in response to priority needs, and do not provide resource allocation flexibility in response to changing circumstances.[57]

The president's annual budget submission (should) display a single, integrated national security budget – including additional material based on an integrated budget justification that reflects planning and resource guidance developed by the National Security Staff and OMB.

Forging a New Shield also called for greater collaboration between the National Security Staff and OMB. Each staff would prepare separate but complementary resource guidance documents. Upon further reflection, that approach seemed redundant. Subsequent dialogue with former OMB senior personnel and national security experts helped develop another option—an OMB liaison to the National Security Staff's strategy office that could offer realistic advice to inform national strategy. In turn, the strategy staff could provide inputs to OMB resource guidance via a single document. (Some of these experts cautioned that overly close collaboration with the National Security Staff might undermine OMB's role as an unbiased source of advice, while others countered that both exist to provide the best possible options and advice to the president.)

Forging a New Shield further concluded that, as long as Congress called for separate departmental and agency budget requests, funding according to national strategic priorities would remain difficult. Having the president's annual budget submission display a single, integrated national security budget—including additional material based on an integrated budget justification that reflected planning and resource guidance developed by the National Security Staff and OMB—could overcome this problem. Yet, congressional committees organized along departmental

57 Project on National Security Reform. *Forging a New Shield* (Arlington: PNSR, 2008): 130.

equities reinforce department and agency tendencies to protect turf and power rather than reconcile imbalances. One effect, among other effects, is that well-funded departments, like DoD, inevitably are called to assume the responsibilities of other, underfunded non-military agencies like the Department of State. PNSR continues to recommend the establishment of select committees on national security in the House and Senate that would have jurisdiction over interagency operations and activities. Additional committee realignments would help further. Meanwhile, executive-legislative consultations could encourage the House and Senate Budget Committees to consider an integrated national security budget in addition to the customary component-specific authorizations.

Finally, contingency funding mechanisms in place today are inadequate to address emerging threats and situations that demand urgent interagency responses. As addressed in Chapter 8 of this report, Congress should develop new accounts and procedures to meet unanticipated crises requiring an integrated interagency approach. For example, Congress should consider establishing a mechanism for expedited fund transfers between agencies for contingencies that require interagency integration. An integrated national security budget presentation and executive-legislative consultations on the subject could advance this effort.

Congress should consider establishing a mechanism for expedited fund transfers between agencies for contingencies that require interagency integration.

At present, the lack of decision mechanisms and analytic support in OMB or the Executive Office of the President (EOP), along with the scarcity of other mechanisms to incorporate an interagency strategy into national security funding decisions, means that strategy and policy priorities do not normally drive resource allocation or budget tradeoffs. The current resource allocation system is unable to address the full range of capabilities required for key national missions. Instead, it actively discourages departments and agencies from budgeting for external or contingent purposes, even for national security. Concerned about maintaining its power of the purse, Congress has historically resisted allocating contingency funds. Budget assessments implicitly assume sufficient flexibility and hidden reserves to cover any imbalance since traditional thinking presumes that appropriated funds should generally suffice for contingencies and can be readily replenished if exhausted. Yet, various congressional limits on reprogramming and transfer authority complicate or limit sufficient response when contingencies actually emerge.

3. Strategic Impact

The existing national security strategy development and resource allocation system—largely a relic of the Cold War—is clearly inadequate for meeting today's complex and fast-breaking security challenges. Resource reform is critical for addressing complex security threats, major emergencies, and opportunities. Linking national security priorities and budgets would allow policymakers to make improved decisions across the entire national security system and provide a capability to respond better to security challenges and opportunities that arise. These reforms would greatly enhance U.S. national security, help eliminate waste, and more efficiently allocate resources.

- Along with a National Security Review and a National Security Strategy, an associated annual National Security Planning and Resource Guidance would help ensure more realistic annual budget requests from departments and agencies, thus enhancing mission preparedness, reducing waste, and enabling more effective contingency response.

- An integrated national security budget presentation to Congress would improve funding of national security mission priorities and reconcile resource imbalances among agencies. Moreover, it would provide a clear vision of how to resource missions that require the participation of multiple agencies.

In combination, these reforms would greatly enhance the management and readiness of the U.S. national security system, more efficiently allocate resources, and avoid searches for surplus funds in departmental budgets whenever contingencies appear.

C. Recent Reform Developments

The Obama administration has taken initial steps toward developing a system for the strategic management of national security. These measures help build a foundation for linking national strategy and agency budget requests to improve planning and make budget allocations more responsive to changing needs. Yet, these initial efforts need further development to attain the strategic advances of the NSR, NSS, and NSPRG processes that PNSR recommends.

A strategic planning office is being incorporated into the new National Security Staff. If an OMB liaison element becomes a dedicated part of that team, resource considerations would be incorporated more readily into national security strategy development and implementation.

Chapter 4: Interagency Teams and Task Forces

Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.

A. Reform Needs

U.S. national security missions are shifting, broadening, and becoming increasingly interdisciplinary. Yet, the structures and processes for addressing these missions have not evolved accordingly. An increasing number of missions require interagency approaches, but the excessively rigid structures and processes currently in place compel the elevation of strategy development and planning to the White House, while disputes over authorities and resources typically flow downward to those implementing the mission. The combined result is over-centralization of decisionmaking and insufficient guidance and coordination for effective policy implementation.

A system encumbered by such inflexible stovepipes demands reform in light of today's multidimensional national security challenges. These stovepipes do not converge until they reach the White House. This situation encourages departments and agencies to contest one another's authority and influence on important issues while evading questions that could potentially weaken their power. As a result, areas of bureaucratic competition have a tangle of uncoordinated policies and strategies, whereas issues considered unimportant to one influential department or agency, though not necessarily to the entire government, are frequently neglected.[58]

A system encumbered by inflexible stovepipes demands reform in light of today's multidimensional national security challenges.

Five problems contribute heavily to this situation:

1. The national security system poorly integrates department and agency efforts, leading to insufficient accountability for some missions and conflicts over authorities in others.
2. Strong functional organizations dominate weak policy integrating structures and control policy implementation.
3. Implementation of policy, strategy, and plans is poorly coordinated and resourced.
4. Dual chains of command obstruct integrated efforts in large "surge operations."
5. The national security system lacks genuine global situational awareness.

PNSR recently highlighted these problems in *Forging a New Shield*, and other respected reform studies and national security experts have forcibly pointed out some of these same problems and the associated costs. Yet, they persist.

President Obama has, however, employed a unique approach for managing these problems that blends a method favored by the Clinton administration with an original element. Like President Clinton, President Obama has delegated responsibility for coordinating interagency policy and strategy for many national security missions and issues to interagency policy coordinators colloquially known as "czars." More innovatively, the current administration has expanded the range of agencies participating in deliberations of the National Security Council (NSC).[59]

58 Project on National Security Reform. *Forging a New Shield* (Arlington: PNSR, 2008): 181–208.

59 Presidential Policy Directive - 1 (February 13, 2009) names the following departmental leaders as standing members of the NSC: the Attorney General and the Secretaries of State, Defense, Energy, Treasury, and Homeland Security. Previously, National Security Presidential Directive - 1 of (February 13, 2001) and

President Obama's inclusive approach toward NSC participation offers opportunities and risks. If NSC members subordinate their distinct bureaucratic equities to governmentwide interests, the council will make decisions more effectively. The process will produce better integrated plans for a wider spectrum of national security missions. Yet, if members continue to wage turf battles on behalf of their agencies, a broader NSC could require an already overburdened president to centralize policymaking even further. PNSR will analyze this process closely as the effects of the new approach become clearer.

Even when a president appoints a czar with the intent of solving a policy problem, the long-standing institutional authorities of the departments and agencies frequently overwhelm the czar.

Using czars to coordinate policy is an established, if often unsatisfactory, approach. The czars' abilities to coordinate policy and strategy vary widely, depending in large part on the perceived power they derive from their relationship with the president. Some czars are created primarily to demonstrate an administration's concern about a problem, without the considerable commitment of authority and resources necessary to empower the czar to resolve the issue. Even when a president appoints a czar with the intent of solving a policy problem, the long-standing institutional authorities of the departments and agencies frequently overwhelm the czar. In addition, the president's support can wane if a czar proves unable to achieve the sought-after interagency policy and strategy achievements for which the individual was deputized.

A recent innovation in the process used by czars to coordinate policy and strategy may yield better results. Some czars have constructed teams with personnel seconded from many of the departments and agencies relevant to their respective missions. A department or agency may more readily support a czar's recommended policies if its representatives helped determine them. In theory, a czar enjoying a broad bureaucratic constituency would depend less on strong personal ties with the president. PNSR is monitoring whether these interagency teams, which have adopted many innovations in harmony with the project's recommendations in *Forging a New Shield*, genuinely improve the czars' effectiveness. (See PNSR Significant Initiative *Special Envoy to Sudan*, in this report.)

Achieving better unity of effort regarding policy and strategy is vital. The United States cannot afford the bureaucratic turf disputes, overburdened presidents, or fragmented policies and strategies entailed by a stovepiped structure. These missteps at the front end of the national security system ultimately lead to ineffective planning, execution, and assessment. Expecting the president to integrate cross-departmental policy and strategy regularly, in addition to his or her other responsibilities, is unrealistic. It is also undesirable since burdening the president with these integration missions distracts him or her from essential and constitutionally mandated responsibilities, including developing and deciding national-level policies. The U.S. national security system must be able to delegate the management and integration of missions and issues outside the White House. It also must ensure that policy and strategy are effectively developed, coordinated, and implemented to meet contemporary rather than legacy challenges.

PNSR offers the following recommendations for reforming the system to meet these imperatives.

Presidential Decision Directive - 2 of (January 20, 1993) named as standing NSC members only the Secretaries of State, Defense and Treasury. Prior to 1993, administrations from Presidents Truman to Bush limited standing NSC membership of departmental leaders to those designated by statute, the Secretaries of State and Defense.

B. Recommendations and Analysis

1. Current Recommendations

4A Delegate and unify management of national security issues and missions through empowered interagency teams, starting with a small set of presidential-priority-issue teams. Interagency teams would have the following attributes and would function with existing national security organizations in the following manner:

i. A senior executive, appointed by the president and known as a National Security Executive, would lead each team.
   a. A person with national stature would lead presidential priority teams.

ii. The team leader, in consultation with the national security advisor, would select full-time members for a small team based on expertise needed to successfully accomplish the team's mission.
   a. If the team did not include an official from a relevant department and agency, it would have senior points of contact to ensure good two-way communication between the team and departments and agencies that carry out most actions to achieve the interagency mission.

iii. The team would endure until its mission is accomplished, but leadership and membership could change as circumstances warrant.

iv. The team leader and members would be required to complete a training program administered by the Executive Secretariat of the National Security Council.
   a. Training would include team leader and member responsibilities, operating procedures, dynamics, and conflict resolution.
   b. Training would distinguish collaboration from cooperation; the focus on mission success and teamwork requires team members to present their views and expertise forcefully but not at the expense of developing alternative integrated options and assessing their advantages and disadvantages.

v. The team would perform its mission under a charter developed by the national security advisor and team leader and approved by the president. The charter would include
   a. A precise statement of the team's mission.
   b. Clear objectives.
   c. Authority of the team to direct action, control resources, and other key aspects of its mandate.
   d. Initial resource levels, which could be adjusted as the team clarifies requirements through development of its strategy and plans.

vi. In addition to commenting on initial team strategy and major adjustments, department and agency heads would be able to challenge team recommendations and decisions by appealing them to the president (or during meetings of the National Security Council or its most senior subordinate councils) on the basis of unacceptable damage to national interests.
   a. In such cases, the national security advisor would be responsible for ensuring contentious issues are prepared for a decision by the president.

4B Delegate and unify management of national security issues and missions through empowered interagency crisis task forces for crises in countries or regions that exceed the capacity of the country team or regional-level team.

i. The Interagency Crisis Task Force would have a single director, a clear mission, responsibilities, authority commensurate with responsibilities, and resources.
ii. The director would be supported by an augmented interagency staff and additional resources from national security departments and agencies.
iii. The director would report to the president through the national security advisor if the mission is large and important enough or alternatively to the head of the task force director's respective department.
iv. For crises involving complex contingencies when a large number of U.S. military forces are present, unless directed otherwise by the president, the director would be placed in a single integrated chain of command for all U.S. civilian and military functions during interagency operations.
    a. Provide that this integrated chain of command may be headed by a civilian official or military officer depending on the security situation.
    b. Empower the leader (civilian or military) of the integrated chain of command to be the authoritative source for coordination, planning, prioritizing, and integrating resources provided by departments and agencies.
    c. Require the preparation by an integrated team of a civil-military handbook for integrated command operations presenting basic principles, common lexicon, and performance metrics.
    d. Require personnel deploying to an integrated command to receive training in crisis management.

4C Direct a common alignment of world regions for departments and agencies to adopt in their internal organizations.

2. Analysis

The recommendations made in *Forging a New Shield* for reforming the national security system's structures and processes stressed the importance of employing an interagency approach to issue and mission management. PNSR's recommendations extend beyond staffing national security missions. They also seek to rectify the problems posed by overly centralized decisionmaking and insufficient guidance and coordination for policy implementation. These recommendations encompass system wide changes, as well as the enabling mechanisms.

New interagency organizations are needed across the national security system to address steady-state issues as well as temporary crises. Interagency teams should manage recurring issues. These teams should possess several key traits. First, they should have a presidential charter that specifies their tasks, objectives, and congressional authorities to override departmental and agency-specific authorities in particular issue-areas. Thus empowered, the teams could integrate the actions and resources of departments and agencies. In addition, interagency teams should be responsible for developing strategy for their assigned national security issues. Part of this process would entail critically analyzing alternative courses of action and assessing the strategy's implementation. Finally, the teams should be composed of personnel from departments and agencies relevant to its mission and trained in interagency operations.

The new interagency teams would manage the recurring issues that currently overwhelm the National Security Staff. Nevertheless, additional organizations are needed to provide surge capacity for temporary crises. The White House should establish interagency crisis task forces to manage crises specific to countries or regions that exceed the capacity of the designated country or regional team. Similar to interagency teams, interagency crisis task forces should be authorized by Congress, chartered by the president, and composed of personnel from agencies relevant to the mission. Yet, interagency crisis task forces differ from interagency teams in two critical respects. Most importantly, the former are implementation organizations that would integrate military and civilian activities into a single chain of command, headed by either a military or civilian leader, as appropriate. Additionally, the charters of interagency crisis task forces would limit their duration to the length of the crisis at hand. Once this period ends, the interagency crisis task force would disband and authority would return to the standing interagency teams.

> *"In every overseas intervention the U.S. has undertaken since the end of the cold war, an integrated approach and an understanding of each organization's missions and capabilities have been woefully lacking. For years some in the military have criticized their interagency partners for not contributing enough to our efforts overseas, while some in the interagency have criticized the military for not providing enough security for them to do their jobs…. The real problem is that we lack a comprehensive overview of what each military and interagency partner should contribute in conflicts like Iraq and Afghanistan."*
>
> General Peter Chiarelli
> Sept/Oct, 2007

Integrating personnel from agencies across the national security system into interagency teams and crisis task forces assumes that these personnel share a basis for communication. Developing a common lexicon and a proclivity toward strong information sharing is important, but having a common picture of the world is also an essential enabler. The national security advisor should enable interagency teams and crisis task forces by directing departments and agencies to align the boundaries they use to divide the world into regions.

PNSR recommends establishing and empowering these interagency teams and crisis task forces to reduce the burden placed on the White House and to ensure sufficient issue guidance and policy coordination. Interagency teams and crisis task forces are necessary for achieving these objectives, but PNSR continues to analyze this issue to determine whether they are sufficient. Other organizational structures may be required to address these problems fully.

3. Strategic Impact

PNSR crafted the above recommendations in response to the structural and process problems stemming from over-centralized decisionmaking and insufficient guidance and coordination for implementation. Acting on them will resolve those problems by delegating national security management to levels below the National Security Staff while also unifying that management within organizations that are sufficiently empowered with the needed resources and authorities. These reforms will make the U.S. government significantly more effective and efficient.

Delegating Management

Dominance by strong functional departments and agencies over weak policy-integrating structures, coupled with the inability of departmental and agency peers to coordinate in a reliable and sustainable manner, routinely creates turf disputes whose resolution requires White House intervention. Managing all these issues and missions, in addition to its other responsibilities, is beyond the White House's capacity. Delegating management for national security issues and missions to interagency teams and crisis task forces will yield several essential benefits.

Interagency teams and crisis task forces will help ensure that important near-term national security issues and missions receive consistent attention and that the White House and National Security Staff concentrate more on core long-term national policy and strategy, resulting in stakeholders throughout the national security system receiving clearer direction on a broader set of issues.

These reforms will expand the government's capacity to manage national security. Requiring the White House and the National Security Staff to resolve bureaucratic disputes is an inefficient use of already overtaxed leadership time and staffing resources. Interagency teams and crisis task forces will help ensure that important near-term national security issues and missions receive consistent attention. They will also permit the White House and National Security Staff to concentrate more on core long-term national policy and strategy, resulting in stakeholders throughout the national security system receiving clearer direction on a broader set of issues.

Unifying Management

Forging a New Shield clearly demonstrated that the process by which reform is conducted is as important as the reform's content. The current national security process assigns management of national security issues and missions to departments and agencies, which are authorized by Congress on the basis of functions. Beyond these authorities, the process offers little opportunity to integrate and prioritize crosscutting action. Rather than depending exclusively on congressional assignment of traditional management authorities, PNSR's recommended reforms refine the process by delegating executive authority, within newly developed congressional parameters, to interagency organizations.

Two process improvements derive from unified management authority. Within the bureaucracy, it empowers the interagency teams and crisis task forces to integrate department and agency personnel and resources more effectively, furthering the comprehensive management of national security issues and missions. An interagency approach for controlling the allocation of personnel and other resources focuses the system on national rather than bureaucratic interests. On the conceptual plane, unified management authority restructures the system from the existing distribution of responsibilities based on unconnected functions to a new distribution of responsibilities based on issues and missions. Organizing elements of the U.S. government around national security issues and missions is essential since it better reflects the interconnected nature of contemporary national security challenges than the current functionally stovepiped system.

Together, these two process improvements result in a more effective national security system. Unified management clarifies and better coordinates policymaking and strategy development for critical national security issues and missions. This, in turn, more strongly connects presidential guidance to the actions needed to implement it. Delegating and unifying management authority

improves both immediate and longer-term policymaking and strategy development. It also streamlines government efficiency and enhances the transparency of government policymaking.

C. Recent Reform Developments

In *Forging a New Shield*, PNSR identified a need to delegate management of national security issues from the Executive Office of the President and National Security Staff. The project recommended creating two new bodies—interagency teams and interagency crisis task forces—to oversee the management of decentralized national security issues. The two entities would differ according to their portfolios and permanency. The interagency teams would normally manage recurring national security issues, while the interagency crisis task forces would oversee short-term, temporary crises in a particular country or region. Much progress has been made on implementing these reforms since the November 2008 release of *Forging a New Shield*.

1. White House

- The H1N1 flu strain emerged as a health care concern in early 2009 and posed a threat to U.S. national security. The President's Council of Advisors on Science and Technology issued a report on mitigating the virus in August 2009. Along the lines of an empowered interagency team leader, the *Report to the President on U.S. Preparations for 2009-H1N1 Influenza* suggested "that coordination of the decisionmakers could be more effectively orchestrated if a single person in the White House were assigned the responsibilities of clarifying decisionmaking authorities and processes, ascertaining that all important issues are resolved in a timely fashion, and reporting to [the President] about actions to be taken."[60]

- A common alignment of world regions among departments and agencies is an important enabler of interagency collaboration for the teams and crisis task forces recommended in *Forging a New Shield*. On February 8, 2009, National Security Advisor General Jim Jones, USMC (Ret.) affirmed the need for such a framework by stating that "we are going to reflect in the NSC all the regions of the world along some map line we can all agree on."[61]

- Policymaking and strategy development are central to the planning efforts of interagency teams and task forces but, as *Forging a New Shield* indicates, these elements traditionally have been neglected. The creation of a strategy directorate in the National Security Staff suggests that greater attention will be devoted to these tasks, thereby providing the guidance required by the implementing teams and task forces.

2. Executive Branch Departments and Agencies

- On July 30, 2009, Special Envoy to Sudan Scott Gration used his testimony before the Senate Foreign Relations Committee to inform Congress of his intent to employ an interagency team approach similar to that recommended in *Forging a New Shield*. He testified that "because of the complicated nature and urgency of the tasks at hand, we have helped to craft a strategic approach that blends all elements of national power and

60 Executive Office of the President. President's Council of Advisors on Science and Technology. *Report to the President on U.S. Preparations for 2009-H1N1 Influenza* (Washington: August 7, 2009).

61 Karen DeYoung,, "Obama's NSC Will Get New Power; Directive Expands Makeup and Role of Security Body." *Washington Post*, February 8, 2009: A1.

a methodology that is integrated, comprehensive, and based on a policy of dialogue and engagement."[62]

- Special Representative for Afghanistan and Pakistan Richard Holbrooke has assembled a team with diverse interagency composition, including the Departments of State, Defense, Treasury, and Agriculture, U.S. Agency for International Development, and Federal Bureau of Investigation. The composition of this team marks a significant movement toward implementing recommendations made in *Forging a New Shield*. In that regard, Ambassador Holbrooke remarked that his team exists "as a civilian side of an integrated civilian-military operation…When the President Elect and Hillary Clinton offered me this job, they stated that they wanted to have a counterpart on the civilian side to the commander of CENTCOM, General Petraeus, to integrate the civilian effort…[Secretary Clinton] agreed immediately and encouraged us to reach out to other agencies…"[63]

62 Scott Gration, *Toward a Comprehensive Strategy for Sudan.* 111th Cong., 1st Sess. July 30, 2009.

63 Richard Holbrooke, "U.S. Policy in Afghanistan and Pakistan," Center for American Progress hosted event in Washington, August 12, 2009.

Chapter 5: Homeland Security Mission Integration and Coordination

Create a homeland security and emergency management system that integrates federal, state, local, territorial, and tribal interests.

A. Reform Needs

The September 2001 terrorist attacks, as well as the major structural and process failures experienced by the United States in preparing for and responding to Hurricane Katrina during the summer of 2005, starkly demonstrated the inadequacies of the traditional U.S. approach toward national security. The recent emergence of the fields of homeland security and emergency management also illustrates the need for new security constructs that integrate all levels of government into a new comprehensive national security system.

The homeland security problem areas analyzed in *Forging a New Shield* detailed the flaws resulting from the currently fragmented national security and homeland security structures:[64]

1. Implementation of policy, strategy, and plans is poorly integrated and resourced at both the interagency and intergovernmental levels.
2. Coordination among the intergovernmental levels is inadequate.
3. Strong departments and agencies often thwart clear, well-coordinated policy by imposing their own preferences.
4. Intra-agency policy, strategy, and planning are weakly integrated.
5. Coordination and partnerships between public and private bodies is ineffective.

For most of the nation's history, state and local level security threats emanated primarily from within the United States. In recent decades, however, threats against the homeland have often originated from outside U.S. borders. This evolving reality demands that state and local security entities have the ability to integrate and communicate "up to the national level" to address "all-hazards," from natural disasters to terrorist attacks. The transforming security landscape also requires that the federal security apparatus provide the organizational conduits, processes, resources, and planning guidance to allow that linkage when appropriate, both constitutionally and as homeland emergency operations dictate.

The Department of Homeland Security (DHS) was constructed in 2003 out of numerous agencies with functional charters and generally equal standing within law. The department now faces not only many of the same problems evident in traditional national security departments, such as over-centralized decisionmaking and insufficient implementation guidance and coordination, but also it must address the new realities of a nascent intergovernmental system. One such reality is that the department operates largely in a system and field that relies on voluntary collaboration as the key operating construct. The constitutional division of power inherent in federalism makes the state governments their own sovereign power. As a result, federal authorities do not have directive control, while state and local authorities face constraints on their access to federal guidance and resources.

Creating a new federal department out of many agencies with a role in homeland security missions reflected the spirit of approaching homeland security as a national priority, with the goal of unifying state and local government efforts with those of the federal government. This consolidated structure benefited the overall national security system, but this new department

64 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 453,515.

must transform this large, immensely diverse structure into one that acts in a coordinated fashion that effectively integrates the contributions of its state, local, tribal, and territorial partners.

National security policy development has historically been the exclusive domain of the federal government and has never formally engaged state and local levels. Irrespective of the debates about the efficacy of separating or combining homeland security and national security, states have a critical policy development and operational role in America's security. Current structures and processes do not effectively harness non-federal governmental capabilities to address exigent national security situations within the borders. This non-federal capacity is needed to supplement, and in certain cases perform, priority national security missions.

The homeland security component of national security faces challenges that transcend not only intergovernmental and interagency levels but also the private sector. In the United States, the private sector controls most of the critical infrastructure that underpins the nation's security. It therefore must be included into intergovernmental structures that provide national security. The U.S. national security system must establish an appropriate balance between the over-centralized, top-down federal system and the decentralized state and local system with occasional private-sector participation. Achieving this result will require developing and implementing a superior system that better connects all stakeholders.

Current structures and processes do not effectively harness non-federal governmental capabilities to address exigent national security situations within the borders.

B. Recommendations and Analysis

1. Current Recommendations

5A Direct the Secretary of Homeland Security to develop a National Operational Framework (NOF) that would describe how operational integration would occur across all government and private sector levels for the full range of homeland security activities, including prevention and protection as well as response and recovery.

5B Establish an Office of Intergovernmental Coordination (OIC) at DHS to serve as the Secretary's coordinating office for all matters involving state, local, and tribal governments. The OIC would:

i. Serve as the secretary's principal advisor concerning state, local, and tribal government issues on homeland security policies and programs;

ii. Coordinate DHS policies, programs, and activities relating to state, local, and tribal governments, including directing oversight of state and local offices of DHS components;

iii. Coordinate, and where appropriate consolidate, federal government homeland security communications and communication systems with state, local, and tribal governments and agencies; consolidation of systems would include the Homeland Security Information Network, Justice Department's Regional Information Sharing Systems, and other communications tools;

iv. Coordinate the distribution of warnings and information to state, local, and tribal governments and agencies through the National Operations Center to ensure the federal government presents a unified and integrated message to states and localities concerning threats and alerts;

v. Oversee the DHS-wide processes to assess and advocate for resources needed by state, local, and tribal governments to implement the National Strategy for Homeland Security;

vi. Provide regular information and research to assist state, local, and tribal efforts in securing the homeland;

vii. Develop a process, in coordination with the DHS assistant secretary for policy, to receive meaningful and consistent input from state, local, and tribal governments during the development of national homeland security policy and programs. For example, develop or use existing advisory committees or working groups to assist DHS in crafting national/intergovernmental level policies and programs, such as the National Incident Management System or National Infrastructure Protection Plan, etc.

5C Configure properly the mechanisms for intergovernmental collaboration in the National Preparedness System (NPS), to include mechanisms for sharing the resource burden.

i. FEMA, as the executive agent of DHS, shall execute its collaborative interagency and intergovernmental responsibilities at the regional level via cooperative agreements with states in that region.

ii. The FEMA regional administrator shall exercise responsibilities through the Federal Preparedness Coordinator (FPC), who shall serve as a DHS official.

iii. The Federal government shall establish in each FEMA region a joint interagency, intergovernmental capability funded by an annual DHS/FEMA appropriation.

iv. Building on regional mechanisms, the FPC shall chair a standing working group for regional catastrophic preparedness.

a. The standing working group would be responsible primarily for: risk assessment; operational planning and exercise validation; and capability inventories via a negotiated process through which gaps are identified for targeting grants.

1. Its purpose would be to develop and sustain regional operational catastrophic preparedness capabilities with states and other non-federal mission partners and, where applicable, any state's Emergency Management Assistance Program (EMAP) accreditation.

2. Analysis

National Operational Framework

Currently, a number of gaps and seams exist in homeland security-related guidance documents, such as the National Response Framework (NRF), National Infrastructure Protection Plan (NIPP), National Implementation Plan—War on Terror (NIP-WOT), and the various scenario- and domain-specific plans. As such, the interagency and intergovernmental roles and responsibilities are not well defined.

> *"Our greatest weapon against terrorism is unity. Unity between the FBI and the military, between federal agencies and the intelligence community, and between law enforcement and the citizens we serve. That unity is built on collaboration and connection. It is built on the idea that, together, we are smarter and stronger than we are standing alone."*
>
> Robert S. Mueller III
> Former FBI Director
> March 28, 2007

PNSR calls for the development and creation of a National Operational Framework (NOF) to better address homeland security challenges. The NOF guidance document would provide a primary means for reconciling homeland security's integrated policy and planning efforts within operational structure. The NRF focuses primarily on the response and recovery aspects, ignoring the prevention and protection missions. The NOF would provide operational guidance in all four mission areas, furthering the operational integration of public safety and emergency management communities and stakeholders at all governmental levels. It would establish the basis for the development and analysis of intergovernmental and interagency collaboration. The NOF would ultimately establish the management system to translate strategy, policy, and guidance

into integrated and synchronized national homeland security strategic plans, operational plans, and programming activities.

The NOF document would operate as a "framework of frameworks" that provides the architecture for allowing guidance from documents such as the NRF, NIPP, and NIP-WOT to fit together in a single, coherent framework. It is a concept analogous to one first stated in the Homeland Security Presidential Directive-8 (HSPD-8) Annex 1,[65] which called for the creation of a National Homeland Security Plan with a common set of homeland security roles, responsibilities, and missions. PNSR is developing and pursuing support of the NOF concept through consultations with DHS Office of Policy, DHS Operations Coordination, Federal Emergency Management Agency (FEMA), National Preparedness Directorate (NPD), U.S. Northern Command (NORTHCOM), and the National Guard Bureau (NGB).

The NOF framework recommendation addresses not only the integration and synchronization of how the intergovernmental and interagency system works, but also how the private sector is integrated into the homeland security and emergency management system. Governmental definitions may support private-sector/NGO engagement, but doctrinal statements have not translated into operational substance, particularly as it relates to the private sector. Operationally, the private sector and NGO communities do not fully participate in exercises and planning. Emergency Support Function (ESF) policy development has been top-down and federal-centric, and disconnected from the private sector's bottom-up approach to ESF, which is centered on *community* outcomes. Furthermore, at the state and local levels, emergency operations centers (EOCs) do not have consistent representation from critical infrastructure industries or other industries/companies vital to community viability and continuity in crisis situations.

The NOF recommendation calls for establishing public/private operational collaborative structures that would support NOF policy, planning, and operational processes. The NOF recommendation also calls for a structure and process to be developed for private sector and NGO participation in homeland security, specifically NOF policy development, planning, and possibly operational execution. This should provide an avenue for the federal government to support an independent, private sector-led national mechanism to facilitate public-private collaboration for the purpose of sustaining "continuity of community" approaches for domestic incident management. This initiative is directed at the state and local level, where some mechanism, currently absent, is necessary for preparedness and response. This mechanism would align state and local EOCs with national protocols to enable incident commanders to draw upon private sector and NGO assets in a catastrophic emergency.

Strategic Benefit

The PNSR-recommended creation of an NOF could have immense benefits for the United States. The NOF addresses the major issues associated with integrating federal coordination efforts—establishing priorities and defining requisite roles and responsibilities while also addressing the challenges of the entire homeland security-emergency management continuum (i.e., prevention, protection/mitigation, response, and recovery).

At present, the homeland security and emergency management system is too fragmented. Although large numbers of planning and guidance efforts exist throughout the intergovernmental and interagency systems, no overarching guidance exists to link them together except possibly in

65 George W. Bush. "Homeland Security Presidential Directive 8 Annex 1." 3 December 2007, <https://www.dhs.gov/xabout/laws/gc_1199894121015.shtm>.

the response and recovery mission areas. The NOF will link everything together, easing confusion throughout the interagency and intergovernmental systems while enabling a closer working relationship among all stakeholders—including the private sector. Robust collaboration, necessary for effective homeland security and emergency management, will occur with fewer difficulties when all stakeholders are able to work under a common umbrella. A comprehensive successor document to the NRF, and other plans and domain-specific constructs such as the NOF, is needed to incorporate the enhanced prevention and protection components required for a much more balanced and effective homeland security strategic approach.

National Preparedness System

Since the release of *Forging a New Shield*, PNSR's previous approach of separately analyzing the current problems of risk assessment, grants management, and regional planning has evolved into examining how they can best complement each other as an integrated component of a formalized National Preparedness System (NPS), as defined under the Post-Katrina Emergency Management Reform Act (PKEMRA). This approach is in line with the current regionally empowered approach, which DHS/FEMA and its mission partners are developing consistent with PKEMRA through the Comprehensive Preparedness Guide 101 (CPG-101).[66] In the process of better addressing multiple interconnected problems in a larger integrated context, the regional approach was changed to reflect the view that catastrophic planning is a way of linking the federal and state, local, and tribal intergovernmental levels together into the NPS at the regional level. The issues of structural integration of regional grants management, planning, and risk assessment remain essential to establishing a comprehensive and effective NPS.

Fundamental to the NPS recommendation is that FEMA, as the executive agent of DHS for emergency management, should execute its regional collaboration and planning responsibilities through cooperative agreements with states in that region. To fulfill these empowered, collaborative responsibilities, the federal government should resource the Federal Preparedness Coordinator (FPC) with appropriate staff to facilitate joint interagency and intergovernmental catastrophic planning units through funding in an annual DHS/FEMA appropriation. These planning units should build on existing regional structures and seek to streamline and integrate existing catastrophic regional planning efforts.

Priority at all levels will go to programs that enhance and sustain broad collaboration — the programs most critical to catastrophic preparedness.

The goal is not to create yet another task force or entity but rather to more adequately resource, empower, and integrate existing structures, where appropriate, to perform statutorily defined missions. Effective system performance requires strong participation and influence from states and local jurisdictions. In particular, the focus of these FPC-facilitated planning units would be to ensure operational plans exist for low-probability/high-consequence events for which a state or local area may otherwise not have the resources to plan. Finally, where participating partners determine regional and national catastrophic capability gaps exist, they will inform regional and state applications for preparedness grants to rectify these capability gaps. Priority at all levels will go to programs that enhance and sustain broad collaboration—the programs most critical to catastrophic preparedness. Although such programs may address equipment shortfalls, such as communications interoperability, logistics, and coordination, the most important programs

66 United States, Federal Emergency Management Agency. *Comprehensive Preparedness Guide 101*,(Washington: FEMA) March 2009.

are those that involve personnel, readiness certification, education, planning, and training and exercise priorities.

Strategic Benefit

The proposed establishment of FPC-facilitated regional catastrophic working groups will serve as a "proof of principle" for interagency and intergovernmental planning and resourcing. This PNSR recommendation for regional mechanisms builds on existing structures and processes and will have attributes similar to those of empowered teams when it comes to delegated planning, resource guidance, and policy execution. The United States currently pays an enormous cost for insufficiently connecting the state, local, territorial, and tribal levels with the federal level. The federal approach often looks only at the big picture, while the state, local, territorial, and tribal levels generally approach homeland security and emergency management issues more narrowly.

The proposal for these FPC regional catastrophic working groups, like the NOF recommendation, takes a significant step toward repairing the fragmented homeland security and emergency management system. It would increase the systemic cohesion by easing the confusion of where the local approach and national approach begin and end. Such a regional approach allows a more efficient allocation and effective use of resources by minimizing duplication and the need to call for federal assistance when a regional capability can be shared among states and localities. Catastrophic disasters such as hurricanes and tornadoes are regional disasters. FPC-facilitated catastrophic planning working groups will address the intersections between intergovernmental and interagency authorities, responsibilities, and capabilities to minimize the likelihood of massive system failure, such as that experienced in the days preceding and the weeks following the landfall of Hurricane Katrina.

The NPS recommendation is further described in the Significant Initiatives section of this report.

Office of Intergovernmental Coordination

PNSR recommends that DHS establish an Office of Intergovernmental Coordination (OIC) to serve as the Secretary of Homeland Security's coordinating office for all matters involving state, local, and tribal governments. The creation of the OIC will provide senior DHS leadership and non-federal stakeholders a means to better incorporate state, local, and tribal experience and equities when developing strategies, policies, and plans.

This recommendation also calls for the OIC to act as the primary conduit within DHS—not just at the secretary level—but also as the primary link between the department and the state, local, and tribal levels. The current Office of Intergovernmental Programs and the statutorily created Office of the Local Law Enforcement lack the capability and authority necessary to communicate and coordinate the needs of the state, local, and tribal governments to the secretary of homeland security.

Strategic Benefit

The proposed creation of an Office of Intergovernmental Coordination (OIC) could facilitate a greatly improved working relationship between state, local, and tribal governments and the federal government. The OIC addresses the challenges state, local, and tribal governments have today in working separately with several different elements of DHS, further exacerbated by the stovepiped internal DHS organization. The establishment of an empowered DHS office that represents state, local, and tribal equities in the DHS system would likely improve intergovernmental coordination and communication and make great strides in overcoming the

vertical and horizontal integration challenges of homeland security and emergency management matters

3. Strategic Impact

The proposed recommendations would strengthen the current homeland security-emergency management system by breaking down harmful stovepipes, thereby enabling stakeholders to collaborate more effectively across the prevention, protection, response, and recovery continuum. For example, the enhanced structures and processes would allow for an improved flow of information through all interagency and intergovernmental levels. These improvements would also promote agreement within the homeland security community concerning how to prioritize risks, thereby overcoming inadequacies in operational planning. Furthermore, the superior structures and processes would more effectively integrate the contributions of state, local, tribal, and territorial partners with those of the federal government. The proposed recommendations would also enhance public-private homeland security partnerships, thereby strengthening U.S. resiliency.

C. Recent Reform Developments

Among its general principles, *Forging a New Shield* puts forth a concept that national security reforms must "decentralize and empower integrated issue management across organizations."[67] In the domestic context, the report observes, "The hierarchy of teams is insufficient in the case of homeland security, where state and local governments have authority independent of the federal government. A collaborative networking approach is required in addition to the federal government's teams."[68] The main approaches of integrating the intra-agency, interagency, and intergovernmental levels must occur to have a successful homeland security and emergency management system. The following events prove that reform to the system is occurring but that more is needed to create and integrate a truly comprehensive homeland security and emergency management system.

1. White House

(See "Recent Reform Developments – White House" in Chapters 1 and 2)

2. Executive Branch Departments and Agencies

- Upon confirmation in January 2009, Secretary of Homeland Security Janet Napolitano issued a series of Action Directives on a variety of issues. These Action Directives ordered reviews of current efforts such as critical infrastructure protection, including risk analysis; state and local intelligence sharing; state, local and tribal integration; and national planning.
- In March 2009, FEMA released the Comprehensive Preparedness Guide 101. The guide provides planning guidance and advocates for a hybrid planning system to better link together the federal, state, local, and tribal planning efforts than traditional efforts, which had the federal level and state, local, and tribal levels operating from different types of plans.
- On May 7, 2009, DHS released their 2010 budget request, which included a section that established the Office of Stakeholder Relations to act as the primary conduit between

67 Project on National Security Reform. *Forging a New Shield* (Arlington: PNSR, 2008): 388.
68 Ibid. 453.

DHS and the state, local, and tribal governments and placed it within the Office of the Secretary. This proposed change in structure by DHS is clear recognition of the PNSR recommendation of the establishment of an Office of Intergovernmental Coordination.

3. Legislative Branch

- On February 25, 2009, during a hearing in front of the House Committee on Homeland Security, Secretary Napolitano provided testimony that stated two major priorities of DHS are state and local partnerships and unifying DHS.
- On March 17, 2009, the House Homeland Security Subcommittee on Emergency Communications, Preparedness, and Response conducted a hearing titled "PKEMRA Implementation: An Examination of FEMA's Preparedness and Response Mission." The hearing featured testimony from Corey Gruber, Acting Deputy Administrator National Preparedness Directorate (NPD), FEMA, who testified about the work the FEMA NPD was doing in 2009 on the issues of regional preparedness and development of a national planning system.
- On March 18, 2009, the House Committee on Homeland Security's Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment conducted a hearing titled "Homeland Security Intelligence: Its Relevance and Limitations." It featured representatives of several state and local law enforcement organizations who testified to the importance of tying the state and local efforts on information and intelligence into the national system and the current difficulties in the process.
- On June 4, 2009, the Senate Homeland Security and Governmental Affairs Committee Ad Hoc Subcommittee on Disaster Recovery conducted a hearing on emergency preparedness for the 2009 hurricane season. The hearing featured testimony by George W. Foresman, Under Secretary for Preparedness for the Commonwealth of Virginia, and Armond Mascelli, Vice President, Disaster Operations, American Red Cross, who spoke about the importance of tying all stakeholders into emergency preparedness and response efforts, including the private sector.

4. State and Local

- On August 18, 2009, Nancy Dragani, president of the National Emergency Management Association and the director of the state of Ohio Emergency Management Agency, gave a speech at the Heritage Foundation that focused on building of homeland security and emergency management from the bottom up, with major emphasis on the issue of risk.

Chapter 6: Human Capital

Align personnel incentives, leader development, personnel preparation, and organizational culture with strategic objectives.

A. Reform Needs

Attracting and retaining well-qualified staff is imperative for ensuring that the national security system can carry out its responsibilities. Yet, as stated in *Forging a New Shield*, "The [current] national security system cannot generate or allocate the personnel necessary to perform effectively and efficiently agency core tasks or the growing number of important interagency tasks."[69] Recruitment, retention, incentive, and leadership development policies, programs, and processes must ensure that the human capital system provides, on a continuing basis, the number of well-qualified personnel required to meet the full breadth of interagency tasks.

The current system and its associated human capital policies, programs, procedures, and incentives are unable to:

1. Generate the required human capital with the requisite competencies to assure a continuing supply of well-qualified national security personnel.
2. Assign the right people, with the right competencies, at the right time to execute interagency tasks successfully.
3. Overcome the historic dominance of several strong department and agency cultures within the national security system.
4. Ensure that political and career officials pay sufficient attention to building the human resource capacity needed to achieve interagency missions and priorities, especially when those might conflict with the missions and priorities of individual departments and agencies.

PNSR's more detailed research into these areas, as well as the work of other PNSR initiatives such as the National Security Staff Design and the Next Generation State Department, have reaffirmed the complexity and importance of the human capital problems identified in *Forging a New Shield.* For example, there is general agreement that the continuous learning essential for a well-qualified national security workforce requires increasing opportunities for education, training, and professional development. Providing a system for interagency assignments is also essential for ensuring that national security professionals have practical experience in interagency work. Our preliminary research into the experience of the Department of Defense (DoD) in creating and implementing its joint officer management system suggests that developing a successful interagency assignment process will prove particularly complex since it requires:

- Identifying core competencies for national security work
- Identifying assignments that will build those competencies
- Establishing an administrative system to match people with assignments
- Identifying or establishing an organization to provide policy, management, and oversight for the process
- Providing the positions, funds, and coordinating mechanisms required for an interagency assignment system to operate effectively

69 Project on National Security Reform. *Forging a New Shield* (Arlington: PNSR, 2008): 260.

B. Recommendations and Analysis

1. Current Recommendations

6A Develop a National Security Strategic Human Capital Plan to align human capital programs with strategic goals, objectives, and outcomes.

i. Require the periodic (but not less than every four years) review of the National Security Strategic Human Capital Plan.

6B Approve a Human Capital Advisory Board of public and private experts to advise the appropriate officials of the National Security Staff.

6C Establish new interagency personnel designations and programs to better recruit, prepare, and reward national security professionals for interagency assignments.

i. Create a National Security Professional Corps.
   a. Establish education, training, and experience prerequisites for entry into the Corps.
   b. Require the executive secretary to designate interagency positions that may be filled only by Corps members.

ii. Create a separate cadre of National Security Executives to lead interagency teams.
   a. National Security Executives would be presidentially appointed senior executives with standing and formal authority to lead interagency teams.
   b. Personnel to receive this additional designation would be highly respected members of the national security community who are known for their leadership, expertise in statecraft, and skills in their departmental specialty.
   c. National Security Executives could come from within the National Security Professional Corps or from outside of it.

iii. Establish a National Security Fellowship Program.
   a. The program would include rotational assignments in different national security departments and agencies.

6D Use promotional requirements to create incentives for service in interagency assignments.

6E Strengthen education and training programs for interagency personnel.

i. Create a comprehensive, professional education and training program with an interdisciplinary curriculum.

ii. Increase civilian workforce to create a "float" that will enable interagency training, education, and experiential opportunities.

iii. Require a mandatory orientation program for each individual assigned to a national security position.

iv. Give high priority to preparing civilian personnel for leadership positions in the national security system.

6F Require individuals appointed to serve in high-level national security positions to complete a structured orientation on the policy and operations of the national security interagency system.

6G AUTHORIZE AND FUND AN EXECUTIVE OFFICE TO SUPPORT DEVELOPMENT AND EXECUTION OF THE ABOVE REFORMS AND PROVIDE CONTINUING POLICY DETERMINATIONS AND OVERSIGHT FOR INTERAGENCY NATIONAL SECURITY HUMAN CAPITAL PROGRAMS.

2. Analysis

The fundamental intent and concepts of the human capital recommendations remain as articulated in *Forging a New Shield.* Recent PNSR initiatives (i.e., the National Security Staff, National Counterterrorism Center, and Next Generation State Department), as well as consultations with national security mission leaders and other members of the national security workforce, reinforce the requirement for a human capital system that is fully aligned with national security missions and overarching national security strategic goals and objectives.

Insights gleaned from the more recent experiences of the National Security Professional Development Integration Office (NSPD-IO), intelligence community, as well as other civilian and military departments and agencies suggest that successful implementation will depend, in part, on codifying existing human capital systems. To achieve coherency and optimal performance in a reformed interagency human capital system, an enhanced management function is required. Further consultations with stakeholders and subject matter experts will clarify the extent of legislation required to ensure continuity in interagency management.

National Security Professionals and Human Capital Systems

The NSPD-IO represents an initial but significant step toward codifying integrated national security capacity development across agencies. Established by Executive Order 13434, the NSPD-IO has:

- Identified approximately 1,500 Senior Executive Service positions with national security responsibilities
- Created an education council that has agreed on certain general standards
- Encouraged existing departments and agencies to establish education and training programs for national security professionals
- Designed and made available three systemwide courses

The Office of the Director of National Intelligence (ODNI) has also made strides in this area. ODNI has issued policies and procedures for performance assessment and promotion that support interagency assignments within the Intelligence Community (IC), the appropriate sharing of information between and among intelligence agencies, and assurance that interagency assignments would be viewed positively when considering IC employees for promotion.[70]

The NSPD-IO and ODNI initiatives are encouraging. They suggest that it is possible to establish certain systemwide performance requirements and that interagency assignments are beginning to be seen as contributing to an employee's growth and development. Yet, these activities remain largely managed within the cultural stovepipes of the individual departments and agencies. The essential next step is to create an interagency culture within the larger national security community.

70 For example, see the human capital management-related Intelligence Community Directives (ICD) 601, 610, 650, 651, 652, 653, 654, 655, 656, 20 September 2009, < http://www.dni.gov/electronic_reading_room.htm>.

The experience of the DoD joint assignment process, recent NSPD-IO and ODNI initiatives, and emerging insights from several PNSR initiatives suggest that pilot programs prove useful for testing solutions to the human capital problems identified in *Forging a New Shield.* Properly designed and executed pilot programs are particularly effective in confirming what works and identifying unintended consequences of new policies and procedures. PNSR plans to pursue several well-designed pilot programs for 2010 in the areas of recruitment, strategic leadership development, and other human capital areas.

PNSR is also coming to understand that, while DoD's Goldwater-Nichols experience provides useful insights into broad reform frameworks, substantial differences exist between the military human capital system (e.g., the "up or out" promotion system, established expectation of multiple assignments, the Uniform Code of Military Justice to compel acceptance of assignments, etc.) and current civilian human capital systems. For example, possible conflicts might arise between interagency assignments and joint assignments. Other differences underscore the complexities involved in establishing an interagency human capital system.

Table 1: Differences Between Military and Civilian Personnel Management Systems

	MILITARY	CIVILIAN
Statute	Title 10, U.S. Code	Title 5, U.S. Code
Authority	Rank in person	Rank in position
Acquisition	Manage to end strength; fill based on force structure and authorizations	Manage to budget; fill based on position vacancy
Individual Training	Hierarchy of schools for military and leadership skills	Functional training primarily occupation-related
Distribution / Assignments	Mandatory movement to meet worldwide requirements	Voluntary mobility (generally)
Deployment	Based on military requirements (involuntary)	Voluntary (unless part of job criteria)
Prof Dev / Promotions	Central selection and management	Very decentralized management
Term / Transition	Contractual obligation and forced separation/retirement ("up or out")	More individual choices and longer (indefinite) tenure

Executive Office for Interagency Affairs

The new recommendation (6G) that expands on those in *Forging a New Shield* addresses the need to authorize and fund an executive office to support development and execution of the human capital reforms and provide continuing policy determinations and oversight for interagency national security human capital programs. PNSR's original analysis assigned this function to an empowered executive secretary of the National Security Council. Given the current executive secretary's rather limited system management roles and responsibilities, a situation not likely to change in the near future, PNSR now recommends placing these functions within a National Security Staff division responsible for developing the national security interagency system. The project is also examining if such an office should be placed in the Executive Office of the President (EOP).

Our analysis examined a number of organizations within and outside the EOP that could house a strategic human capital management function. The most appropriate model to use as a point of departure is the Office of Management and Budget (OMB), which acts as the president's agent in constructing and directing the execution of the executive branch budget. The OBM is not,

however, the appropriate organization to develop, execute, and oversee interagency-wide national security human capital programs.

Legislation and Consultation

PNSR has examined a variety of existing laws, regulations, policies, and procedures that provide human capital tools for various departments and agencies participating in national security missions. We did not find any adequate legal or policy structure for meeting the human capital needs of the interagency system as a whole. Discussions with staff and members of relevant congressional committees suggest that significant work remains to assemble the depth and breadth of information needed to justify specific legislation. Although no one with whom we spoke opposed such legislation, given the current fiscal and political environment, the following questions require answers before proceeding:

- What defines the aggregate national security interagency system, its workforce, and its key component parts such as the National Security Professional Corps?
- What costs arise from establishing the interagency human capital system? What is the estimated number of positions? What is the definition of the national security professional corps? How many people would that comprise?
- What are the potential benefits and costs? How will both be measured?
- What specific goals or purposes will interagency rotational assignments achieve? How will the costs and benefits of such a program be measured?
- What types of positions and organizations constitute or contribute to the national security interagency system?
- How will interagency assignments be identified? How will national security professionals be identified and assigned to these positions?

> *"[T]here is no more important management reform than for agencies to transform their cultures to respond to the transition that is taking place in the role of government in the 21st century. Strategic human capital management must be at the center of this transformation effort."*
>
> GAO Report
> "Major Management Challenges & Program Risks: A Governmentwide Perspective"
> January 1, 2003

PNSR will work further with committee staffs and other stakeholders to help answer these and other questions. PNSR will build on the work already done by NSPD-IO in answering these questions.

PNSR has drafted human capital legislation and commented on other legal instruments that address human capital problems and needs. These undertakings have broadened our understanding of what additional legislation and other legal instruments are still needed. They have also increased our appreciation for the proper balance between basic principles and legal requirements as well as of the need to avoid providing so much detail that laws or executive orders prove inadequate to address needs that could easily evolve within the next five-to-ten years.

Finally, our research and engagement with individuals who currently work in national security, as well as those who wish to pursue national security careers, has expanded our understanding of the desirable qualities and components of the national security workforce. An extensive consultation

process is clearly essential to successful human capital reform. The consultations must be broad and inclusive, engaging current and prospective employees, unions and professional associations, colleges and universities, Congress, and other stakeholders. Extensive consultations and outreach are essential for informing and educating these individuals, organizations, and others about the optimal means to design and implement the human capital system needed to support the national security mission.

Appendix 1 provides draft legislation required to enact the current recommendations.

3. Strategic Impact

Developing a human capital system that allows the national security interagency system to attract and retain a well-qualified staff is imperative for achieving national security reform. Well qualified applicants always have choices. According to the Bureau of Labor Statistics (BLS), the U.S. labor force will grow more slowly during the next 50 years than recently:

> The high growth rate of the civilian labor force in the last 50 years will be replaced by much lower growth rates in the next 50 years. The civilian labor force was 62 million in 1950 and grew to 141 million in 2000, an increase of nearly 79 million, or an annual growth rate of 1.6 percent per year, between 1950 and 2000. It is projected that the labor force will reach 192 million in 2050, an increase of 51 million, or a growth rate of 0.6 percent annually, between 2000 and 2050.[71]

The BLS projections among others underscore the need to make the national security system more competitive in attracting the most capable and appropriate talent from the shrinking pool of candidates. A well-designed and executed human capital system for the national security mission will help attract, retain, promote, reward, and educate a capable workforce to advance and defend the United States.

C. Recent Reform Developments

PNSR's November 2008 study, *Forging a New Shield*, identified major problems hindering the national security system from generating or allocating the personnel necessary to perform core tasks. Since the report's release, national security strategic human capital reform has advanced in both the executive and legislative branches. In addition, PNSR's human capital team has engaged various national/homeland security departments, agencies, and offices on pilot programs that will provide valuable experience and data needed to ensure effective end-to-end management of the national security human capital system. Both the president and Congress have committed to achieving general federal personnel management reforms that will also benefit national security personnel management. Outlined below are some recent developments that reflect, or are related to, PNSR's human capital reform initiatives and ideas.

1. Executive Branch Departments and Agencies

- By the end of 2008, the National Security Professional Development Program, enacted by Executive Order 13434 of May 17, 2007, had: developed and promulgated the National Strategy for the Development of Security Professionals; provided Office of Personnel Management (OPM) guidance for developing promotion regulations and additional

71 Mitra Toossi, "A Century of Change: the US labor force 1950-2050," *Monthly Labor Review*, p 16. <http://www.worldatwork.org/waw/adimLink?id=33281>.

authorizations; created the National Security Professional Development Integration Office; and established a National Security Education and Training Board of Directors.[72]

- OPM's Draft Strategic Plan 2010-2015 includes strategies to reform the federal end-to-end hiring process and ensure agencies have sufficient information to make decisions such as credentialing, suitability, and determining security clearances.
- As noted in OPM's FY08 Agency Financial Report, OPM's End-to-End (E2E) Hiring Process Roadmap foresees the collection of baseline data for governmentwide metrics. It also envisages mapping the current process within agencies, identifying and resolving barriers to an effective and efficient hiring process, using workforce analysis and planning to assess agency hiring needs, educating all stakeholders about their roles and responsibilities in the revised hiring process, and developing and implementing a robust orientation program for newly hired employees.[73]
- The Defense Senior Leader Development Program (DSLDP), the management program for DoD's Senior Executive Service (SES), is increasingly synchronized with National Security Professional Development initiatives as well as OPM's Executive Core Qualifications (ECQ). It requires an "enterprise-wide perspective" that features strategic, top-level understanding of individual and organizational responsibilities and strategic priorities.[74]
- The ODNI has implemented an award-winning Intelligence Community Civilian Joint Duty program that fosters interagency collaboration and communication.[75]
- The Department of Homeland Security (DHS) has integrated national security professional training programs and interagency training modules into their personnel system.[76]

2. Legislative Branch

- The Federal Hiring Process Improvement Act of 2009, under consideration by Congress, addresses several human capital problems identified in *Forging a New Shield*.[77]
- On April 30, 2009, the Honorable Thomas R. Pickering, PNSR Guiding Coalition member, outlined PNSR's human capital recommendations before the Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia.[78]

72 Detailed in "NSPD Completed Actions" (Washington: NSPD-IO), December 2008.
73 U.S. Office of Personnel Management, "Working for America," Agency Financial Report, Fiscal Year 2008.
74 Department of Defense, Civilian Personnel Management Service, "Defense Senior Leader Development Program (DSLDP): Informational Briefing" (Washington,: Department of Defense), June 2009, 2 September 2009, <http://www.cpms.osd.mil/ASSETS/BD3F17FE13824136B1FDF34CBEA1B751/DSLDP%20 Program%20Brief%20v%20%20June%20w%2009%206-8-09%20chgs.pdf .>
75 The ODNI Intelligence Community Civilian Joint Duty Program was adopted 25 June 2007 with phased implementation to be complete by October 2010. In September 2008, the IC Joint Duty Program received the "Innovations in American Government" award by the Ash Institute of Harvard University's Kennedy School of Government.
76 See DHS, National Security Professional Development Program Fact Sheet, February 2009; and DHS, Plan of Instruction: Department of Homeland Security Incident Management Awareness Training Transition Program, February 26, 2009.
77 See S. 736: Federal Hiring Process Improvement Act of 2009, 111th Congress 2009-2010, introduced 30 March 2009, Cosponsored by Senators Akaka and Voinovich.
78 Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, United States Senate, April 30, 2009.

- On June 23, 2009, Congressman Geoff Davis (R-KY) introduced an amendment (#1039) to H.R. 2647: National Defense Authorization Act for Fiscal Year 2010 that would "require the President to commission a study by an executive agency of a program to develop 'national security professionals' across the departments and agencies in order to provide personnel proficient in planning and conducting national security interagency operations."[79]

79 Committee Action: Reported By A Voice Vote On Tuesday, June 23, 2009. Floor Action: Managers: Pingree/ Diaz-Balart 111th Congress 1st Session H.RES 572 [Report No. 111-182] H.R. 2647 – National Defense Authorization Act for Fiscal Year 2010.

Chapter 7: Knowledge and Intellectual Capital

Greatly improve the flow of knowledge and information.

A. Reform Needs

Today the national security system "does not know what it knows." As documented in *Forging a New Shield*, information cannot be readily accessed and is rarely shared. Data producers do not make their holdings known or discoverable, while data consumers have no idea what might exist to help them. Not only is the community unable to share, but many participants and organizations also are unwilling to do so.

PNSR has identified four main problems related to knowledge and intellectual capital within the national security community:

1. Sharing information across organizational boundaries is difficult.
2. Organizational learning is thwarted.
3. The national security system lacks true global situational awareness.
4. Current data systems do not provide, or are not employed in a manner that promotes, optimal knowledge sharing.

PNSR has concluded that these problems result primarily from the lack of a collaborative information sharing culture and environment within the U.S. government. People working within the national security community simply do not share information sufficiently. Both within individual government agencies and across the broader interagency environment, the tools and willingness to share are sorely lacking.

Technology represents the least challenging dimension of the problem. The tools to leverage knowledge and information more effectively exist today. The far greater challenge is to change the prevailing attitudes toward information sharing within the U.S. government. For example, a common impediment is that government employees calculate it is safer not to release information than to risk making a career-harming mistake by sharing knowledge. This mentality that values data ownership and hoarding must shift to one that encourages data stewardship and sharing.

When the technology to share data is not readily available, when policies and procedures promote an attitude that information is something that is "owned" rather than something to be shared, when government employees fear that sharing "too much" information can hurt someone's career, no amount of structural reforms will achieve the cultural change required to establish collaborative organizations.

Technology represents the least challenging dimension of the problem. The far greater challenge is to change the prevailing attitudes toward information sharing within the U.S. government.

PNSR refined the recommendations in *Forging a New Shield* as it worked toward solving the problem of ensuring an information sharing culture. Our modified recommendations reflect the introduction of culture as a core piece of the knowledge and intellectual capital puzzle. Although this piece changes the internal design of the puzzle, the end goal is the same. The national security system must capture, leverage, and extend data, information, and knowledge more effectively. People can then make better decisions more rapidly—leading to more decisive policy development and execution. Additionally, the mindset regarding risk must change from a culture that attempts to avoid every possible hazard to one in which risk is managed.

B. Recommendations and Analysis

1. Current Recommendations

7A Reaffirm information sharing as a top priority.

i. Provide the Program Manager of the Information Sharing Environment governmentwide authority to coordinate information sharing policies and Executive Office of the President backing to carry out its mission.

ii. In order to establish continuity across administrations, the national security advisor must complete and publish on an annual basis high-level reviews of the current policy guidelines for information sharing to ensure governmentwide focus and coordination.

iii. Issue an executive order reaffirming information sharing as a top priority in order to overcome bureaucratic resistance within departments and agencies.

7B Make government information discoverable and accessible to authorized users.

i. Establish a policy obligating all agencies with a national security mission to make their data discoverable.

   a. This clear governmentwide policy guidance must be accompanied by accountability that is reinforced from the top down and the work of implementation flowing from the bottom up.

7C Enhance security and privacy protections to match the increased power of shared information.

i. Departments and agencies must employ technological tools and processes to minimize the risk of unintended disclosure of identifiable personal information, including tools for anonymization, strong encryption, and digital rights management.

7D Transform the information sharing culture with metrics and incentives.

i. Use mission-oriented metrics to change the "need to know" culture that persists in many agencies.

   a. One of the first metrics should focus on discoverability by measuring what percentage of an agency's data holdings have been registered in the data indices directory.

ii. Hold agencies accountable for reaching specific benchmarks or milestones by using program funding incentives.

   a. The information sharing framework could also increase individual accountability by creating a special confidential channel for field officers and mid-level analysts to call senior leadership's attention to their belief that critical information is not being shared.

iii. Establish other incentives for information sharing as well as penalties for failure to share information that are widely known and consistently applied.

iv. Establish and implement individual performance incentives and training to accelerate cultural change.

7E Empower users to drive information sharing by forming communities of interest.

i. Departments and agencies must develop clearance and classification systems that allow for cross-department, cross-agency, mission-based information, and knowledge sharing through the creation of communities of interest.

ii. Issue executive orders and/or presidential directives that hold mission leaders accountable for the creation of communities of interest composed of all organizational entities with a role in mission execution.

2. Analysis

Recommendations

Information is a strategic asset, as is the knowledge stored in office files and embedded in people's heads. Capturing, leveraging, and extending those assets is the focus of the PNSR Knowledge and Intellectual Capital (KIC) team. The KIC team brings substantial context and experience to achieve deep understanding of the data and information problems prevailing within the government. Accessing information, sharing knowledge, and collaborating among partners are critical for success in any organization, but in particular for the national security system, where actions and decisions have direct consequences for the entire nation. These functions lie at the heart of the assessment-decision-action paradigm. The KIC approach seeks to ensure that what an organization *knows* can be captured, leveraged, and extended for the benefit of all authorized and authenticated members of the national security community. The ultimate objective is to make decisions that are better, faster, and more likely to achieve decisive action.

The ultimate objective is to make decisions that are better, faster, and more likely to achieve decisive action.

The Problem

The 9/11 Commission cited a lack of information sharing as one of the critical failures that led to the September 2001 attacks in the United States. Similarly, the Katrina lessons learned study, *A Failure of Initiative,* reported, "Many of the problems we have identified can be categorized as 'information' gaps – or at least problems with information related implications or failures to act decisively because information was sketchy at best."[80]

Forging a New Shield cited specific problems related to how the U.S. government manages information and knowledge assets, including:

- Information is poorly shared at all levels.
- Lessons are neither easily learned nor retained.
- The transfer of knowledge is both marginal and inhibited.
- Maintaining global situational awareness is difficult.
- Current data systems are limited and outdated.

80 U.S. House of Representatives. *A Failure of Initiative: Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina.* Washington, D.C.: U.S. Government Printing Office, 2006, 1.

The Phase I effort in this area was led by the Knowledge Management Working Group. Their principal recommendation, "Greatly improve the flow of knowledge and information," was one of eight themes resulting from Phase I that now guide Phase II. Subordinate recommendations focused on Knowledge Management included:

- Creation of Chief Knowledge Officers (CKO) at the NSC level and across the federal departments and agencies.
- Creation of a Federal CKO Council (modeled on the Federal Chief Information Officer Council that exists today).
- Establishment of a single security classification and access regime for the entire national security system.
- Consolidation of security clearance procedures and approvals so that individual clearances are respected across the national security system.

As this second phase of PNSR progresses, the primary recommendation, "Greatly improve the flow of knowledge and information" has been reaffirmed. However, the detailed sub-recommendations have advanced as a result of further research.

Movement from Knowledge Management

The combined insights and findings of PNSR's Phase I and II efforts led to another concern—that "managing" knowledge is not an appropriate end objective. Like the mind itself, knowledge cannot truly be managed. The term "manage" implies a level of direction and control that is neither achievable nor desirable. Instead, PNSR believes the focus should be on the key asset itself – the intellectual capital available to the U.S. government.

As a result, PNSR has moved from knowledge management to a focus on knowledge and intellectual capital (KIC). While a complex area, KIC can be understood quite readily by looking at its constituent parts:

- Knowledge – the *sum of what is known* based on facts, principles, and experience
- Intellect – a *property of the mind* that encompasses capacities to reason, plan, solve problems, think abstractly, comprehend ideas, and learn
- Capital – a *store of useful advantages* or assets; any source of profit, advantage, power, etc.

Looking at KIC as an entity, its basic attributes include:

- Data, information, and knowledge (what is included?)
- Capture, leverage, and extend (why it is included?)
- Access, share, and collaborate (how to improve it?)
- Making better decisions faster and decisive actions sooner (to what effect?)

Based on recent work, PNSR believes that the recommendations to create CKOs and a CKO council must be modified. These organizational fixes mask the more fundamental examination of outcome. The key question must be: what effect are we trying to achieve? Therefore, while retaining the primary recommendation, PNSR has restructured the subordinate recommendations to reflect desired outcomes better.

Reformulating Recommendations

As Phase II work progressed, PNSR was fortunate to become acquainted with and engage the Markle Foundation's team that recently released *Nation at Risk: Policy Makers Need Better Information to Protect the Country*. Incorporating a team of more than two dozen senior professionals from industry, government, and academia, the Markle Team focused their efforts on determining how best to make information discoverable and accessible to the right officials at the right time to enable improved decisionmaking involving major security threats against the United States. Their principal finding echoed that of PNSR —the tools to share exist today, but the willingness to change does not.

PNSR has adopted the Markle recommendations, which will help "greatly improve the flow of knowledge and information." The Markle recommendations cover the full range of technological, procedural, structural, and cultural challenges that must be addressed before we can make knowledge and information sharing a reality. This reality acknowledges that the intellectual capital of our nation's national security community is a strategic asset. The Markle recommendations are:

- Reaffirm information sharing as a top priority.
- Make government information discoverable and accessible to authorized users.
- Enhance security and privacy protections to match the increased power of shared information.
- Transform the information sharing culture with metrics and incentives.
- Empower users to drive information sharing by forming communities of interest.

These areas direct the path to success. As stated in the 9/11 Commission report, "A 'smart' government would integrate all sources of information to see the enemy as a whole."[81]

In analyzing the original recommendations related to clearances and classifications, PNSR considered the following:

- Current attitudes related to information security focus on risk avoidance rather than risk mitigation. Policies and procedures emphasize the principle "need to know" almost to the exclusion of those of "need to share" and "responsibility to provide." PNSR believes required changes to both of these areas will benefit from an improved understanding of what must be done to transform the current culture into one that fully embraces information sharing.
- The Obama administration and Congress have both initiated reviews of these areas; near-term action is likely to follow.
- PNSR believes that these recommendations prematurely focus on changes to processes without fully addressing the desired outcome — that is, to improve the flow of knowledge and information.

PNSR has accordingly revised the original recommendations related to clearances and classification to reflect ultimate goals rather than specific answers:

- Address classification regimes and access constraints that inhibit information sharing.

81 National Commission on Terrorist Attacks Upon the United States. *The 9/11 Commission Report*. New York: W.W. Norton & Company, 2004, 401.

- Address clearance approval and reciprocity issues to improve the flow of information.

The security challenges of the 21st Century—both threats and opportunities—demand a wide range of participants and functions. Mission demands cannot necessarily be anticipated. Therefore, the ability to share information and collaborate with partners, both anticipated and unanticipated, is essential. Technology issues must be addressed, but they are not the main problems. To reach the objective, the culture of institutions and the mindset of individuals must change. As the 9/11 Commission explained, the risk of *not* sharing has become greater than the risk of disclosure. Perhaps even more simply stated, "When information sharing works, it is a powerful tool."[82]

Current Approach

The challenge of sharing information and knowledge plagues most organizations. Achieving appropriate data flow across organizations is even more problematic. Within the national security community, the ability to do so is practically nonexistent. As security challenges become more complex, involve an ever-increasing array of partners, and take place within compressed timelines, attaining a better flow of information and knowledge becomes even more critical. To meet the security needs of the 21st Century, we must be able to share knowledge, information, and data within the National Security Staff, across the interagency, with other government partners (i.e., state, local, tribal, and territorial), and with nontraditional partners – both anticipated and unanticipated. As recently stated by the "father of the Internet," Vint Cerf of Google, "Information isn't power, information *sharing* is power."

> *"When information sharing works, it is a powerful tool."*
>
> 9/11 Commission Report

At the most fundamental level, PNSR believes a crucially important mission facing the national security community is to enable and inspire the community to "share what it knows" and to "constantly learn more." The objective of KIC is to *capture, leverage*, and *extend* the knowledge and intellectual *capital* of an institution so that those who must *act* have the information they *need*. To reach this objective, barriers to sharing must be eliminated:

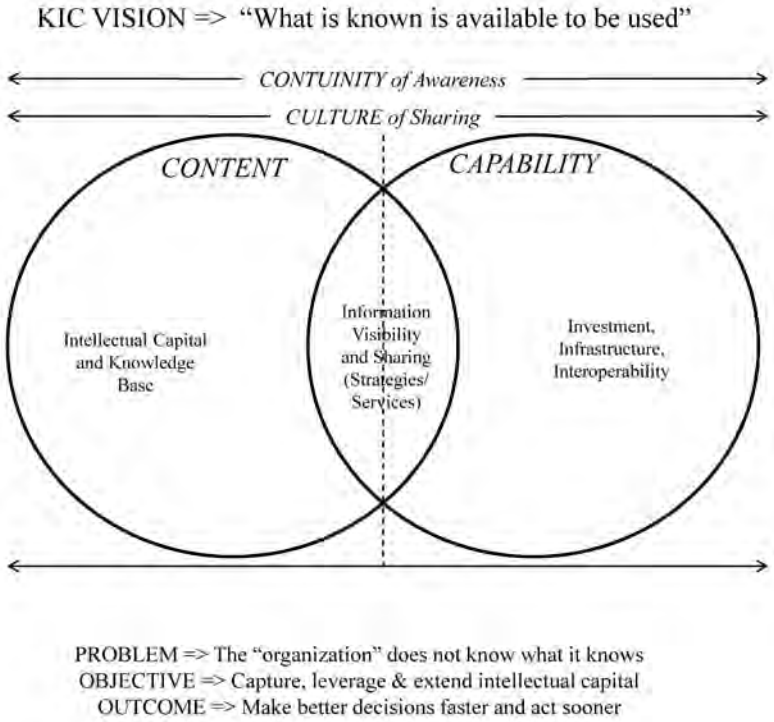
- Information must be *visible and discoverable* so that users know what exists.
- Information must be *accessible* so that users can obtain it.
- Information must be *understandable* so that users can actually employ it.

These three keys to information sharing must be manifested in the strategies pursued, the tools provided, the procedures established, and the metrics used to measure performance and compliance. They must be reinforced by leaders and embraced by all.

The ability to access and share information and collaborate with mission partners will require tightly knitting together two distinct but interdependent communities: the providers of the capability to share and users of the content. Figure 5 shows how these two communities intersect, interact, and complement one another:

82 National Commission on Terrorist Attacks Upon the United States. *The 9/11 Commission Report*. New York: W.W. Norton & Company, 2004, 419.

Figure 5: Information Sharing Capability and Culture



The capability provider, typically the purview of the chief information officer, is responsible for managing the information technology investment, providing the infrastructure, and ensuring interoperability and compatibility between systems and tools. Taken together, these areas represent the "collaboration environment" provided for the benefit of the organization or enterprise—in this case, the national security community.

The content users both feed and use the knowledge base that traverses the technological architecture. The users represent the array of participants responsible for creating the data, employing the information, and contributing to the knowledge base. Typically, they are engaged in studies and analyses involving lessons learned, ongoing assessments, and future needs.

As shown in the diagram, the capability providers and content users should come together to ensure that the information actually is visible, discoverable, accessible, and understandable. Strategies, policies, processes, services, and business rules all contribute to meeting the information sharing objective. They also help establish and enhance the shift to an information sharing, rather than information hoarding, culture, which is the key to realizing the KIC vision: "What is known is available to be used."

Way Forward

PNSR has initiated work in three key areas to achieve this goal: environment, organization, and culture. These focus areas are interdependent and must be pursued in conjunction with each other rather than sequentially or separately. For each, the long-term view and annual milestones for which PNSR is responsible have been detailed.

First, PNSR is assessing what it will take to change behavior—that is, to transform the current culture to one that encourages information sharing. Shifts in culture are difficult to achieve.

Organizations tend to cling to the status quo. Programs to enlighten, incentives to encourage, and metrics to assess progress will need to be established. In addition to addressing the importance of sharing, the critical need for collaboration throughout the interagency and with other mission partners must also be addressed. Today's challenges demand that we fully exploit the knowledge and insights of traditional national security organizations as well as those that may only occasionally play a role or support a mission. Creative energy must be leveraged, and the spirit of innovation must be fostered.

Second, PNSR is supporting implementation of organizations and structures that will serve as the foundation for information sharing and knowledge development throughout the national security system. In essence, user organizations must be established. As reflected in PNSR's National Security Staff design effort, the responsibility and accountability for capturing, leveraging, and extending the knowledge base throughout the national security interagency system must be assigned to an empowered entity. PNSR believes that a small organization should be created within the National Security Staff that is responsible for facilitating studies with mission partners, orchestrating development and maintenance of the national security knowledge base, and promoting information sharing in support of national security-related integration and analysis. Furthermore, liaisons must be established within each department and agency to ensure community-wide awareness of their organizations' assets and knowledge base, to vector requests across the national security community, and to support studies and other missions.

Third, PNSR is pursuing the development of a National Security Collaboration Environment (NSCE) in support of the expansive national security community. Initially focused on the National Security Staff and its interagency partners, this online, real-time environment must eventually extend to all mission partners – both anticipated and unanticipated. It is comprised of the tools, policies, and processes to enable information and knowledge sharing. This collaboration environment includes the services, registry, browser, protections, and a portal to make the environment viable. The NSCE is further described in Chapter 15.

In combination, environment, structures, and culture provide the critical path to reaching a new horizon—one in which intellectual capital is prized, information is shared, knowledge is extended, and collaboration is demanded. Old approaches and mindsets will not meet today's problems or tomorrow's challenges. The world has changed. So must the mindset used and the tools created to address it.

3. Strategic Impact

Recognizing and treating knowledge and intellectual capital as a strategic asset is critical to meeting PNSR's vision of the future national security system: *A collaborative, agile, and innovative national security system that horizontally and vertically integrates all elements of national power to successfully meet 21st-Century challenges based on timely, informed decisions and decisive action.* Or, more simply put, "A system that can work with itself."

Meeting this mission will require the collaboration environment, organizations, and culture described above. Furthermore, it must operate throughout the entire system—federal, state, local, tribal, and territorial, as well as with other mission partners as warranted.

From the perspective of PNSR's original work, the recommendations and activities described above directly support every one of the six reform initiatives stated in *Forging a New Shield*:

- 21st-Century organization
- Learning environment

- Accountable culture and self-organizing system
- Fast, informed, effective decisions and decisive action
- Cohesive community
- Innovative team

The vision and imperatives stated above cannot be met without the environment, tools, structures, and culture previously described. The move to true information sharing represents the backbone and nerve center for the whole-of-government approach recommended by PNSR—an approach that must be embraced by the national security community and pursued by the executive and legislative branches. This effort seeks to make it real.

C. Recent Reform Developments

Forging a New Shield established that sharing information across organizational boundaries is difficult. The national security system lacks true global situational awareness and current data systems do not provide, or are not employed in a manner that promotes, optimal knowledge sharing. President Barack Obama, the Department of Defense, and the assistant to the president for homeland security and counterterrorism recently issued memoranda supporting the goals sought by PNSR. Knowledge and intellectual capital reform efforts have been directly discussed in recent congressional testimony.

1. White House

- On January 21, 2009, President Obama released a memorandum to Heads of Executive Departments and Agencies on Transparency and Open Government, directing the chief information officer to develop recommendations for making government more transparent, participatory, and collaborative.
- On May 27, 2009, President Obama released a memorandum to Heads of Executive Departments and Agencies on Classified Information and Controlled Unclassified Information. It directed the national security advisor to submit recommendations and proposed revisions to Executive Order 12958. The recommendations and revisions must address, among other items, the establishment of a National Declassification Center and the changes needed to facilitate greater sharing of classified information among appropriate parties.

2. Executive Branch Departments and Agencies

- On July 2, 2009, John Brennan, assistant to the president for homeland security and counterterrorism, released a memorandum on Strengthening Information Sharing and Access. It announced the creation of the position of senior director for information sharing policy and the initiation of a comprehensive review of information sharing practices. The text includes the following statement, which reinforces information sharing as a top priority: "Effective and efficient information sharing and access are essential to enhancing the national security of the United States and the safety of the American people."
- On July 13, 2009, the Department of Defense chief information officer released a memorandum on Universal Core (UCore) Guidance in Support of Enhanced Information Sharing. It noted that the UCore baseline provides a minimum set of commonly needed information and message framework to package information consistently. This

memorandum helps establish more technical frameworks for how information can be shared and understood across boundaries.

3. Legislative Branch

- On July 30, 2009, Jeffrey H. Smith, PNSR Guiding Coalition member, testified before the House of Representatives Committee on Homeland Security's Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment. He observed that PNSR is working on the issue of improving national security decisionmaking. His testimony noted the need for the Obama administration to support a pilot project for creating a fully integrated information sharing system.

Chapter 8: Congressional Responsibilities

Create mechanisms for the oversight and resourcing of integrated national missions.

A. Reform Needs

The Obama administration secretaries of defense, treasury, and homeland security each used their first official comments before Congress to call for greater interagency collaboration in national security issues and missions.[83] These calls should reverberate throughout their respective departments, but they also should serve as a strong signal to Congress, which is as yet unprepared for this grand policy redesign and institutional reform responsibility. Members of Congress presently struggle to see the big-picture interrelationship among all elements of national power. Congressional leadership tolerates a Congress that cannot authorize, finance, or oversee the interagency approaches envisioned by executive branch leaders and the preceding recommendations in this report.

Instead of structuring itself to catalyze the interagency approaches envisioned and needed by the executive branch, Congress reinforces outdated, department-centric practices. Its existing committees examine the activities of individual departments and agencies, but no one committee has a whole-of-government perspective on national security. As a result, the "department stovepipes" that Secretaries Clinton, Gates, Geithner, and Napolitano seek to break down are reinforced by "committee stovepipes" in Congress.

Adjusting to a new, interagency approach to national security is not an easy task. Collaboration across multiple departments resists simple oversight by a Congress unaccustomed to these processes. Executive branch activities are changing, however, as the Obama administration's expanded National Security Council illustrates.[84] The breadth of this council's membership and jurisdiction marks a clear break with past practice. It further underscores the need for Congress to confront its limitations in national security oversight.

Existing committees examine the activities of individual departments and agencies, but no one committee has a whole-of-government perspective on national security.

Yet, with few exceptions, Congress has not changed. Americans depend on Congress' participation in the constitutional struggle over foreign policy and national security. They expect it to provide clear authorization, financing, and oversight of executive branch activities and

83 See, for example: Robert Gates, "Advance Policy Questions for Dr. Robert M. Gates, Nominee to be Secretary of Defense." 05 December 2006. < http://armed-services.senate.gov/statemnt/2006/December/Gates%2012-05-06.pdf >; Hillary R. Clinton, "Testimony before the Senate Foreign Relations Committee." 13 January 2009. <http://foreign.senate.gov/testimony/2009/ClintonTestimony090113a.pdf >; Janet Napolitano, "Testimony before the Senate Homeland Security and Government Affairs Committee." 15 January 2009. < http://hsgac.senate.gov/public/_files/011509Napolitano.pdf >; and Timothy Geithner. "Finance Committee Questions for the Record, Hearing on the Confirmation of Timothy F. Geithner to be Secretary of the U.S. Department of the Treasury." 21 January 2009. <http://finance.senate.gov/sitepages/leg/LEG%202009/012209%20TFG%20Questions.pdf >..

84 Presidential Policy Directive–1 of 13 February 2009 names the following departmental leaders as standing members of the NSC: the Attorney General and the Secretaries of State, Defense, Energy, Treasury, and Homeland Security. Of those, National Security Presidential Directive–1 of 13 February 2001 and Presidential Decision Directive–2 of 20 January 1993 named as standing NSC members only the Secretaries of State, Defense and Treasury. Prior to 1993, administrations from Presidents Truman to Bush limited standing NSC membership of departmental leaders to those designated by statute, the Secretaries of State and Defense.

to give timely advice and consent on presidential nominees. It is precisely in these areas that Congress struggles most.

The Project on National Security Reform identified six problems in *Forging a New Shield* that inhibit Congress from playing its rightful role as a major contributor to national security policy.[85]

1. There is no routine oversight of interagency issues, operations, or requirements.
2. Congress lacks interest and confidence in the executive branch's management of foreign affairs.
3. The overall allocation of resources between all elements of national power, including defense, diplomacy, and development, tends toward inflexibility.
4. A slow confirmation process for presidential appointees leads to inaction and bureaucratic drift on many issues.
5. Failure to pass timely legislation has become endemic.
6. Legislative and executive branches have lost the ability to work together productively.

These underlying dynamics identified in *Forging a New Shield* are chronic and remain unchanged from when the report was issued. The following section reviews PNSR's recommendations for resolving them.

B. Recommendations and Analysis

1. Current Recommendations

8A Establish select committees on national security in the Senate and House of Representatives.
8B Formulate and enact annual foreign relations authorization bills.
8C Provide greater flexibility on reprogramming (intradepartmental) and transfer (interdepartmental) of funds for multiagency activities.
8D Comprehensively revise the Foreign Assistance Act of 1961.
8E Consolidate oversight of the Department of Homeland Security to one authorizing committee and one appropriations subcommittee per chamber.
8F Create a common set of financial and other forms required of nominees for use by the White House and Senate.
8G End the practice of honoring a hold by one or more senators on a nominee for a position in a national security department or agency.
8H Require that each nomination for one of the ten most senior positions in a national security department or agency would be placed on the executive calendar of the Senate with or without a committee recommendation after 30 days of legislative session.

85 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 352.

8I Establish the expectation that each presidential appointee, unless disabled, experiencing a hardship, requested to resign by the president, or appointed to another government position, would serve until the president has appointed his or her successor.

2. Analysis

The contemporary security environment is multidimensional and requires multidisciplinary approaches to the challenges that it poses. The executive branch is beginning to use some integrated interagency responses. PNSR's recommendations in *Forging a New Shield* aimed to extend this behavior even further. It is imperative that Congress responds by organizing and operating in a way that provides adequate oversight and resourcing of integrated national missions.

Interagency Oversight Structure: First Steps in a Gradual Process

There is no current interagency oversight structure in Congress, resulting in a major gap in congressional oversight of the executive branch. Provincial Reconstruction Teams (PRTs), composed of personnel from a number of national security agencies and deployed in Iraq and Afghanistan, provide a key example of the activities that fall into this gap. No single committee oversees PRT missions and strategies, their military and civilian components, or their ultimate effect on counterinsurgency.

PNSR recommends closing this gap by establishing Select Committees on National Security in both chambers. These committees would draw their membership from the standing defense, foreign relations, and homeland security committees, as well as other committees with jurisdiction over national security. Once constituted, Select Committees on National Security would authorize and oversee interagency programs and activities that are supported by multiple departments and agencies but conducted by an interagency organization.

Importantly, the executive branch's allocation of funds for interagency programs and activities would fall within the oversight jurisdiction of these select committees. Congress has a right and a responsibility to investigate how the executive branch uses these funds. Reciprocally, executive branch interagency activities require the ability to reprogram funds within departments and transfer funds across departments. In exchange for improved oversight of interagency funding allocations, Congress should enable the executive branch to conduct these activities more effectively by providing greater flexibility on reprogramming and transferring funds.

An Interim Step

PNSR appreciates that Congress is reluctant to overhaul its well-established committee structure and recognizes that interim steps are required to build the foundation for the broader committee reform. It is indeed a huge step to move from departmental to whole-of-government oversight. PNSR has reached the conclusion that a gradual process, minimizing risk while still showing results, is in order.

Homeland security is an essential and integral part of national security, but no single committee or even group of committees concentrates on these issues in either chamber. Instead, eighty-six congressional panels have jurisdiction for the Department of Homeland Security.

Congress could test this concept by adding new subcommittees to the defense and foreign relations committees in both chambers and having these subcommittees meet jointly and hold

hearings on oversight of the national security interagency system. That oversight would include evaluating the budget requests for the National Security (050) and International Affairs (150) functions; receiving the president's annual, congressionally mandated national security strategy documents; and analyzing executive branch strategy across all elements of national power.

Although this joint subcommittee would serve as an experiment for the larger select committees on national security concept, it too is a significant step that may require groundwork in advance. Joint hearings between the defense and foreign relations committees in both chambers could help in this regard. Those hearings should address programs and activities with a well-defined interagency character and a recognized need for reform. The performance of PRTs in Iraq and Afghanistan would be an ideal subject. These teams include members from the Foreign Service, Foreign Agriculture Service, Treasury, and other departments and agencies, as well as the military services. PRTs bring interagency collaboration to the field. In so doing, they are changing the nature of current operations and will undoubtedly affect the institutional development of the respective contributing organizations. Other topics of these hearings could include an evaluation of the Commander's Emergency Response Program (CERP) funds and the interagency roles in public diplomacy and information operations. As those hearings show value, the subcommittees could be formalized as a joint subcommittee for current operations.

Homeland Security

Homeland security is an essential and integral part of national security, but no single committee or even group of committees concentrates on these issues in either chamber. Instead, eighty-six congressional panels have jurisdiction for the Department of Homeland Security. This level of complexity is antithetical to well-coordinated oversight of interagency programs and activities. Congress should respond by consolidating oversight of the Department of Homeland Security into one authorization committee and one appropriation subcommittee per chamber.

Breaking Outdated Legislative Habits

It is necessary for Congress to adapt to the growing shift toward interagency problems and activities through structural reorganization. But even this is not enough, as Congress needs to reform its habit of giving national security and defense issues far more attention than issues concerning foreign relations. As Representative Jim Marshall (D-GA) explained,

> It's a lot easier for our country to sustain effort, spend money, on things that are identified as security issues than on other international matters. . .Every single time the choice between putting a particular program in DOD or in State has come up, I've always favored putting it in DOD because I actually think we can do it. . .as opposed to putting it elsewhere and having it attacked.[86]

One consequence of this congressional and, indeed, national focus on defense issues over foreign relations is that Defense Department programs and activities are reauthorized on an annual basis whereas State Department programs and activities—the basis of America's soft power—have had no regular reauthorization schedule. This prioritization of one element of national power does not support a balanced interagency approach to contemporary challenges. PNSR has made two recommendations to overcome this problem. U.S. foreign assistance has not been revised comprehensively since the Foreign Assistance Act of 1961. To begin the reform process, Congress

86 Jim Marshall. "Congressional Perspectives on National Security." Center for Strategic and International Studies. Washington 20 July 2009.

should take that action. Success with the aid component of foreign relations will prepare Congress to take the more important institutional step of formulating and enacting foreign relations authorization acts on an annual basis.

C. Recent Reform Developments

Recommendations in *Forging a New Shield* to enhance congressional collaboration and oversight and build deeper executive-legislative cooperation urged the Congress to reform itself. Congressional reform can be achieved only by persuading members of the wisdom of changing current practices.

Galvanizing attention on the reform issue is the first step of persuasion. Economic and political developments in 2009—most notably, the financial collapse and the debate on health care reform—have dominated congressional attention. Yet, an unreformed national security system has substantial, associated budgetary implications that warrant greater congressional focus.

Several positive developments in 2009 will provide a firm foundation for congressional national security reform when attention turns more fully to the issue:

1. Legislative Branch

- House Foreign Affairs Committee Chairman Howard Berman (D-CA) devoted this year to the review and passage of an authorization act for State Department and civilian foreign affairs programs. The Foreign Relations Authorization Act, Fiscal Years 2010 and 2011, which he introduced, was passed by the House of Representatives on June 10. This bill is now before the Senate Foreign Relations Committee for consideration.

- Chairman Berman and Senate Foreign Relations Committee Chairman John Kerry (D-MA) are also preparing reform efforts in the area of foreign assistance. Clarifying and updating authorities related to foreign affairs is essential for effective executive branch programs and robust congressional oversight. *Forging a New Shield* recommended that the Senate Foreign Relations Committee and House Foreign Affairs Committee comprehensively revise the Foreign Assistance Act of 1961 as a first step in that process. Both committees currently are considering legislation with that goal in mind.

  - Senate: Chairman Kerry introduced the Foreign Assistance Revitalization and Accountability Act of 2009 on July 28, 2009. Chairman Kerry affirmed in his floor speech "this legislation only represents the first step in a longer reform process. But we believe it sends an important bipartisan signal that foreign aid reform will be a priority for this committee in the years ahead."[87]

  - House of Representatives: Chairman Berman introduced the Initiating Foreign Assistance Reform Act of 2009 on April 28, 2009. In his floor speech, Chairman Berman commented "this legislation is an important first step to reforming and improving the U.S. foreign assistance program, particularly with respect to developing countries. I call it a first step because I intend to work with my House and Senate colleagues later this year on a broader reform effort that will include a comprehensive rewrite of the Foreign Assistance Act of 1961."[88]

87 John Kerry. "Introducing the Foreign Assistance Revitalization and Accountability Act of 2009." United States Senate. Washington, D.C., 28 July 2009.

88 Berman, Howard. "Introducing the Initiating Foreign Assistance Reform Act of 2009." House of Representatives. Washington, D.C. 28 April 2009.

- The Subcommittee on Oversight and Investigation of the House Armed Services Committee held a hearing on March 19, 2009 dedicated to the *Forging a New Shield* report. This hearing, and the preparations for it, provided subcommittee members with an introduction to all of PNSR's national security reform recommendations, including those specific to Congress. Representative Rob Wittman (R-VA), ranking member of the subcommittee, noted in an accompanying press release that "the Project on National Security Reform has reviewed the interagency coordination problem in a thoughtful, logical manner that makes a series of recommendations for the organization of both the national security apparatus and the Congress. While we cannot singlehandedly make these changes, we do have a responsibility to start the dialogue."[89]
- Representative Randy Forbes (R-VA) introduced the Interagency Cooperation Commission Act on April 30, 2009. This act would "establish a commission to examine the long-run global challenges facing the United States and develop legislative and administrative proposals to improve interagency cooperation." Those proposals would address "congressional oversight and budgeting for interagency government organizations or programs" and could suggest reforms to "congressional oversight of interagency organizations and programs."[90]
- Representative Geoff Davis (R-KY), along with Representative Susan Davis (D-CA) and Representative Mac Thornberry (R-TX), introduced a House Resolution acknowledging "new challenges require the effective and efficient integration of the capabilities of the various departments and agencies of the Executive Branch" and that "the current United States national security system creates strong departments and agencies, but has ineffective and inefficient collaborative mechanisms." Based on these realities, the resolution concludes by recognizing "the urgent need to reform the United States national security system in order to employ all elements of national power effectively and efficiently to meet the challenges of the 21st century security environment."[91]

89 "Oversight and Investigation Subcommittee Hears Recommendations for National Security Reform." 19 March 2009. House Armed Services Committee. 24 August 2009 <http://armedservices.house.gov/list/press/armedsvc_dem/oipr031909.shtml>.

90 "H.R. 2207: Interagency Cooperation Commission Act." 30 April 2009.

91 "House Congressional Resolution 148." June 11, 2009.

Chapter 9: Measures of Success

As progress toward national security reform moves forward, albeit slowly, the question of measuring results arises. Reform efforts must bring about real change to be successful. The challenge then is to create a way to calibrate success, so that success can be sustained or built upon, or in order for course corrections to be made. There has to be a basis for assessment, both to ensure the provision of necessary resources and a process of continuing reform, reform that is able to improve the system and the results.

PNSR begins an effort in this section to match solutions and potential reform metrics. The task is to begin a research discussion that will be continued in 2009 and 2010 to figure out how to know that reform is working, not merely to lock into a specific set of reform metrics.

Metrics can be difficult to design and to employ. In this field, the set of metrics must include both quantitative and qualitative measures. Qualitative are the more elusive of the two. How can increased agility in the system be measured? It is much harder then just measuring numbers of newly trained national security executives, or even the amount of collaboration, or the efficiency of the information system.

How do we measure the number of lives saved from a war that has been prevented or terrorism averted? How can we be sure the war would have come to pass or the terrorism incident would have been successful? How do we measure mistakes avoided? Judgment, differing perspectives, and even subtle differences in underlying assumptions enter in. The measure itself and the results can be disputed, as scholars and practitioners are aware.

That said, PNSR's initial attempts at researching and thinking about metrics have yielded a number of ideas linked to the problems and solutions that PNSR has identified as central to national security reform.

The metrics fall into the categories of action and result. In some cases, an action can be a measure—such as the "Holy Grail" of a new National Security Act. One must then consider the results, some of which are quantifiable and some are not. A set of examples below, are based on reform themes that recur throughout this report.

The major goal is to create a U.S. national security system that is agile, collaborative, and integrated such that it can more effectively respond to the challenges and opportunities of the 21st Century. All metrics relate back to that goal.

Key Reforms and Related Sample Metrics

Overall Reform

A key measure of success in national security reform would be *passage of a new national security act* to address fundamental problems and realign the system. Passage of this act would signify recognition of the problem of an outdated system as a priority. It would signify that leaders in Congress and the executive branch are prepared to implement reform. There must be additional metrics, however, for implementation, as it is not enough only to pass legislation.

Focusing on National Missions and Goals over Individual Missions

A major metric of success would be *issuance of an executive order setting up strategic end-to-end management and empowering the national security advisor to the president as the strategic manager*. Such an order would describe and mandate the system and processes necessary to

building an integrated system and motivate the necessary cooperation by departments and agencies.

Strategic End-to-End Management Processes

With strategic end-to-end management processes guided from the National Security Council, one measure of success would be that the *national security system should be observably less reactive and more proactive* as resources and attention are focused on major problems before they arise.

Strategy and Planning

The *first and continuing issuance of the strategy and planning documents* outlined in this report are key metrics of progress. Another metric is that the *documents compel the departments and agencies to do their own planning in accordance with the national documents.*

Mission and Resource Alignment

One metric would be *a unified budget focused around national security missions that would shift resources to a whole-of-government approach*, created through collaboration between the National Security Staff and Office of Management and Budget. Another metric would be *issuance of the first annual national security planning and resource guidance* document.

Replacing Stovepiped Structures and Decisionmaking with Horizontal Interagency Integration Processes, Collaboration, and Resource Allotment Based on National Missions

This is the whole-of-government approach. A metric of success could be the *extent to which the U.S. leverages a more diverse set of tools and resources against complex threats*. A more specific metric would be *the number of integrated interagency teams formed and focused on specific issue and mission management*. A third metric would be the *number of multiagency high-level activities and briefings*, such as the Obama administration interagency study and public briefing on Afghanistan policy. The public briefing included the heads of several departments and organizations.

Continuity Across Administrations to Retain Knowledge and Processes

Increase institutional memory by setting up a *strategy directorate with civil servants that endures from administration to administration*. This success cannot be counted until a presidential transition takes place and sees the survival of a strategy directorate and processes.

Avoid Domestic National Security Failures

The acts of *defining a resilience directorate in the National Security Staff and a National Preparedness System* provide a metric. To check the effectiveness of these bodies, *GAO reports on effectiveness of response or possibly reports by an assessment staff at the National Security Staff* would be a metric. This work would include documentation of catastrophes avoided.

Development of National Security Human Capital

Passage of legislation to formalize a national security human capital plan is a metric. Again, though, the proof is in the implementation, which can be measured both quantitatively and qualitatively. Quantitative examples are the *number of national security executives specially educated for their interagency role and in place, the number of courses created, and representation across the interagency in the classes.* Qualitative measures include *cultural change demonstrated by greater and more routine collaboration.*

Increased and Up-to-Date Information Flow

The metric is *whether planners and decisionmakers have a readily accessible, accurate, common knowledge base of up-to-date information on a timely basis*. The metric here can be quantitative, for example: *number served, timeliness of information provided, how often the system is adjusted to include more people and information, how often the technology is assessed and updated, the frequency and quality of feedback systems and system responsiveness to feedback, number of breakdowns on the system and how quickly they are repaired*.

Self Assessment

The capacity for self assessment, self renewal and self reform in the national security system is weak. Part of the reform process should be to strengthen these attributes. *Creation of a metric for self assessment* is one measure of progress. More important is the *measurement of how often and how well the self assessment works to keep reform dynamic*.

Congressional Responsibilities

The two main metrics involve oversight and budgeting. The first metric is *formation of Senate and House Select Committees on National Security or joint subcommittees of the foreign affairs and armed services committees.* The first step is *to hold oversight hearings* on the national security interagency system and specific interagency missions, and the related metric over time would be the *level and extent of hearing activity.* Another metric is the *achievement of steps along the way to creating an integrated national security budget.*

Part III: Significant Initiatives

PNSR's comprehensive analysis of the systemic problems inherent in the existing national security system provides a foundation from which solutions can be identified and developed. The diverse perspectives and experience of hundreds of experts and practitioners went into constructing our problem-cause blueprint for reform. While transformational, it is only a first step. Implementing effective solutions that will lead to holistic systemic reform requires levels of effort, collaborative discovery, and stakeholder commitment much greater than the foundational work already done.

The preceding chapters focused on the development and refinement of specific recommendations. Although the work was organized around specific individual recommendations grouped into eight reform themes – consolidating and building upon subject matter expertise – our approach presupposed interdependence among all the recommendations that would result. Maintaining this perspective throughout PNSR's work was essential to ensuring integrated solutions to the complex problems of a complex system; weekly meetings among reform theme leaders assessed and addressed integration requirements.

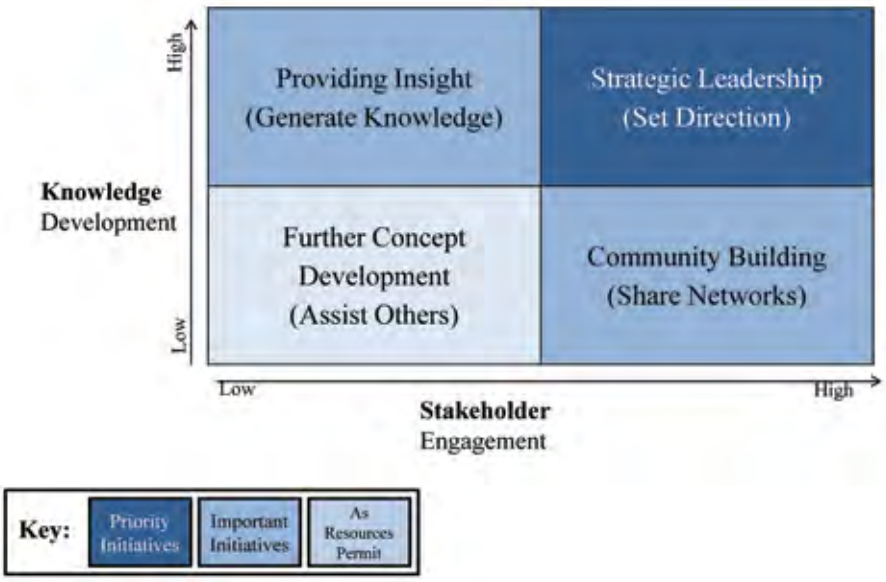
PNSR's initiatives for 2009 highlighted in the following chapters, emphasize those interdependencies and the need for integrated solutions. The teams involved in crafting specific initiatives included experts from multiple, and in some cases all, areas targeted for reform.

These initiatives also reaffirm that stakeholder engagement is an absolutely critical component to advancing and achieving substantive reform. The most perfectly developed theoretical solutions are inadequate unless stakeholders within the system embrace them. That can only occur if they understand the underlying causes, systemic complexity, and the interdependence of problems and solution sets. Stakeholder involvement was a pivotal component of the significant initiative process; it contributed to the learning of all involved and provided invaluable insight into the practicality and political feasibility of the evolving solutions.

Stakeholder participation in informing and often sharing ownership of the evolving ideas proved instrumental in advancing our thinking. In a number of initiatives, the level of stakeholder engagement increased as solutions solidified conceptually. It became apparent that the higher the level of stakeholder (i.e., decisionmaker) involvement, the greater the likelihood of discovering achievable, substantive and effective solutions. Where both substantive conceptual development and high stakeholder engagement were present—a self-reinforcing combination—"reform traction" resulted. But ultimately, the foresight and commitment of political leaders is necessary to effect change.

The process that produced the initiatives detailed in the following chapters is a microcosm of that experience and practice of continual learning. Each initiative entails a diverse range of interrelated and crosscutting recommendations. Absent wholesale, systemwide change, these "bottom up" initiatives, collectively integrated, will provide incremental yet substantive advancement toward comprehensive systemic reform.

Figure 6: Framework for Prioritizing Initiatives



Chapter 10: National Security Staff Design

A. Introduction and Approach

In *Forging a New Shield,* PNSR recommended creating a single President's Security Council to combine the National Security Council (NSC) and Homeland Security Council (HSC).[92] National Security Advisor General James L. Jones moved toward implementing this recommendation in a memorandum to Cabinet officers that defined the NSC as a key mechanism for integrating all elements of U.S. national power in a cohesive interagency process.[93] Presidential Study Directive 1 (PSD-1) subsequently combined the NSC and HSC staffs into a single National Security Staff.[94] However, PSD-1 did not extend this restructuring to encompass all capacities that a combined staff needs in order to be capable of managing the national security interagency system at the strategic level.

Following the PSD-1 announcement, PNSR established a National Security Staff Design Team to address areas excluded from the PSD-1 decision. The team produced a white paper entitled "Designing the National Security Staff for the New Global Reality" that incorporates the core functions, processes, and best practices required for strategic management of end-to-end processes of the entire national security interagency system.

The two most important concepts are:

- Strategic management of end-to-end national security processes encompasses policy formulation, strategy development, planning guidance, alignment of resources with interagency national security missions, implementation oversight, and assessment with feedback loops.
- A "whole-of-government" approach fosters governmentwide collaboration on decisionmaking, actions, and results in a coherent, combined application of available resources to achieve the desired objective or end state.

PNSR aims to support the U.S. government and its mission partners in transforming the stovepipe components of national security into an integrated, agile system that operates as a unified, effective whole. The white paper describes the key elements and processes of a fully integrated National Security Staff and an interagency management system based on the dual concepts of end-to-end system management at the strategic level with decentralized execution and implementation by departments, agencies, and interagency teams. The paper reviews key actions taken by the Obama administration to date; identifies problems associated with the current National Security Staff system; identifies the staff's mission and principles; defines the staff's core functions; and establishes best practices that can be implemented under existing authorities.

92 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): ix, 433, 498.
93 James L. Jones, General, USMC (Ret), "The 21st Century Interagency Process," 18 March 2009, 17 July 2009 <http://www.fas.org/irp/offdocs/ppd/nsc031909.pdf>: 2.
94 Barack Obama, "Presidential Policy Directive–1: Organization of the National Security Council System," 13 Feb 2009, 17 July 2009 <http://ftp.fas.org/irp/offdocs/ppd/ppd-1.pdf>.

B. Problem Statement

Four primary problems inform the white paper. The national security interagency system has not been managed effectively as an end-to-end system at the strategic level. A whole-of-government perspective is lacking. The size of the National Security Staff is inadequate to perform the required functions of strategic management of end-to-end processes. Finally, the NSC and HSC do not have the necessary oversight and policy assessment capacities to ensure efficient implementation of presidential policies.

C. Recommendations and Strategic Impact

To develop solutions for these problems, PNSR is producing a series of four white papers. The first paper details the four key roles of the National Security Staff. These core roles are:

- Strategic Management of End-to-End Processes with the following core functions:
  - Policy Formulation: Transnational and regional directorates develop security policies and interagency planning guidance for presidential approval, and these directorates drive interagency policy formulation by chairing the Interagency Policy Committees (IPCs) that correspond to their regional or functional areas, by guiding departments' and agencies' policy portfolios, and by assisting the president in day-to-day policymaking.
  - Strategy Development: Assess national security capabilities, risks, and opportunities and develop broad national security objectives and strategy for presidential approval.
  - Planning Guidance for Policy Implementation: Develop and harmonize national security policies and interagency planning guidance for presidential approval.
  - Strategy and Resource Alignment: In partnership with the Office of Management and Budget, ensure that interagency budgets and other resources align with both long-term national security strategic objectives and nearer-term contingencies.
  - Oversight of Policy Implementation: Ensure implementation of presidential decisions to achieve unity of effort across all instruments of national power and the accomplishment of national security objectives.
  - Interagency Strategic Performance Assessment: Assess the accomplishment of national security objectives and their implications for strategy, resources, and implementation mechanisms.
- Development of a National Security Interagency System: Draft a national security strategic human capital plan for presidential approval and ensure that its implementation will leverage the knowledge and intellectual capital of the National Security Staff and the interagency; prepare proposals for improving the effectiveness and efficiency of the national security interagency system for presidential approval.
- Crisis Management: Assist in anticipating (providing "early warning") and preventing conflict as well as managing crises to ensure rapid and informed presidential decisionmaking and effective governmental action.
- Presidential Staffing: Provide staff support to the president for national security policy and to the NSC and HSC.

These functional recommendations are accompanied by nine best practices for process changes. In brief, these include developing a formal description of the national security interagency system; developing expectations; creating job descriptions; resolving staff overlap; developing a national security collaboration environment; developing interagency and intergovernmental national security planning capabilities; informing strategy formulation with cascading strategies; making recommendations to the president crisp, whole-of-government in nature, and diverse; and using the directorate for resiliency for non-federal collaboration.

Future PNSR work will assess current status with regard to the new missions, principles, core functions, and best practices; define a new structure, if necessary; determine personnel, budget, facilities, and technological support requirements; and prepare an implementation plan that would carefully balance political, resource, and workload issues.

By adopting PNSR-recommended reforms under existing authorities, the president – without the difficulties of codifying new statutory authorization – will gain the ability to advance his policy priorities through an interagency framework that leverages the power of all relevant agencies and perspectives. The U.S. government will enhance its ability to manage complex security challenges and opportunities because the prescribed strategic end-to-end management of the national security interagency system will operate from a whole-of-government perspective rather than from a departmental or agency-specific perspective. It also will benefit from improved strategic management of policy implementation, alignment of resources with national security missions, assessment of the interagency performance, and further development of the national security interagency system. Finally, the U.S. government will extend its capabilities through strengthened collaboration with both intergovernmental and other non-federal entities.

Chapter 11: Next Generation State Department

A. Introduction and Approach

The Next Generation State Department initiative stems from the recommendation in PNSR's November 2008 report to transform the Department of State by consolidating a variety of civilian capabilities and programs—"soft-power tools"—under one organization and authority.[95] This recommendation builds on a growing and widespread belief that the U.S. government requires better unity of purpose in the planning, resourcing, and execution of national security missions. While significant support exists for the development of soft power tools, there is little agreement on how best to proceed.

In Phase II of the project, PNSR established a Next Generation State Department issue team. The team, in collaboration with the executive branch, Congress, subject matter experts, former civilian agency officials, and research institutions, is working to develop and advance a new vision for the State Department, the U.S. Agency for International Development (USAID), and other civilian organizations in response to the 21st-Century security environment. As it builds support for this new vision and the core missions and functions it would require, the issue team and its partners have begun to analyze challenges that the current structures and processes of the State Department pose to this vision and its missions and functions, evaluating different reform options and organizational models. Among other things, these different organizational models will concentrate on the development of new authorities, planning and resourcing mechanisms, and personnel systems. Ultimately, the issue team and its partners will recommend a model for a Next Generation State Department and seek broad support for a phased implementation of this model.

B. Problem Statement

The current Department of State was not designed to manage the increasingly diverse responsibilities of the U.S. government in a globalized world. While the Department of State occupies center stage of the civilian foreign affairs community, it remains narrowly focused on and resourced for traditional diplomacy and does not possess or exercise sufficient authority to manage the full range of international civilian programs effectively. Currently, twenty-seven agencies have formal representation overseas. In large embassies, permanent State Department staff constitute only one-third of total embassy staff.

The Department of State is not configured to support the long-term integrated political and security policies that our current security environment demands.[96] Prior to the end of the Cold War, the Department of State and the Department of Defense (DoD) historically had relatively clear delineation of authorities overseas, based on the presence or absence of combat operations in a given area. The current security environment often requires sustained DoD activities in countries where there are no on-going combat operations. While DoD Directive 5105.75 establishes a senior defense official (SDO) in every embassy who reports to the chief of mission (COM), there is no established process for determining the primacy of the combatant commander or the COM in failing states or post-conflict reconstruction efforts to re-establish functioning

95 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 517,518.

96 Robert Killebrew, *et al*, "The Country Team in American Strategy" (Washington, DC: Department of State, Department of Defense, December 2006).

indigenous governance on the ground. These blurred lines of "authorities in unstable situations" threaten to undermine the effectiveness of U.S. policy.[97]

While there has been a vast expansion of U.S. government representation abroad, accompanied by more complex interactions between these different representations, no correspondingly comprehensive reforms have occurred to ensure that U.S. messages and actions are unified and consistent with overall foreign policy priorities and objectives.[98] The secretary of state is charged with coordinating all of these international activities; in reality the secretary lacks sufficient authority to carry out this coordination. Much of the coordination is done through the development of the Function 150 budget request. But the secretary has little or no control over how much of these funds are actually expended. Funding for the State Department is only part of the total Function 150 request. The remainder supports international activities of three other departments, seven independent agencies, three foundations, and a number of international organizations, as well as the National Security Council.[99]

International programs are often considered only in their entirety at the White House and in the individual country teams of American embassies. Limitations on presidential span of control and attention make any oversight sporadic and incomplete. The *de facto* authority of the chief of mission within U.S. embassies is frequently too limited to ensure even tactical integration.[100] The communications revolution has also shifted more decisionmaking power from forward-deployed teams at the country level to the Washington headquarters of the different departments and agencies, further diminishing the ability of the COM to ensure integration of all international programs. As a result, programs are fractured and governed by many different competing bureaucratic perspectives and interests.

C. Recommendations and Strategic Impact

Vision

The Next Generation State Department must be able to continue to conduct its traditional core activities of bilateral diplomacy and consular affairs. However, now it must excel at integrated end-to-end management of global affairs, from policy development, to alignment of resources with national security missions, to execution and management, to assessment of performance. It must continue to perform its traditional core activities, while at the same time possessing the organizational and managerial capacity to develop and field a broad range of civilian capabilities, to include public diplomacy, stabilization and reconstruction, and economic development and foreign assistance.

In addition to its reactive responsibilities in state-to-state relations, the Next Generation State Department must have proactive and anticipatory approaches to global affairs while possessing

97 United States. Cong. Senate. Committee on Foreign Relations, *Embassies as Command Posts in the Anti-Terror Campaign*, 109th Cong., 2nd session, Washington: GPO, 2006.

98 George L. Argyros, *et al, The Embassy of the Future*, (Washington, D.C.: CSIS P, 2007).

99 Gary Hart, *et al*, "Road Map for National Security: Imperative for Change, *The United States Commission on National Security in the 21st Century* (Washington: Hart-Rudman Commission, 2001).

100 This problem has been extensively analyzed in the PNSR paper on Country Teams, which makes several recommendations for empowering them. See Robert Oakley and Michael Casey, "The Country Team: Restructuring America's First Line of Engagement," *Joint Force Quarterly*, 47 (2007). However, while these recommendations would improve U.S. government integration on the ground, even empowered chiefs of mission and country teams cannot provide systemwide integration.

structures, processes, and personnel for dealing effectively with non-state actors and non-governmental organizations. The secretary must ensure proper resourcing for the development and deployment of capabilities within a multi-year context and be provided with increased authorities to shift resources across these capabilities and across deployment of these capabilities in response to changing strategic requirements, evolving missions, and presidential direction. The secretary of state must also have adequate authority within the national security interagency system to be a more effective partner to the secretary of defense in the development and implementation of foreign policy and national security policy.

Principles

The secretary of state and the Next Generation State Department, in accordance with the National Security Strategy and presidential policy and resource guidance, should have the capability to:

- Assess national security capabilities, risks, and opportunities and develop strategic options and plans for the president to pursue U.S. national security interests.
- Maintain focus on both long-range and day-to-day urgent activities.
- Develop policy, manage its implementation, and assess performance.
- Invest in making the department more robust and strengthen the ways in which its personnel identify with the culture of the department.
- Operate from a whole-of-government perspective.
- Ensure civilian global affairs interagency budgets and other resources are aligned to achieve national security strategic objectives.
- Collaborate transparently with other departments and agencies and, as appropriate, non-federal government, private-sector, and non-profit entities.

Reform Options

Subject to further on-going collaboration and assessments, the new organizational model for a Next Generation State Department might include some of the following components:

- New organizational culture that would promote operational skill sets and an expanded concept of the foreign affairs professional.
- Stronger department-level oversight functions for budget, comptroller, and personnel.
- A “family” of core subdepartments or bureaus, each organized around a functional role and possessing a degree of operational autonomy.
- Management structure that permits the department to think, anticipate, plan, prepare, and act across different temporal domains in an integrated fashion.
- Merger of overlapping administrative, budgeting, and planning functions between the Department of State and USAID.
- Consolidation of stabilization and reconstruction capabilities.
- Improved operational chain of command from the secretary to the execution lead.

- Multiyear strategic planning and budgeting processes that both facilitate the development of long-term capabilities and permit flexibility in making tradeoffs in response to new threats, guidance, or operational requirements.
- New overarching personnel system of systems that would permit the continuation of specialized personnel systems but would require a common professional education program and formal interagency assignments.

The Next Generation State Department is expected to produce the following strategic benefits:

- Greater foreign policy coherence and integrated and coordinated international civilian programs.
- Greater strategic agility in reprogramming funding and shifting capability development to accommodate new strategic requirements and presidential direction.
- Sustained attention to resourcing the full range of international civilian capabilities.
- Improved organizational capacity to operate as an effective partner to DoD in integrated foreign policy and national security missions.
- Greater stature in international fora, enhancing the ability of the department to maintain the role of the United States as a leader and to conduct effective foreign policy in the face of 21st-Century challenges.
- Greater confidence in the U.S. Congress in the department's ability to conduct our nation's foreign affairs.

Chapter 12: National Counterterrorism Center

A. Introduction and Approach

Under Executive Order 13354 (subsequently rescinded) and codified under the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, the National Counterterrorism Center (NCTC) was created to serve as the primary organization in the U.S. government for analyzing and integrating intelligence on terrorism, to foster access to terrorism information by other departments and agencies, and to conduct strategic operational planning for counterterrorism activities, to include assigning roles and responsibilities. Significantly, NCTC's Directorate of Strategic Operational Planning (DSOP) was mandated "to conduct strategic operational planning for counterterrorism activities, integrating all instruments of national power, including diplomatic, financial, military, intelligence, homeland security, and law enforcement activities within and among agencies."[101]

On balance, DSOP has been largely successful. Since inception, NCTC and DSOP have made progress in identifying and addressing issues that hinder interagency cooperation and coordination. One example of DSOP's and NCTC's best achievement is the ability to link the nation's plan for fighting terrorism, the National Implementation Plan for the War on Terrorism (NIPWOT), with guidance specific to the Intelligence Community, the Counterterrorism Intelligence Plan (CTIP) that was developed by NCTC's Mission Management Directorate as the Intelligence Community's mission manager for counterterrorism under the National Intelligence Strategy. Partly as a result of this linkage, Intelligence Community counterterrorism activities are much more coordinated than they were before 9/11 when, as the 9/11 Commission put it, agencies were "like a set of specialists in a hospital, each ordering tests, looking for symptoms, and prescribing. What (was) missing is the attending physician who makes sure they work as a team."[102] The NCTC is beginning to take this integrating role. However, there are indications that systemic impediments within the current national security system thwart its ability to fully realize this role.

In order to understand better DSOP's strengths, weaknesses, challenges, and opportunities, NCTC Director Michael Leiter asked PNSR in April 2009 to conduct a comprehensive analysis of DSOP and develop recommendations for removing barriers to enhanced mission effectiveness.

PNSR is conducting this study consistent with its overall approach to analyzing needed reforms in the national security system. After first identifying core problems impeding system performance, PNSR develops recommendations to solve them. In this context, PNSR is thoroughly analyzing DSOP's role within the national security system to identify barriers that prevent DSOP from attaining maximum mission effectiveness. In addition to developing solutions to these problems, PNSR is determining what functions DSOP should perform in a reformed national security system. PNSR's study of DSOP will also showcase effective interagency teaming approaches for other national missions.

Currently, PNSR is collecting data from interviews, NCTC files, and secondary sources. The study also benefits from the insights of the NCTC/PNSR Advisory Team. This politically and functionally diverse sixteen-person team includes former and current senior U.S. government

101 Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. No. 108-458, 119 Stat. 3673 (2004) [hereinafter "IRTPA"].

102 National Commission on Terrorist Attacks Upon the United States. *The 9/11 Commission Report.* New York: Norton, 2004.: 353.

officials and other experts. PNSR will then analyze this information by rigorously integrating the data, separating core problems from their symptoms, and directly linking recommended solutions to their causes.

B. Problem Statement

DSOP represents one of the most mature interagency planning models in the U.S. government today. It is conducting a broad range of interagency planning, both deliberate and dynamic, to try to ensure a holistic and whole-of-government approach to counterterrorism. Yet, bureaucratic resistance to its robust congressional mandate continues to present barriers to the effective development and implementation of whole-of-government strategic operational plans. Departments and agencies, many of which have deeply institutionalized counterterrorism processes and policies, often interpret their role in supporting the counterterrorism mission according to their core mandates rather than an integrated national counterterrorism strategy. At the present time, there is little or no positive incentive for departments and agencies to alter this philosophy from an interagency perspective. Most often, departments and agencies are willing to cooperate with DSOP when they believe the organization is acting in an unbiased and independent manner to help to resolve conflicts and impasses that are hindering the departments' abilities to satisfy the demands of their political leadership.

While the National Implementation Plan (NIP) is the overall strategic planning document designed to set end states and strategic objectives for the U.S. government's counterterrorism efforts that are directly coupled to the overall policy objectives of the President, the alignment of the departments' and agencies' internal planning efforts to meet their assigned roles and responsibilities in the NIP is not consistent, and unity of effort remains an elusive goal. One clear exception to this statement is the Intelligence Community, which has done a commendable job of linking its counterterrorism plan, the CTIP, to the overall national counterterrorism plan.

Lacking formal authority over departments and agencies, DSOP's only option for "integrating all instruments of national power" [IRTPA, 119 Stat. 3673] is to cajole, convince, muster, and, if all else fails, to elevate issues through the National Security Staff decision process. The National Security Staff, however, has no formal, institutionalized process for considering these appeals. Since the current staff structure assigns responsibilities for the various aspects of counterterrorism to multiple staff directorates, there is not a consistent approach in discussing, analyzing, and resolving impasses that hinder interagency cooperation in this mission area.

Another drawback to these limited authorities is that complex national missions, such as counterterrorism, often require quick, agile decisionmaking. This is not a problem when the president – the only person with the authority to direct whole-of-government counterterrorism activities – has time to focus on the issue. But when the president must wrestle with competing priority issues – an economic crisis, the war in Iraq, or a crisis in Georgia – no effective mechanism exists for delegating decisionmaking authorities and proposed solutions often devolve to the least common denominator answer that is the least offensive to all interested parties. The NCTC director and the deputy assistant to the president for homeland security and counterterrorism cannot direct departments and agencies. As a result, departments and agencies often become frustrated with the interagency decision process and attempt to achieve their individual objectives using their existing authorities, rather than attempting to develop partnerships and cooperative arrangements with other departments in a harmonized and integrated approach.

Organizing interagency resources and capabilities to anticipate emerging problems related to the terrorist threat is an essential but frequently absent ability. When new priorities are identified – which is common due to the nature of modern terrorism – the slow and cumbersome federal budgeting process precludes the national security system from rapidly organizing resources to respond quickly and effectively. While the U.S. government used the supplemental appropriations process to address this shortcoming for many years after the attacks of September 11, 2001, this process is drawing to an end as Congress has directed the executive branch to begin incorporating these sustained demands into the base budget. As a result, the only option for most departments and agencies is to reprogram within the existing appropriations account to address new and emerging threats. This ability to quickly transfer resources across departmental and agency lines is largely absent outside of the Intelligence Community.[103] As a result, the national security system has a difficult time resourcing and budgeting for rapidly evolving counterterrorism threats and opportunities. Conducting strategic operational planning absent these abilities forces DSOP to remain a "coalition of the willing," which hinders DSOP's mission execution and stunts the development of capabilities within other departments and agencies required to implement whole-of-government action.

C. Recommendations and Strategic Impact

Forging a New Shield called for establishing interagency "Presidential Priority Teams" that would integrate U.S. capabilities for national missions that do not clearly fall into the domain of one department or agency. This organizational arrangement was intended to respond to an increasingly complex 21st-Century security environment in which national missions such as counterterrorism require considerably greater integration across functional organizations. The recommendation aimed to relieve the increasingly understaffed and overburdened National Security Staff of the day-to-day management of national issues, allowing it to focus more on developing strategy and policy.

Forging a New Shield noted that introducing interagency teams into the national security system would work best if they were small in number and focused on the president's top national security priorities, such as terrorism. PNSR also believes that, at least initially, modifying existing entities rather than creating new teams entirely from scratch would facilitate the transition.

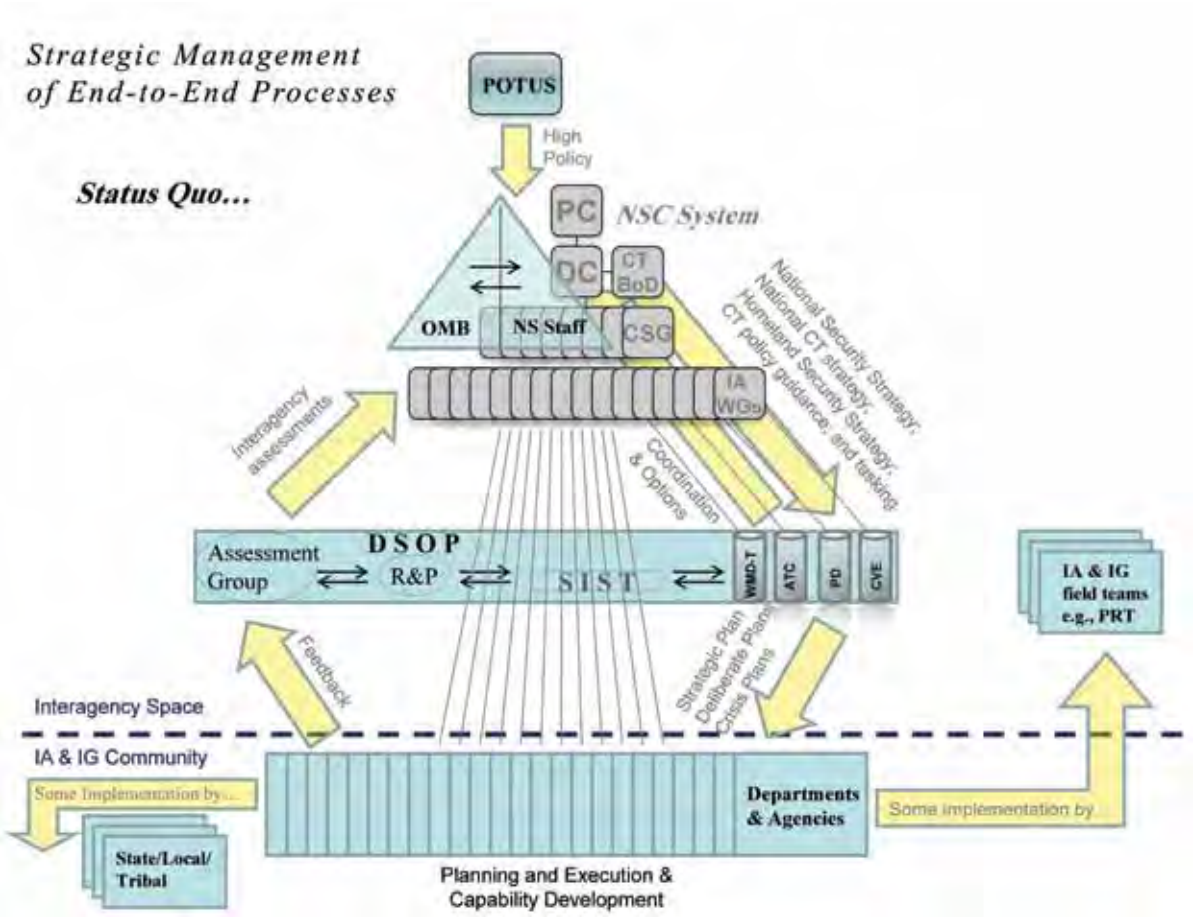
Applying End-to-End Management to DSOP

The end-to-end strategic management concept described and illustrated in the introduction to Part II of this report is a useful framework to apply to PNSR's significant initiatives. PNSR's study of the Directorate of Strategic Operational Planning at the National Counterterrorism Center will attempt to provide a clear picture of DSOP's current and ideal role in the larger national counterterrorism (CT) system. As data is collected through research and interviews, PNSR will begin to "map out" DSOP's existing and proposed role by applying the end-to-end strategic

103 Pursuant to Intelligence Community Directive 900, the director of national intelligence established "Mission Managers" within the Intelligence Community charged with "overseeing all aspects of national intelligence related to their respective mission areas." One authority given to Mission Managers is the ability to provide "recommendations to the National Intelligence Mission Managers Board (the deputy directors of national intelligence) on transferring personnel and funds across the Intelligence Community to improve efficiency or effectiveness of intelligence activities against their assigned missions and on resource investments necessary to improve intelligence on their assigned missions." (Intelligence Community Directive 900, 20 September 2009, <http://www.fas.org/irp/dni/icd/icd-900.pdf>, 3.

management framework. Through this lens, the PNSR team will gain a better understanding of DSOP's role in the end-to-end process. An illustrative example of this application is included below.

Figure 7: Strategic End-to-End Management of the National Counterterrorism System



* While DSOP performs an integrating role in the management of the counterterrorism mission, departments and agencies also maintain a direct linkage to the National Security Advisor and the NSC System through both formal and informal channels.

Directed by the IRTPA to "conduct strategic operational planning for counterterrorism activities, integrating all instruments of national power," DSOP is an ideal pilot for such an interagency team. DSOP already represents the U.S. government entity most similar to interagency teams as envisioned in *Forging a New Shield*. It has been a largely successful organizational novelty. Nonetheless, DSOP faces many barriers to realizing its full potential. By working with DSOP and also other interagency partners, such as the Office of Management and Budget, the National Security Staff, and other bodies, PNSR will provide carefully crafted recommendations for removing these impediments. In addition to developing recommendations for improving DSOP, PNSR also will provide the government a model for establishing interagency teams to address other national mission areas.

Through its research and analysis, PNSR will develop five lessons specific to DSOP and three strategic lessons for the U.S. government as a whole:

Lessons Specific to DSOP

1. An analysis of how well DSOP's strategic operational planning connects high-level counterterrorism policy and strategy to tactical-level counterterrorism operations across the Executive Branch as envisioned by the IRTPA
2. An analysis of how DSOP's role and responsibilities could be modified, if at all, to improve end-to-end management of U.S. counterterrorism efforts
3. A series of recommendations for improving DSOP's performance and, if warranted, modifying its role and responsibilities
4. A plan for implementing the prescribed recommendations
5. An analysis of best practices and lessons learned in DSOP's strategic operational planning

Strategic Lessons for the U.S. Government as a Whole

1. An analysis of the utility of interagency teams charged with integrating departments, agencies, and other intergovernmental and non-federal entities for national missions
2. A refinement of the reforms necessary to realize the potential of interagency teams
3. A compilation of improved U.S. counterterrorism capabilities facilitated by better integration of the individual, still largely stovepiped, components of the U.S. government counterterrorism system

Chapter 13: Support to the U.S. Special Envoy to Sudan

A. Introduction and Approach

In March 2009, President Obama appointed Major General Scott Gration, USAF (Ret.) as U.S. Special Envoy to Sudan (USSES), noting that "Sudan is a priority for this Administration, particularly at a time when it cries out for peace and for justice. . . [General Gration's] appointment is a strong signal of my Administration's commitment to support the people of Sudan while seeking a lasting settlement to the violence that has claimed so many innocent lives."[104]

The Project on National Security Reform assisted USSES by providing advice on forming an interagency team as well as help in identifying and leveraging U.S. government and international resources. In addition, PNSR is preparing to provide advice on integrating interagency planning for Sudan.

Specifically, PNSR has developed a comprehensive draft USSES charter, a description of what the USSES can accomplish under existing authorities, and additional authorities needed to effectively operate in the current system. PNSR is studying interagency planning models and experiences (e.g., the National Counterterrorism Center and the State Department Coordinator for Reconstruction and Stabilization) to generate planning recommendations for the USSES. Additionally, the team is developing tools, such as a foundational "system map" (i.e., a comprehensive depiction of the people, groups, populations, and other entities that significantly influence the geopolitical environment) that will serve as a resource to facilitate interagency collaboration and planning. The PNSR team plans to document these processes and models to capture lessons and best practices that can be applied to similar efforts.

B. Problem Statement

The continuing challenge of organizing to address the situation in Sudan provides a clear example of the U.S. national security system's inability to routinely coordinate and integrate efforts across functional departments and agencies, even when the mission clearly requires it. The complexity surrounding the dire humanitarian situation in Darfur, urgency to end the conflict, a fragile north-south peace agreement, and the need for a productive counterterrorism relationship with Sudan's government demands a holistic approach that integrates all elements of U.S. national and international power.

The USSES case study demonstrates the difficulty in delegating presidential authority within the current interagency system. While the USSES case is ongoing, it is clear the case study will be informed by three different approaches that have achieved limited effective interagency cooperation in the past: the lead agency approach, the czar or special envoy approach, and the interagency policy committee approach.[105]

Special Envoy Gration and his USSES team have characteristics of a "lead agency" approach. First, Special Envoy Gration reports to both the secretary of state and the president, contributing to the problem of an overburdened president who is routinely pulled into crisis management at the expense of strategic end-to-end management. Second, the USSES faces the challenge of having no authority to compel cabinet-level collaboration. Third, lead agencies are not able

104 White House, "*President Obama Announces Major General Scott Gration as U.S. Special Envoy for Sudan",* March 18, 2009.

105 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 188-194.

to appropriately fund interagency missions because they have limited control over resources maintained in separate stovepipes.

The President's Special Envoy to Sudan and his team face many challenges. First, the USSES faces the challenge of existing completely independent from the National Security Staff. Second, instead of benefiting from established policy formation, management, and implementation processes and statutory authorities, the USSES and other envoys derive power from proximity to the president. As a result, they depend ultimately on continuing presidential support and engagement.

The effectiveness and speed of the USSES depends heavily on the interagency policy committee (IPC) approach to developing policy, which is politically encumbered in three ways. First, the IPC model has been hampered by the problem of stovepiped departments sending representatives inclined to protect their home organization's bureaucratic equities. Second, the IPC model has not proven to be a reliable method for the production of coherent policies (e.g., Iran in the 1970s, Panama in the 1980s, and Iraq in the 1990s). For example, it has been more than six months since the policy and strategy review process for Sudan began. Third, even when it has been able to produce coherent policies, the IPC model often cannot overcome powerful departmental and agency forces during the implementation process.

In *Forging a New Shield*, PNSR recommended creating "genuine" interagency teams to help compensate for the inability to delegate presidential authority within the interagency system. PNSR has therefore sought to shift USSES away from lead-agency/special-envoy/IPC models to what might be called a "special envoy interagency team" approach that could more effectively tap into the larger national security interagency system. The USSES case allows PNSR to examine, through firsthand observation, new strategic, organizational, and leadership models that fuse three different approaches instead of relying on one.

C. Recommendations and Strategic Impact

Establishing the USSES as an empowered interagency team with a whole-of-government approach can help develop a holistic and integrated U.S. approach to the situation in Sudan. It will improve prospects for greater near-term stability and a more lasting peace. Furthermore, the USSES could provide a model for applying the PNSR-designed interagency team approach to other priority national security issues currently being managed by czars and special envoys.

Chapter 14: National Preparedness System

A. Introduction and Approach

Addressing the domestic dimension of national security, *Forging a New Shield*, observes that "because state and local governmental authority exists independent of the federal government, a much more collaborative networking approach is required for homeland security issues." The fundamental challenge is to ensure that the evolving 21st-Century U.S. national security system adequately reflects the political reality of three levels of American government with shared sovereignty over our common territory. The United States needs *intergovernmental* structures and processes that prepare for and execute homeland security missions effectively and efficiently.

In the summer of 2005, the United States experienced major structural and process failures in preparing for and responding to Hurricane Katrina. In an attempt to address this inadequacy, Congress passed the 2006 Post Katrina Emergency Management Reform Act (PKEMRA). Among other things, PKEMRA formally defined a National Preparedness System (NPS), which provides the latest statutory foundation for intergovernmental and interagency homeland security and emergency management partnerships. While acknowledging the many improvements that have resulted from the ongoing implementation of NPS, the PNSR Homeland Security Team has found a number of areas that require correction.

B. Problem Statement

In a white paper titled "Recalibrating the System: Toward Efficient and Effective Resourcing of National Preparedness," the PNSR Homeland Security Team identified two specific areas needing attention: (1) unresolved conflict over all-hazards risk in national preparedness; and (2) inadequate capabilities for state/local-level catastrophic operational planning.

Unresolved Conflict over All-Hazards Risk

The identification and assessment of potential risks directly drive the appropriate determination of preparedness capabilities—and any gaps—to meet those risks. These conditions in turn shape the guidance used for homeland security grants and the jurisdictions included in the grant process. The key issue is how the federal government, states, localities, and other mission partners reach agreement—or not—on risks: where and how that will occur and who should lead or facilitate the necessary consensus-building.

Despite recent noteworthy improvements, the three levels of government- federal, state, and local- still lack effective structures and processes to facilitate effective collaboration in reaching agreement on the prioritization of risk and the allocation of resources. This failure remains a fundamental problem for the NPS. State, tribal, territorial, and local governments typically do not develop capabilities for resourcing preparedness beyond the high-probability risks they identify. Officials at these jurisdictional levels find it difficult to justify to their constituents funding preparedness efforts for low- probability, high-consequence events or situations regardless of federal requirements. This difference in perspective thwarts effective intergovernmental catastrophic operational planning, which is a prerequisite for clarifying roles and responsibilities, accurately assessing capabilities, and establishing resource requirements that contribute to driving grant applications and awards.

Inadequate Capabilities for Catastrophic Operational Planning

In order to provide accelerated operational support for national or regional high-consequence catastrophic contingencies, the federal government must conduct detailed, pre-incident planning. For federal officials, high-consequence, threat-based risk must inform scenario-based planning. From the perspective of state and local authorities, the federal government requires preparations for scenarios that state and local officials do not consider pressing or deserving of high priority given their limited financial resources.

This disconnect highlights a fundamental problem for the NPS. Without scenario-based catastrophic planning at the state and local levels, the federal government does not have assurance that state- and local-level capabilities and operational readiness will achieve the necessary preparedness. While the federal government expects all states to do catastrophic operational planning, many states do not have the capability, let alone the will to do so.

FEMA's Comprehensive Preparedness Guide 101 (CPG 101) of March 2009 suggests that collaboration among intergovernmental and interagency preparedness partners for catastrophic operational planning occurs best at the regional level rather than at the federal or state level. Thus, for FEMA, the regional level has the potential to become the nexus where federal, state, and local preparedness would align.

C. Recommendations and Strategic Impact

As the executive agent of DHS, FEMA should execute its collaborative interagency and intergovernmental NPS responsibilities at the regional level via cooperative agreements with the states in that region. To fulfill such collaborative responsibilities, the federal government should resource the Federal Preparedness Coordinator (FPC) with appropriate staff to facilitate joint interagency/intergovernmental catastrophic planning units funded by an annual DHS/FEMA appropriation. These planning units should build on existing regional structures and seek to streamline and integrate existing catastrophic planning efforts in a region.

The goal is not to create yet another task force or council. It is to resource, empower, and integrate, when appropriate, existing structures to perform statutorily defined missions. Efficient and effective performance requires strong participation and influence from states and local jurisdictions. In particular, the focus of these FPC-facilitated planning units would be to ensure that operational plans are in place for catastrophic events for which a state or local area may otherwise lack the resources to plan, especially given the low probability (if high consequence) of such an event. Federal assistance would fund the working group to enable it to secure non-federal representatives for Intergovernmental Personnel Act (IPA) mobility billets and provide their parent agencies and organizations with reimbursement, thus allowing them to maintain their own full-time employee (FTE) levels. Finally, where the working group partners identify regional and national catastrophic capability gaps, they would use this information to inform regional and state applications for preparedness grants to reduce or eliminate those gaps.

Chapter 15: National Security Collaboration Environment Pilot

A. Introduction and Approach

The U.S. national security system still relies on telephone calls, messenger services, and copying and fax machines, while the rest of American society has moved into the 21st Century. Certain departments and agencies employ more advanced information technologies, but the ability of national security bodies to exchange essential data and collaborate across organizations remains inadequate due to the continuing prevalence of outdated policies and practices.

PNSR has previously identified several imperatives for a reformed national security system—including a learning environment: that allows the system to make rapid, informed, and effective decisions, and whose innovative national security team takes decisive action. All reform imperatives require that the system not only allow but also actively facilitate collaboration with all anticipated and unanticipated mission partners. An online, real-time collaborative environment would provide an essential tool for improving the flow of knowledge and information within a reformed system.

The PNSR National Security Collaboration Environment (NSCE) pilot project provides an opportunity to consider how to begin to broaden and deepen information sharing across the national security community. A critical component of the NSCE is a virtual space for interagency collaboration and leveraging of partner expertise. It would ensure that the information required for national security missions becomes more available, understandable, useable, secure, and trusted. The NSCE would transform information and knowledge from things to be "owned" to strategic assets to be "shared." Implementation of the NSCE would improve how people work and understand collaboration.

The ability to access information and collaborate across the national security community is readily available. Improved procedures would considerably assist departments and agencies in achieving national security goals without disrupting ongoing operations. By employing existing tools, the government can realize comprehensive and timely national security collaboration. Any new technological approaches should be compatible with all mission partners' needs, both public and private, and evolve to meet future requirements.

B. Problem Statement

The PNSR NSCE pilot project would contribute to solving two related problems. First, it would reduce general impediments to the flow of essential knowledge and information. All too often, the national security system does not know what it knows. Information is shared poorly at all levels; frequently lessons are neither learned nor retained; the transfer of knowledge is inhibited; achieving situational awareness is difficult; and current data systems are limited and outdated. The NSCE pilot project would address facets of all these problems. By facilitating collaboration in a continuously adapting, flexible manner, a more robust collaborative environment would improve situational awareness, empowering key players to act more rapidly and effectively.

Second, the NSCE pilot would help solve the specific problem that national security departments and agencies do not function as an integrated community. The absence of a collaboration environment and an information sharing culture reinforces bureaucratic stovepipes. For example, staffs supporting Principals and Deputies Committees (PC/DC) cannot effectively manage meeting schedules, disseminate read-ahead materials, or locate essential expertise. Principals and deputies rely upon faxed read-ahead material that tends to be delivered late, or is superseded by

new or revised products that are not available until minutes before departing to the meeting. This situation prevents sufficient meeting preparation and impedes informed decisionmaking.

C. Recommendations and Strategic Impact

The understanding of collaboration is by no means new – the same types of virtual spaces exist today. The newer generation of government workers will come to expect to be able to share relevant information, and they will also expect the government to facilitate and support that ability.

Collaboration environments generally include:

- Data services (information repositories in which data is categorized appropriately so that they can be found)
- Functional services (the necessary framework within which the environment operates)
- An information registry (listing all available services)
- Security services (standards, specifications, and an architecture to control data access)
- Discovery services (search engines that find targeted information according to specified criteria)
- Portal/browser (displays information from multiple perspectives to promote comprehensive understanding by users)

A genuinely real-time online collaboration environment would establish a technological and cultural foundation for enhanced national security collaboration. PNSR is currently exploring both near-term and longer-term strategies to facilitate creation of an NSCE. Like other pilot projects, the NSCE must simultaneously address a problem and implement a concept while not threatening the core interests of those it aims to help. More positively, the NSCE pilot must advance the general national security reform agenda by, among other contributions, publicizing the importance of collaboration environments throughout the U.S. national security community.

A mature NSCE would include the full range of tools and capabilities needed to reach PNSR's vision of enabling the national security system to capture, leverage, and extend an institution's knowledge and intellectual capital so that actors have the information they need.

Some departments and agencies already have basic collaboration environments. For example, the Intelligence Community has IntelLink, while the Department of Defense has Defense Knowledge Online. Other departments and agencies are developing collaboration environments. The NSCE would have the ability to connect these individual environments. By making greater use of existing capabilities, the U.S. government could develop a basic NSCE that could be later expanded and updated further according to users' changing needs and resources. A smaller group of early adopters—namely, the attendees and organizers of PC/DC meetings—could be provided an initial NSCE capability within weeks.

From its inception, PNSR has designed the NSCE pilot project to be adaptable, extendable, and capable of evolving to meet user needs. Even a basic NSCE would significantly reduce time delays, version control problems, and scheduling challenges currently experienced throughout the national security system. Preparing for interagency meetings would become easier for both attendees and organizers. Participants would have the information needed to make more informed decisions.

Just as individual departments and agencies would connect into the NSCE, homeland security communities would connect with federal information environments. In dealing with the needs of the state, local, tribal, and territorial communities, the NSCE would become part of a much larger collaborative network. The distinct security and privacy concerns of all entities would be addressed appropriately.

The PNSR NSCE pilot would achieve the following:

- Improved PC/DC preparation and coordination
- Creation of an interagency roster of subject matter experts and other points of contact
- Superior scheduling capability

To move this collaboration environment forward, PNSR is currently engaging with key information providers and national security information users who might support and participate in an initial NSCE. PNSR is also working with homeland security partners to enhance their collaboration with the national security community at large.

Chapter 16: Cost Estimates

A. Costing National Security Reform

Cost is a key element to consider in reform efforts. Although costing PNSR's recommendations is a complex and long-term task, it is possible to identify cost factors and discuss costing for the significant initiatives now under way. It is already apparent that the financial costs of national security reform are a relatively insignificant expense compared to the mid- to long-term return on investment in terms of our national well-being. It is clear, too, that national security reform would save lives and treasure by creating an interagency system that makes sound, well-informed, whole-of-government decisions and executes them faster. This approach fosters governmentwide collaboration on shared objectives and action, and it expends scarce resources more efficiently and effectively by focusing on high impact objectives at the strategic level, avoiding potential crises and mistakes, and better dealing with the urgent daily crises driven by the 24/7 news cycle.

The key cost factors in national security reform are human resources (personnel and their training and education), facilities and equipment, and technology, including security. The PNSR Significant Initiatives in this report illustrate differing requirements and potential costs. To date, with what is known, they range from no apparent cost to several million dollars, as highlighted by the following observations and further analysis.[106] In each case, the initiatives would have many expected strategic impacts, significantly improved policy outcomes, and cost savings that far outweigh initial implementation and annual resource needs.

The PNSR study of the Directorate of Strategic Operational Planning (DSOP) at the National Counterterrorism Center (NCTC) is focused on the planning and decisionmaking processes associated with end-to-end management of the counterterrorism mission. At this point, PNSR does not foresee any additional costs to the U.S. government as a result of implementing the study's recommendations.

The type of interagency team illustrated by our suggestions for General Scott Gration's Sudan interagency team is another low-cost model of reform. While greatly enhancing the quality of attention from interagency expertise brought to bear on the issue, any additional cost is under $1 million in personnel costs on an annual basis, as current government personnel are mostly assigned to the team. The cost would be more if the team was not housed in an existing agency space, due to technology security costs.

The National Security Staff Design initiative suggests a more robust dedicated staff to carry out new core management tasks, especially in strategic management of end-to-end processes of the national security interagency system. This more robust staff recommendation does not yet carry a specific number, but additional direct-hire personnel and their associated costs would carry annual costs. We have identified the new staff core management functions and a series of necessary best practices and now are assessing the current National Security Staff to determine whether there is the dedicated staff capacity to carry out the strategic end-to-end management functions on a full-time basis. To the extent that a need for additional staff capacity is identified and additional National Security Staff structure is required, we will cost this initiative accordingly.

106 PNSR used a number of sources to generate potential cost information, including 2009 Federal Government Pay Scales, Operational Research Consultants, *GSA Advantage,* General Services Administration, 13 Aug. 2009, <https://www.gsaadvantage.gov/advgsa/advantage/search/search.do?contract=GS-35F-0164J&sin=132+60B>, government facility cost information, 18 Aug. 2009, <http://ofee.gov/sb/state_fgb_3.pdf>, and equipment cost information at Office Max, 1 Sept. 2009, <http://www.officemax.com/>.

The National Security Collaboration Environment (NSCE) Pilot illustrates the equipment and technology side of national security reform. In one case, the development of the collaboration environment can take place entirely on a volunteer/donation basis. The second case has an upfront cost of $5 million to build a collaboration environment from scratch, with a per year maintenance cost of $1.5 million.

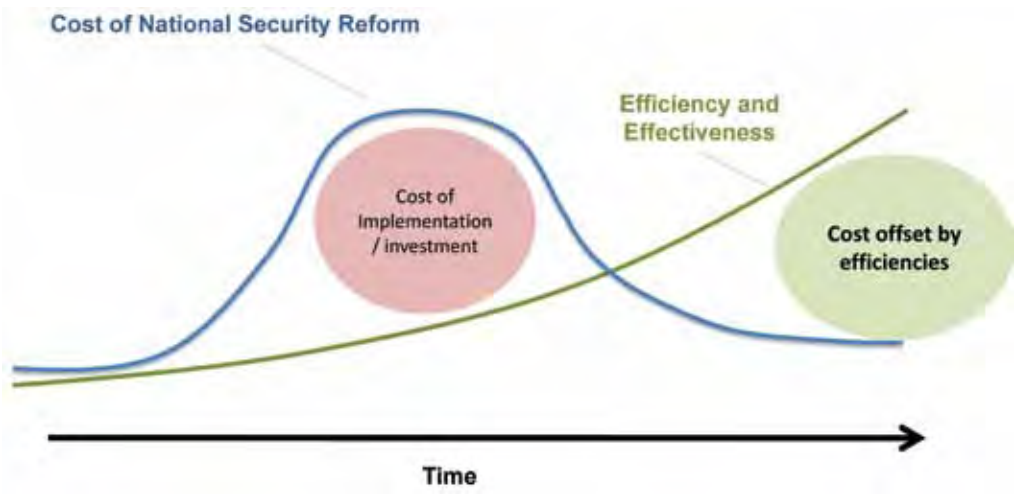
The National Preparedness System (NPS) has the most specific numbers at this point, totaling about $14 million annually. The costs are for personnel, equipment, training, and security.

The Next Generation State Department will be the most costly of the current set of initiatives. Larger numbers of additional personnel are expected to be required, along with increased training and education. Facilities and equipment could be cost factors as well. The study is not yet developed sufficiently to provide specific numbers.

B. PNSR Underlying Assumptions Related to Long-Term Cost and Savings

Identifying underlying assumptions is crucial to assessing the cost and potential impact of an initiative. In identifying cost factors for reform initiatives, it can be assumed that the costs of implementation are incurred at the onset of each initiative and that savings come slowly with time resulting from greater overall efficiency and effectiveness in the allocation of scarce resources for national security missions. This assumption is illustrated in the model below:

Figure 8: Cost Saving over Time



As an organization goes through the process of transformation, its basic work continues. Thus, the cost of the change is additive, particularly if the reform effort requires parallel operations to establish the new capacity while the national security entity continues to focus on continuity of operations. In order for transformation to be successful, the organization's very best people must be devoted to the effort. To support this, the organization must receive appropriate resources (e.g. position, people, and funds) for a period of time. That period of time begins when the reform project starts and can last until 3-5 years after the transformation is completed (although usually at reduced levels of temporary resources) and a steady-state condition is achieved. Extensive experience in government and private-sector transformations confirms that it takes several years for the new ways of doing business to become inculcated into the fabric and culture of the organization and for employees to understand them well enough to begin to make efficiency gains

in the allocation of resources and gains of effectiveness in policy outcomes. Even then, it is likely that personnel and some operations and maintenance (O&M) costs will remain higher than the period before the reforms, but efficiency and effectiveness gains can offset them in large part or entirely.

PNSR's whole set of recommendations in particular, due in part to their creation from a thorough analysis of the problems of the current national security interagency system, involve very low or no-cost policy changes and realignments of authority that can effect substantial change. The current national security system has already created and resourced a number of interagency entities but has not empowered or resourced them properly. If the PNSR recommendations deliver improvements in unity of purpose and effort, the savings over time in terms of increased effectiveness and efficiency alone will more than make up for costs related to personnel and organizational support. The reformed system will align resources by funding integrated national security missions over narrow department competencies, thereby establishing a larger sense of accountability and authority over resources and personnel that will reduce waste. The national security interagency system, focused on whole-of-government national security missions, will be more preventive and situationally aware, decreasing the amount of money spent on risk mitigation versus risk avoidance and daily ad hoc crisis management.

Some have objected to comprehensive reform efforts due to their supposed cost. Though costing the specific reform efforts of PNSR in detail at this time is extremely difficult, it is obvious that the government and the people of the United States have already paid high costs for the national security system's current inability to produce desired outcomes. Events such as the attacks of 9/11 and Hurricane Katrina have placed system shortfalls in the harsh spotlight of the media, generating questions as to how money is being spent, both in the anticipation and prevention of such events, and in responding to them. The price of reform pales in comparison to the enormous costs of another attack, disaster, or other national security calamity. The nation, both financially and emotionally, cannot afford to run the risk of another system failure.

C. Extended Cost Description of Selected Key Initiatives

The more advanced development of some key initiatives has allowed for additional cost analysis. The National Preparedness System (NPS), National Security Collaboration Environment (NSCE) Pilot, and Sudan Task Force initiatives are described below in terms of the relationship between their function and projected cost.

1. National Preparedness System (NPS)

Establishing a National Preparedness System (NPS) would empower and leverage current and evolving efforts by the Federal Emergency Management Agency (FEMA) and its mission partners without having to establish entirely new mechanisms. The Department of Homeland Security (DHS)/FEMA can effect this recommendation under existing authorities. They can do so by:

- Reprogramming FY10 program funds to develop the concept, program estimate, and implementation plan.
- Inserting into the FY11 budget submission a line for an annual program appropriation for standing regional FPC-led catastrophic planning units.

The costs of establishing the NPS as a functioning system are very preliminary. Implementing the initiative would require the assistance of all intergovernmental levels. The total preliminary

cost estimation is approximately $14 million per year. The first year, FEMA would reprogram $7 million dollars, and then it would be $14 million in the subsequent years.

The primary cost will be the personnel required to staff the standing working groups in the ten regions. The ten regions will require ten new personnel per region. It is estimated that each new person will cost $120,000 per year fully burdened. With ten regions, each requiring ten new people at a cost of $120,000, the expected cost will be $12 million in personnel costs. The new personnel hires will not be federal employees but rather state and local employees who are funded by federal money via reimbursement under the Intergovernmental Personnel Act (IPA) mobility program. It is hard to estimate the exact costing for the personnel because, not only is it still too early to determine the exact number of GS levels that will be hired, but also because each region will have a different GS pay scale.

The facilities will be federal buildings that already exist throughout the country. It is too early to tell how much the cost will be for rent, especially since rent varies tremendously throughout the country. In addition, it is premature to determine exactly how much equipment, training and security will cost, but the initial estimate is $2 million annually, which when added to the estimated $12 million annual increase in personnel totals $14 million per year.

2. National Security Collaboration Environment Pilot

Successful pilot projects have multiple goals in mind. In the case of the development of a National Security Collaboration Environment (NSCE), not only must the pilot project prove that a concept can be transferred into and is scalable for operational reality, but it must also have the ability to extend to meet future technical needs for users. Another important facet of pilot development and implementation is ensuring that the cost of the pilot and its consequent extension are estimated and valued appropriately.

The NSCE can be developed in two different ways, resulting in different cost estimations. In one case, the development of the collaboration environment can take place entirely on a volunteer and donation basis. The second case has an upfront cost of $5 million to build a totally new collaboration environment, with an annual maintenance cost of $1.5 million.

The first option requires that a government agency provide the network and security, while various other agencies would supply support and access. Regarding this pilot project, these contributions have already occurred. The downsides to this option are: (1) the bandwidth of the collaboration environment would depend on the amount of space donated by the organization; (2) expanding and evolving the collaboration environment to meet the needs of future users would be extremely difficult since all changes must go through a user-based process, as well as through the different support organizations; and (3) this option would ultimately require a changeover to a more independent system in the long term. The main benefit to this method is that the start-up time would be less since those involved will be using a familiar and trusted network as a proof of principle for the national security interagency system.

The second option would give control of the development process to a specific community of users. This alternative would cost approximately $5 million in start-up costs. The benefits of this option are: (1) customization to the national security community gives it an unmatched scalability and extension to meet future needs; (2) flexibility both in the short and the long term; and (3) it would have an enduring impact that would not require a future changeover.

A $5 million originating cost is negligible considering the expected return on investment. This environment is designed to dovetail eventually with other currently existing collaboration environments within the government, as well as easily introduce users from the homeland

security community and other unanticipated mission partners. A mature NSCE would include the full range of tools and capabilities needed to enable the national security interagency system to capture, leverage, and extend the system's institutional knowledge and intellectual capital so that those who must act have the information they need.

The knowledge and intellectual capital team at PNSR strongly suggests that the national security community commit to the second option of developing an initial collaboration environment capability that can expand to a common capacity for the full national security interagency system in the future. The long-term benefits of developing a customized environment far outweigh the economic arguments for choosing the financially less expensive but far less functional option.

3. Sudan Interagency Team

The identified capabilities required for the U.S. Special Envoy to Sudan (USSES) to become an empowered interagency team include: (1) obtaining appropriate authorities; (2) acquiring interagency personnel and facilities necessary to form an interagency team; and (3) conducting end-to-end management for the U.S. mission in Sudan. Acquiring appropriate interagency personnel and facilities appears to be the only function with significant associated costs.

Empowering the USSES as an interagency team would come in the form of a signed charter from the president. There would be no resource costs associated with this initial step. Furthermore, leading the interagency community in developing policy, strategy, and plans for the mission in Sudan can be accomplished through existing interagency fora and does not have additional associated costs.

The majority of staff that would be necessary to populate the USSES team would come in the form of personnel detailed from interagency stakeholders. Approximately four additional full-time personnel would be required to staff the USSES and would include subject matter experts as well as functional experts in areas such as interagency planning. The four additional staff members would cost less than $600,000, which would include travel costs for an estimated four trips to Sudan.

The primary cost associated with this initiative would stem from a decision to place the USSES interagency team outside of the State Department. Office space and equipment for an estimated staff of ten would cost approximately $300,000 per year. Initial and refresher training may be required to fulfill the planning function and would come at an estimated cost $65,000.

Depending on the office space, digital security may be a requirement and would incur the largest expense at nearly $1 million per year for application connection, maintenance, issuance of eAuthentication, and the cost of cryptographic service provider usage. This cost could be avoided if the USSES were housed in an existing agency within the interagency space (above the departments and below the president) such as the Executive Office of the President.

Included in the authorities granted to the leader of the interagency team would be the authority to request logistical support from departments and agencies under the Economy Act. Logistical support from the Department of Defense in the form of aircraft and other support would come at a cost of approximately $2-3 million per year.

Overall, this initiative would have an initial annual cost of nearly $2 million. The majority of this cost could be avoided by housing the USSES interagency team in an existing agency in the interagency space. Regardless, the benefits associated with the formation of an interagency team for Sudan would far outweigh any associated cost. The formation of an interagency team for Sudan would help to achieve a whole-of-government approach and eliminate overlaps and gaps

in policy and resources to the greatest extent possible. A successful mission in Sudan would lead to significant and immeasurable long-term savings by contributing to stability within Sudan and ensuring a productive relationship on a variety of issues in the future.

Part IV: Conclusion

Progress Toward Reform

National security reform is not yet on the national front burner, but progress is under way. Current momentum must be sustained and reinforced. Actions by the Obama administration are promising signals of intent; early decisions and directions lay the groundwork for significant reform.

Announcements from President Obama and his national security and homeland security advisors make it clear that the national security system must be broadened and changed to meet the challenges and opportunities of the 21st Century. Specific steps the Obama administration has already taken to create greater integration, collaboration, agility, transparency, and accountability include its expressed desire to:

- Transform the National Security Council to meet the realities of the new century.
- Expand the notion of what is included in 21st-Century national security issues and missions.
- Expand membership of the National Security Council and invite additional participation on an issue-by-issue basis.
- Focus interagency processes on the interests of the nation as a whole.
- Expand the role of the national security advisor.
- Focus the National Security Staff on "strategic" matters.
- Establish directors for national security affairs in departments and agencies.
- Create a common alignment of world regions.
- Emphasize monitoring of strategic implementation.
- Create "action groups" (i.e., interagency teams).
- Achieve effective information sharing and access throughout the government.

In addition, some departments, such as State and Homeland Security, have announced moves toward better integration of their own functions and alignment of resources.

Good intentions, however, are not enough. Much work lies ahead in establishing new offices and interagency systems, changing the entrenched culture of stovepipe bureaucracy and decisionmaking, improving communication and collaboration, building a national security personnel system, and gaining greater institutional continuity across administrations, to name just a few. What remains to be developed is the capacity of the National Security Staff to create and maintain strategic management of end-to-end processes of the national security system, with planning guidance, resource alignment, and implementation continually flowing through the system in support of national security missions. More holistically, the country must transform its entire approach toward national security, addressing these questions from a whole-of-government perspective. As described in this report, the work in the Executive Branch has begun and the intention is there. Now more action is needed to make reform comprehensive and enduring.

Congress, too, has begun to promote national security reform, though in a less concentrated fashion. Some individuals and committees have demonstrated agreement with the need for reform and more integrated oversight of national security missions through hearings or legislation, such as the House Foreign Affairs and Senate Foreign Relations rewrites of the 1961 Foreign Assistance Act by the committee chairmen. The intention to reform foreign assistance exists, but there is no groundswell. In the case of integrated oversight, such comprehensive jurisdictional change remains difficult for Congress. As yet, a determined leader has not stepped forward to embrace the eventual goal of a major national security reform act, although steps made along the way can prove fruitful. The complexities alone of the situation in Afghanistan and its region provide a daily reminder on Capitol Hill of the pronounced need for aligning and integrating strategy and resources. National security reformers hope that the obvious need for comprehensive reform will beget the necessary leadership.

We are ahead of where we were last year. The signs point in the right direction. The process of reform will take several years. Steady but significant progress year by year will pay huge dividends as the national security system begins—on a number of fronts—to attune to the challenges and opportunities of the 21st Century.

Next Steps

Key decisionmakers can take specific steps to advance the capacities of the national security system. Each step would have a significant impact on moving toward an integrated, collaborative, and agile system. Their collective impact would be synergistic and major. Steps that each key decisionmaker could take are listed below for consideration.

A. President

- Articulate principles to guide the functioning of the national security system.
- Issue a presidential letter to heads of departments and agencies articulating presidential expectations for the national security interagency system, primacy of national missions and outcomes, and imperative for integrated effort, collaboration, and agility.
- Issue a presidential letter to chiefs of mission prescribing their authority as national representatives.
- Issue a presidential letter to heads of departments and agencies regarding the authority of chiefs of mission.
- Sign an executive order on the national security interagency system to define the interagency space, set forth presidential expectations for interagency integration, establish functions of the national security interagency system and key personnel, and provide continuity for fundamental aspects of the system across administrations.
- Sign a presidential directive prescribing the duties of the assistant to the president for national security affairs.
- Sign a presidential directive establishing the duties of the senior director for strategy development on the National Security Staff.
- Sign a presidential directive to establish a National Security Strategy Development Board to strengthen the development of national security strategy and associated planning and resource guidance.

- Sign a presidential directive prescribing the role and authorities of interagency teams established to address the most pressing national security issues that require integration of expertise, capabilities, and resources across departments and agencies.
- Approve a charter for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.
- Include in the President's Budget Request funding sufficient to enable the National Security Staff to perform its four major roles.

B. Assistant to the President for National Security Affairs

- Adopt strategic management of end-to-end processes—including formulating policy, developing strategy, aligning strategy and resources, preparing integrated plans, overseeing execution, and assessing performance of the national security interagency system—as one of the principal roles of the National Security Staff.
- Organize the National Security Staff to enable it to perform the four major roles of strategic management of end-to-end processes, development of the national security interagency system, crisis management, and presidential staffing.
- Advise the president on the requirements for funding, personnel, facilities, and modern information sharing technology to enable the National Security Staff to perform its four major roles.
- Provide sufficient personnel to enable a strategy directorate to (1) lead efforts to conduct the National Security Review and prepare the National Security Strategy and National Security Planning and Resources Guidance (the latter in collaboration with the Office of Management and Budget) and (2) support each senior director on the National Security Staff on development of strategy within his or her area of regional or functional responsibility.
- Request the director of the Office of Management and Budget to assign one or more personnel to the strategy directorate to assist in efforts to better align resources with strategy.
- Create a Homeland Security Collaboration Committee on the National Security Staff to ensure appropriate consideration of the perspectives of state, local, tribal, and territorial governments and private-sector and non-governmental organizations in the formulation of homeland security policy.
- Approve a written position description for each position on the National Security Staff.
- Approve a charter for each Interagency Policy Committee.
- Approve schedules for the annual work of the Principals Committee and Deputies Committee involving major milestones and recurring weekly meetings.
- Direct the use of modern information sharing technology to improve collaboration between the National Security Staff and departments and agencies.

- Ensure that the National Security Professional Development Integration Office is sufficiently empowered to execute its mission to educate, train, and prepare personnel to serve in interagency assignments.
- Create an office on the National Security Staff to manage national security reform.

C. Director of the Office of Management and Budget

- To complement the creation of a single National Security Staff, transfer the Homeland Security Branch from General Government Programs to National Security Programs.
- Assign one or more personnel to the strategy directorate of the National Security Staff to assist in better aligning resources with strategy.
- In collaboration with the assistant to the president for national security affairs, prepare the National Security Planning and Resource Guidance for the president's approval.

D. Secretary of State

- Adopt integrated end-to-end management of global civilian affairs as the principal role of the Department of State.
- Transform the structure, processes, culture, and staff capabilities of the Department of State to enable it to perform integrated end-to-end management of global civilian affairs.
- Prescribe mandatory training, including training in team dynamics and conflict resolution, for each person to be assigned to a U.S. embassy staff.

E. Secretary of Defense

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Strengthen the role of the National Defense University in education of personnel who will serve in interagency assignments.
- Determine an appropriate role for the U.S. Joint Forces Command in training interagency personnel for multiagency operations.

F. Secretary of Homeland Security

- Develop a National Operational Framework for interagency and intergovernmental operational integration across the full range of the homeland security continuum, building on existing plans and frameworks.
- Establish an Office of Intergovernmental Coordination in the Office of the Secretary to work with state, local, tribal and territorial governments on all matters.
- Establish in each region of the Federal Emergency Management Agency a joint interagency, intergovernmental working group for regional catastrophic preparedness.

G. Director of National Intelligence

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Determine the proper role of the Directorate of Strategic Operational Planning of the National Counterterrorism Center in assisting the National Security Staff's strategic end-to-end management of the combating terrorism mission.

H. Congress

- Enact the National Security Human Capital Act to establish an interagency personnel system.
- Have subcommittees from two or more committees with national security jurisdiction hold joint hearings on interagency issues, including hearings on the performance of Provincial Reconstruction Teams in Iraq and Afghanistan, evaluation of Commander's Emergency Response Program (CERP) funds, reviewing the national security strategy submitted by the president, and strategic communications programs of departments and agencies.
- Enact a provision requiring the president to issue a charter, prior to appointment, for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.
- Enact a provision requiring the assistant to the president for national security affairs to assign to the office of each senior director on the National Security Staff a person who has been particularly trained and especially qualified in the art of strategy development.
- Request the president or secretaries of state and defense to conduct a study on each of the following subjects: (1) organizational impediments to achieving unity of effort for U.S. government policies and programs in Afghanistan and Pakistan; (2) the concept of creating an interagency regional center for each world region to perform national security missions assigned by the president; and (3) the need to establish a common alignment of world regions in the internal reorganization of departments and agencies with international responsibilities.
- Request the director of the Office of Management and Budget to conduct a study on each of the following topics: (1) the need to modify the resource allocation process to better align resources with strategic national security objectives; and (2) the utility of creating an integrated national security budget.

The Continuing Role of PNSR

PNSR has a singular focus: to be an indispensable resource for holistic reform of the U.S. national security system to meet 21st-Century challenges and opportunities. As such, our mission is to provide the government and its mission partners with the knowledge and tools required to transform the components of national security into an agile system that operates as an integrated, effective whole.

PNSR acts as an orchestrator and an enabler. Its leadership has outstanding experience in major national security reform efforts, such as the Goldwater-Nichols Act. Its staff has deep,

relevant government experience, ideas, and research expertise. PNSR can support and enable national security reform through its work and is prepared to assist government stakeholders in implementing national security reforms.

The next phase of PNSR's work entails supporting efforts on the steps proposed above and facilitating and assisting progress beyond those steps. PNSR is engaged in the following high-priority initiatives, all of which will continue into 2010:

- Analyze the core functions required for the National Security Staff to perform strategic management of end-to-end processes of the national security interagency system and assist in the establishment of a strategy directorate on the National Security Staff.
- Recommend means for linking resources with strategic objectives and developing processes to provide national security planning guidance.
- Initiate the use of modern information sharing technology by the National Security Staff and departments to improve collaboration and system response speed. Create a pilot capability for a National Security Collaboration Environment.
- Develop whole-of-government planning processes for combating terrorism, leveraging intelligence, and employing other national security tools to support effective NSC/HSC decisionmaking in partnership with the National Counterterrorism Center.
- Recommend enhancements to the State Department's management of civilian programs, personnel system, strategic planning and budgeting systems, and crisis-response capabilities.
- Assist in improvement of intergovernmental collaboration through a National Preparedness System for homeland security/emergency management planning and resourcing.
- Advise on development of an implementable charter for the U.S. Special Envoy to Sudan, creating an interagency team to support mission requirements, and developing an integrated plan to execute the strategy.
- Support congressional committee consideration of national security human capital issues for pending legislation.

New initiatives for 2010 will include:

- Prepare an estimate of the cost of systemic national security reform, pending establishment of agreement with the Congressional Budget Office.
- Develop a common interagency integrated planning model and related approval processes.
- Develop processes for producing National Security Planning and Resource Guidance related to national strategy.
- Help establish additional interagency teams in support of the NSC/HSC and staff.
- Advance the concept of creating an interagency center for each major world region.

Appendix 1: Legal Instruments and Supporting Analytic Memoranda

Part I: Introduction

Since the release of *Forging a New Shield* in November 2008, PNSR has focused on refining its thirty-eight recommendations for improving the national security system and determining how to implement them. A central component of this effort is translating the recommendations into actionable legal instruments such as statutory language, Executive Orders, Presidential Directives, and Congressional rules. This appendix compiles legal documents and supporting analysis drafted by PNSR as part of this effort.

The legal instruments and supporting legal analysis have been grouped in the following categories: (1) Presidential Statements; (2) Executive Orders; (3) Legislation; (4) Supporting Memoranda; and (5) Charters. Below are brief summaries of each document included in the appendix.

The majority of the legal documents contained herein reflect the current state of PNSR's recommendations, except where stated otherwise. Please note, however, that PNSR has been and will continue to develop legal instruments on a rolling basis and as such some of the legal instruments and supporting memoranda contained herein are works-in-progress and are subject to revision, refinement and change as the recommendations develop over time.

A. Presidential Statements

These documents focus on the organization of the national security system as a whole and are designed to set presidential expectations for interagency integration and to create guiding principles that endure across Administrations. These documents include a statement of national security system principles and Presidential letters to heads of departments and agencies and Chiefs of Mission.

Principles of the National Security Interagency System

This document articulates the major principles for the national security interagency system according to PNSR's analysis of systemic problems facing the national security system and is intended to serve as the touchstone for guiding the efforts of the wider national security reform community. These principles include that interagency unity of effort is imperative, the national security interagency system should indeed be managed *as a system* rather than as a collection of individual departments and agencies, and human and financial resources must be developed and aligned with the goals and functional requirements of that overall system.

Presidential Letters to Heads of Departments and Agencies

The first letter is intended to be sent by the President to heads of departments and agencies with national security responsibilities and emphasizes the need for departments and agencies to view themselves as part of the larger national security interagency system and to approach national security problems from a national rather than a department-specific perspective.

The letter serves two purposes:

- It serves to foster shared values among departments and agencies concerning the need for integration of department and agency capabilities, expertise, and resources in order to counter 21st Century national security challenges.
- It articulates the President's expectations for departments' and agencies' conduct so that the President may hold them accountable for performance.

Presidential Letter to Chiefs of Mission

The second letter is intended for the President to transmit to all United States Government Chiefs of Mission to emphasize their authority over U.S. personnel within their mission and to demonstrate the President's expectation that they facilitate a cohesive and integrated interagency effort within their mission.

Presidential Letter to Department Heads Regarding Chief of Mission Authority

The final letter is intended for the President to transmit to all department heads stating the authority of United States Government Chiefs of Mission over all U.S. personnel within their mission and demonstrating the President's expectation that they instruct their officers in country to fully cooperate with the Chief of Mission.

B. Executive Orders

Executive Order on the National Security Interagency System

This Executive Order is intended to fill a gap in the legal instruments governing the national security interagency system – namely that, despite the criticality of interagency integration to protect national security, the legal framework governing the interagency space is underdeveloped. This Executive Order is meant to be supplemented by derivative directives that set forth an enduring constitution for the interagency space. The best analogy for this document is Executive Order 12333, which has governed U.S. intelligence activities across multiple departments and agencies since 1981 and has achieved iconic status within the Executive Branch.

This Executive Order makes four novel and potentially transformative contributions.

- It defines the interagency space.
- It sets forth Presidential expectations for interagency integration.
- It establishes fundamental norms for phases and functions of the national security interagency system – including strategic planning and resource guidance, assessments, and the functions of key NSS personnel.
- It provides continuity for fundamental aspects of the interagency system across Administrations.

Because the Executive Order would be designed to endure across administrations, it would generally contain only fundamental aspects of the national security interagency system. Details of these fundamentals would be developed in subsequent presidential directives derived from the order.

Presidential Directive Establishing an Assistant for National Security Affairs to Manage the National Security System

PNSR recommends recasting the Assistant to the President for National Security Affairs – the so-called "National Security Advisor" – to play a more substantial role in managing the national security interagency system as a system, in contrast to its current management as a collection of autonomous departments and agencies. Constitutionally, only an "Officer of the United States" can wield "significant authority," and giving the National Security Advisor directive authority over departments and agencies would require statutory authorization. Indeed, the National Security Advisor is not even created in statute. However, the President may wish to give the National Security Advisor greater authority by presidential directive in the interim as he waits for Congress to act on the matter. Accordingly, we have drafted a presidential directive endowing the National Security Advisor with responsibility for overssing the end-to-end system management of the national security interagency system but *without* statutory authorization of the position.[1]

This directive would give the National Security Advisor authority over the following:

- *Overseeing the national security decisionmaking process* by determining agendas, attendees, and decisionmaking processes for NSC meetings, including Principals, Deputies, and Interagency Policy Committee meetings; chairing Principals Committee meetings; and reviewing adminstration officials' draft Congressional testimony on national security issues.
- *Directing strategic planning* by leading an initial national security review and developing subsequent national security planning and resource guidance.
- *Aligning strategy and resources* by developing annual resource guidance and assisting OMB to review departmental budgets to ensure compatibility with the national security planning guidance and national security resource guidance.
- *Building mechanisms for ensuring interagency integration* by identifying national security objectives and missions that require interagency unity of purpose and effort and recommending the establishment of interagency teams to meet those objectives and accomplish those missions.
- *Assessing performance* by advising the President on interagency efforts and identifying lessons learned on interagency integration and resource alignment.
- *Development of the national security interagency system* by assisting in the development of a "national security human capital strategy" and leveraging the knowledge and intellectual capital of the National Security Staff and the interagency.
- *Leading national security reform* by serving as the principal advisor to the President on national security reform efforts.

Presidential Directive Establishing Interagency Issue Teams

This directive establishes presidential priority issue teams to address the most pressing national security issues that require integration of expertise, capabilities, and resources across departments and agencies. These teams will be created by the President and will be led by a National Security Executive ("NSE") pursuant to a charter approved by the President. The NSE will draft a detailed plan to achieve the team's mission that integrates the expertise, capabilities, and

1 This directive expands upon some of the concepts outlined in the preceding Executive Order which pertain to the duties of the National Security Advisor.

resources of relevant departments and agencies. The plan will include specific goals, missions, timetables, resources, and metrics to determine success. Though the NSE will not have directive authority over departments or agencies, the NSE shall be empowered by the President to monitor implementation of the plan across the departments and agencies.

C. Legislation

Human Capital Legislation

This draft legislation codifies PNSR's human capital recommendations. The act contains five titles which set forth the components for national security human capital reform: 1) National Security Strategic Human Capital Plan, 2) Office for National Security Interagency Strategic Human Capital Policy and Planning, 3) National Security Interagency Workforce, 4) Enhanced Workforce Flexibilities, and 5) National Security Interagency Human Capital Improvement Fund.

D. Supporting Memoranda

Memorandum on the Merger of the National Security Council and the Homeland Security Council

To support PNSR's recommendation that the National Security Council (NSC) and Homeland Security Council be merged, PNSR prepared a supporting memorandum finding that such a merger could be accomplished, as a practical matter, through Executive Order. This memorandum was prepared prior to the conclusion of PSD-1 and offered one avenue for merger of the NSC and HSC without statutory amendment.

The Homeland Security Act authorizes the President to "*convene joint meetings* of the Homeland Security Council and the National Security Council with participation by members of either Council *or as the President may otherwise direct*."[2] This provision explicitly provides the President with a mechanism for convening a single, or "merged," meeting of the NSC and HSC, while vesting the President with limitless discretion for inviting whomever he desires.

Though the foregoing provision is limited to "meetings" of the councils and does not refer to the staff or substructures of each council, there is nothing to prevent the President from "dual-hatting" a single individual to serve as the executive secretary of both the NSC and HSC and from issuing an Executive Order to create a unified staff.[3]

Memorandum for the Establishment and Duties of the Assistant to the President for National Security Affairs to Manage the National Security System

This memorandum supports PNSR's recommendation recasting the Assistant to the President for National Security Affairs – the so-called "National Security Advisor" – to play a more substantial role in managing the national security system as a system. As stated previously, only an "Officer of the United States" can wield "significant authority," and giving the National Security Advisor directive authority over departments and agencies would require statutory authorization. Indeed, the National Security Advisor is not even created in statute. However, the President may wish to give the National Security Advisor greater authority by presidential directive in the interim as he

2 6 U.S.C. § 496 (emphasis added).

3 This memorandum was prepared prior to the completion of PSD-1 and represented one potential way to merge the NSC and HSC staffs without statutory change.

waits for Congress to act on the matter. Accordingly, PNSR has drafted a presidential directive, which this memorandum supports, endowing the National Security Advisor with responsibility for end-to-end system management of the national security system but *without* statutory authorization of the position.

Memorandum on Establishing and Empowering Interagency Teams Under Current Law

As with the memorandum recasting the role of the National Security Advisor, while PNSR has concluded that the President can create interagency issue teams that represent a significant improvement over current mechanisms, it has also concluded that the President cannot grant the leaders of such teams any formal authority over departments and agencies to compel action. Such formal authority can come only from statutory authorization. However, the President may wish to create such teams on an interim basis as he awaits Congressional action. Therefore, this memorandum concerns the duties and structure of such teams *absent* statutory authorization. This memorandum sets forth several steps that could be taken under current law to achieve the establishment of interagency issue teams.

Memorandum on the Relationship of the Assistant to the President for National Security Affairs and the Office of Management and Budget

In order to facilitate strategy/resource alignment, this memorandum, examines whether NSC staff could give direction to OMB officials. PNSR concluded that the NSC staff cannot have formal authority over OMB's Director and the two Deputy Directors because they are "Officers of the United States" and NSC staff members are not.

However, PNSR concluded that NSC staff can be given significant influence over national security budgeting and apportionment decisions through other methods. For instance, the President could direct that the budget guidance OMB provides to departments and agencies effectuate national security strategy as adopted by the NSC. The President could also require OMB to obtain NSC staff input by directing that OMB consult with NSC staff in the national security budget and apportionment processes.

PNSR's recommendations with respect to the integration of NSC and OMB operations are works in progress. PNSR will continue to refine and reshape these ideas in conjunction with OMB officials and other relevant stakeholders.

D. Charters

Sample Interagency Policy Committee (IPC) Charter

The IPCs have been established by the President as the working group-level policy committees in the NSC system. Each IPC should have a charter articulating expectations and standards for its missions, functions, memberships, and reporting requirements so that the IPC chair and members ensure that urgent matters do not overwhelm important long-term strategic activities. PNSR drafted a charter template which could be customized for each IPC's particular substantive area and circumstances.

The Charter specifies that the IPC's mission is to assist the National Security Advisor in managing the national security interagency system, provide day-to-day national security policy and strategy decision-making, oversee the implementation of those decisions, and identify and prepare issues for NSC Deputies Committee consideration. To ensure that IPC missions and functions are reviewed at least annually, each IPC charter shall expire after one year.

To fulfill this mission, the IPC's functions include ascertaining threats and opportunities related to its substantive area, assessing intelligence gaps and guiding intelligence activities, cataloguing relevant departmental and agency expertise, and developing implementation plans.

The IPC chair would prepare background papers, submit reports to the National Security Advisor and Deputies Committee concerning decisions required and pros and cons of policy options, provide input to the national security strategy, monitor performance of NSC, Principals Committee, and Deputies Committee taskings to departments and agencies, and produce performance assessments.

Part II: Presidential Statements

A. Principles of the National Security System

Guiding Principles

1. National missions and requirements must take precedence over those of departments and agencies.
2. The national security system must perform as a unified enterprise.
3. Shared vision, purpose, and effort are imperative.
4. The Executive Branch and Congress must work as partners.
5. The values and culture of the national security community must build trust and reward collaboration.

Implementation Principles

1. National security must be managed as a dynamic and complex system of systems.
2. Management of the national security system must explicitly address at all levels the end-to-end processes of (1) assessment of environment for threats and opportunities, (2) policy, (3) strategy, (4) alignment of resources with strategy, (5) planning, (6) implementation, and (7) assessment of performance.
3. Strategy formulation and planning articulate objectives, relate means and ends, and integrate all tools of hard and soft power into a smart power framework.
4. The president charges his principal assistant for national security (the Assistant to the President for National Security Affairs) to achieve unity of purpose, unity of effort and to ensure decisive, agile, and fast action.
5. Unity of effort requires integration of all instruments of national power and influence and extensive cross-departmental collaboration.
6. Delegate day-to-day multiagency issue management to interagency entities that are charged with and capable of effective national policy implementation.
7. The national security workforce is nurtured by proper incentives, effective recruitment, and robust education and training.

B. Presidential Letter to Heads of Departments and Agencies

Dear _____:

As we begin to confront the difficult challenges facing our Nation, I am writing to set out my expectations for the national security interagency system and your role within it.

The most serious national security challenges facing our Nation – including ending the war in Iraq, stabilizing Afghanistan and Pakistan, defeating terrorists, ensuring our economic prosperity, countering proliferation – do not fall within the jurisdiction of just one department or agency. Instead, success in all these missions will come only by integrating expertise, capabilities, and resources from across the Executive Branch. That interagency integration requires leaders who look beyond the interests of their respective departments and agencies to see the broader needs of the national security system and the Nation, and who can ensure that their departments and agencies do the same. I have chosen you to serve with me because I believe you are such a leader.

I envision a national security interagency process that is strategic, agile, transparent, and predictable, with assessment and feedback on strategic implementation – all in order to advance the national security interests of the United States. My expectations, highlighted in Presidential Study Directive 1 and the creation of the National Security Staff, are but the first steps in achieving this interagency national security goal. With the establishment of the strategy directorate in the National Security Staff, my staff will begin to provide a national security interagency strategy, along with planning and resource guidance for national security missions that will inform quadrennial budget reviews.

My expectation is that in every action you take or recommendation you proffer, the success of the national mission will always come first, irrespective of its perceived impact on your individual department or agency. When you are called upon to participate in an interagency endeavor, you or your designee must approach the matter as an officer of the United States.

In addition, I expect that you will place the highest priority on orienting your department or agency to ensure collaboration across the Executive Branch at all levels in fulfillment of national security missions. This may require some changes in how your department or agency has traditionally functioned, but I am confident that you will display the leadership necessary for doing so.

Finally, once a course of action is laid out, you will ensure that your department or agency executes it aggressively in an interagency context and without reservation despite any concerns that you or individuals in your department or agency may have previously expressed.

I have every confidence that, by integrating the expertise and capabilities across the Executive Branch, we will meet these unprecedented national security challenges and that the United States will emerge stronger than ever.

C. Presidential Letter to Chiefs of Mission

Dear _____:

As Chief of Mission, you have full responsibility for the direction, coordination, and supervision of all United States Government (USG) executive branch employees in your Mission, regardless of their employment categories or location, except those under command of a U.S. area military commander or on the staff of an international organization. Save for the activities of the personnel exempted above, you are in charge of and have statutory authority over all executive branch activities and operations in your Mission. In that regard you operate as an Officer of the United States and consequently have direct authority over personnel assigned to your post.

You are responsible for the close cooperation (and security) of all USG contractors as well as all TDY personnel. I have also sent a letter to all Non Governmental Organizations receiving funding from the USG, making it clear that their representatives in the field must closely coordinate their activities with you and your representatives.

You will report to me through the Secretary of State. Under my direction, the Secretary of State is, to the fullest extent provided by the law, responsible for the overall coordination and supervision of all United States Government activities and operations abroad. The only authorized channel for instruction to you is from the Secretary or me unless the Secretary or I personally instruct you to use a different channel.

All executive branch agencies under your authority, and every element of your Mission, must keep you fully informed at all times of their current and planned activities. You (or in some cases your designated representative) have the right to see <u>all</u> communications to or from Mission elements, however transmitted, except those specifically exempted by law or Executive decision. I have sent a directive to the relevant departments and agencies to ensure that personnel under your authority understand this.

You have full responsibility for the direction, coordination, and supervision of all Department of Defense personnel on official duty in country except those under the command of a U.S. area military commander. You and the area military commander must keep each other currently and fully informed and cooperate on all matters of mutual interest. You should work closely with the Senior Defense Official in your area of responsibility in carrying out this mission. Any differences that cannot be resolved in the field will be reported to the Secretary of State and Secretary of Defense.

You have full responsibility for the security of your Mission and all the personnel for whom you are responsible, whether inside or outside the chancery gate. Unless an interagency agreement provides otherwise, the Secretary of State and you as Chief of Mission must protect all United States Government personnel on official duty and their accompanying dependents other than those under the protection of a U.S. area military commander or on the staff of an international organization. You and the U.S. area military commander should consult and coordinate responses to common threats.

I ask that you regularly review programs, personnel, and funding levels, and ensure that all agencies attached to your Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at post. In your reviews, should you find staffing to be either excessive or inadequate to the performance of priority Mission goals and objectives, I urge you to initiate staffing changes in accordance with established procedures.

Every executive branch agency under your authority must consult you before changing the size, composition, or mandate of its staff. If a Department head disagrees with you on staffing matters or the execution of a program, that individual may appeal your decision to the Secretary of State. In the event the Secretary is unable to resolve the dispute, the Secretary and the respective Department head will present their differing views to me for decision.

All United States Government personnel other than those in country under the command of a U.S. area military commander or on the staff of an international organization must obtain country clearance before entering [country/visiting international organization] on official business. You may refuse country clearance or may place conditions or restrictions on visiting personnel as you determine necessary.

I expect you to discharge your responsibilities with professional excellence and in full conformance with the law and the highest standards of ethical conduct. You should ensure that there is equal opportunity at your Mission and no discrimination or harassment of any kind. Remember as you conduct your duties that you are not only representing me, but also the American people and America's values.

D. Presidential Letter to Department and Agency Heads Regarding Chief of Mission Authority:

Dear _____ :

As we face the complex national security challenges of the new global environment, I will rely extensively on the Chiefs of Mission and the interagency Country Teams to implement our national security and foreign policy. In accordance with Title 22 U.S.C. § 3927, our Chiefs of Mission must have full *de facto* responsibility for the direction, coordination, and supervision of all United States Government executive branch employees in country or international organizations, regardless of their employment categories or location, except those under direct command of a U.S. area military commander or on the staff of an international organization. Save for the activities of the personnel exempted above, our Chiefs of Mission are in charge of all executive branch activities and operations in their Mission/international organization. In that regard, they, as you in your capacity as a cabinet officer, operate as an Officer of the United States and consequently have direct authority over personnel assigned to their posts.

The Chiefs of Mission are responsible for the close cooperation (and security) of all USG contractors as well as all TDY personnel. I have also sent a letter to all Non Governmental Organizations receiving funding from the USG, making it clear that their representatives in the field must closely coordinate their activities with our Chiefs of Mission and their representatives.

Although the Chiefs of Mission will report to me through the Secretary of State, that does not diminish their authority. Under my direction, the Secretary of State is, to the fullest extent provided by the law, responsible for the overall coordination and supervision of all United States Government non-military activities and operations abroad. The only authorized channel for instruction to our Chiefs of Mission is from the Secretary of State or me unless the Secretary or I personally instruct them to use a different channel.

All executive branch agencies under Chief of Mission authority, and every element of our Missions, must keep the Chief of Mission fully informed at all times of their current and planned activities. The Chiefs of Mission (or in some cases their designated representative) have the right to see <u>all</u> communications to or from Mission elements, however transmitted, except those specifically exempted by law or Executive decision. I have sent a letter to each Chief of Mission to ensure that personnel under their authority understand this.

Chiefs of Mission have full responsibility for the direction, coordination, and supervision of all Department of Defense personnel on official duty in a country or at international organizations except those under the direct command of a U.S. area military commander. The Chief of Mission and the area combatant commander must keep each other currently and fully informed and cooperate on all matters of mutual interest. The Chiefs of Mission must work closely with the Senior Defense Official in their area of responsibility in carrying out this mission. Any differences that cannot be resolved in the field will be reported to the Secretary of State and Secretary of Defense.

I expect our Chiefs of Mission to take direct and full responsibility for the security of their Mission and all the personnel for whom they are responsible, whether inside or outside the chancery gate. Unless an interagency agreement provides otherwise, the Secretary of State and the Chief of Mission must protect all United States Government personnel on official duty abroad other than those under the protection of a U.S. area military commander or on the staff of an international organization and their accompanying dependents. The Chiefs of Mission and the U.S. area military commander will consult and coordinate responses to common threats.

I have asked that each Chief of Mission review programs, personnel, and funding levels regularly, and ensure that all agencies attached to the Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at posts. Should a Chief of Mission find staffing or program funding to be either excessive or inadequate for the performance of priority Mission goals and objectives, I have urged them to initiate staffing and resourcing changes in accordance with established procedures.

Every executive branch agency under the Chief of Mission authority must consult the Chief of Mission before changing the size, composition, or mandate of its staff. If a Department or agency head disagrees with a Chief of Mission on staffing matters or execution of a program, that individual may appeal the Chief of Mission's decision to the Secretary of State. In the event the Secretary of State is unable to resolve the dispute, the Secretary and the respective Department head will present their differing views to me for decision.

All United States Government personnel other than those in country under the direct command of a U.S. area military commander or on the staff of an international organization must obtain country clearance before entering the country or visiting an international organization on official business. The Chief of Mission may refuse country clearance or may place conditions or restrictions on visiting personnel as deemed necessary.

I expect our Chiefs of Mission to discharge their responsibilities with professional excellence and in full conformance with the law and the highest standards of ethical conduct. They should ensure that there is equal opportunity at each Mission and no discrimination or harassment of any kind. As they conduct their duties as Officers of the United States, they are not only representing me, but also the American people and America's values.

Part III: Executive Orders

A. Executive Order on the National Security Interagency System

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the National Security Act of 1947, as amended, the Homeland Security Act of 2002, as amended, sections 3301 and 3302 of Title 5 of the United States Code, and section 301 of Title 3 of the United States Code, and to establish a normative national security interagency system, it is hereby ordered as follows:

Section. 1. Policy.

It is the policy of the United States to integrate and employ all instruments of national power across the interagency to achieve national security objectives.

Sec. 2. Definitions.

For purposes of this order, the following terms shall have the following meanings:

(a) "Agency" means any department, agency, or interagency team of the Executive Branch.

(b) "Assistant" means the Assistant to the President for National Security Affairs.

(c) "Executive Secretary" means the Executive Secretary of the National Security Council and Homeland Security Council.

(d) "Heads of the Interagency" means the heads of national security agencies and their Assistants for National Security Affairs.

(e) "Inherently governmental" means, as a matter of policy, a function that is so intimately related to the public interest as to mandate performance by government employees.

(f) "Interagency" means the network of structures, processes, best practices, shared knowledge and intellectual capital, and persons that connect all instruments of national power to achieve national security objectives, including national security agencies, national security components, and the National Security Council system.

(g) "Interagency mission" means any mission that requires the expertise, resources, or capabilities of two or more national security agencies or components.

(h) "Interagency team" means any team established by future executive order or PDD and created to incorporate all elements of national power by integrating the resources, capabilities, and personnel of all agencies to achieve a national mission.

(i) "Instrument of national power" means a political, diplomatic, economic, scientific, military, law enforcement, economic, financial, or informational capability of the United States that influences the strategic environment.

(j) "National security agencies" means the Departments of State, Homeland Security, and Defense, the Office of the Director of National Intelligence, other components

of the intelligence community as determined by the Director, and any other agency denominated by the President.

(k) "National security components" means those components identified by the Assistants for National Security Affairs within the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Justice, Transportation, and Treasury, the Office of Management and Budget, the Office of Personnel Management, the Office of the United States Trade Representative, the United States Agency for International Development, and any other agency component denominated by the President.

(l) "Presidential Directive" means any oral or written directive, including Executive Orders, issued to any entity within the Executive Branch by the President of the United States.

(m) "National Security Council system" means the membership, functions, substructures, processes, and staff of the National Security Council and Homeland Security Council.

(n) "National Security Staff" means the staff that supports the National Security Council and Homeland Security Council, pursuant to Presidential Decision Directive 1.

Sec. 3. Scope.

(A) DESCRIPTION. National security is the capacity of the United States to define, defend, and advance its position in a world characterized by turbulent forces of change. The objectives of national security include—

(i) security from aggression against the nation by means of a national capacity to shape the strategic environment; to anticipate and prevent threats; to respond to attacks by defeating enemies; to recover from the effects of attack; and to sustain the costs of defense;

(ii) security against massive societal disruption as a result of natural forces, including pandemics, natural disasters and climate change, and serious challenges to our national economic and financial systems; and

(iii) security against the failure of major national infrastructure systems by means of building robust systems, defending them, and maintaining the capacity for recovering from damage.

(B) FOUNDATIONS OF NATIONAL POWER. Achievement of national security objectives is dependent upon integrated planning and implementation across the Interagency, and the sustained stewardship of the foundations of national power, including but not limited to diplomatic relations, defense and intelligence capabilities, the rule of law, private enterprise, energy, a strong economy, a stable financial system, education, health, science, engineering, and technology.

(c) Establishment of Assistants for National Security Affairs. To advance the objective of a cohesive, integrated national security system, the heads of the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Justice, Transportation, and Treasury, the Office of Personnel Management, the Office of the United States Trade Representative, the United States Agency for International Development, or any other agency denominated by the President, shall establish an Assistant for National Security Affairs. The Associate Director for National Security Programs within the Office of Management and Budget shall also serve as an Assistant for National Security Affairs.

(i) Reporting. Assistants for National Security Affairs shall report to the head of their agency.

(ii) Duties. Assistants for National Security Affairs shall—

(A) identify, and report to the Assistant, the objectives, functions, entities, and personnel of their agency involved in national security affairs;

(B) assist the head of their agency in fulfilling the agency's responsibilities for national security missions within the Interagency, as set forth in the National Security Strategy Report;

(C) serve as the principal liaison between their agency and the Assistant; and

(D) at the request of the Assistant, and in consultation with the head of their agency, nominate one or more top strategists or policy planners from their agency to assist in the conduct of the National Security Review.

Sec. 4. Presidential Expectations.

(a) In General. The security of the United States in the 21st century increasingly requires the expertise, resources, and capabilities from across the Interagency to achieve national security objectives. Consequently, Interagency integration is no longer merely an aspiration, but a critical requirement for the security of the United States. Integration requires that each department and agency contribute to a cause greater than itself. The President therefore expects that the heads of the Interagency and subordinates will serve the interests of the Nation at all times, setting aside the organizational interests of a single agency or component.

While each agency provides unique expertise that is essential for a full comprehension of national interests and objectives, the interaction among agencies must be driven by a common perspective. This expectation will require collaborative leadership among the heads of the Interagency, a managerial style that maximizes national outcomes, and a willingness to create and foster an organizational culture at all levels of an organization that promotes and rewards service to Interagency objectives.

(b) Reporting. Activities by leaders or subordinates within the Interagency that contravene Presidential expectations shall be promptly reported to the President through the Assistant, the Executive Secretary, or the head of a national security agency or

national security component.

Sec. 5. Strategic Planning.

(A) ESTABLISHMENT OF NATIONAL SECURITY REVIEW. To assess the strategic environment and provide an analytical baseline for the national security strategy of the United States for the next four (4) years, the Assistant, subject to the direction and supervision of the President, shall establish and lead an initial National Security Review immediately following the Presidential election and provide annual updates thereafter.

(i) Participants. The National Security Review shall be conducted by top strategists and policy planners from across the Interagency, the National Security Staff, the Office of Management and Budget staff, and may include outside stakeholders and experts.

(ii) Purpose of Review. Each National Security Review shall be conducted so as to—

(A) describe the strategic landscape with an analysis of major ongoing or foreseeable worldwide commitments, the identification and prioritization of current and foreseeable threats to national security, and trends that significantly affect national security;

(B) assess existing capabilities and resources of the Interagency against necessary capabilities and resources to successfully defend against national security threats;

(C) examine, and make recommendations to the President regarding the missions, activities, and budgets across the Interagency; and

(D) review the scope of national security, including changes in the roles and responsibilities within the Interagency, and of outside stakeholders.

(iii) Timing. The National Security Review shall be completed within 240 days of the start of each Presidential term. The review shall precede other strategic reviews such as the Quadrennial Defense Review, Quadrennial Homeland Security Review, the Quadrennial Intelligence Review, and the State Department Quadrennial Diplomacy and Development Review, which shall each be based on, and derivative of, the National Security Review.

(iv) Designation. The development and review of the National Security Review is an inherently governmental function,[4] but nothing shall prevent the Assistant from consulting appropriate outside stakeholders and experts.

(B) NATIONAL SECURITY STRATEGY REPORT. To articulate the results of the National Security Review and to establish the national security strategy of the United States, the Assistant

4 *N.B.* A function designated as "inherently governmental" restricts the use of private contractors to perform the function. In some cases, this restriction is rooted in statute, but in most cases it is rooted in executive branch policy documents.

shall prepare a National Security Strategy Report, under the direction and supervision of the President, as required by the National Security Act of 1947, as amended.

(i) Purpose. Each National Security Strategy Report shall address matters identified in section 5(a)(ii) of this order, and any additional information that will assist the President in formulating the national security strategy.

(ii) Appendix. To further enhance the national security of the United States, the National Security Strategy Report shall include an Appendix containing the Assistant's recommendations to the President and to the Congress regarding desirable changes to—

(A) executive and legislative branch structures or processes;

(B) existing statutes, regulations, or Presidential Directives; and

(C) any other matters that the executive or legislative branches should consider to further optimize Interagency mission performance.

(iii) Effectiveness. The National Security Strategy Report shall take effect upon the President's signature and shall constitute the national security strategy of the United States of America.

(iv) Dissemination.

(A) Executive Branch. Upon signature, the National Security Strategy Report shall be disseminated in classified format by the Executive Secretary to the heads of the Interagency, and other appropriate recipients as determined by the President.

(B) Congress. The National Security Strategy Report shall be disseminated to the Congress in classified and unclassified formats on the date the budget is submitted for the next fiscal year. The submission of the first National Security Strategy Report of the Administration shall be disseminated to Congress no later than 150 days after inauguration, consistent with the National Security Act of 1947, as amended. If the production of a final National Security Strategy Report is not feasible within this period, based on this order, the Assistant shall consult with appropriate congressional committees; and prepare an interim National Security Strategy Report, if requested.[5]

5 Pursuant to 50 U.S.C. § 404a, a new President must submit a National Security Strategy Report to the Congress within 150 days, which, historically, has proved impractical since an administration's national security team is rarely complete and able to produce one by that date. The completion of a National Security Review would almost certainly post-date this statutory deadline. For this reason, this provision references the possibility of submitting an interim report, perhaps to update the Congress on the status of the review, as well as consultations with the appropriate congressional committees. PNSR recommends that, ideally, an amendment be negotiated with respect to the deadline contained in section 404a such that a National Security Review be completed within 240 days of inauguration and become an annual requirement. The National Security Strategy Report would be due once every four years, during the second year of the administration—

(v) Annual Reviews. The Assistant, subject to the direction and supervision of the President, shall annually update the National Security Strategy Report.

(A) Annual Report. Based on the annual update, the Assistant shall submit an annual report to the President identifying significant changes and opportunities in the strategic landscape; identifying the impact of such changes on the national security strategy of the United States; and recommending changes, if any, to the National Security Strategy Report.

(B) Update. If the President approves changes to the national security strategy of the United States, the Assistant shall update the National Security Strategy Report.

(C) Dissemination. The Executive Secretary, in consultation with the Assistant and subject to the direction of the President, shall disseminate the National Security Review and annual updates to the heads of the Interagency, other appropriate recipients as determined by the President, and the Congress, as well as the National Security Strategy Report required by the National Security Act of 1947, as amended.

(vi) Designation. The development and review of the National Security Strategy Report is an inherently governmental function.

(c) Establishment of National Security Planning and Resource Guidance. To provide detailed guidance to the heads of the Interagency based on the National Security Strategy Report, and to serve as the basis for six-year budget projections by national security agencies and national security components, the Assistant, under the direction and supervision of the President and in consultation with the Director of the Office of Management and Budget, shall annually prepare National Security Planning and Resource Guidance.

(i) Contents. Each National Security Planning and Resource Guidance shall—

(A) identify national security objectives and missions;

(B) identify budgetary principles, to be routinely updated, that will govern the optimal functioning of the national security system;

(C) guide the preparation of interagency plans to build required national security capabilities, linking strategy to resource allocation;

(D) identify criteria from which to measure the performance of Interagency missions against Presidential expectations; and

(E) identify directives for the creation of Interagency plans to achieve select

more in line with current practice.

Interagency missions.

(ii) Participants. The National Security Planning and Resource Guidance shall be prepared by the Assistant, under the direction and supervision of the President, and supported by the National Security Staff, the Office of Management and Budget, policy planners from across the Interagency, other relevant agencies, and may include outside stakeholders and experts.

(iii) Effectiveness. The National Security Planning and Resource Guidance shall take effect upon the President's signature and shall constitute definitive Presidential guidance for the Interagency regarding responsibilities and budgeting within the national security interagency system.

(iv) Dissemination. Upon adoption, the National Security Planning and Resource Guidance shall be disseminated by the Executive Secretary in classified format to the heads of the Interagency, appropriate congressional committees, and other appropriate recipients as determined by the President.

(v) Annual Requirement. The National Security Planning and Resource Guidance shall be prepared and disseminated, as set forth above, on an annual basis and shall follow annual updates of the National Security Review.

(vii) Designation. The development and review of the National Security Planning and Resource Guidance is an inherently governmental function.

Sec. 6. Aligning Resources with National Security Missions.

(a) Establishment of Competencies for Budget and Analysis. The Assistant shall establish core competencies within the National Security Staff and the Director of the Office of Management and Budget shall establish core competencies within the Office of Management and Budget to perform national security mission analysis and mission budgeting, including the functions and duties set forth in this section.

(i) Report. Not later than forty-five (45) days after the date of this order, the Assistant and the Director shall each submit to the President plans for establishing these core competencies, including a description of the resources and personnel that would be required, in the National Security Staff and Office of Management and Budget, respectively.

(b) Six-Year Budget Projections. The heads of the Interagency shall prepare six-year budget projections for national security activities, derived from the National Security Planning and Resource Guidance.

(c) Joint Reviews of Budgets and Execution. The National Security Staff, under the direction and supervision of the Assistant, shall lead a joint review with the Office of Management and Budget staff of each six-year budget projection submitted by the heads of the Interagency. The objective of the joint review shall be to assess whether each six-year budget projection is consistent with the National Security Planning and Resource Guidance.

(D) NATIONAL SECURITY RESOURCE GUIDANCE. Reconciled with the Interagency through the joint review, the Office of Management and Budget shall then issue the National Security Planning and Resource Guidance to the heads of the Interagency to guide the development of the six-year programs of each agency and component.

(i) Effectiveness. The National Security Planning and Resource Guidance shall take effect upon the President's signature and shall constitute the national security program of the United States, approved by the President, for a rolling six-year period.

(ii) Dissemination. Upon signature, the National Security Planning and Resource Guidance shall be disseminated by the Executive Secretary in classified format to the heads of national security agencies and the Assistants for National Security Affairs, appropriate congressional committees, and other appropriate recipients as determined by the President.

(iii) Designation. The development of the National Security Planning and Resource Guidance is an inherently governmental function.

(E) ANNUAL BUDGET SUBMISSIONS. The heads of the Interagency shall submit their annual budget to the Office of Management and Budget consistent with the National Security Planning and Resource Guidance.

(F) NATIONAL SECURITY BUDGET DISPLAY. To provide the President and the Congress a government-wide understanding of activities, priorities, and resource allocation, and to identify overlaps and deficiencies in the resourcing of national security missions, the Director of the Office of Management and Budget shall utilize an integrated national security budget display in preparing the President's annual budget. The annual budget submission to Congress shall contain this budget display, along with integrated budget justification material that reflects how budgets for the Interagency, and the overall budget, align with the national security strategy of the United States and the National Security Planning and Resource Guidance.

Sec. 7. Policy Development.

(A) FUNCTION OF THE NATIONAL SECURITY COUNCIL. The National Security Council shall be the principal, but not exclusive, forum for advising the President on the integration and formulation of all aspects of national security policy. The Homeland Security Council shall perform its role under Title 6 of the United States Code.

(B) ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS. The Assistant shall serve as the President's principal adviser and assistant for national security affairs. The Assistant shall, in addition to such other duties prescribed by the President, and subject to the direction and control of the President, perform the following strategic end-to-end management duties—

(i) lead the National Security Review and annual updates;

(ii) develop and annually review the National Security Strategy Report;

(iii) develop, in coordination with the Director of the Office of Management and Budget, National Security Planning and Resource Guidance;

(iv) determine when issues under consideration by the National Security Council will be decided;

(v) subject to the approval of the President, specify decision-making authority delegated by the President to the Assistant and subordinate officials on the National Security Staff;

(vi) charter Interagency Policy Committees (IPC's) to prepare integrated implementation plans for national security missions, to include objectives, roles and responsibilities, authorities, and resources, for Presidential approval;

(vii) oversee the implementation of Interagency missions;

(viii) promote and continually assess the performance of the Interagency;

(ix) identify emerging threats and opportunities affecting national security requiring an Interagency response, in close collaboration with the Intelligence Community;

(x) oversee strategic system management responsibilities;

(xi) establish organizational linkages and arrangements within the National Security Council system to handle Interagency issues that arise; and

(xii) consult with appropriate congressional committees, as set forth in this order.

Sec. 8. Policy Decision-making.
The President shall decide and direct the policy of the Interagency unless decision-making authority is delegated by the President, consistent with the Constitution and laws of the United States.

(A) PROCESS. The Assistant shall normally prepare appropriate papers for the President's review and signature to formalize Presidential decisions.

(B) EFFECTIVENESS. Upon Presidential signature, national security policy shall take effect.

(C) DISSEMINATION. The Executive Secretary shall disseminate Presidential Directives to the appropriate recipients.

Sec. 9. Policy Implementation.

National security policy decisions shall be implemented on a decentralized basis by departments, agencies and interagency teams promptly through cascading strategies that

are consistent with the national security strategy and its associated planning and resource guidance by appropriate individuals within the Interagency, consistent with the terms of the decision, the Constitution and laws of the United States, and Presidential Directives.

Sec. 10. Oversight.

(A) In General. The Assistant shall assist the President in overseeing and coordinating the policies, plans, and actions that are the primary responsibility of a single department or agency; oversee the implementation of Interagency missions; assist the President in overseeing the activities of multi-agency organizations; promote and continually assess the performance of the Interagency; and oversee system management responsibilities performed by the Executive Secretary.

(B) Oversight of Operations. A Senior Director on the National Security Staff shall provide ongoing assessments and lessons learned of Interagency operations.

(i) Appointment. The Director shall be appointed by the President.

(ii) Duties. The Director shall perform the following duties—

(A) identify significant Interagency operations deserving of analysis;

(B) collect data regarding the conduct of Interagency operations;

(C) promptly analyze data regarding the conduct of Interagency operations;

(D) assess the efficiency and effectiveness of Interagency operations;

(E) produce lessons learned reports;

(F) disseminate the lessons learned reports to the Interagency; and,

(G) archive lessons learned in a national security knowledge and intellectual capital center;

(iii) Reporting. The Director shall report to the Assistant.

(iv) Annual Reports. The Director shall submit annual reports to the Executive Secretary prior to reviews of the national security strategy summarizing major lessons learned.

Sec. 11. Strategic End-to-End Management of the National Security Interagency System.

(A) Role of Executive Secretary. The Executive Secretary shall support, manage, administer, and provide continuity for particular functions of the Interagency.

(i) Appointment. The Executive Secretary shall be appointed by the President.

(ii) Duties. The Executive Secretary shall perform the following duties—

(A) support the National Security Review process;

(B) support the preparation of the National Security Strategy Report, and disseminate the report to appropriate recipients;

(C) support the preparation of the National Security Planning and Resource Guidance process, and disseminate guidance to appropriate recipients;

(D) support joint reviews of budgets and budget execution for national security missions by the National Security Staff and the Office of Management and Budget staff;

(E) disseminate lessons learned reports to appropriate persons;

(F) perform such other duties as specified herein, or directed by the President.

(iii) Reporting. The Executive Secretary shall report to the Assistant to the President for National Security Affairs ("Assistant").

Sec. 12. Development of the National Security Interagency System.

(a) Establishment of an Office of National Security Integration and Analysis. To enhance decision support to the President and the President's advisors, and to ensure the visibility and accessibility within the NSC system and the Interagency, of data, information, analyses, policies, directives and tasks, an Office of National Security Integration and Analysis is hereby established within the National Security Council system.

(i) Administration. The Office shall be administered by the Assistant to the President and Deputy National Security Advisor.

(ii) Duties. The Office shall perform the following duties—

(A) Establishing information and knowledge as a strategic asset to be shared and leveraged throughout the organization with mission partners;

(B) Ensuring information maintained within the national security interagency system is visible, accessible, understandable to, and trusted by authorized users throughout the federal government;

(C) Developing an overall framework to capture information and guide knowledge management;

(D) Support the CIO in establishing the architecture, standards and infrastructure to support information sharing needs and portal capability;

(E) Support the CIO in establishing a trust model that includes data rights management, user authentication procedures, classification/release

authorities, business rules, and attribute based security access.

(F) Sharing, as appropriate, information within the national security interagency system across the federal government and with State, local, territorial and Tribal governments and other mission partners, both anticipated and unanticipated;

(G) Facilitating efforts to leverage the organization's intellectual capital through studies and analysis;

(H) Promoting the knowledge agenda within and beyond the national security interagency system; and

(I) Extending the national security interagency system's knowledge base.

(b) Establishment of an Office for Strategic Human Capital Management. To allow for the creation, development, and management of a National Security Professional Corp there shall be established an Office for Strategic Human Capital Management. This office shall be housed in the National Security Staff until the completion of the study mentioned in subsection (c). The responsibilities of the Office shall be to:

(i) prepare a National Security Human Capital Plan;

(ii) receive advice from a National Security Human Capital Advisory Board;

(iii) manage a National Security Professional Corps;

(iv) establish promotion standards for individuals serving in Interagency or rotational assignments;

(v) manage a National Security Fellowship Program;

(vi) manage an Interagency Professional Development Program;

(vii) manage an Interagency Leadership Program; and

(viii) develop recommendations for the President regarding the standardization of nomination forms for nominees to senior national security positions.

(c) The Assistant shall conduct a study to determine the best place to situate the Office for Strategic Human Capital Management. Consideration shall be given to all viable ideas, including whether the Office should remain within the National Security Staff or exist as an independent office within the Executive Office of the President.

Sec. 13. General Provisions.

(a) The Assistant and the Executive Secretary are authorized to delegate duties specified within this order.

(b) Nothing contained herein shall be construed to impair or otherwise affect the authorities of any agency, instrumentality, officer, or employee of the United States under applicable law.

(c) This order shall be implemented consistent with the Constitution and the laws of the United States, and subject to the availability of appropriations.

(d) If any provision of this order or the application of such provision is held to be invalid, the remainder of this order shall not be affected.

This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by any party against the United States, its agencies, instrumentalities, or entities, its officers, employees, or agents, or any other person.

B. Presidential Directive on the Assistant to the President for National Security Affairs

Subject: Duties of the Assistant to the President for National Security Affairs

Purpose: The purpose of this directive is to establish the position, expectations, and duties for the Assistant to the President for National Security Affairs ("Assistant").

Expectations: This century's national security challenges do not fall within the jurisdiction of merely one department or agency. Instead, success in national security missions requires strategic end-to-end management of the national security interagency system that integrates expertise, capabilities, and resources from across the Executive Branch in order to achieve unity of purpose and effort. When called upon to participate in interagency activities, all members of my Administration shall act as officers of the United States rather than as representatives of a department or agency. And once a course of action is decided, each department and agency will execute it aggressively.

This century's national security challenges require emphasis on strategic planning, alignment of strategy with scarce resources, and assessment of performance in order to ensure the effectiveness and efficiency of the national security system. These challenges also require that we support the continued development of our national security human capital, our knowledge and intellectual capital, and our long-range planning capacities. Finally, these challenges require that the national security system continually assess whether it is best structured at every level to respond effectively to changing circumstances and new challenges.

To advise and assist me in the strategic end-to-end management of the national security system, I am setting forth the duties of the Assistant, as specified below, related to management of the national security interagency system. I expect that the Assistant will advise me continuously on the system's progress in fulfilling my expectations for decentralized issue management of policy execution to achieve our national security missions except in crisis situations.

Duties: The Assistant shall perform the following duties, subject to my direction, with the assistance of the National Security Staff. In doing so, the Assistant shall consult with the departments and agencies, the Intelligence Community, and, as appropriate, intergovernmental and nongovernmental experts.

Overseeing the National Security Decision-Making Process

1. Determine the agendas and attendees, ensure that the necessary papers are prepared, and determine processes such as decision-making timelines for all NSC meetings including the Principals Committee, Deputies Committee, and Interagency Policy Committees (IPCs), as well as any other NSC substructures such as interagency teams, committees, or working groups.
2. Chair the Principals Committee.
3. Provide me with crisp whole-of-government perspectives on policymaking issues in order to balance departmental-specific or least-common-denominator consensus views as appropriate and to drive the national security system to act with decisiveness, speed, and agility. Options forwarded to me should include a separate National Security Staff recommendation – particularly if the DC or PC has reached a consensus recommendation – as well as any dissents from particular PC members.
4. Approve the charters, appoint the chairs or leaders, and monitor the performance of all NSC/Homeland Security Council (HSC) substructures such as IPCs.
5. Communicate all Presidential and NSC/HSC decisions to Executive Branch officials.
6. Track departmental, agency, and interagency performance of Presidential and NSC/HSC taskings.
7. In coordination with Office of Management and Budget (OMB), review all departmental, agency, and interagency draft Congressional testimony on national security.
8. In coordination with the Chief Information Officer, establish a collaborative environment across departments and agencies and ensure continuity of effort by developing both the tools and attitudes required to share information and leverage the collective knowledge of the national security community and its mission partners.

Directing Strategic Planning

1. Lead an initial "national security review," and annually revise and update the same, to advise me on the following topics:
   - Description of the strategic landscape with an analysis of major ongoing or foreseeable worldwide commitments, the identification and prioritization of current and foreseeable threats to national security, and trends that significantly affect national security;
   - Assessment of existing capabilities and resources against needs to successfully defend the country and its national interests; and
   - Review the scope of national security, including possible changes in roles and responsibilities within the interagency system, and among outside stakeholders.
2. Based on the national security review, produce the national security strategy report required by Title 50, section 404a of the United States Code for my approval.
3. Based on the national security strategy, develop annual and long-term "national security planning and resource guidance" for my approval to provide detailed guidance to the departments and agencies in order to align their activities and capabilities with the national security strategy. Each national security planning guidance shall:
   - Provide specific objectives, directives, and measures of performance to executive branch organizations contributing to national security;
   - Establish and update budgetary principles for the functioning of the national security system; and

- Guide the preparation of interagency plans to build required national security capabilities, linking strategy or resource allocation.

Aligning Strategy and Resources

1. In coordination with OMB, develop annual "national security planning and resource guidance" for my approval in order to align departmental budget formulation with the national security planning and resource guidance.
2. Assist OMB in reviewing departmental budgets to ensure compatibility with the national security planning guidance and national security resource guidance.
3. Review and approve OMB memoranda for my decision on national security budget matters in order to link resource decisions to national security strategy.

Building Mechanisms for Ensuring Interagency Integration

1. Identify national security objectives and missions that require interagency unity of purpose and effort, and recommend to me the appropriate mechanisms such as empowered interagency teams for achieving that unity.
2. Develop implementation plans for my approval of NSC-approved policies, including objectives; priorities; departmental and agency roles, responsibilities, and missions; timelines; resources; and performance measures.

Assessing Performance

1. Advise me on a continuous basis concerning the effectiveness and efficiency of the national security system.
2. Identify lessons learned with particular emphasis on interagency integration and resource alignment, and recommend improvements to me and to the departments and agencies.

Development of the National Security Interagency System

1. In coordination with offices or agencies to be determined by the Assistant, develop a "national security human capital strategy" for my approval that reviews the national security workforce and recommends improvements in recruitment, training, and retention to support implementation of the national security strategy and the national security planning guidance.
2. Leverage the knowledge and intellectual capital of the National Security Staff and the interagency.
3. Implement best practices in National Security Staff and interagency processes.
4. Prepare proposals for improving the effectiveness and efficiency of the national security interagency system for Presidential approval.

Leading National Security Reform

1. Serve as my principal advisor on reforming the national security system for anticipating, preparing for, and responding to 21st Century national security challenges, and develop proposed Presidential Directives and proposed legislation as appropriate.

C. Presidential Directive Establishing Interagency Issue Teams

Subject: Establishment of Interagency Issue Teams

Policy: This directive establishes national security interagency issue teams ("Teams"). The success of national missions of the United States to meet the increasingly complex security challenges of the 21st Century depends upon the integrated application of expertise, capabilities, and resources from all relevant departments and agencies within the Executive Branch. Teams shall ensure the integration of expertise, capabilities, and resources from departments and agencies of the Executive Branch in order to accomplish national security missions.

Establishment: Teams will address the most pressing national security issues that require integration of expertise, capabilities, and resources across departments and agencies. The Assistant to the President for National Security Affairs ("National Security Advisor") shall identify issues that warrant establishment of a Team and, after consultation with the NSC, recommend them for Presidential approval.

Authority: Teams shall have authority as specified in their charters as is consistent with applicable law.

Charter: Each Team shall operate pursuant to a Charter drafted by the National Security Advisor in consultation with the NSC and approved by the President. A Team will become operational upon the President's approval of the Charter, unless the President directs otherwise. The Charter shall set forth:

- The Team's objectives and missions.
- The scope of the Team's responsibilities.
- The relationship of the Team to the NSC and its substructures.
- Any necessary timeframes or benchmarks, such as for development of a plan.
- The Team's budget, personnel, and other resources, specifying each relevant department's or agency's share.
- Reporting requirements for Team and departmental performance assessments.
- The Team's prospective requirements from relevant departments and agencies.

The National Security Advisor may recommend any amendments to the Charter for approval by the President.

Leadership: Each Team shall be led by a National Security Executive (NSE), who shall be appointed by the President at the level of Executive Schedule Level IV. The NSE shall report to the National Security Advisor unless the Team charter specifies otherwise. The NSE shall be responsible for:

- Leading the Team and managing its resources.
- Drafting strategies and plans to accomplish the national security mission relevant to the Team's mandate, in consultation with relevant departments and agencies, for review by the National Security Council and approval by the President.

- Assisting the National Security Advisor with the development of guidance to relevant departments and agencies.
- Advising the National Security Advisor and the Office of Management and Budget concerning the resource implications of the plan.
- Monitoring the implementation of the Team's plan by the relevant departments and agencies, and providing the National Security Advisor with regular status and performance assessment reports.
- Reporting to the National Security Advisor on the adequacy of departmental cooperation and resource contributions.
- Liaising with appropriate Congressional committees.

Plan for Accomplishment of National Security Missions: The NSE shall draft a detailed plan that integrates the expertise, capabilities, and resources of relevant departments and agencies in order to accomplish the national security mission. The plan shall include specific goals, missions, timetables, resources, and metrics to determine success.

The NSE shall submit the plan to the National Security Advisor, who may direct that the NSE modify the plan. The NSE shall subsequently submit the plan to the NSC for review. The National Security Advisor subsequently shall submit the plan to the President for approval as appropriate, and the head of a department or agency may submit a dissenting view or alternative proposal to the President along with the plan.

Implementation of the Plan: The NSE shall monitor the implementation of the plan by the relevant department and agencies. The NSE shall advise the National Security Advisor concerning the status of implementation of the plan, and the National Security Advisor shall provide periodic updates to the President, after consultation with the NSC as appropriate.

Resource Implications of the Plan: The NSE shall advise the National Security Advisor on resource implications of the plan as developed by the NSE and assist the National Security Advisor in developing necessary budgetary guidance to departments and agencies in conjunction with the Office of Management and Budget.

Cooperation: All departments and agencies are directed to utilize all lawful means to assist the Team, to the fullest extent possible, in achieving the goals and objectives set forth in the Charter. Immediately upon the establishment of a Team, departments and agencies shall:

- Direct all department and agency personnel to cooperate, to the full extent allowed by law, with the NSE and other Team members.
- Designate appropriate senior officials to serve as liaisons to the Team.
- Make available immediately all personnel, capabilities, and resources requested by the NSE and consistent with the Team's charter, including by identifying personnel skilled in areas relevant to the Team's mission and establishing mechanisms to reassign or detail such personnel to the Team rapidly.
- Provide resources rapidly as directed by the Charter.
- Provide the Team with information on departmental and agency expertise, capabilities, and resources required for the Team's mission.
- Identify and develop internal capabilities that can be mobilized to assist the Team.

- Provide the Team with all information, classified or otherwise, relevant to the Team's mission, including concerning budgeting and resource allocation.

Budget: Each Team's budget shall be set forth in the Charter. The Charter shall divide the budget among relevant departments and agencies and instruct that such departments and agencies utilize all lawful means to provide the Team with the funds immediately as specified in the Charter.

Personnel: The Team shall be staffed on a full-time basis by requisite subject matter experts. Members of a Team may be detailed from departments and agencies or hired directly by the NSE. When departmental and agency personnel are requested to be detailed by the NSE, departments and agencies shall offer experienced and high-performing personnel. The NSE may refuse acceptance of personnel offered for detail by a department or agency. Department and agency leadership shall instruct all detailees to the Team that they are to approach all issues during their service on the Team from a national rather than departmental or agency perspective.

The NSE shall draft performance reviews for personnel detailed to the Team based on individual and group performance, which shall take the place of departmental performance reviews and shall be considered in their departmental personnel evaluations. The Office of Personnel Management shall develop rules to ensure that personnel detailed to the Team receive significant credit in departmental promotion evaluations.

Access to Classified Information: The departments shall provide any information, classified or otherwise, that the NSE determines is necessary to achieve the objectives set forth in the Charter. To facilitate this, departments and agencies shall provide the Team with personnel cleared for access to classified materials, with access to secure departmental networks, and with secure work space. In order to stand up a Team quickly and efficiently, departments and agencies shall give the highest priority to clearing Team personnel for access to relevant classified materials including compartmented information, to transferring necessary clearances for such access, and to enabling access to secure networks.

Mission Assessment: Pursuant to the Team's Charter, the NSE shall provide the National Security Advisor and the NSC with regular reports assessing the Team's mission and the effectiveness and efficiency of departmental and agency implementation of the Team's plan. Such reports may recommend adjustments to the Charter or plan. The National Security Advisor shall transmit such reports to the President, and the head of a department or agency may submit additional comments along with NSE's mission assessment reports transmitted to the President.

Dissolution: The National Security Advisor, after consultation with the NSC, shall recommend dissolution of a Team, for approval by the President.

Part IV: Legislation

A. National Security Human Capital Act

An Act to require the President to develop and submit a National Security Strategic Human Capital Plan, addressing specified elements, and to update the plan at least every two years and to unify and enhance the national security interagency workforce of the United States government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

That this Act may be cited as the "National Security Human Capital Act".

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TITLE I – NATIONAL SECURITY STRATEGIC HUMAN CAPITAL PLAN

Sec. 1. **Definitions.** The definitions contained herein shall apply to all titles in this Act.

a) The term "Office" refers to the Office for National Security Interagency Strategic Human Capital Policy and Planning.

b) The term "Director" refers to the head of the Office for National Security Interagency Strategic Human Capital Policy and Planning.

c) The term "Interagency" means the network of structures, processes, best practices, shared knowledge and intellectual capital, and persons that connect all instruments of national power to achieve national security objectives, including national security agencies, national security components, and the National Security Council system.

d) The term "National Security" refers to: (1) security from threats and attacks both foreign and domestic, from massive societal disruption as a result of natural forces and events, and from other threats to the security and stability of the United States, be they from a failure of major national infrastructure, the global financial system, or other yet unforeseen catastrophic events; (2) efforts to address future threats, crises, and opportunities as well as the maintenance and enhancement of national capabilities and capacity, including diplomatic and intelligence, to address such threats to national security.

e) The term "Security Agency" means an executive department enumerated in 5 U.S.C. § 101, independent establishments as defined by 5 U.S.C. § 104(1), government corporations as defined by 5 U.S.C. § 103(1), and the United States Postal Service, that is deemed by the President or the National Security Council to have an office, bureau, or significant number of employees involved in maintaining the national security of the United States.

Sec. 2. **Plan Required**.

a) Not later than _____, the President shall develop and submit to the appropriate committees of Congress a strategic plan to identify and secure the human capital capabilities necessary to achieve the objectives described in the National Security Strategy.

b) The plan shall be known as the "national security strategic human capital plan" and referred to in this section as the "Plan."

Sec. 3. **Contents.** The Plan required by section 1 shall

a) be derived from the National Security Strategy and the National Security Planning and Resource Guidance, as well as the National Security Review conducted at the beginning of the presidential term;

b) take into account the entire federal workforce that deals with national security, including civilian employees, foreign service personnel, military personnel (active, Reserve, and National Guard), and government contractors; and consider the implications of federal collaboration with non-federal personnel, such as those who work for states, localities, tribes, territories, non-governmental organizations, businesses, and as volunteers;

c) focus on requirements for support of national security interagency functions, allowing individual departments and agencies flexibility to manage their own workforces in pursuit of their respective missions, goals and organizational objectives, but requiring them to (A) align their respective human capital strategies to the National Security Strategy and other superior strategic documents and plans; and (B) provide, plan and budget for participation by elements of their workforces in national security interagency functions.

d) establish a framework for national security interagency personnel development, including widely available opportunities for comprehensive continuum of training, educational curricula and programs, and assignments and experience that will enhance the relevant knowledge, skills, abilities, and career prospects of such personnel;

e) address key components of –

1) leadership, including leadership development, succession planning, and roles of individual departments and agencies;

2) planning, including competency analysis, periodic workforce analysis, mission-critical occupation analysis, and workforce sourcing assessments;

3) talent acquisition and management, including recruitment, assignment, training and education plans and programs, professional development, promotions and career paths; and

4) results-oriented culture, including interagency incentive plans, diversity needs, individual performance linked to organizational goals, and performance incentives.

f) adopt a plan of action with clear goals, measurable objectives, and periodic progress assessments.

Sec. 4. **Updates.** The President shall update the Plan whenever changes in the National Security Strategy or events require, but not less than every two years.

Sec. 5. **Reports.** The President shall submit an annual report to Congress including an assessment of the progress made in implementing the Plan.

TITLE II – OFFICE FOR NATIONAL SECURITY INTERAGENCY STRATEGIC HUMAN CAPITAL POLICY AND PLANNING

Sec. 1. **Purpose.** This Title authorizes and funds an executive office to support development and execution of the national security strategic human capital plan and provide continuing policy determinations and oversight for interagency national security human capital programs**.**

Sec. 2. **Office and Director.** There is an Office for National Security Interagency Strategic Human Capital Policy and Planning (the "Office") in the _____.

a) The head of the Office is _____ ("Director").

b) The Director serves as the principal adviser to the _____ on matters relating to the strategic management of the national security interagency workforce.

Sec. 3. **National Security Strategic Human Capital Plan.** The Director shall be responsible for developing, updating, and overseeing the execution of the National Security Strategic Human Capital Plan ("Plan"), as provided in section 1 of title I.

a) In connection with developing and updating the Plan, the Director shall consult with the heads of departments and agencies that provide civilian employees to participate in interagency functions related to national security or homeland security ("Security Agencies").

b) In connection with overseeing the execution of the Plan, the Director shall

1) perform the functions assigned to the Director under sections 4 and 5 in this title in addition to the functions and responsibilities provided in this section; and

2) coordinate with the National Security Council staff to ensure that Security Agencies have provided adequately in their planning, programming, budget and execution processes for the successful execution of their national security interagency workforce plans.

Sec. 4. **Personnel Policies and Programs.** In consultation with the heads of Security Agencies and the boards and councils referred to in this section, the Director shall prescribe personnel policies and programs applicable to the national security interagency workforce, or any portions thereof, that –

a) encourage and facilitate assignments and details of personnel to other Security

Agencies, to national security interagency centers, and to offices or agencies of national security partners outside the federal government;

b) set standards for education, training, and career development of personnel of the national security interagency workforce;

c) encourage and facilitate the recruitment and retention of highly qualified individuals for the effective conduct of national security functions;

d) ensure that the personnel of the national security interagency workforce are sufficiently diverse for purposes of conduction national security functions, through the recruitment and training of women, minorities, and individuals with diverse ethnic, cultural, and linguistic backgrounds;

e) make service in more than one Security Agency or in a national security interagency center, or an office or agency of a non-federal national security partner, a condition of promotion to such positions within the national security interagency workforce as the Director shall specify; and

f) ensure the effective management of national security interagency workforce personnel who are responsible for community-wide matters.

Sec. 5. **Rules for the National Security Interagency Workforce.** In addition to the functions assigned to the Director under sections 3 and 4, the Director shall –

a) designate in regulations those positions and functions that are national security interagency positions or functions purposes of this chapter;

b) ensure that appropriate career paths for civilian federal employees who wish to pursue careers in the national security interagency workforce are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior positions and publish such career path information;

c) designate critical national security interagency positions or functions and establish education, training, and experience requirements for each such position, function or category of positions;

d) establish qualifications requirements, including criteria and procedures, for senior executive members of the national security interagency workforce who serve in critical positions or functions;

e) establish qualification requirements, which may include signing mobility statements, for members of the national security interagency workforce whose mission is to deploy in support of domestic or foreign operations; and

f) establish policies and procedures for the establishment and implementation of national security interagency training and education programs.

Sec. 6. **Authorities.** In addition to authorities assigned to the Director elsewhere in law, the Director shall have authority to –

a) conduct, or provide for conducting, studies and research into methods of improving the management of the national security interagency workforce;

b) coordinate programs, services and functions that are of common concern among Security Agencies if, after consultation with the heads of the Security Agencies and the Boards and Councils referred to in this Title, the Director determines that any program, service or function can be more efficiently accomplished in a consolidated manner;

c) have access to all materials and data that are under the control of or available to any federal agency and relate to areas for which the Director has responsibility under this section; and

d) request such information or assistance as may be necessary for carrying out the duties and responsibilities of the Director under this section from any federal, state or local governmental entity.

Sec. 7. **Boards and Councils.** The Office is authorized to provide administrative support to the following bodies:

a) National Security Interagency Workforce Executive Committee consisting of the heads of all Security Agencies.

b) Deputies Committee consisting of the chief human capital officers of all Security Agencies.

c) National Security Interagency Education Consortium.

d) National Security Interagency Training Council.

e) National Security Human Capital Advisory Board to consist of experts in the field of national security and strategic human capital management.

f) Interagency Policy Committee(s) that may be established for consultation and coordination of policies and programs administered by the Office.

Sec. 8. **Annual Report.** The Director shall prepare and submit an Annual Report to the President and the Congress on the progress and performance of the Office and the Security Agencies in meeting the goals of the Plan.

Sec. 9. **Authorization of Appropriations.** There is authorized to be appropriated for the establishment and operation of the Office $XX,000,000 for fiscal year [20XX], and, for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this Title.

TITLE III – NATIONAL SECURITY INTERAGENCY WORKFORCE

Sec. 1. **Purpose.** This Title defines and establishes requirements for a National Security Interagency Workforce.

Sec. 2. **Applicability.** This section applies to departments and agencies that provide civilian

employees to participate in interagency functions related to national security or homeland security ("Security Agency").

Sec. 3. **Management Policies.**

a) **Policies and procedures.** The head of each Security Agency, after consultation with the Director, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the national security interagency workforce of the agency. The development of national security interagency workforce policies under this section shall be carried out consistent with the merit system principles set forth in section 2301 of title 5.

b) **Uniform implementation.** The head of each Security Agency shall ensure that, to the maximum extent practicable, national security interagency workforce policies and procedures established are uniform in their implementation throughout the agency.

c) **Government-wide policies and evaluation.** The Director shall issue policies to promote uniform implementation of this section by Security Agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Director shall evaluate the implementation of the provisions of this section by Security Agencies.

Sec. 4. **Chief Human Capital Officer Authorities and Responsibilities.** Subject to the authority, direction, and control of the head of a Security Agency, the Chief Human Capital Officer of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The Chief Human Capital Officer shall ensure that the policies of the head of the Security Agency established in accordance with this section are implemented throughout the agency.

Sec. 5. **Management Information Systems.** The Director shall ensure that the heads of Security Agencies collect and maintain standardized information on the national security interagency workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

Sec. 6. **Applicability to National Security Interagency Workforce.** The programs established by this section shall apply to the national security interagency workforce of each Security Agency. For purposes of this section, the national security interagency workforce of an agency consists of all employees serving in national security interagency functions as identified under section 8(a).

Sec. 7. **Career Development.**

a) **Career paths.** The head of each Security Agency shall ensure that appropriate career paths for personnel who desire to pursue careers in national security interagency functions are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior positions in such functions. The head of each Security Agency shall make information available on such career paths.

b) Critical duties and tasks. For each career path, the head of each Security Agency shall identify the relevant national security interagency mission-critical duties and tasks in which, at minimum, employees of the agency in the career path shall be competent to perform at full performance grade levels.

c) Mandatory training and education. For each career path, the head of each Security Agency shall establish requirements for the completion of course work and related on-the-job training in the relevant national security interagency mission-critical duties and tasks of the career path. The head of each Security Agency shall also encourage employees to maintain the currency of their national security interagency functional knowledge and generally enhance their knowledge of related disciplines through academic programs and other self-developmental activities.

d) Performance incentives. The head of each Security Agency shall provide for an enhanced system of incentives for the encouragement of excellence in the national security interagency workforce which rewards the performance of employees that contribute to achieving the agency's performance goals. The system of incentives shall include provisions that relate payment of incentives to the quality of employees' work and provide for consideration, in personnel evaluations and promotion decisions, of performance while assigned or detailed outside the agency in a national security interagency function.

Sec. 8. **Qualification Requirements.**

a) The head of each Security Agency shall designate the positions and functions in the agency that require national security interagency qualification.

b) The Director shall establish basic qualification requirements, including education and experience requirements, for positions above Grade GS12 in national security interagency functions. The Director may establish education and training requirements for entry level positions (below Grade GS12) in national security interagency functions.

c) The head of each Security Agency may establish further agency-specific qualification requirements, at any level and within or outside national security interagency positions or functions, in addition to those established by the Director.

d) The Director shall prescribe the manner and extent to which such qualification requirements shall apply to any person already serving in such a position at the time such requirements are established.

Sec. 9. **Education and Training.**

a) Funding levels.

1) The head of a Security Agency shall set forth separately the funding levels requested for education and training of the national security interagency workforce in the budget justification documents submitted in support of the President's budget submitted to Congress under section 1105 of title 31.

2) Funds appropriated for education and training under this section may not be obligated for any other purpose.

b) Tuition assistance. The head of a Security Agency may provide, in accordance with section 4107 of title 5, tuition reimbursement in education (including a full-time course of study leading to a degree) for personnel serving in national security interagency positions or functions in the agency.

TITLE IV – ENHANCED WORKFORCE FLEXIBILITIES

Sec. 1. **Purpose.** The purpose of this Title is to provide enhanced regulatory flexibilities to allow and encourage improvements in recruitment, retention, assignment, incentives, training, education and professional development of civilian members of the national security interagency workforce. With access to such flexibilities, Security Agencies will be better able to supply, as and when needed, the human capabilities that are critical to the achievement of national security missions.

Sec. 2. **Authority.** The Director is hereby authorized to approve a request by any Security Agency to implement any civilian personnel management flexibility provided in law for any other federal agency, on the same terms and conditions applicable to such other agency.

a) This includes authority to conduct personnel research programs and demonstration projects relating to the national security interagency workforce under the same conditions provided in Title 5, chapter 47, U.S. Code.

b) This does not include authority to establish, or from time to time adjust, a human resources management system for some or all of the organizational or functional units of the Department of Defense or the Department of Homeland Security, or to exercise any of the authorities of the Director of National Intelligence.

c) Implementation of any program or project approved by the Director under this section is subject to availability of funding within the implementing Security Agency.

d) Nothing in this section shall preclude the Director or any Security Agency from requesting any personnel management flexibility approval, permission, or waiver directly from the Director of the Office of Personnel Management or any other official with authority to take the requested action.

Sec. 3. **Restrictions.**

a) Unless specifically provided otherwise by law, all workforce authorities made available under this Title shall be subject to section 5307

b) None of the personnel management flexibilities or authorities made available under this section may be exercised with respect to any officer who is appointed by the President, by and with the advice and consent of the Senate or any political appointee. For purposes of this subsection, the term “political appointee” means an employee who holds –

1) a position which has been excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character; or

2) a position in the Senior Executive Service as a non-career appointee (as such term is defined in section 3132(a) of title 5).

TITLE V – NATIONAL SECURITY INTERAGENCY HUMAN CAPITAL IMPROVEMENT FUND

Sec. 1. **Purpose.** The purpose of this Title is to promote, through the creation of a National Security Interagency Human Capital Improvement Fund, improved access to national security education, training and interagency professional development opportunities for federal employees in national security agencies. Monies from the Fund will be used to pay for fees and expenses incurred by agencies or employees in connection with attending training courses and education programs. Monies from the Fund will also enable agencies to hire temporary assistance while employees are attending training and education classes or detailed outside the agency on professional development assignments. This Fund will offer national security agencies a new tool to support employee training, education and interagency professional development that is critical to the achievement of national security missions.

Sec. 2. **Applicability.** This section applies to Security Agencies as defined in this Act.

Sec. 3. **National Security Human Capital Interagency Improvement Fund.**

a) There is hereby established the National Security Human Capital Interagency Improvement Fund ("Fund"), to be administered by the Director.

b) To be eligible for consideration to receive an allocation under this chapter, a Security Agency shall submit to the Office a plan as described in section 6. An allocation may be made only upon approval by the Office of a Security Agency's plan.

c) Of the amount to be allocated, a Security Agency's pro rata distribution may not exceed its pro rata share of Executive branch payroll.

d) If the Office does not allocate a Security Agency's full pro rata share, the undistributed amount remaining from that share will become available for distribution to other Security Agencies, as provided in subsection (f).

e) The amount of the pro rata share not distributed because of a Security Agency's failure to submit a satisfactory plan shall be allocated among Security Agencies with exceptionally high-quality plans.

f) A Security Agency with an exceptionally high-quality plan is eligible to receive an additional distribution in addition to its full pro rata distribution.

g) Each Security Agency is required to provide to the Office such payroll information as the Office specifies necessary to determine the Executive branch payroll.

Sec. 4. **Fund Payments.**

a) No monies from the Fund may be paid to any individual except to the extent that Security Agencies may reimburse qualified employees for tuition fees, travel and lodging expenses, and similar expenses incurred in connection with national security training or education programs and approved by the Security Agency in advance.

b) Monies from the Fund may not be used for performance-related bonus payments or for recruitment or retention incentives, unless such payments are made in accordance with a written plan approved in advance by the Director.

c) Monies from the Fund may be used by Security Agencies to pay for new positions but such positions must be designated as temporary and used only for the purpose of providing work coverage for an employee who has been detailed outside the agency for purpose of attending national security interagency training or education programs or serving on a national security interagency task force or similar project or participating in a program to become familiar with the operations of another Security Agency.

Sec. 5. **Regulations.** The Office shall issue such regulations as it determines to be necessary for the administration of this chapter, including the administration of the Fund. The Office's regulations shall include criteria governing -

a) an agency plan under section 6;

b) the allocation of monies from the Fund to Security Agencies;

c) the nature, extent, duration, and adjustment of, and approval processes for, payments by Security Agencies to individual employees under this chapter; and

d) the circumstances under which funds may be allocated by the Office to an agency in amounts below or in excess of the agency's pro rata share.

Sec. 6. **Security Agency Plan.** To be eligible for consideration by the Office for an allocation under this section, a Security Agency shall –

a) develop a plan that incorporates the following elements:

    1) adherence to merit principles set forth in section 2301 of title 5;

    2) alignment with the National Security Interagency Strategic Human Capital Plan and its goals;

    3) description of the Security Agency's analysis, planning, investment, and management of human capital programs, and identification of gaps in its workforce competencies and capabilities related to national security interagency functions;

    4) demonstrable rational connection between execution of the plan and the filling of such gaps;

    5) clear goals, measurable objectives, and a process for assessment and

evaluation; and

6) effective safeguards to ensure that the Security Agency will fairly and equitably administer its system for designating employees to attend training and education programs or participate in outside assignments as described in this chapter.

b) upon approval, execute its plan and comply with requirements established by the Office for receiving an allocation from the Fund;

c) provide such information to the Office regarding the use of funds requested or received under this section as the Office may specify; and

d) a Security Agency's plan must be reviewed and approved by the Office before the agency is eligible to receive an allocation of funding from the Office.

Sec. 7. **Authorization of Appropriations.**

a) There is authorized to be appropriated $XXX,000,000 for fiscal year [20XX], and, for each subsequent fiscal year until fiscal year [20XX+5], such sums as may be necessary to carry out the provisions of this chapter.

b) After fiscal year [20XX+5], continuation of payments for the purposes of this Chapter shall be budgeted and financed from other agency funds.

Part V: Supporting Memoranda

A. Memorandum on the Merger of the National Security Council and the Homeland Security Council[6]

Issue: Can the National Security Council (NSC) and Homeland Security Council (HSC) be merged in practice under existing law?

Conclusion: Yes. The President could as a practical matter merge the two through Executive Order or Presidential Directive.

Discussion: The NSC and HSC are both created by statute. The NSC was established pursuant to the National Security Act of 1947 to advise the President with respect to the integration of national security policy.[7] The HSC was established pursuant to the Homeland Security Act of 2002 to advise the President with respect to homeland security matters.[8]

The Homeland Security Act authorized the President to "*convene joint meetings* of the Homeland Security Council and the National Security Council with participation by members of either Council *or as the President may otherwise direct*."[9] This provision explicitly provides the President with a mechanism for convening a single, or "merged," meeting of the NSC and HSC, while vesting the President with limitless discretion for inviting whomever he desires.

The foregoing provision, however, is limited to "meetings" of the councils and does not refer to the staff or substructures of each council. Consequently the "merger" of staff and substructures would need to be accomplished by other means. In the case of staff, both councils are simply directed by statute to "have a staff" headed by a civilian executive secretary "who shall be appointed by the President."[10] Neither statute prohibits "dual-hatting" a single individual to serve as the executive secretary of both the NSC and HSC.

And though each statute prescribes that a staff for the respective council should be created, the actual staff structure for each is established by Executive Order or Presidential Directive. As with the executive secretary, there is no prohibition in either statute on dual-hatting a single person to serve as both NSC and HSC staff.

The dual-hatting approach is consistent with past practice in which Presidents formally comply with statutory provisions concerning the NSC without changing their preferred NSC structure, to which Congress has generally acquiesced.

- For example, the Defense Authorization Act for FY1987 codified the Board for Low Intensity Conflict within the NSC, but President Reagan designated his Senior Review Group, a committee established by Presidential Directive, "as the Board for Low Intensity

6 This memorandum was prepared prior to the conclusion of PSD-1 and reflected one avenue to achieve merger of the NSC and HSC absent statutory change.
7 *See* National Security Act of 1947, Pub. L. No. 80-253, § 101(a), 61 Stat. 496 (1947).
8 *See* Homeland Security Act of 2002, Pub. L. No. 107-296, Tit. IX, 116 Stat. 2135 (2002).
9 6 U.S.C. § 496 (emphasis added).
10 *See* 50 U.S.C. § 402(c) (NSC); 6 U.S.C. § 495 (HSC).

Conflict when considering matters dealing with the coordination of policy or strategy for Low Intensity Conflict."[11]

- Similarly, the Intelligence Renewal and Reform Act of 1996 codified both the Committee on Foreign Intelligence and the Committee on Transnational Threats within the NSC. When President George W. Bush issued NSPD-1, however, he simply stated that "the NSC/PC and/or NSC/DC shall serve as those committees and perform the functions assigned to those committees by the Act."[12]

Consequently, a merger of the NSC and HSC – including the councils, their executive secretaries, and their staff – could be accomplished in practice under existing law.

Implementation: A practical merger of the HSC and the NSC could be accomplished by including the following language in an Executive Order or Presidential Directive:

> Meetings of the NSC are hereby designated as joint meetings with the HSC as authorized by section 496 of Title 6 of the United States Code. The NSC Executive Secretary and staff shall perform the functions of the executive secretaries and staffs, respectively, set forth in section 402 of Title 50, and section 495 of Title 6, of the United States Code.

11 *Compare* National Defense Authorization Act for Fiscal Year 1987, Pub. L. No. 99-661, 100 Stat. 3816 (1986), *with* NSDD-277, National Policy and Strategy for Low Intensity Conflict (Ronald Reagan, June 15, 1987).

12 *Compare* Intelligence Renewal and Reform Act of 1996, Pub. L. No. 104-293, §§ 802, 804, 110 Stat. 3474, 3476 (1996), *with* NSPD-1, Organization of the National Security Council System (George W. Bush, Feb. 13, 2001).

B. Memorandum for the Establishment and Duties of the Assistant to the President for National Security Affairs to Manage the National Security System

Subject: Establishment and Duties of the Assistant to the President for National Security Affairs

Issue: Can the President establish the Assistant to the President for National Security Affairs (APNSA) by Presidential Directive to manage the national security system?

Conclusion: The President can issue a directive to create an APNSA who would manage the national security system. The President could not give the APNSA express authority over the departments. However, even without such authority, the APNSA could still manage the national security system effectively by conducting strategic planning, aligning strategy and resources, and developing mechanisms for interagency integration. The APNSA's duties would need to be couched as "advisory" to the President in order to prevent the APNSA position from requiring statutory authorization. The APNSA could exert additional influence if the President backed him in practice vis-à-vis the departments.

Discussion: No constitutional provision or statute prevents the President from issuing a directive to create an APNSA who would manage the national security system. Indeed, the position has been established by Presidential Directives since President Eisenhower.

Most of these Presidential Directives merely characterize the APNSA's duties as some variation of "setting the agenda for NSC meetings" and "preparing necessary papers." The APNSA's actual role has generally focused on staffing the NSC process or developing policy. No Administration has enumerated a comprehensive list of specific duties for the APNSA designed to maximize end-to-end system performance. In contrast, an APNSA with expanded roles and responsibilities specified in a Presidential Directive would have a robust managerial role over the entire system to promote effectiveness and efficiency.

However, a Presidential Directive cannot grant the APNSA any authority over the departments. Constitutionally, only "officers of the United States" may exercise "significant authority under the laws of the United States" and thus have authority over the departments. Establishing the APNSA by Presidential Directive rather than statute would preclude him from being an "officer" and thus wielding "significant authority." Yet, even without such authority, the APNSA's duties would still enable him to manage the national security system – particularly by developing plans and creating processes, the absence of which hobbles the national security system. APNSA duties could include:

<u>Stewarding the NSC Decision-Making Process</u>

1. Determine agendas, attendees, and processes (such as decision-making timelines) for all NSC meetings including the Principals Committee, Deputies Committee, and other interagency subsets of the NSC; chair the Principals Committee; transmit decisions to Executive Branch officials; and track departmental performance of taskings.
2. In coordination with OMB, review draft Congressional testimony on national security.

<u>Directing Strategic Planning</u>

1. Lead a national security review during the first six months of the Administration to produce the national security strategy (required under current statute), and develop and annually review that strategy.

2. Develop annual and long-term "national security planning guidance" to ensure that departmental activities and capabilities are consonant with national security strategy.

Aligning Strategy and Resources

1. In coordination with OMB, develop "national security resource guidance" to align departmental budget formulation with national security strategy.
2. Sign off on OMB memoranda to the President on national security budget matters.
3. In coordination with OMB, review departmental budgets to ensure compatibility with the national security planning guidance and resource guidance.

Building Mechanisms for Ensuring Interagency Integration

1. Identify national security opportunities and threats that require an interagency response, and determine the appropriate mechanisms such as interagency teams for achieving interagency unity of purpose and effort.
2. Develop implementation plans for NSC-approved policies that include objectives, priorities, departmental roles and responsibilities, timelines, resources, and metrics.

Assessing Performance

1. Assess the accomplishment of strategic objectives and implications for national security strategy, resources, and implementation mechanisms.
2. Assess the effectiveness and efficiency of the national security system, and identify lessons learned with particular emphasis on interagency integration.

Leading National Security Reform

1. Develop Presidential Directives and proposed legislation, and consult with Congress.
2. Develop and monitor implementation of a national security human capital strategy.

To preclude any constitutional argument that the APNSA's duties require him to be established by statute or even be Senate-confirmed, the Presidential Directive would describe the APNSA's duties as "advisory" to the President and subject the APNSA's plans to Presidential approval.

The APNSA could wield significant additional influence over departmental conduct if the President sets forth his expectations for the national security system's performance and demonstrates his support for the APNSA in overcoming any departmental resistance.

C. Memorandum on Establishing and Empowering Interagency Teams under Current Law

Issue: Can the President establish and empower interagency teams under existing law?

Conclusion: The President can create issue-specific interagency teams that represent a significant improvement over current interagency mechanisms. Under current law, the President cannot grant the leaders of such teams any formal authority over the departments to compel action. However, the President can establish the teams in a manner that increases their informal power.

Discussion: The creation of interagency issue teams responds directly to the complex and dynamic nature of 21st Century national security challenges. The U.S. can meet these challenges only by integrating expertise, capabilities, and resources from across the departments.

Although teams (sometimes called "centers") exist in the Executive Branch today, they generally have little impact on policy development and execution for several reasons. First, under current statutes they cannot have authority to compel departmental action. Second, they are often at the mercy of departments for personnel and funding. Third, attracting top-quality personnel has often proven difficult because few incentives exist for departmental personnel to commit to a tour with a center.

Under the issue teams model, a presidential priority team is formed for a major opportunity or challenge – *e.g.*, the war in Afghanistan – and promotes interagency unity of purpose and effort by developing an integrated plan; marshaling departmental capabilities and resources to implement the plan; monitoring performance and adjusting the plan; and resolving any interagency disputes from a national rather than departmental perspective.

As noted above, under current statutes the President cannot grant a team express authority over the departments. Thus, a team could not compel a department to implement a plan. A team's influence will derive first from its Presidentially-approved charter and funding, and second from its leader being a senior political appointee with direct access to the National Security Advisor and the President. The team itself will be made up of experienced, respected staff and will have input into resource decisions made by the OMB on issues within the team's mandate.

Set forth below are steps necessary for establishing an issue team and ensuring that it has informal power. Although these steps may appear to be administrative details, in reality such practical matters – including the speed of formation, sustained funding, and the team's presidential mandate – can be fundamental to a team's success.

1. <u>The National Security Advisor should identify the need for a team.</u> Presidential priority teams would be created, upon the recommendation of the National Security Advisor, by the President to manage the administration's top priorities.
2. <u>The National Security Advisor drafts the team's charter for Presidential approval.</u> In contrast, charters for teams that are currently in operation are negotiated – and thus represent the lowest common denominator – among the relevant departments. The National Security Advisor will draft the team's charter, which will state the team's objectives, missions, timeframe, and resources. The President will approve the charter, thus signaling the President's expectations for departmental cooperation.
3. <u>Each team would be led by a Presidentially-selected appointee of national stature, who reports to the National Security Advisor.</u> Each team will be led by a "national security

executive" (NSE), who would be an undersecretary-level political appointee of national stature.

Because the NSE does not have authority over the departments, the NSE may legally report to the National Security Advisor who acts in an advisory capacity to the President. The NSE's direct line to the National Security Advisor enables the NSE to appeal to the director – and quickly to the President – to remove any impediments to the team's success.

4. Presidentially-directed funding by the departments. The structure of appropriations statutes provides little allowance for interagency activities, and relying on departments to negotiate funding allocation among themselves produces delay and frequently fosters departmental parochialism. Accordingly, the Presidentially-approved charter should contain a budget, specify each department's share, and direct departments to utilize all legal means – *e.g.*, interdepartmental transfers under the Economy Act and transfer authority pursuant to appropriations statutes – to fund the team.
5. Staffing the team with departments' best-and-brightest. Each team will be staffed by personnel who are able to commit their department to action and to view issues from a national rather than departmental perspective. An NSE will have the authority to refuse staff selected by a department. Also, the NSE would draft the sole performance review for team members. Finally, OPM should develop rules ensuring that personnel who serve on a team receive significant credit in departmental promotion evaluations for such performance.
6. Presidential approval of the team's integrated plan. The NSE will submit the plan to the NSC via the National Security Advisor. The plan will include specific objectives, missions, timetables, resources, and metrics for departmental conduct.

   The plan's closest analogy will be a military campaign plan. Departments aside from DoD lack planning capabilities and experience and thus might resist the team's rigorous plan. The NSE must reject any departmental attempt to push the plan to a high level of abstraction and thus minimize its impact on departmental activities.

   NSC consideration of the plan will provide the departments the opportunity for a high-level discussion of any concerns. The President will convey his expectation that secretaries and agency heads review the plan from the national rather than departmental perspective. The National Security Advisor ultimately will determine the plan's content as submitted to the President, but secretaries may submit dissenting views and proposals.
7. Expedited security clearances and access to secure networks and space. The Presidentially-approved charter will also identify the team's needs for cleared personnel, access to secure departmental networks and classified information, and secure space. The charter would ensure that departments give the highest priority to clearing personnel (including clearances and transfer of SCI access), enabling access to networks and information, and providing secure space.
8. Influence over departmental budgets. The National Security Advisor would play a significant role with OMB in guiding and reviewing departmental budgets. The NSE would advise the National Security Advisor and OMB on resource implications of a plan, assist with developing necessary guidance to departments, and inform the National Security Advisor and OMB concerning the adequacy of departmental resources to fulfill the plan.
9. Assessing performance on a continual basis. The charter will require that the NSE assess departmental performance of the plan on a real-time and after-action basis and recommend

adjustments to the plan. The NSE will submit the assessments and recommendations to the National Security Advisor, who will transmit them to the President.

Initial establishment of presidential priority teams would likely generate significant interest in both appropriations and authorizing committees in Congress. Congress would be concerned about interdepartmental resource transfers and the teams' impact on policy. Accordingly, the Administration should consult with Congress to discuss the rationale for teams, solicit input, and inform Congress of teams' progress and impact.

D. Memorandum on the Relationship of the Assistant to the President for National Security Affairs and the Office of Management and Budget

Issue: Can the Assistant to the President for National Security Affairs (Assistant) or other National Security Staff give direction to Office of Management and Budget (OMB) officials?

Conclusion: OMB's Director and the two Deputy Directors are "officers of the United States;" as such, neither the Assistant (who is not an officer) nor other National Security Staff can exercise direct authority over OMB or its statutorily authorized officials. However, other methods may be used to give NSC staff significant influence over both national security budgeting and apportionment decisions and performance reviews of departments and agencies.

Discussion: The existence of OMB, its Director, and its Deputy Directors is prescribed in statute.[13] OMB has various responsibilities contained in statute, such as provisions concerning financial management and performance plans for individual departments and agencies.

However, the responsibilities most commonly associated with OMB – preparation of the budget and apportionment of Congressionally-enacted appropriations – are for the most part not contained in statute, but rather largely derive from Executive Orders. OMB plays a significant role in helping the President fulfill his statutory obligation to prepare the budget and apportion appropriations,[14] including by proposing budget policy recommendations to the President; communicating policy guidelines to departments and agencies; reviewing agency budget submissions; and making final budgetary decisions prior to submission of the budget to the President.[15] Agencies may appeal OMB's decisions to the President. Ultimately it is the President who sends the budget to Congress and thus has the final say on all budgetary decisions.[16]

The OMB Director is, in Constitutional parlance, an "officer" by virtue of being created in statue, presidentially appointed, and exercising significant authority under U.S. law.[17] In contrast, while no one questions the importance of the position, the Assistant is not an officer and, technically, is only an advisor to the President; not Senate-confirmed; and, as a result, has no obligation to testify before Congress. Though the Supreme Court has not directly addressed the point, it is highly likely that – as a matter of Constitutional principle – an "officer of the United States" cannot be subject to the express, direct authority or control from an official who is not an "officer of the United States." Accordingly, the Assistant cannot exercise actual authority or control over the OMB Director or Deputy Directors and, by implication, any OMB staff.

Yet while the Assistant cannot be given formal authority over OMB, there are measures that can be taken to give the NSS significant influence over national security budgeting and apportionment decisions and performance reviews of departments and agencies.

- The President could direct that the budget guidance OMB provides to departments and agencies align with national security strategy as formulated by the NSS. In this way, budgetary decisions would derive from national security strategy rather than run in parallel

13 *See* 31 U.S.C. §§ 501-7.

14 *See* 31 U.S.C. §§ 1104, 1105, 1107 (tasking the President with preparing the budget); 31 U.S.C. § 1513 (tasking the President with apportioning appropriations).

15 Bill Heniff Jr., *The Role of the Office of Management and Budget in Budget Development*, Congressional Research Service Report; *see also* OMB Circular A-11, Preparation, Submission and Execution of the Budget (2008) (outlining the budget process and the requirements related to it).

16 *See* 31 U.S.C. §§ 1104, 1105, 1107 (tasking the President with creating and submitting the budget); OMB Circular A-11, § 10, p. 3 (discussing the appeal and submission process for the budget).

17 *See Buckley v. Valeo*, 424 U.S. 1 (1976); *Edmond v. United States*, 520 U.S. 651 (1997).

or conflict with it. As a practicality, the NSC staff with an embedded OMB liaison would be the source and interpreters of NSC-adopted national security strategy for OMB.

- The President could put the burden of obtaining NSC staff input on OMB by stating that (1) OMB shall consult with NSS in the national security budget and apportionment processes by assigning a liaison to work with the NSS strategy directorate, and (2) the final budget submitted to the President, and any apportionment decisions made by OMB, should reflect any guidance that the NSC strategy directorate provides. Couching NSS input as "consultation" and "guidance" rather than as formal authority would be constitutionally permissible and have the same practical effect.
- The steps outlined above would be strengthened further if the President also directs the NSS strategy directorate and staff to review the budget after OMB has prepared it, to review any OMB apportionment decisions, and to provide joint sign-off on relevant decision memoranda to the President. If OMB has a liaison embedded in the strategy-resource formulation process and knows that the NSS will review OMB's decisions for consonance with national security strategy and even have a joint sign-off, then NSS input will most likely carry more sway during its internal decision-making on budget and apportionment issues.
- The President could require the NSS staff to provide input into the development of departmental and agency performance plans and OMB's assessment of subsequent performance. The NSS would provide such input based on a strategic assessment of departmental and agency performance in fulfillment of national security strategy.

All of the concepts outlined above could be implemented formally, through an Executive Order or Presidential Directive, or informally, by direction from the President to the Assistant and the OMB Director.

Part VI: Charters

A. Sample Interagency Policy Committee (IPC) Charter

Subject: Sample Interagency Policy Committee (IPC) Charter

Purpose: This charter is issued pursuant to [PRESIDENTIAL DIRECTIVE __] and hereby establishes the [ISSUE] Interagency Policy Committee (IPC).

Mission: The IPC shall assist the Assistant to the President for National Security Affairs in managing the national security system concerning [ISSUE]. The IPC shall provide day-to-day national security policy and strategy decision-making, oversee the effective implementation of those decisions, and identify and prepare issues for NSC Deputies Committee consideration of the development and implementation of national security policy and strategy.

Leadership: [NSS STAFFER, OR DEPARTMENT/AGENCY OFFICIAL IN EXCEPTIONAL CIRCUMSTANCES] shall serve as the Chair of the IPC.

Reporting: The Chair shall report to the Assistant to the President for National Security Affairs through the Deputy National Security Advisor for [IDENTIFY SPECIFIC DEPUTY DIRECTOR].

Functions of the IPC: The IPC shall perform the following functions:

- Ascertain current and projected threats and opportunities regarding [ISSUE], and assess options for U.S. policy and strategy.
- Assess intelligence to determine gaps in collection and analysis, and develop key questions to guide intelligence activities.
- Catalogue relevant departmental and agency expertise, capabilities, and resources as compared to expertise, capabilities, and resources required for implementation of U.S. policy and strategy.
- Develop implementation plans for policies and strategies approved by the NSC, Principals Committee, or Deputies Committee that include objectives, priorities, departmental roles and responsibilities, timelines, resources, and metrics.
- Prepare for and manage crises as directed by the Deputies Committee.
- [INSERT ANY FUNCTIONS SPECIFIC TO THE IPC's ISSUE]

Functions of the Chair: The Chair shall perform the following functions:

- Select members of the IPC, in addition to the members listed below, subject to the direction of the Assistant to the President for National Security Affairs and in consultation with the Deputies Committee.
- Call IPC meetings, determine attendees, and set meeting agendas.
- Prepare background papers setting forth the relevant intelligence, decisions required, policy options, areas of agreement and disagreement among the departments and agencies, pros and cons of policy options, and the availability of resources.

- Produce status reports on at least a biweekly basis to the Assistant to the President for National Security Affairs and the Deputies Committee concerning the activities and progress of the IPC, including any decisions made by the IPC.
- Submit to the Assistant to the President for National Security Affairs and the Deputies Committee requests for additional decisions, policy options, areas of agreement and disagreement among the departments and agencies, pros and cons of policy options, and the availability of resources.
- Provide input to the Assistant to the President for National Security Affairs for the National Security Review, National Security Strategy, and National Security Planning Guidance.
- Assist OMB in reviewing departmental and agency budget proposals for consonance with national security policy and strategy, with the assistance of the NSC Office of Resource and Policy Integration.
- Monitor the performance of relevant NSC, Principals Committee, or Deputies Committee taskings to departments and agencies.
- Produce assessments, after-action reviews, and lessons-learned reports, with the assistance of the NSC office of assessment of system performance.
- Establish subordinate working groups to assist the IPC in performing its duties.
- [INSERT ANY FUNCTIONS SPECIFIC TO THE IPC'S SUBJECT]

Membership: The following officials shall routinely but not always be invited to attend IPC meetings:

- Assistant Secretary of State for [INSERT]
- Assistant Secretary of Defense for [INSERT]
- Assistant Secretary of the Treasury for [INSERT]
- Assistant Secretary of Energy for [INSERT]
- Assistant Secretary of Homeland Security for [INSERT]
- Deputy Assistant Attorney General for [INSERT]
- A representative of the Office of Management and Budget
- [INSERT OTHER OFFICIALS]

At the discretion of the Chair, meetings shall also be attended by representatives of the Director of National Intelligence and the Chairman, Joint Chiefs of Staff.

Duration: This charter shall take effect immediately and shall be reviewed by the Assistant to the President for National Security Affairs not later than [ONE YEAR AFTER THE CHARTER IS SIGNED] to determine whether modification or termination is required.

Appendix 2: Mapping The Current National Security Environment

The national security system of the United States is a complex system of systems with numerous parts performing simultaneous, interconnected and, ideally, integrated functions. Reforms aimed at addressing the discrete elements of this complex system, including individual agencies or processes, risk either failing to have much impact or having unpredictable, and perhaps unwelcome, consequences.

Successful national security reform requires a holistic approach that necessitates understanding the scope of the reform effort. This includes not only the scope of the system, but the larger environment within which it operates as well. It also includes all of the parts of the system and the relationships between those parts. The simple fact is that the current system does not take this complexity into account, or the full variances in the actual issues it is forced to address.

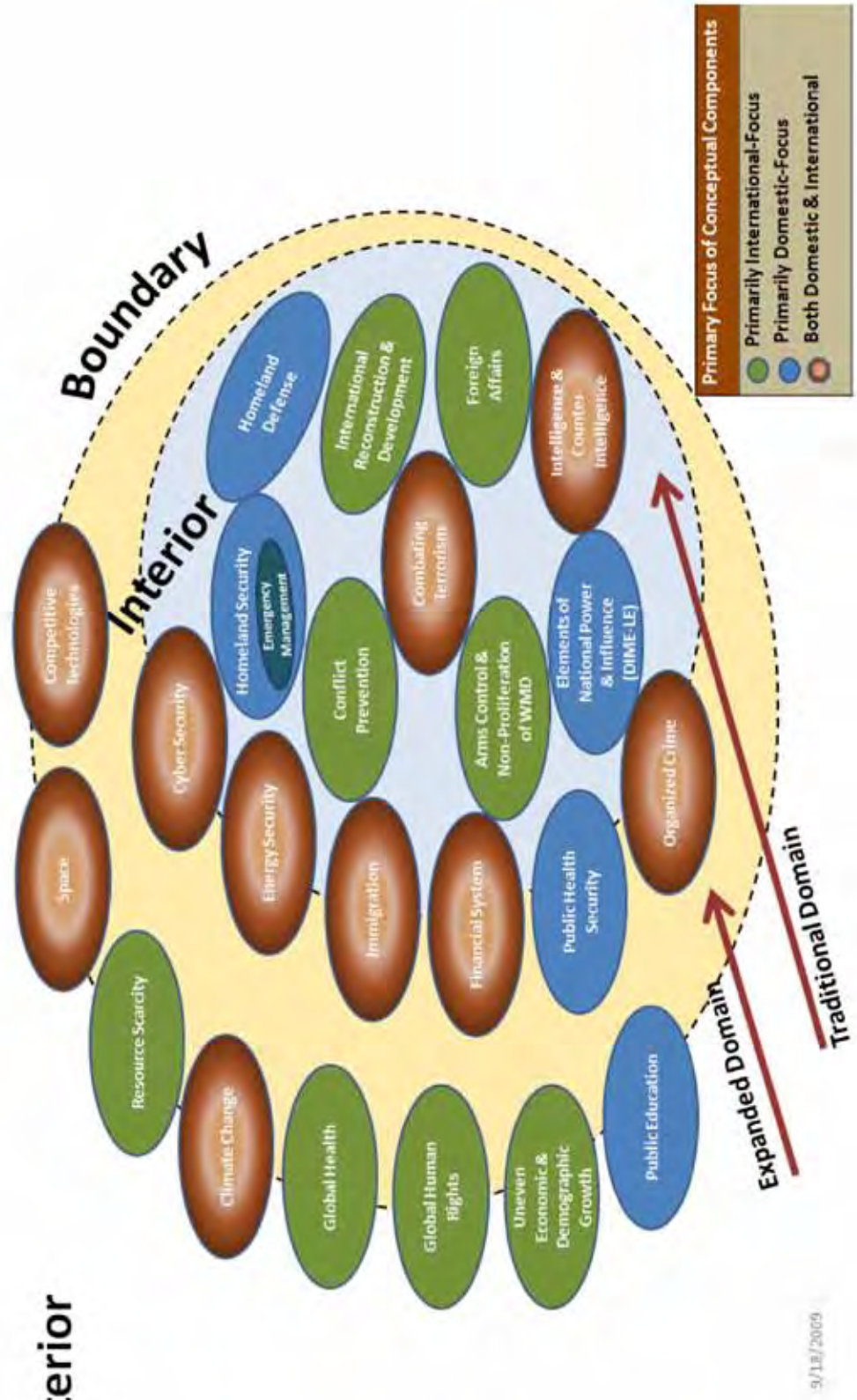
In the Cold War era, the national security domain was understood to include national defense, foreign policy, intelligence and counter-intelligence, arms control and nonproliferation, and foreign assistance. In the modern era, newly related issues of national security such as homeland defense, homeland security, combating terrorism, foreign affairs, conflict prevention, and international reconstruction and development have pushed themselves into the minds of senior decision-makers, who have incorporated them into national security strategies and other such documents.

Most recently, issues such as cyber security, energy security, immigration, the financial system, public health, and organized crime have found their way into the national security debate. The diagram titled "Scope of the National Security System" places these issues on a boundary that delineates the traditional domain from this expanded domain to denote their unresolved relevance. It also illustrates issues that are understood to exist outside the purview of the national security system. These subjects include competitive technologies, resource scarcity, climate change, global health, global human rights, uneven economic and demographic growth, and public education. The issues situated on the exterior boundary of the diagram are not typically addressed by national security agencies in an institutionalized manner. Both the interior and exterior boundaries of the national security system are represented by dashed lines to indicate their flexibility as these boundaries can grow and change with changes in conceptions of national security.

The current narrower view of the scope of national security lends itself to a very limiting understanding of the complex issues that exist in the world. Ignoring the strong relationships between system components and exterior elements, or the importance of traditional security issues to a broader conceptualization of national security, affects how successfully the system handles them.

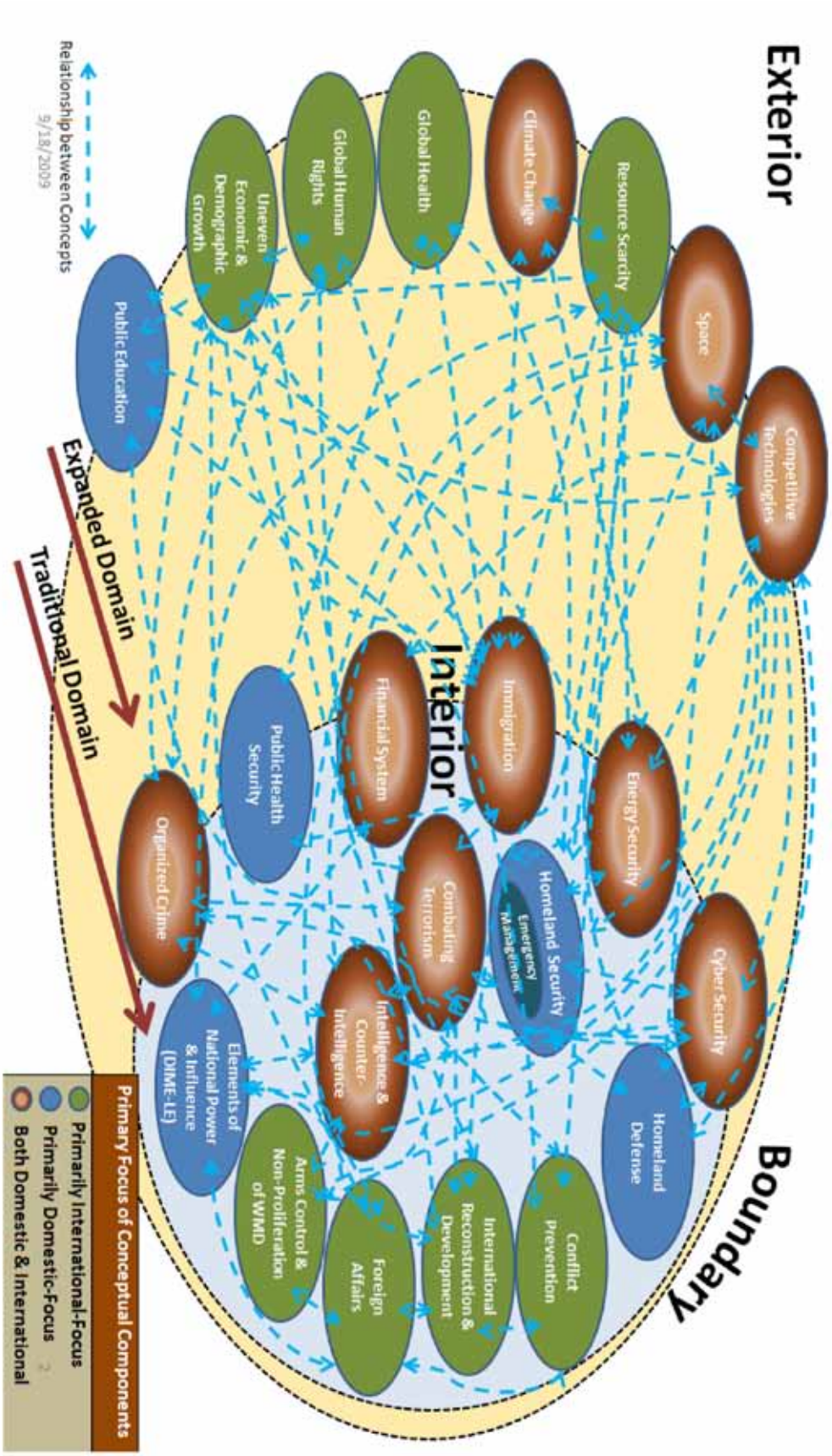
The second diagram "Current National Security System" displays a map of the current players within the "as-is" national security system. It offers an interesting perspective about where major players are often perceived as falling within the current system and their specific functions, areas of interest, and capabilities.

Figure 9: Scope of the National Security System

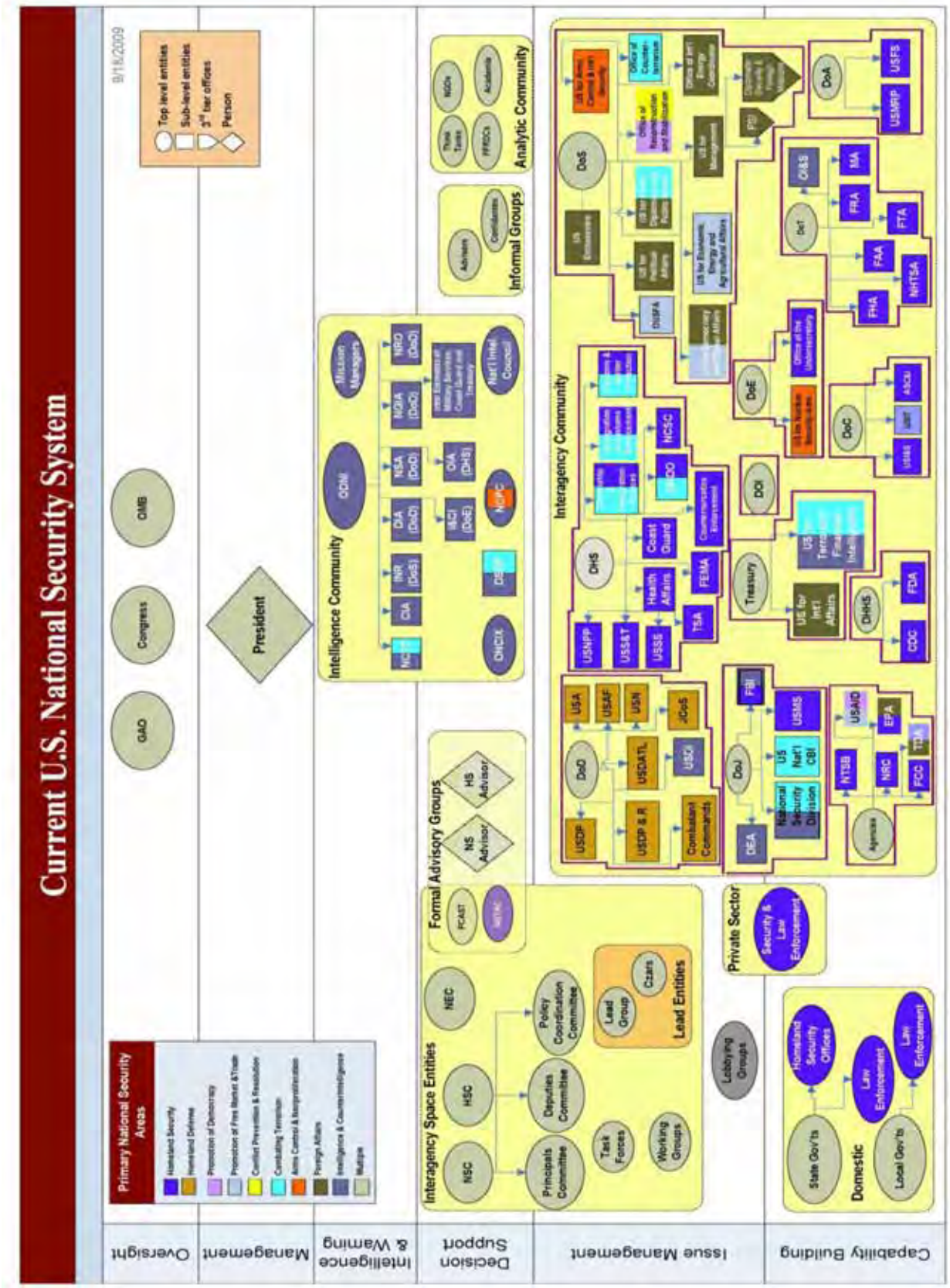


The color-coded ovals shown in the diagram reflect the predominant focus of these components or the geographical realm within which most of the component-related activities occur. The blue ovals represent those national security issues that are concerned with domestic circumstances, such as homeland defense, homeland security, and public health security for example, and require mostly domestic implementation policies. The green ovals represent those issues that have an international aspect, including foreign affairs, conflict prevention, international reconstruction and stabilization, arms control and nonproliferation, resource scarcity, global health, global human rights, and uneven economic and demographic growth. These issues require the national security community to engage in the international arena. Issues such as combating terrorism, intelligence and counterintelligence, cyber security, energy security, immigration, the financial system, organized crime, space, and climate change require a hybrid domestic and international approach and are represented in dark red.

Figure 10: Interrelationships of the National Security System



The dashed arrows used in the second version of the diagram indicate relationships between various components of the system. These relationships vary, with some having direct casual links and some being considered subsets of another. Uneven economic and demographic growth, for example, has linkages to both combating terrorism and organized crime, where climate change has linkages to resource scarcity, energy security, and global health. Since correlation can only suggest possible causation, the relationships are represented with dashed arrows to emphasize this uncertainty.


Current U.S. National Security System
9/18/2009
Top level entities
Sub-level entities
3rd tier offices
Person
GAO
Congress
OMB
President
Primary National Security Areas
Homeland Security
Homeland Defense
Promotion of Democracy
Promotion of Free Market & Trade
Conflict Prevention & Resolution
Combating Terrorism
Arms Control & Nonproliferation
Foreign Affairs
Intelligence & Counterintelligence
Multiple
Intelligence Community
ODNI
Mission Managers
NCTC
DHS I&A
DIA
INR (DoS)
DIA (DoD)
NSA (DoD)
NGA (DoD)
NRO (DoD)
MCI (DoE)
OIA (DHS)
Nat'l Intel Council
DNI/CIA
Informal Groups
Advisors
Consultants
Analytic Community
Think Tanks
FFRDCs
NGOs
Academia
Formal Advisory Groups
NS Advisor
HS Advisor
PCAST
NSTAC
Interagency Space Entities
NEC
NSC
HSC
NSC
Principals Committee
Deputies Committee
Policy Coordination Committee
Task Forces
Working Groups
Lead Entities
Lead Group
Czars
Lobbying Groups
Private Sector
Security & Law Enforcement
Domestic
State Gov'ts
Local Gov'ts
Homeland Security Offices
Law Enforcement
Law Enforcement
Interagency Community
DoS
US Embassies
US for Political Affairs
US for Economic, Energy and Agricultural Affairs
US for Management
Office of Counter-terrorism
Office of Reconstruction and Stabilization
Office of Int'l Energy Coordination
DHSPA
Consular Affairs
Diplomatic Security & Foreign Missions
FBI
DoD
USDP
USDP & R
USDATL
USDI
USA
USAF
USN
JCoS
Combatant Commands
DHS
USMPP
USS&T
USSS
Health Affairs
Coast Guard
TSA
FEMA
Counterterrorism Enforcement
NCSC
NCTC
DoJ
DEA
FBI
National Security Division
US Nat'l CBI
USMS
Treasury
US Terrorist Financ Intel
US for Int'l Affairs
DOI
DoE
Office of the Undersecretary
US for Nuclear Security Affairs
DoC
USMS
USPTO
NIST
ASCM
DHHS
CDC
FDA
DoT
OI&S
FRA
MA
FHA
FAA
FTA
NHTSA
DoA
USFS
USMRP
USAID
Agencies
NTSB
NRC
EPA
FCC
TTB

Through a review of recent national security strategies and other research, this diagram highlights current "national security areas." Areas of national security that actors currently engage in are distinguished by a color-coding convention, found in the upper left hand corner of the diagram. Organizations understood to engage in one principal area of national security are displayed using one color. Other organizations engaging in more than one function are displayed using corresponding multiple colors.

Six different systemic functions derived from *Forging a New Shield* are presented as horizontal lanes: oversight, system management, intelligence and warning, decision support, issue management, and capability building. Key national security players engaged in these systemic functions are located in their corresponding lane(s). If an organization performs more than one systemic function, it is placed in more than one lane. Large boxes that hold several organizations cover more than one lane to denote that they all perform all the functions of the multiple lanes.

This chart illustrates a high level view of the current national security system landscape. Actors within this system are denoted either as individuals, such as the president or national security advisor, or as individual organizations, such as the Department of Homeland Security or the Central Intelligence Agency. As the national security system does have groups within it, some actors are grouped into broader categories that are conveyed by a large box. These groupings include the intelligence community, the interagency community, interagency space entities, formal advisory groups, informal groups, local and state governments, some private sector actors, and the analytic community. Dotted boundary lines around these larger boxes indicate the components in the box are grouped categorically and do not imply a strong working or collaborative relationship within them. Certain top-level entities include a detailed organizational structure, highlighting their internal hierarchy. Similarly, when appropriate, one group is represented as a subset of another group or is strategically placed over another group to indicate some degree of overlap. An example of this is the relationship between PCAST and NSTAC, both formal advisory groups and interagency space entities.

The interagency community is one complex example of a large group of actors, as it encompasses all the federal departments and agencies that are understood to perform some type of national security function. The dotted lines around these organizations indicate the loose nature of this grouping. While analytically appropriate to merge these departments and agencies into one group, this representation does not indicate a high level of interaction and integration. Regardless of the overlap or strong linkages in missions, they traditionally function in isolation to each other. This low level of interaction is represented through the separation of these organizations from each other with solid boundary lines.

In this diagram, shapes are used to distinguish between top level entities, represented by oval bubbles; sub offices, which are denoted by squares; individuals, which are represented by diamond shapes; and lastly, 3rd tier offices, which are denoted by pentagonal shapes. The corresponding legend can be found in the upper right hand side of the diagram.

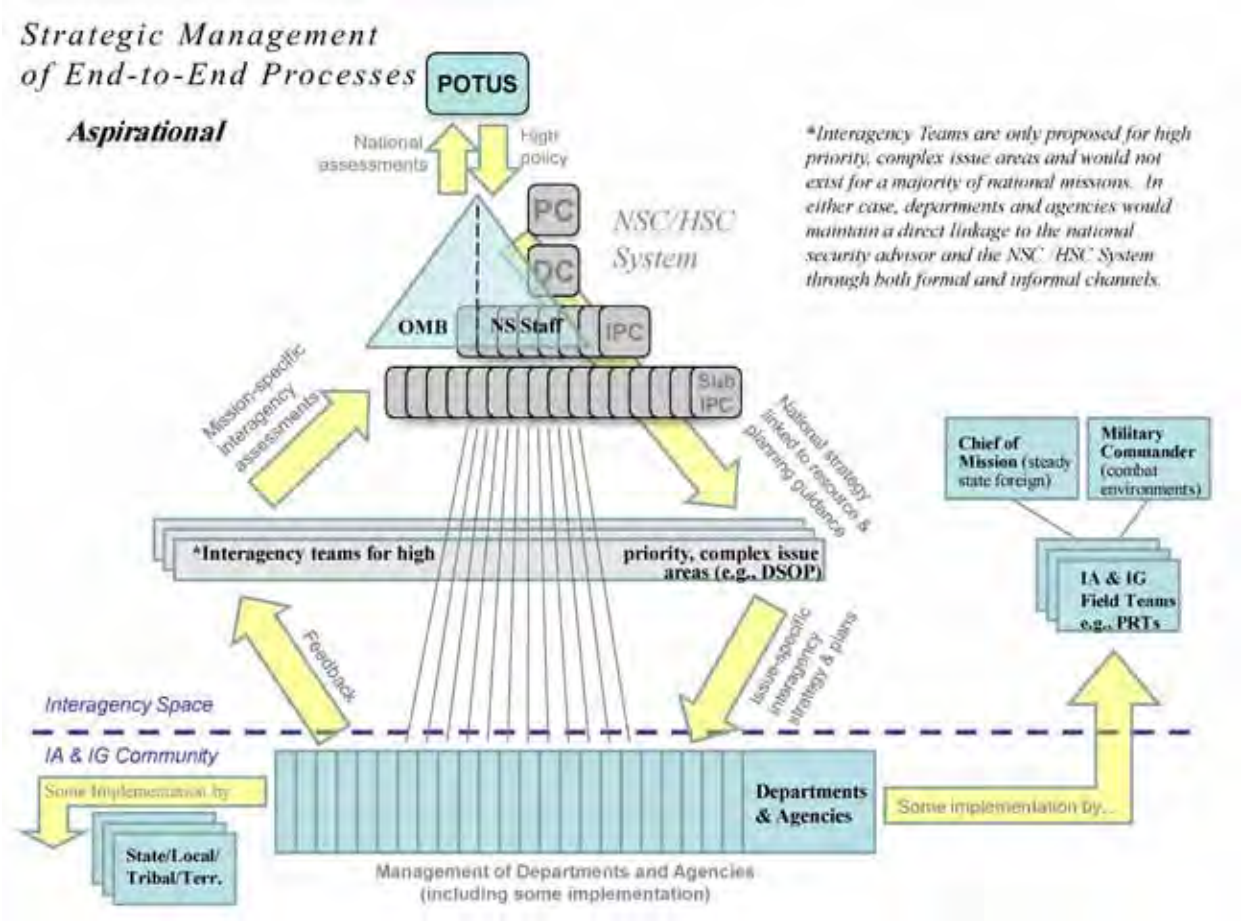
PNSR is in the process of depicting how its vision of an improved ("to be") national security system might look using the same visual framework. This framework, encompassing a more comprehensive understanding of the scope of national security, will highlight the improved processes used to manage this complex system of systems.

Appendix 3: End-to-End Management of the U.S. National Security System: A Conceptual Framework

In *Forging a New Shield*, the Project on National Security Reform (PNSR) introduced the concept of end-to-end management as a foundational framework for understanding national security system processes along a spectrum from policy development through operational assessment.[18] As PNSR continues to refine this concept, its utility as a central paradigm for understanding the system and its shortcomings has been reaffirmed repeatedly through interactions with key stakeholders. PNSR recognizes the limitations of using a linear lens to examine a non-linear, complex system. However, it is a useful construct to comprehend the holistic processes associated with national security and allows one to step back and ask the fundamental questions: "How and by whom is this being managed?" and "Is it working?"

A visual depiction of this framework can provide a better understanding of the system and the requirements for end-to-end management at the strategic level. The following diagrams attempt to capture both the status quo as well as an aspirational illustration of what this process could look like in the future. The accompanying narrative walks the reader through the illustrations, adding necessary explanation to a simplified depiction of a complex system.

18 Project on National Security Reform, *Forging a New Shield*, (Arlington: PNSR, 2008): 225, 258, 298, 380.



Beginning at the highest level, theoretically speaking, the president injects his guidance into the system. Outside of the president's immediate circle of personal advisors, the entities that dominate this level of the system (appearing in the top third of the diagram) include the national security advisor and his staff, Office of Management and Budget (OMB), and the National Security Council and Homeland Council Systems which are populated by representatives from the interagency community.[19] In the aspirational illustration, the dashed line between the National Security Staff (NSS) and OMB is intended to depict a fluid, yet formalized relationship between the two organizations.

High-level presidential policy guidance is fed through the NSS, OMB, and NSC system for translation into strategic guidance in the form of policy, strategy, and plans. This strategic guidance may be sufficiently comprehensive and detailed for departments, agencies, and other implementing actors to carry out their roles and responsibilities for certain missions. However, some national missions may, due to a greater level of complexity or priority, require more robust interagency coordination and planning for that particular mission or issue area. In some cases, an interagency team may lead this issue or mission-specific interagency planning.[20]

19 The *interagency community* refers to the federal departments and agencies of the U.S. Government.

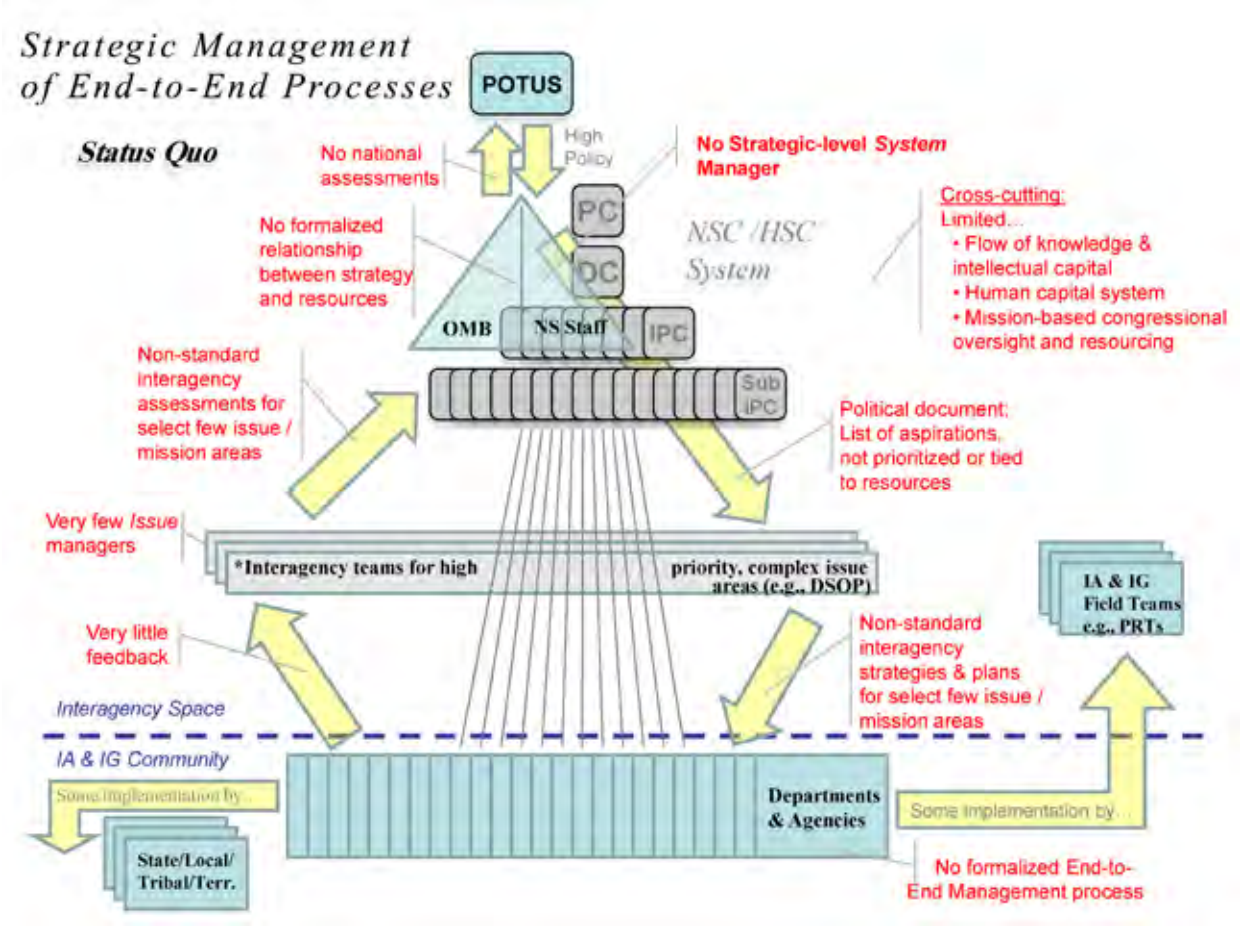
20 PNSR continues to study the appropriate role of interagency teams such a team on this spectrum of end-to-end management and is currently conducting a case study on the U.S. counterterrorism system (see Chapter 12). This case offers the existing example of the Directorate for Strategic Operational Planning (DSOP) in the National Counterterrorism Center (NCTC) – an interagency team charged with integrated interagency strategic operational planning for the counterterrorism mission area.

Moving to the bottom tier of the diagram, cumulative policies, strategies, and plans are ultimately for the benefit of the implementing actor. In some instances, federal departments and agencies will be responsible for implementation. Alternatively, the intergovernmental community (IG)[21] or an interagency team in the field, such as a Provincial Reconstruction Team (PRT), may be the executing agent. As the aspirational diagram depicts, interagency teams in the field would report to an empowered country team during steady state environments and the military commander during combat. In all cases, the end-to-end concept can be replicated on a smaller scale internal to these organizations (what we refer to as "cascading end-to-end management"). For example, departments and agencies would adopt a similar framework encompassing the development of policy all the way through to the assessment of department operations.

A feedback loop should be in place during and after an operation that permits critical information to be fed back into the system in real-time to drive necessary changes in policy, strategy, resourcing, and planning. If this feedback is specific to a complex priority issue area and requires an integrated interagency team approach, the relevant interagency team would be responsible for soliciting and capturing this feedback and undertaking an interagency assessment specific to that national mission or issue area.

In the aspirational system, the appropriate actor on the NSS would compile these mission-specific interagency assessments to develop a holistic picture of national progress on the president's top priorities. This holistic assessment would inform and drive changes in overarching policy and strategy, as well as highlight systemic impediments that may be inhibiting national success as defined by the president. The red text in the diagram below describes the current state of affairs and identifies where today's system falls short.

21 *Intergovernmental community* is defined as the system of federal, state, local, tribal and territorial government organizations.


Strategic Management of End-to-End Processes
POTUS
Status Quo
No national assessments
High Policy
No Strategic-level System Manager
PC
DC
NSC /HSC System
No formalized relationship between strategy and resources
Cross-cutting:
Limited...
• Flow of knowledge & intellectual capital
• Human capital system
• Mission-based congressional oversight and resourcing
OMB
NS Staff
IPC
Sub IPC
Non-standard interagency assessments for select few issue / mission areas
Political document: List of aspirations, not prioritized or tied to resources
Very few Issue managers
*Interagency teams for high priority, complex issue areas (e.g., DSOP)
IA & IG Field Teams e.g., PRTs
Very little feedback
Non-standard interagency strategies & plans for select few issue / mission areas
Interagency Space
IA & IG Community
Some implementation by...
Departments & Agencies
Some implementation by...
State/Local/ Tribal/Terr.
No formalized End-to-End Management process

Appendix 4: Recommended Next Steps

There is much that can—and must—be done today. The "Next Steps" recommended in Part IV are organized by the key decisionmakers who need to take these actions, from the president and his national security advisor, to cabinet officers and Congress. The most important immediate step would be for the president to issue an executive order defining the national security interagency system, especially with respect to setting up the processes for strategic management. The executive order is the foundation for the changes that will result in a more cohesive and agile national security interagency system that integrates all the elements of national power. Each recommended reform step would contribute significantly to integrating and improving the overall national security system. Collectively these steps are only part of the needed national security reform, but they are synergistic, practical, doable, and necessary.

President

- Articulate principles to guide the functioning of the national security system.
- Issue a presidential letter to heads of departments and agencies articulating presidential expectations for the national security interagency system, primacy of national missions and outcomes, and imperative for integrated effort, collaboration, and agility.
- Issue a presidential letter to chiefs of mission prescribing their authority as national representatives.
- Issue a presidential letter to heads of departments and agencies regarding the authority of chiefs of mission.
- Sign an executive order on the national security interagency system to define the interagency space, set forth presidential expectations for interagency integration, establish functions of the national security interagency system and key personnel, and provide continuity for fundamental aspects of the system across administrations.
- Sign a presidential directive prescribing the duties of the assistant to the president for national security affairs.
- Sign a presidential directive establishing the duties of the senior director for strategy development on the National Security Staff.
- Sign a presidential directive to establish a National Security Strategy Development Board to strengthen the development of national security strategy and associated planning and resource guidance.
- Sign a presidential directive prescribing the role and authorities of interagency teams established to address the most pressing national security issues that require integration of expertise, capabilities, and resources across departments and agencies.
- Approve a charter for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.

- Include in the President's Budget Request funding sufficient to enable the National Security Staff to perform its four major roles, including strategic management of end-to-end national security interagency system processes.

Assistant to the President for National Security Affairs

- Adopt strategic management of end-to-end processes which includes formulating policy, developing strategy, aligning strategy and resources, preparing integrated plans, overseeing execution, and assessing performance of the national security interagency system as one of the principal roles of the National Security Staff.
- Organize the National Security Staff to enable it to perform the four major roles of strategic management, development of the national security interagency system, crisis management, and presidential staffing.
- Advise the president on the requirements for funding, personnel, facilities, and modern information sharing technology to enable the National Security Staff to perform its four major roles.
- Provide sufficient personnel to enable a strategy directorate to (1) lead efforts to conduct the National Security Review and prepare the National Security Strategy and National Security Planning and Resources Guidance (the latter in collaboration with the Office of Management and Budget) and (2) support each senior director on the National Security Staff on development of strategy within his or her area of regional or functional responsibility.
- Request the director of the Office of Management and Budget to assign one or more personnel to the strategy directorate to assist in efforts to better align resources with strategy.
- Create a Homeland Security Collaboration Committee on the National Security Staff to ensure appropriate consideration of the perspectives of state, local, tribal, and territorial governments and private-sector and non-governmental organizations in the formulation of homeland security policy.
- Approve a written position description for each position on the National Security Staff.
- Approve a charter for each Interagency Policy Committee.
- Approve schedules for the annual work of the Principals Committee and Deputies Committee involving major milestones and recurring weekly meetings.
- Direct the use of modern information sharing technology to improve collaboration between the National Security Staff and departments and agencies.
- Ensure that the National Security Professional Development Integration Office is sufficiently empowered to execute its mission to educate, train, and prepare personnel to serve in interagency assignments.
- Create an office on the National Security Staff to manage national security reform.

Director of the Office of Management and Budget

- To complement the creation of a single National Security Staff, transfer the Homeland Security Branch from General Government Programs to National Security Programs.
- Assign one or more personnel to the strategy directorate of the National Security Staff to assist in better aligning resources with strategy.
- In collaboration with the assistant to the president for national security affairs, prepare the National Security Planning and Resource Guidance for the president's approval.

Secretary of State

- Adopt integrated end-to-end management of global civilian affairs as the principal role of the Department of State.
- Transform the structure, processes, culture, and staff capabilities of the Department of State to enable it to perform integrated end-to-end management of global civilian affairs.
- Prescribe mandatory training, including training in team dynamics and conflict resolution, for each person to be assigned to a U.S. embassy staff.
- Include as a key performance evaluation measure the ability of a chief of mission to institutionalize an integrated whole-of-government approach by the mission.

Secretary of Defense

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Strengthen the role of the National Defense University in education of personnel who will serve in interagency assignments.
- Determine an appropriate role for the U.S. Joint Forces Command in training interagency personnel for multiagency operations.

Secretary of Homeland Security

- Develop a National Operational Framework for interagency and intergovernmental operational integration across the full range of the homeland security continuum, building on existing plans and frameworks.
- Establish an Office of Intergovernmental Coordination in the Office of the Secretary to work with state, local, tribal and territorial governments on all matters.
- Establish in each region of the Federal Emergency Management Agency a joint interagency, intergovernmental working group for regional catastrophic preparedness.

Director of National Intelligence

- Assist the assistant to the president for national security affairs in his efforts to use modern information sharing technology for improving collaboration between the National Security Staff and departments and agencies.
- Determine the proper role of the Directorate of Strategic Operational Planning of the National Counterterrorism Center in assisting the National Security Staff's strategic management of the combating terrorism mission.

Congress

Enact the National Security Human Capital Act to establish an interagency personnel system.

Have subcommittees from two or more committees with national security jurisdiction hold joint hearings on interagency issues, including hearings on the performance of Provincial Reconstruction Teams in Iraq and Afghanistan, evaluation of Commander's Emergency Response Program (CERP) funds, reviewing the national security strategy submitted by the president, and strategic communications programs of departments and agencies.

Enact a provision requiring the president to issue a charter, prior to appointment, for each special envoy or other specially designated official responsible for integrating the expertise and/or capabilities of multiple departments and agencies for a particular mission, function, or issue.

Enact a provision requiring the assistant to the president for national security affairs to assign to the office of each senior director on the National Security Staff a person who has been particularly trained and especially qualified in the art of strategy development.

Request the president or secretaries of state and defense to conduct a study on each of the following subjects: (1) organizational impediments to achieving unity of effort for U.S. government policies and programs in Afghanistan and Pakistan; (2) the concept of creating an interagency regional center for each world region to perform national security missions assigned by the president; and (3) the need to establish a common alignment of world regions in the internal organization of departments and agencies with international responsibilities.

Request the director of the Office of Management and Budget to conduct a study on each of the following topics: (1) the need to modify the resource allocation process to better align resources with strategic national security objectives; and (2) the utility of creating an integrated national security budget.

Appendix 5: Matrices of Original and Current Recommendations

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
Broaden the scope of national security beyond security from aggression to include security against massive societal disruption as a result of natural forces and security against the failure of major national infrastructure systems and to recognize that national security depends on the sustained stewardship ~~of the foundations of national power.~~ i. Prescribe in statute the national security roles of each department and agency, especially those that heretofore have not been viewed as part of the national security system. ~~ii. For each department that had not previously been considered a part of the national security system and is now deemed to be part of that system, create the position of assistant for national security to that department's secretary.~~ ~~a. Task the assistant for national security with facilitating the preparation and coordination of the department's new national security mission and associated roles and functions.~~ iii. Direct that one or more interagency teams focus on the foundational sources of American strength (sound economic policy, energy security, robust physical and human infrastructure, including health and education systems, especially in the sciences and	**1A BROADEN THE SCOPE OF NATIONAL SECURITY BEYOND SECURITY FROM AGGRESSION TO INCLUDE SECURITY AGAINST MASSIVE SOCIETAL DISRUPTION AS A RESULT OF NATURAL FORCES AND SECURITY AGAINST THE FAILURE OF MAJOR NATIONAL INFRASTRUCTURE SYSTEMS AND TO RECOGNIZE THAT NATIONAL SECURITY DEPENDS ON THE SUSTAINED STEWARDSHIP AND INTEGRATION OF ALL ELEMENTS OF NATIONAL POWER.** i. Prescribe in statute the national security roles of each department and agency, especially those that heretofore have not been viewed as part of the national security system. ii. Audit all departments involved in dealing with the expanded notion of 21st-Century national security issues to ensure that each has created the position of assistant for national security to that department's secretary as outlined in the national security advisor memorandum of March 18, 2009, *The 21st Century Interagency Process*.[1] a. Through an executive order defining the national security interagency system, task each assistant for national security with facilitating the preparation and coordination of the department's new national security strategy and missions and associated roles and functions. iii. Direct that one or more interagency teams

[1] James L. Jones, General, USMC (Ret), "The 21st Century Interagency Process," 18 March 2009, 17 July 2009 <http://www.fas.org/irp/offdocs/ppd/nsc031909.pdf>.

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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engineering).	focus on the foundational sources of American strength (sound economic policy, energy security, robust physical and human infrastructure, including health and education systems, especially in the sciences and engineering).
Replace the National Security Council and Homeland Security Council ~~by creating a new council to be titled the President's Security Council.~~ i. Provide that the ~~President's Security Council would also~~ address economic and energy issues with ~~security implications~~. ~~ii. Report language would express~~ ~~a. The need to address international security, homeland security, economic security, and energy security issues in an integrated manner where they overlap.~~ ~~b. The broader scope of national security will necessarily involve more departments and agencies in the work of the President's Security Council.~~ ~~c. The president should invite participants to a council meeting based on the diverse departmental and agency expertise and perspectives required to address the issue under consideration.~~ d. The traditional core of participants should be maintained without prescribing their mandatory attendance. e. Given the need for seamless and fluid boundaries, council membership and operations should move away from the restrictions imposed by the	**1B REPLACE THE NATIONAL SECURITY COUNCIL AND HOMELAND SECURITY COUNCIL WITH A SINGLE NATIONAL SECURITY COUNCIL.** i. Provide that the single National Security Council address international security, homeland security, economic security, and energy security issues in an integrated manner. ii. Maintain the traditional core of participants without prescribing their mandatory attendance. iii. Move council membership and operations away from the restrictions imposed by the National Security Act of 1947 and the Homeland Security Act of 2002 to accommodate the need for seamless and fluid boundaries. iv. Provide the president long-term strategic planning and resource allocation advice through the broadest participation in council meetings.

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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National Security Act of 1947. f. The president should seek the broadest participation for meetings addressing long-term strategic planning and resource allocation. ~~iii. Do not specify in statute the membership of the President's Security Council.~~	
ii. Moved from "Human Capital"	**IC ENABLE THE NATIONAL SECURITY STAFF TO PERFORM STRATEGIC MANAGEMENT OF END-TO-END NATIONAL SECURITY INTERAGENCY SYSTEM PROCESSES.** i. Organize the National Security Staff to enable it to perform the four major roles: strategic management of end-to-end national security interagency processes, development of the national security interagency system, crisis management, and presidential staffing. ii. Improve cross-administration continuity by staffing the Executive Secretariat of the National Security Staff with career civil servants.
~~Within the Executive Office of the President, create in statute the position of director for national security.~~ i. Serving as the principal assistant to the president on all matters relating to national security; ii. Promoting effective performance of the national security system; iii. Developing the National Security Strategy, National Security Planning Guidance, and National Security Resource ~~Document~~, to include resource allocation for interagency teams and task forces (in conjunction with the director of the Office of Management and Budget (OMB)); iv. In close collaboration with the intelligence community, identifying and/or validating national security opportunities and threats	**1D ASSIGN THE NATIONAL SECURITY ADVISOR THE FOLLOWING RESPONSIBILITIES:** i. Serving as the principal assistant to the president on all matters relating to national security; ii. Promoting effective performance of the national security interagency system; iii. Developing the National Security Review, National Security Strategy, and National Security Planning and Resource Guidance, to include resource allocation for interagency teams and task forces (in conjunction with the director of the Office of Management and Budget (OMB)); iv. In close collaboration with the intelligence

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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that require an interagency response, either at the national or regional level, and recommending their assignments to appropriate interagency teams, interagency crisis task forces, or lead departments and agencies; v. Securing presidential approval for each interagency team, its charter (specifying mission, objectives, authorities, and resources), and the strategy developed by the team; vi. Monitoring the performance of interagency teams approved by the president; vii. Assisting the president in overseeing and reconciling differences among teams, task forces, and other multi-agency organizations, and conflicts between interagency organizations and departments and agencies; viii. Assessing continually the efficiency and effectiveness of the system; ix. Supporting the president's supervision and coordination of the policies, plans, and actions that are the primary responsibility of a single department or agency; and x. Creating appropriate organizational linkages and arrangements across regional and issue-specific teams to ensure unity of purpose with the president's security strategy.	community, identifying and/or validating national security opportunities and threats that require an interagency response, either at the national or regional level, and recommending their assignments to appropriate interagency teams, interagency crisis task forces, or lead departments and agencies; v. Securing presidential approval for each interagency team, its charter (specifying mission, objectives, authorities, and resources), and the strategy developed by the team; vi. Monitoring the performance of interagency teams approved by the president; vii. Assisting the president in overseeing and reconciling differences among teams, task forces, and other multi-agency organizations, and conflicts between interagency organizations and departments and agencies; viii. Assessing continually the efficiency and effectiveness of the system; ix. Supporting the president's supervision and coordination of the policies, plans, and actions that are the primary responsibility of a single department or agency; x. Creating appropriate organizational linkages and arrangements across regional and issue-specific teams to ensure unity of purpose with the president's security strategy; and xi. Developing the national security interagency system to include human capital, shared knowledge and intellectual capital, and systemwide long-term planning.
Urge the president to issue an executive order, to be supplemented by derivative presidential directives, which would establish a coherent, continuing	**1E URGE THE PRESIDENT TO ISSUE AN EXECUTIVE ORDER, TO BE SUPPLEMENTED BY DERIVATIVE**

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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framework and normative process for the national security system. i. Define the national security system. ii. State the overall policy of the executive branch for the national security system. iii. Set forth the expectations of the president for performance of the senior officials of the national security system. iv. Establish fundamental norms for all phases and functions ~~of the national security system, including strategic planning, policy development, policy decision making, policy implementation, oversight, system management, budgeting and resourcing, human capital, and knowledge management.~~ v. Provide continuity across administrations for fundamental aspects of the national security system. vi. Note: Because the executive order would be designed to endure, details of these fundamental norms that would be prone to change from administration to administration should be included in presidential directives derived from the order. ~~As one example, although the president may choose to establish the basic function and membership~~	**PRESIDENTIAL POLICY AND STUDY DIRECTIVES THAT WOULD ESTABLISH A COHERENT, CONTINUING FRAMEWORK AND NORMATIVE PROCESS FOR THE NATIONAL SECURITY SYSTEM. AT A MINIMUM, THE EXECUTIVE ORDER SHOULD:** i. Define the national security interagency system, both with respect to end-to-end management of the national security interagency system and with respect to decentralized implementation by departments, agencies, and interagency teams. ii. State the overall policy of the executive branch for the national security interagency system. iii. Set forth the expectations of the president for performance of the senior officials of the national security interagency system. iv. Establish fundamental norms for all roles and functions for end-to-end management processes of the national security interagency system, including policy formulation; strategy development; planning guidance for policy implementation; strategy and resource alignment; oversight of policy implementation; interagency strategic performance assessment; development of the national security interagency system (to include human capital, knowledge and intellectual capital, and systemwide long-term planning); crisis management, and staffing the president. v. Provide continuity across administrations for fundamental aspects of the strategic management processes of the national security interagency system. vi. Note: Because the executive order would be

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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~~of the President's Security Council in an executive order, he or she may choose to set forth details of the Council, including substructures, staff responsibilities, and regular attendees in a separate directive, analogous to National Security Presidential Directive (NSPD)-1.~~	designed to endure, details of these fundamental norms that would be prone to change from administration to administration should be included in presidential directives derived from the order.
Urge the ~~new~~ president to appoint Cabinet secretaries and agency heads who are skilled in collaboration and who fully appreciate the need to (a) effectively integrate the expertise and capabilities of departments and agencies in order to carry out national security missions and (b) fully support interagency teams. i. The president should state his expectations for Cabinet secretaries and their subordinates in the executive order on the national security system or presidential directive that prescribes the ~~President's Security Council system.~~ ii. During confirmation hearings, ~~Senate committees should assure that nominees for positions within the national security system are fully committed to working as part of a highly collaborative team focused on national missions and outcomes.~~	**1F URGE THE PRESIDENT TO APPOINT CABINET SECRETARIES AND AGENCY HEADS WHO ARE SKILLED IN COLLABORATION AND WHO FULLY APPRECIATE THE NEED TO (A) EFFECTIVELY INTEGRATE THE EXPERTISE AND CAPABILITIES OF DEPARTMENTS AND AGENCIES IN ORDER TO CARRY OUT NATIONAL SECURITY MISSIONS AND (B) FULLY SUPPORT INTERAGENCY TEAMS.** i. The president should state his expectations for cabinet secretaries and their subordinates in an executive order on the national security system or presidential directive that prescribes the joint National Security Council/Homeland Security Council system for strategic management of end-to-end national security processes and decentralized implementation by departments, agencies, and interagency teams. ii. During confirmation hearings, nominees for positions within the national security interagency system should reinforce the fact to Senate committees that they are fully committed to working as part of a highly collaborative team focused on national missions and outcomes.
~~Amend title 22, United States Code, section 3927, to ensure that ambassadors leading a country team and other chiefs of mission have at least the same authorities and responsibilities other interagency team leaders are provided, and to strengthen the operation of embassy and mission staffs as~~	**1G PROVIDE NEW LANGUAGE FOR THE PRESIDENT'S LETTER TO CHIEFS OF MISSIONS AND AMBASSADORS TO REINFORCE THE DE JURE AUTHORITY PROVIDED IN TITLE 22 USC SECTION 3927, AND ESTABLISH PROCEDURES**

NEW APPROACHES BASED ON NATIONAL MISSIONS AND OUTCOMES **Reform the national security system to establish strategic end-to-end management processes and achieve overall integrated effort, collaboration, and agility.**	
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~~interagency teams.~~ i. Direct mandatory training in team dynamics including conflict resolution for the ambassador and each member of an embassy (country team) or mission staff. ii. Provide each ambassador and other chief of mission control over the assignment, evaluation, and rewards for any official assigned to an embassy or mission staff.	**FOR ENSURING THAT COUNTRY TEAMS ARE, IN FACT, TRUE INTERAGENCY TEAMS RATHER THAN A COLLECTION OF INDIVIDUALS PURSUING INDEPENDENT DEPARTMENTAL/AGENCY AGENDAS. THE CHIEF OF MISSION (COM) LETTER SHOULD BE SIGNED BY THE PRESIDENT, AND A PRESIDENTIAL LETTER REINFORCING THE COM AUTHORITIES SHOULD BE PROVIDED TO EACH CABINET AND INTERAGENCY HEAD.** i. Direct mandatory training in team dynamics including conflict resolution for the ambassador and each member of an embassy (country team) or mission staff. ii. Provide each ambassador and other chief of mission control over the assignment, evaluation, and rewards for any official assigned to an embassy or mission staff.
Establish arrangements for increasing the collaboration on homeland security among the federal government, state and local governments, and private-sector and nongovernmental organizations. ~~i. Create in statute a Homeland Security Collaboration Committee under the purview of the President's Security Council to provide a venue for collaboration of state and local governments and private-sector and nongovernmental organizations with the federal government.~~ ~~a. Specify fourteen members of the committee: six appointed by the president, four by the Senate Committee on Homeland Security and Government Affairs, and four by the House Committee on Homeland Security.~~ ~~b. Prescribe the membership to include~~ ~~1. Four governors or their designated representatives.~~	**1H ESTABLISH ARRANGEMENTS FOR INCREASING THE COLLABORATION ON HOMELAND SECURITY ISSUES AMONG THE FEDERAL GOVERNMENT, STATE, LOCAL, TRIBAL AND TERRITORIAL GOVERNMENTS, THE PRIVATE SECTOR, AND NON-GOVERNMENTAL ORGANIZATIONS.** i. Create a mechanism within the National Security Staff for effective partnerships with non-federal stakeholders and decisionmakers in the national and homeland security community. A Homeland Security Collaboration Committee in the National Security Staff would convey State, local, tribal, and territorial government, private-sector and non-governmental organization (NGO) perspectives on homeland security policy, including on emergency management issues. This office would have formal,

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~~2. Four private sector members.~~ ~~3. Four sitting mayors or county executives or their designated representatives.~~ ~~4. Two senior officials from the Department of Homeland Security.~~ ~~c. Specify a rotating membership with staggered two-year terms.~~ ii. ~~Create in statute a Business Emergency Management Assistance Compact concerning private sector and nongovernmental assistance in emergency management and covering such issues as licensing, credentialing, liability, and workers compensation and reimbursement.~~	systematic, up-front concur/non-concur responsibility for strategic guidance, assessment, strategy/policy formulation, and implementation/evaluation, and as may be required, issue management. It would also provide input into deliberations involving decisions on homeland security and emergency management risk assessment and resourcing.
~~Transform the Department of State.~~ ~~i. Transferring to the Department of State any organization assigned to another department or agency that is performing a responsibility that is clearly within the core competencies of the Department of State.~~ ~~ii. Expanding the Foreign Service to include cadres of personnel from other departments who represent their departments and U.S. foreign policy interests overseas.~~ ~~iii. Creating a cross-department team under the leadership of the secretary of state to produce an integrated set of foreign policy programs and plans.~~ ~~iv. Undertaking the organizational changes to produce the new culture, management skills, and personnel system required to conduct international relations in the 21st Century.~~	**1I DEVELOP AN INTEGRATED APPROACH TO THE MANAGEMENT OF GLOBAL CIVILIAN AFFAIRS THAT MIRRORS THE CORE STRATEGIC MANAGEMENT FUNCTIONS OF THE NATIONAL SECURITY INTERAGENCY SYSTEM OUTLINED ABOVE.** i. Develop a collaborative process with key stakeholders for conducting problem analysis on the management of global civilian affairs, to include: a. Core bilateral diplomacy b. Foreign assistance c. Public diplomacy d. Stabilization and reconstruction ii. Develop an overarching blueprint for a Next Generation State Department that includes the following components: a. A new organizational culture that would promote operational skill sets and an expanded concept of the foreign affairs professional b. Stronger department-level oversight functions for budget, comptroller, and personnel

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v. Moved from "Human Capital"	c. A "family" of core sub-departments or bureaus, each organized around a functional role and possessing a degree of operational autonomy d. A management structure that permits the department to think, anticipate, plan, prepare, and act across different temporal domains in an integrated fashion. e. A merger of overlapping administrative, budgeting, and planning functions between the Department of State and USAID f. A consolidation of stabilization and reconstruction capabilities g. An improved operational chain of command from the secretary to the execution lead h. Multiyear strategic planning and budgeting processes that both facilitate the development of long-term capabilities and permit flexibility in making tradeoffs in response to new threats, guidance, or operational requirements i. A new overarching personnel system of systems that would permit the continuation of specialized personnel systems but would require a common professional education program and formal interagency assignments iii. Develop a three-year plan of steps that could be taken to advance toward this new organizational model, with early focus in late 2009 on: a. The merging of functions between the office of the Under Secretary for Political Affairs (S/P) and the Bureau of Resource Management (RM) b. Training and education for current

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	increases in personnel c. The use of the Quadrennial Diplomacy and Development Review (QDDR) to display funding priorities to congressional leadership a.

STRATEGY DEVELOPMENT AND PLANNING GUIDANCE **Develop a national security strategy and accompanying planning and resource guidance for the interagency system.**	
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~~Focus the staff of the President's Security Council on high-level policy formulation and strategic planning (National Security Review, National Security Strategy, National Security Planning Guidance, National Security Resource Document, National Security Strategic Human Capital Plan), oversight and coordination of interagency teams, and system management.~~ i. ~~The director of national security may want to form interagency teams to perform one or more of these policy formulation and strategic planning tasks.~~	**2A FOCUS THE NATIONAL SECURITY STAFF ON HIGH-LEVEL POLICY FORMULATION AND STRATEGY GUIDANCE (NATIONAL SECURITY REVIEW, NATIONAL SECURITY STRATEGY, NATIONAL SECURITY PLANNING AND RESOURCE GUIDANCE) AND PROVIDE GUIDELINES FOR INTERAGENCY TEAMS.** i. Establish and institutionalize a robust strategy directorate within the National Security Staff. ii. Create a National Security Strategy Development Board representing policy/planning leadership of each department and agency with national security responsibilities to advise the strategy directorate.
Institute a National Security Review to be performed at the beginning of each presidential term ~~in order to prioritize objectives, establish risk management criteria, specify roles and responsibilities for priority missions, assess required capabilities, and identify capability gaps.~~ ~~i. Require the national security review to assess the foundations of national power and identify necessary initiatives.~~ ~~ii. Require the national security review to~~	**2B PERFORM A NATIONAL SECURITY REVIEW AT THE BEGINNING OF EACH PRESIDENTIAL TERM.** i. The National Security Review would describe the strategic landscape with an analysis of major ongoing or foreseeable worldwide commitments, the identification and prioritization of current and foreseeable national security opportunities and threats, and trends that significantly affect national security. a. Assess existing capabilities and resources against needs to successfully defend and advance national interests; b. Make recommendations regarding the missions, activities, and budgets across the national security

STRATEGY DEVELOPMENT AND PLANNING GUIDANCE **Develop a national security strategy and accompanying planning and resource guidance for the interagency system.**	
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~~assess the scope of national security.~~	interagency system; and c. Review the scope of national security, including possible changes in roles and responsibilities within the interagency system, and among outside stakeholders. ii. Conduct the National Security Review on a quadrennial cycle, with the principal effort taking place within the first six months of a president's term and updates performed annually. iii. Use the National Security Review to inform department-specific reviews such as the current ODNI, DoD, and DHS Quadrennial Reviews and the recently announced State Department's Quadrennial Diplomacy and Development Review. iv. Use annual reviews to assess the continuing applicability of basic assumptions underlying the National Security Review, to include emerging risks, opportunities, and threats; conflict prevention; and changes in national security mission partners.
	2C PUBLISH A NATIONAL SECURITY STRATEGY ONCE DURING EACH PRESIDENTIAL TERM. PREPARED ON THE NATIONAL SECURITY REVIEW BASELINE, THIS IS THE ADMINISTRATION'S STRATEGY—A NARRATIVE, POLITICAL DOCUMENT THAT WOULD ESTABLISH THE PRESIDENT'S NATIONAL SECURITY OBJECTIVES BY REGION AND ISSUE. i. Identify significant challenges in the international security environment and implications for domestic security policy. ii. Establish prioritized national security

STRATEGY DEVELOPMENT AND PLANNING GUIDANCE **Develop a national security strategy and accompanying planning and resource guidance for the interagency system.**	
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	objectives, as well as criteria to manage threats, risks, and opportunities, given available resources. iii. Provide unifying direction to department and agency strategies and policy planning. iv. Include an unclassified, public section that would satisfy current statutory reporting requirements, accompanied by a classified annex.
~~Based upon the priorities, criteria, and assessments of the National Security Review, require the preparation of National Security Planning Guidance to be issued annually by the president to all national security departments and agencies.~~ i. Provide specific objectives, directives, and measures of performance to executive branch organizations contributing to national security. ii. Establish and routinely update principles for the functioning of the national security system. iii. ~~Direct preparation of a select number of integrated interagency plans to build required national security capabilities, thereby linking strategy to resource allocation.~~	**2D BASED UPON THE ASSESSMENTS AND PRIORITIES OF THE NATIONAL SECURITY REVIEW, REQUIRE THE PREPARATION OF NATIONAL SECURITY PLANNING AND RESOURCE GUIDANCE TO BE ISSUED ANNUALLY BY THE PRESIDENT TO ALL NATIONAL SECURITY DEPARTMENTS AND AGENCIES. THIS DOCUMENT WOULD ALSO TRANSLATE THE PRESIDENT'S NATIONAL SECURITY STRATEGY INTO POLICY, PLANNING, AND RESOURCE GUIDANCE TO DEPARTMENTS AND AGENCIES, INCLUDING GUIDANCE CONCERNING THE NECESSARY CAPABILITIES TO BE DEVELOPED FOR CURRENT AND FUTURE NEEDS. THE NATIONAL SECURITY STAFF AND THE OFFICE OF MANAGEMENT AND BUDGET (OMB) SHOULD JOINTLY ISSUE THIS GUIDANCE AT THE BEGINNING OF THE ANNUAL PROGRAM/BUDGET CYCLE. THE NATIONAL SECURITY PLANNING AND RESOURCE GUIDANCE WOULD:** i. Provide specific objectives, directives, and measures of performance to executive branch organizations contributing to national security. ii. Establish and routinely update principles for the functioning of the national security system. iii. Guide the preparation of interagency plans

STRATEGY DEVELOPMENT AND PLANNING GUIDANCE **Develop a national security strategy and accompanying planning and resource guidance for the interagency system.**	
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	to build required national security capabilities, linking strategy to resource allocation.
~~Provide that the executive secretary of the President's Security Council, who reports to the director for national security, would perform duties to support system management. Specify the following duties in statute:~~ ~~i. Assessing the alignment of organizational strategy and processes with strategic objectives;~~ ~~ii. Supporting the development of strategy, strategic guidance, and long-range and near-term strategic planning;~~ ~~iii. Ensuring that macro-resource allocation is consistent with strategic objectives;~~ ~~iv. Communicating policy, strategy, missions, and initiatives to the national security workforce;~~ ~~v. Managing the interagency human capital system;~~ ~~vi. Providing the capacity to rapidly create, house, and support interagency teams established to address presidential priorities;~~ ~~vii. Ensuring that knowledge, information, best practices, and key ideas are shared throughout the national security system; and~~ viii. ~~Supporting interagency scenario-based planning and assessments of the national security system and security environment~~.	

ALIGNMENT OF STRATEGY AND RESOURCES **Link resources to goals through national security mission-based analysis and budgeting.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
Direct each national security department and agency to prepare a six-year budget projection derived from the ~~National Security Planning Guidance.~~	Direct each national security department and agency to prepare a six-year budget projection derived from National Security Planning and Resource Guidance.
~~Direct the President's Security Council (PSC) staff to lead a joint PSC-OMB review of the six-year resource plan of each national security department and agency to assess consistency with the National Security Planning Guidance.~~ ~~i. Based upon that review, direct OMB to issue guidance for each department's and agency's six-year program in the National Security Resource Document, which presents the president's approved, holistic national security program for a rolling six-year period.~~	Direct the National Security Staff's strategy directorate in partnership with the Office of Management and Budget (OMB) Office of National Security Programs to produce and disseminate annual policy planning and resource guidance to departments and agencies, including guidance concerning necessary capabilities to be developed for current and future needs. The resource guidance would provide annually updated six-year resource profiles covering each department/agency's capabilities for meeting future national security needs as suggested by the National Security Review and as defined in the National Security Strategy. i. Direction on annual policy planning and resource guidance would be provided in the National Security Planning and Resource Guidance which would be disseminated to departments and agencies with national security roles and missions, as well as to appropriate congressional committees.
Require each department and agency to submit its annual budget to OMB consistent with the guidance in the ~~National Security Resource Document.~~	Require each department and agency to submit its annual budget to OMB consistent with the guidance in the National Security Planning and Resource Guidance.
Produce an integrated national security budget. ~~i. As part of the President's Budget submission to Congress, provide a single integrated national security budget display along with integrated budget justification material that reflects how each department's and each agency's budget and the overall budget align with the objectives of the National Security Review and National Security Planning Guidance.~~	Develop the capability to produce an integrated national security budget. i. Deriving from the National Security Review process and National Security Strategy, the president's budget submission to Congress should provide a single integrated national security budget display along with integrated budget justification material that reflects how each department's and each agency's budget aligns with underlying security assessments, strategy, and resource guidance.
Build a core competency within the ~~President's Security Council~~ staff and OMB to execute the above tasks, including performing national security	Build a core competency within the National Security Staff and OMB to execute the above tasks, including performing national security mission-

ALIGNMENT OF STRATEGY AND RESOURCES **Link resources to goals through national security mission-based analysis and budgeting.**	
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mission analysis.	based analysis.

INTERAGENCY TEAMS AND TASK FORCES **Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
~~Initiate the process of shifting the management of national security issues from the President's Security Council staff (and supporting interagency committees) to interagency teams,~~ starting with a small set of presidential-priority-issue teams. Interagency teams would have the following attributes and would function with existing national security organizations in the following manner. i. A senior executive, appointed by the president and known as a National Security Executive, would lead each team. a. A person with national stature would lead presidential priority teams. ii. The team leader, in consultation with the ~~director for national security~~, would select full-time members for a small team based on expertise needed to successfully accomplish the team's mission. a. If the team did not include an official from a relevant department and agency, it would have senior points of contact to ensure good two-way communication between the team and departments and agencies that will carry out most actions to achieve the interagency mission. iii. The team would endure until its mission is accomplished, but leadership and membership could change as circumstances warrant. ~~iv.~~ The team leader and members would be required to have completed a training program administered by the Executive Secretariat of the ~~President's Security Council.~~ a. Training would include team leader and member responsibilities, operating procedures, dynamics, and conflict resolution. b. Training would distinguish	Delegate and unify management of national security issues and missions through empowered interagency teams, starting with a small set of presidential-priority-issue teams. Interagency teams would have the following attributes and would function with existing national security organizations in the following manner. i. A senior executive, appointed by the president and known as a National Security Executive, would lead each team. a. A person with national stature would lead presidential priority teams. ii. The team leader, in consultation with the national security advisor, would select full-time members for a small team based on expertise needed to successfully accomplish the team's mission. a. If the team did not include an official from a relevant department and agency, it would have senior points of contact to ensure good two-way communication between the team and departments and agencies that will carry out most actions to achieve the interagency mission. iii. The team would endure until its mission is accomplished, but leadership and membership could change as circumstances warrant. iv. The team leader and members would be required to have completed a training program administered by the Executive Secretariat of the National Security Council. a. Training would include team leader and member responsibilities, operating procedures, dynamics, and conflict resolution. b. Training would distinguish

INTERAGENCY TEAMS AND TASK FORCES **Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
collaboration from cooperation, wherein the focus on mission success and teamwork requires team members to present their views and expertise forcefully but not at the expense of developing alternative integrated options and identifying their advantages and disadvantages. v. The team would perform its mission under a charter developed by the ~~director for national security~~ and team leader and approved by the president. The charter would include – a. A precise statement of the team's mission. b. Clear objectives. c. Authority of the team to direct action, control resources, and other key aspects of its mandate. d. Initial resource levels, which could be adjusted as the team clarifies requirements through development of its strategy and plans. ~~vi. The team would develop a strategy for achieving the charter's objectives, which in the case of presidential priority teams, would be approved by the president after full staffing by the President's Security Council. The strategy would include –~~ ~~a. An assessment of alternative approaches, integrated for the whole government, along with their advantages and disadvantages and ways to minimize the latter.~~ ~~b. The responsibilities of existing or newly created organizations within the strategy.~~ ~~c. Milestones and measures by which to judge progress toward meeting the objectives.~~ ~~vii. Once the strategy is approved by the president, the team would have the responsibility for assessing the strategy and~~	collaboration from cooperation; wherein the focus on mission success and teamwork requires team members to present their views and expertise forcefully but not at the expense of developing alternative integrated options and identifying their advantages and disadvantages. v. The team would perform its mission under a charter developed by the national security advisor and team leader and approved by the president. The charter would include – a. A precise statement of the team's mission. b. Clear objectives. c. Authority of the team to direct action, control resources, and other key aspects of its mandate. d. Initial resource levels, which could be adjusted as the team clarifies requirements through development of its strategy and plans.

INTERAGENCY TEAMS AND TASK FORCES **Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
~~associated plans and making necessary adjustments that are within its mandate or recommending adjustments that require approval.~~ ~~a. Since in most cases existing departments and agencies would be doing most of the work to execute the strategy and plans, the team would monitor their progress.~~ ~~b. As the team determined changes were necessary, the team would exercise authority under its charter to adjust responsibilities and resources among organizations involved in execution.~~ ~~c. In case of major adjustments that constitute a change in strategy, the team would recommend changes to the president that would be staffed through the President's Security Council.~~ viii. In addition to commenting on initial team strategy and major adjustments, department and agency heads would be able to challenge team recommendations and decisions by appealing them to the president (or during meetings of the ~~President's Security Council~~ or its most senior subordinate councils) on the basis of unacceptable damage to national interests. a. In such cases, the ~~director for national security~~ would be responsible for ensuring contentious issues are prepared for a decision by the president. ~~ix. Report language would express~~ ~~a. Interagency teams also have potential for making rapid progress in addressing global and regional issues from an integrated whole-of-government perspective.~~	vi. In addition to commenting on initial team strategy and major adjustments, department and agency heads would be able to challenge team recommendations and decisions by appealing them to the president (or during meetings of the National Security Council or its most senior subordinate councils) on the basis of unacceptable damage to national interests. a. In such cases, the national security advisor would be responsible for ensuring contentious issues are prepared for a decision by the president.
~~Create an Interagency Crisis Task Force to handle a~~ crisis in a country or region that exceeds the capacity	Delegate and unify management of national security issues and missions through empowered interagency

INTERAGENCY TEAMS AND TASK FORCES **Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
of the country team or regional-level team. i. The Interagency Crisis Task Force would have a single director, a clear mission, clear responsibilities, authority commensurate with responsibilities, and resources. ii. The director would be supported by an augmented interagency staff and additional resources from national security departments and agencies. iii. The director would report to the president through the ~~director for national security~~ if the mission is large and important enough or alternatively to the head of the task force director's respective department. iv. For crises involving complex contingencies when a large number of U.S. military forces are present, unless directed otherwise by the president, the director would be placed in a single integrated chain of command for all U.S. civilian and military functions during interagency operations. a. Provide that this integrated chain of command may be headed by a civilian official or military officer depending on the security situation. b. Empower the leader (civilian or military) of the integrated chain of command to be the authoritative source for coordination, planning, prioritizing, and integrating resources provided by departments and agencies. c. Require the preparation by an integrated team of a civil-military handbook for integrated command operations presenting basic principles, common lexicon, and performance metrics. d. Require personnel deploying to an integrated command to receive	crisis task forces for crises in countries or regions that exceed the capacity of the country team or regional-level team. i. The Interagency Crisis Task Force would have a single director, a clear mission, responsibilities, authority commensurate with responsibilities, and resources. ii. The director would be supported by an augmented interagency staff and additional resources from national security departments and agencies. iii. The director would report to the president through the national security advisor if the mission is large and important enough or alternatively to the head of the task force director's respective department. iv. For crises involving complex contingencies when a large number of U.S. military forces are present, unless directed otherwise by the president, the director would be placed in a single integrated chain of command for all U.S. civilian and military functions during interagency operations. a. Provide that this integrated chain of command may be headed by a civilian official or military officer depending on the security situation. b. Empower the leader (civilian or military) of the integrated chain of command to be the authoritative source for coordination, planning, prioritizing, and integrating resources provided by departments and agencies. c. Require the preparation by an integrated team of a civil-military handbook for integrated command operations presenting basic principles, common lexicon, and performance metrics. d. Require personnel deploying to an integrated command to receive

INTERAGENCY TEAMS AND TASK FORCES **Delegate and unify management of national security issues and missions through empowered interagency and intergovernmental teams and crisis task forces.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
training in crisis management.	training in crisis management.
Direct a common alignment of world regions for departments and agencies to adopt in their internal organizations.	Direct a common alignment of world regions for departments and agencies to adopt in their internal organizations.
~~Direct the Secretary of Homeland Security to develop a National Operational Framework that would describe how operational integration would occur across all government and private sector levels for the full range of homeland security activities, including prevention and protection as well as response and recovery.~~	Moved to "Interagency and Intergovernmental Teams for Homeland Security"

INTERAGENCY AND INTERGOVERNMENTAL TEAMS FOR HOMELAND SECURITY **Create an integrated federal, state, local, territorial, and tribal homeland security and emergency management system**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
Moved from "Interagency Teams and Task Forces"	Direct the Secretary of Homeland Security to develop a National Operational Framework (NOF) that would describe how operational integration would occur across all government and private sector levels for the full range of homeland security activities, including prevention and protection as well as response and recovery.
	Establish an Office of Intergovernmental Coordination (OIC) at DHS to serve as the secretary's coordinating office for all matters involving state, local, and tribal governments. The OIC will: i. Serve as the secretary's principal advisor concerning state, local, and tribal government issues on homeland security policies and programs ii. Coordinate DHS policies, programs, and activities relating to state, local, and tribal governments, including directing oversight of state and local offices of DHS components iii. Coordinate, and where appropriate consolidate, federal government homeland security communications and communication systems with state, local, and tribal governments and agencies; consolidation of systems would include the Homeland Security Information Network, Justice Department's Regional Information Sharing Systems, and other communication tools. iv. Coordinate the distribution of warnings and information to state, local, and tribal governments and agencies through the National Operations Center to ensure the federal government presents a unified and integrated message to states and localities concerning threats and alerts; v. Oversee the DHS-wide processes to assess and advocate for resources needed by state, local, and tribal governments to implement the National Strategy for Homeland Security

INTERAGENCY AND INTERGOVERNMENTAL TEAMS FOR HOMELAND SECURITY **Create an integrated federal, state, local, territorial, and tribal homeland security and emergency management system**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
	vi. Provide regular information and research to assist state, local, and tribal efforts in securing the homeland vii. Develop a process, in coordination with the DHS assistant secretary for policy, to receive meaningful and consistent input from state, local, and tribal governments during the development of national homeland security policy and programs. For example, develop or use existing advisory committees or working groups to assist DHS in crafting national/intergovernmental level policies and programs, such as the National Incident Management System or National Infrastructure Protection Plan, etc.
	Configure properly the mechanisms for intergovernmental collaboration in the National Preparedness System (NPS), to include mechanisms for sharing the resource burden. 1) FEMA, as the executive agent of DHS, shall execute its collaborative interagency and intergovernmental responsibilities at the regional level via cooperative agreements with states in that region 2) The FEMA regional administrator shall exercise responsibilities through the Federal Preparedness Coordinator (FPC), who shall serve as a DHS official. 3) The federal government shall establish in each FEMA region a joint interagency, intergovernmental capability funded by an annual DHS/FEMA appropriation. 4) Building on regional mechanisms, the FPC would chair a standing working group for regional catastrophic preparedness. a. The standing working group would be responsible primarily for: risk assessment; operational planning and exercise validation; and capabilities inventories via a negotiated process through which gaps are identified for targeting grants.

INTERAGENCY AND INTERGOVERNMENTAL TEAMS FOR HOMELAND SECURITY **Create an integrated federal, state, local, territorial, and tribal homeland security and emergency management system**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
	1. Its purpose would be to develop and sustain regional operational catastrophic preparedness capabilities with states and other non-federal missions partners and, where applicable, any state's Emergency Management Assistance Program (EMAP) accreditation.

HUMAN CAPITAL **Align personnel incentives, leader development, personnel preparation, and organizational culture with strategic objectives.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
Develop a National Security Strategic Human Capital Plan to align human capital programs with strategic goals, objectives, and outcomes. i. Require the periodic (but not less than every four years) review of the National Security Strategic Human Capital Plan.	Develop a National Security Strategic Human Capital Plan to align human capital programs with strategic goals, objectives, and outcomes. i. Require the periodic (but not less than every four years) review of the National Security Strategic Human Capital Plan.
Approve a Human Capital Advisory Board of public and private experts to advise the executive secretary of the ~~President's Security Council~~.	Approve a Human Capital Advisory Board of public and private experts to advise the appropriate officials of the National Security Staff.
Establish new interagency personnel designations and programs to better recruit, prepare, and reward national security professionals for interagency assignments. i. Create a National Security Professional Corps. a. Establish education, training, and experience prerequisites for entry into the Corps. b. Require the executive secretary to designate interagency positions that may only be filled by Corps members. ii. Create a separate cadre of National Security Executives to lead interagency teams. a. National Security Executives would be presidentially appointed senior executives with standing and formal authority to lead interagency teams. b. Personnel to receive this additional designation would be highly respected members of the national security community who are known for their leadership, expertise in statecraft, and skills in their departmental specialty. c. National Security Executives could come from within the National Security Professional Corps or from outside of it. iii. Establish a National Security Fellowship Program. a. The program would include rotational	Establish new interagency personnel designations and programs to better recruit, prepare, and reward national security professionals for interagency assignments. i. Create a National Security Professional Corps. a. Establish education, training, and experience prerequisites for entry into the Corps. b. Require the executive secretary to designate interagency positions that may only be filled by Corps members. ii. Create a separate cadre of National Security Executives to lead interagency teams. a. National Security Executives would be presidentially appointed senior executives with standing and formal authority to lead interagency teams. b. Personnel to receive this additional designation would be highly respected members of the national security community who are known for their leadership, expertise in statecraft, and skills in their departmental specialty. c. National Security Executives could come from within the National Security Professional Corps or from outside of it. iii. Establish a National Security Fellowship Program. a. The program would include rotational

HUMAN CAPITAL **Align personnel incentives, leader development, personnel preparation, and organizational culture with strategic objectives.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
assignments in different national security departments and agencies.	assignments in different national security departments and agencies.
Use promotional requirements to create incentives for service in interagency assignments.	Use promotional requirements to create incentives for service in interagency assignments.
Strengthen education and training programs for interagency personnel. i. Create a comprehensive, professional education and training program with an interdisciplinary curriculum. ii. Increase civilian ~~manpower~~ to create a "float" that will enable interagency training, education, and experiential opportunities. iii. Require a mandatory orientation program for each individual assigned to a national security position. iv. Give high priority to preparing civilian personnel for leadership positions in the national security system. ~~a. Require an individual nominated to serve in a Senate-confirmed position in the national security system to complete a three-week course on the national security system, leadership, and values.~~	Strengthen education and training programs for interagency personnel. i. Create a comprehensive, professional education and training program with an interdisciplinary curriculum. ii. Increase civilian workforce to create a "float" that will enable interagency training, education, and experiential opportunities. iii. Require a mandatory orientation program for each individual assigned to a national security position. iv. Give high priority to preparing civilian personnel for leadership positions in the national security system.
	Require individuals appointed to serve in high-level national security positions to complete a structured orientation on the policy and operations of the national security interagency system.
~~Strengthen the process for appointment and service in senior positions in the national security system.~~ ~~i. Require that each nomination for one of the ten most senior positions in a national security department or agency would be placed on the executive calendar of the Senate with or without a committee recommendation after 30 days of legislative session.~~ ~~ii. Within an administration, establish the expectation that each presidential appointee, unless disabled, experiencing a hardship, requested to resign by the president, or appointed to another government position,~~	i. Moved to "Congressional Responsibilities" ii. Moved to "Congressional Responsibilities"

HUMAN CAPITAL **Align personnel incentives, leader development, personnel preparation, and organizational culture with strategic objectives.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
~~would serve until the president has appointed his or her successor.~~ ~~iii. Improve cross-administration continuity by staffing the Executive Secretariat of the President's Security Council with career civil servants.~~ ~~iv. Create a common set of financial and other forms required of nominees for use by the White House and Senate.~~ v. ~~Establish an independent commission to identify minimum qualifications of ambassadorial positions and review the qualifications of career and political nominees for these positions.~~	iii. Moved to "New Approaches Based on National Missions And Outcomes" iv. Moved to "Congressional Responsibilities" v. Moved to "New Approaches Based on National Missions And Outcomes"
	Authorize and fund an executive office to support development and execution of the above reforms and provide continuing policy determinations and oversight for interagency national security human capital programs.

KNOWLEDGE AND INTELLECTUAL CAPITAL **Greatly improve the flow of knowledge and information.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
	Reaffirm information sharing as a top priority. i. Provide the Program Manager of the Information Sharing Environment governmentwide authority to coordinate information sharing policies and Executive Office of the President backing to carry out its mission. ii. In order to establish continuity across administrations, the national security advisor must complete and publish on an annual basis high-level reviews of the current policy guidelines for information sharing to ensure governmentwide focus and coordination. iii. Issue an executive order reaffirming information sharing as a top priority in order to overcome bureaucratic resistance within departments and agencies.
	Make government information discoverable and accessible to authorized users. i. Establish a policy obligating all agencies with a national security mission to make their data discoverable. a. This clear governmentwide policy guidance must be accompanied by accountability that is reinforced from the top down and the work of implementation flowing from the bottom up.
	Enhance security and privacy protections to match the increased power of shared information. i. Departments and agencies must employ technological tools and processes to minimize the risk of unintended disclosure of identifiable personal information, including tools for anonymization, strong encryption, and digital rights management.
	Transform the information sharing culture with metrics and incentives. i. Use mission-oriented metrics to change the "need to know" culture that persists in many agencies.

KNOWLEDGE AND INTELLECTUAL CAPITAL **Greatly improve the flow of knowledge and information.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
	a. One of the first metrics should focus on discoverability by measuring what percentage of an agency's data holdings have been registered in the data indices directory. ii. Hold agencies accountable for reaching specific benchmarks or milestones by using program funding incentives. a. The information sharing framework could also increase individual accountability by creating a special confidential channel for field officers and mid-level analysts to call senior leadership's attention to their belief that critical information is not being shared. iii. Establish other incentives for information sharing as well as penalties for failure to share information that are widely known and consistently applied. iv. Establish and implement individual performance incentives and training to accelerate cultural change.
	Empower users to drive information sharing by forming communities of interest. i. Departments and agencies must develop clearance and classification systems that allow for cross-department, cross-agency, mission-based information, and knowledge sharing through the creation of communities of interest. ii. Issue executive orders and/or presidential directives that hold mission leaders accountable for the creation of communities of interest composed of all organizational entities with a role in mission execution.
~~Create the position of Chief Knowledge Officer in the PSC Executive Secretariat to enhance decision support to the president and his or her advisors and to ensure that the national security system as a whole can develop, store, retrieve, and share knowledge.~~	

KNOWLEDGE AND INTELLECTUAL CAPITAL **Greatly improve the flow of knowledge and information.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
i. ~~To establish continuity of information across departments and administrations, create capacity to track current and past executive orders, policy decisions, issue papers, lessons learned, recommendations from outgoing presidential appointees, etc.~~	
Establish a single security classification and access regime for the entire national security system.	Revision Pending (see Chapter 7 for additional information)
Consolidate security clearance procedures and approval so that individual clearances are respected across the national security system.	Revision Pending (see Chapter 7 for additional information)
~~Create the position of Chief Knowledge Officer in each national security department and agency.~~ i. ~~Create a Federal Chief Knowledge Officer Council to enhance cross-system knowledge flows and information management policy.~~	

CONGRESSIONAL RESPONSIBILITIES **Create mechanisms for the oversight and resourcing of integrated national missions.**	
***Forging a New Shield* Recommendation**	**Current Recommendation**
Establish Select Committees on National Security in the Senate and House of Representatives.	Establish Select Committees on National Security in the Senate and House of Representatives.
~~Strengthen the Senate Foreign Relations Committee and House Foreign Affairs Committee by empowering them to formulate and enact annual authorization bills.~~	Formulate and enact annual foreign relations authorization bills.
Provide greater flexibility on reprogramming (intradepartmental) and transfer (interdepartmental) of funds for multi-agency activities.	Provide greater flexibility on reprogramming (intradepartmental) and transfer (interdepartmental) of funds for multiagency activities.
~~Establish a goal of a comprehensive revision of the Foreign Assistance Act of 1961 by the end of the 111th Congress (December 2010).~~	Comprehensively revise the Foreign Assistance Act of 1961.
Consolidate oversight of the Department of Homeland Security to one authorizing committee and one appropriations subcommittee per chamber.	Consolidate oversight of the Department of Homeland Security to one authorizing committee and one appropriations subcommittee per chamber.
Moved from "Human Capital"	Create a common set of financial and other forms required of nominees for use by the White House and Senate.
End the practice of honoring a hold by one or more senators on a nominee for a position in a national security department or agency.	End the practice of honoring a hold by one or more senators on a nominee for a position in a national security department or agency.
Moved from "Human Capital"	Require that each nomination for one of the ten most senior positions in a national security department or agency would be placed on the executive calendar of the Senate with or without a committee recommendation after 30 days of legislative session.
Moved from "Human Capital"	Establish the expectation that each presidential appointee, unless disabled, experiencing a hardship, requested to resign by the president, or appointed to another government position, would serve until the president has appointed his or her successor.

Appendix 6: List of Acronyms

APNSA – Assistant to the President for National Security Affairs
BLS – Bureau of Labor Statistics
CENTCOM – (U.S.) Central Command
CERP – Commander's Emergency Response Program
CHCO – Chief Human Capital Officer
CKO – Chief Knowledge Officer
COM – Chief of Mission
CPG 101 – Comprehensive Preparedness Guide 101
CT – counterterrorism
CTIP – Counterterrorism Intelligence Plan
DC – Deputies Committee
DHS – Department of Homeland Security
DoD – Department of Defense
DoS – Department of State
DSLDP – Defense Senior Leader Development Program
DSOP – Directorate of Strategic Operational Planning
E2E – End-to-End
ECQ – Executive Core Qualifications
EMAP – Emergency Management Assistance Program
EOC – Emergency Operation Center
EOP – Executive Office of the President
ESF – Emergency Support Function
FEMA – Federal Emergency Management Agency
FPC – Federal Preparedness Coordinator
FTE – full-time employee
HSC – Homeland Security Council
HSCC – Homeland Security Collaboration Committee
HSPD–8 – Homeland Security Presidential Directive–8
IC – Intelligence Community
IPA – Intergovernmental Personnel Act
IPC – Interagency Policy Committee
KIC – Knowledge and Intellectual Capital
NCTC – National Counterterrorism Center
NGB – National Guard Bureau
NGO– Non-governmental Organization
NIC – National Intelligence Council
NIP – National Implementation Plan
NIPP – National Infrastructure Protection Plan
NIP–WOT – National Implementation Plan – War on Terror
NOF – National Operational Framework
NORTHCOM – United States Northern Command
NPD – National Preparedness Directorate
NPS – National Preparedness System
NRF – National Response Framework
NSC – National Security Council
NSCE – National Security Collaboration Environment
NSE – National Security Executive

NSPD – National Security Presidential Directive
NSPD–IO – National Security Professional Development Integration Office
NSPRG – National Security Planning and Resource Guidance
NSR – National Security Review
NSS – National Security Strategy
O&M – operations and maintenance
ODNI – Office of the Director of National Intelligence
OIC – Office of Intergovernmental Coordination
OMB – Office of Management and Budget
OPM – Office of Personnel Management
PC – Principals Committee
PKEMRA – Post-Katrina Emergency Management Reform Act
PNSR – Project on National Security Reform
PPD–1 – Presidential Policy Directive–1
PRT – Provincial Reconstruction Team
PSC – President's Security Council
PSD – 1 – Presidential Study Directive – 1
QDDR – Quadrennial Diplomacy and Development Review
QDR – Quadrennial Defense Review
QHSR – Quadrennial Homeland Security Review
RM – (DoS Bureau of) Resource Management
S/P – (DoS) Under Secretary for Political Affairs
SDO –senior defense official
SES – Senior Executive Service
UCMJ – Uniform Code of Military Justice
UCore – Universal Core
USAID – United States Agency for International Development
USSES – U.S. Special Envoy to Sudan
WMD – weapons of mass destruction

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