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2018-01-11

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Stripping the Altars of Long-Term Defense Planning

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January 11, 2018

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It is a truth universally acknowledged that long-term defense planning is an essential practice that all developed armed forces should undertake. Or is it? It is an article of faith among many defense officials that long-term defense planning is the gold standard in the development and management of modern armed forces. One NATO report states: “Long term planning ... is essential to organisations facing the combined impact of uncertainty of the future and little flexibility with regards to resource employment.” In the case of the United States, this is manifested in the Defense Department’s Future Year Defense Program (FYDP). Furthermore, long-term defense planning is an essential part of programming within the Department of Defense – i.e. the Planning, Programming, Budgeting, and Execution system (PPBE). As such, it is perceived by some as being managed by the department’s high priests of programming alchemy, and heretical questioning of this liturgy is simply not countenanced.

It is surprising that something so central to U.S. and allied defense planning is so poorly understood, especially in terms of its provenance and original intent. There is little questioning of whether it provides utility in the contemporary fluid security environment. Moreover, one is hard-pressed to find critical analyses of how long-term defense planning can respond, in a

timely fashion, to disruptive technological innovation or address immediate requirements derived from ongoing battlefield experience. Instead, closer examination of long-term defense planning methods shows that it has contributed to producing sub-optimal defense plans, which in the case of Central and Eastern Europe are rarely executed. Meanwhile, the process is typically managed in a needlessly complex and opaque manner which obviates producing institutional transparency. Indeed, in its worst manifestations, absent strong policy control, long-term defense plans arguably isolate policy priorities from financial execution. We find one example of this in the Department of the Navy, where “planning” has devolved into rudderless “strategic budgeting” with a strong emphasis on acquisition.

Three points demonstrate why it makes sense to question the utility of long-term defense planning. First, defense officials need to know the academic and professional literature in favor of long-term defense planning is meager at best and simply facile and unconvincing (e.g., Nicole Ball and Len Le Roux’s assertion that long-term planning is essential to producing viable defense plans). Second, a review of long-term defense planning methods demonstrates that it is plagued with muddled concepts and imprecisions in nomenclature, which contribute to isolating policy from financial execution, while impeding the development of viable defense plans. Third, it is unclear that long-term defense planning can respond quickly to new threats or unique opportunities, or successfully weather periods of financial uncertainty, let alone enable planning continuity during escalation. Ultimately, if not properly conceptualized and made responsive to policy priorities, long-term defense planning, and indeed PPBE itself, impedes policies from being executed along financially feasible lines.

These three points warrant further argument.

First, modern long-term defense planning finds its origins in the early years of the Kennedy administration when Secretary of Defense Robert McNamara appointed Charles Hitch as assistant secretary of defense (comptroller). Hitch, along with Roland N. McKean, were the authors of a well-regarded work published in 1960 that took the then-novel approach of looking at defense planning as an economic, and not just a military, challenge. Alain C. Enthoven and K. Wayne Smith, who were on Hitch’s team, later identified the key challenge to bring unity of effort to defense:

Perhaps the key reason for the limited usefulness of the defense budget was the fact that defense budgeting was, in effect, conceived as being largely unrelated to military strategy. The two were treated as almost independent activities. They were carried out by different people, at different times, with different terms of reference, and without a method for integrating their activities.

McNamara put the services on notice that he expected to see, *inter alia*, the full life-cycle costs of all new proposed acquisitions. He directed Hitch and his team to develop “programming” for Fiscal Year 1963 in only six months to provide a single method of preparing the annual defense budget, as well as to establish guidance for *future* planning in the form of costed capability proposals. Yet the new programming system left untouched the existing budget structure, leaving key weaknesses in the planning system that predated programming.

Long-term defense planning became a basic tenet of PPBE because the military departments had to produce detailed financial projections for the fiscal year for which funds were being planned, plus the following four years, which was compiled into a five-year plan. This practice became enshrined in law in 1987 in 10 USC § 221, creating the FYDP, which is used by the Secretary of Defense to project expenditures and proposed budget requests. But the creators of PPBE claimed that their long-term plan was never envisaged to be inflexible; it was only a projection of financial implications of past decisions and planning assumptions to bring needed financial context for planning. Indeed, they argued that it would provide officials with the *flexibility* to shift priorities in the future since they could fully appreciate the potential financial consequences of a decision to change directions. It is long past due to reconsider returning to the original intentions of its creators.

The origins of long-term defense planning have a number of salient implications for the present. Most importantly, PPBE was designed explicitly to meet the rigid bureaucratic structures and political realities within the U.S. government. Uniquely different from other Western ministries of defense, the U.S. Department of Defense remains a confederacy of independent organizations, each with their own jealously guarded budgetary *autonomy* and legally-defined institutional responsibilities and functions. Further, as the military departments' individual PPBE systems have evolved, they have succeeded in isolating administrations' policy priorities from financial execution precisely in a way unforeseen or intended by the creators of PPBE. That is, the systems have prevented secretaries of defense from quickly changing priorities, such as procuring mine-resistant, ambush-protected vehicles (MRAPs) during the war in Iraq.

Once a new platform or system is approved and put into a program, experience demonstrates that it is extremely difficult to defund for political and/or bureaucratic reasons. Thus, by using the current prevailing logic behind long-term defense planning, weapons and platforms deemed not fit for purpose in actual combat operations would have to remain funded since they are *in the plan*: The Crusader self-propelled artillery system and the B-2 bomber providing cases in point. As another example, aircraft carriers are built to last 50 years. In light of current technological advances, is it prudent to assume that immensely expensive platforms commissioned today will be needed in 2068? The reality is: Once someone's preferred platform or capability is in a Program Objective Memorandum, it is exceedingly hard for the Office of the Secretary of Defense to kill it.

Second, while the creators of programming never intended the five-year defense plan to be rigid, that is precisely what it has become. Intra-service struggles amongst communities and platform advocates inevitably generate compromises and promises, meaning future plans are declared "baked" and there is great bureaucratic reluctance to change. Additionally, confusion of the purpose and utility of the FYDP has resulted via an infelicitous usage of nomenclature. Clarity in thinking has been inhibited by the practice of conflating planning, programming, and acquisition as if they were one, single process. This, in turn, impedes continuity in policy oversight. Practice demonstrates that the former activity is all too often ignored by

programmers (e.g., U.S. Department of the Navy). Alas, Congress has been unhelpful in this regard with its mandate for the services to draft 30-year platform plans like the Navy's 30-year shipbuilding Plan.

Third, the utility of long-term defense planning needs to be assessed in terms of its ability to support successful planning continuity in periods of financial uncertainty and throughout periods of escalation. As to the former point, during the early years of this decade, congressionally mandated sequestration of the federal budget under the terms of the Budget Control Act (which had the aim of reducing the federal government's deficit), stressed both the U.S. Departments of the Navy and Air Force's PPBE to the point that they collapsed due to financial uncertainty. The contemporary practice of successive Congresses passing continuing resolution agreements, while delaying passing a final defense appropriation act until well within the new fiscal year, has also undermined the utility of long-term defense planning. This experience alone underscores Henry Mintzberg's critique that programming has never been successfully implemented. As such, programming may only be appropriate in an environment where there is budgetary certainty and/or geopolitical stability, for example, the unique period of the strategic balance during the Cold War.

Additionally, it is problematic that long-term defense planning methods can survive the stress that would inevitably befall policy officials and planners in periods of escalation leading to and including wartime. From this, it is clear that the FYDP has not been designed with the objective of ensuring methodological continuity and functionality during escalation, i.e., peace, tension, crisis, and war. If one accepts the Western practice that officials should prepare a defense institution to be able to conduct effective military operations, logic dictates that defense planning methods must be applicable throughout the entire spectrum of escalation and not just during peacetime.

While this point has not been widely discussed by officials or analysts, the FYDP has proven itself unwieldy during periods of war, notwithstanding Enthoven and Smith's lengthy, but unconvincing, argument to the contrary in the context of the Vietnam war. The reality is that the U.S. Department of Defense maintains two different defense planning systems – PPBE and Operations and Overseas Contingency funding – which has led to severe criticism by some influential members of Congress.

In sum, long-term defense planning has devolved into a practice different from what its creators envisaged. It has become an instrument military departments can use to insulate themselves from successive administrations' policies and priorities in order to protect their favored programs. Planning budgets two fiscal years in advance of a current budget year encourages insulation from policy when such completed plans are declared to be "baked" and not subject for review.

Thus, in light of a fluid international security environment which demonstrates no signs of becoming more predictable, a congressional budgeting system that has yet to provide funding certainty, and increasing technological disruptions, defense officials and Congress should review current law and policy related to long-term defense planning. A hard review of current

political realities and financial conditions provides an argument for returning to the original purpose of long-term defense planning: becoming once again a database of projected costs associated with the current and planned force, not an impediment that limits officials' ability to shift priorities to meet the requirements of the force today. In the end, the utility of these financial projections should be judged on how much *flexibility* they provide officials to change the way money is being spent to produce relevant defense outcomes, even in the short term if necessary, in order to win wars and save lives. In this context, Eisenhower's dictum remains relevant to this day: plans are useless, but planning is indispensable.

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Commentary