

September 2008

# DEFENSE ACQUISITIONS

## DOD's Requirements Determination Process Has Not Been Effective in Prioritizing Joint Capabilities



# Report Documentation Page

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# Highlights

Highlights of [GAO-08-1060](#), a report to the Committee on Armed Services, U.S. Senate

## Why GAO Did This Study

Increasing combat demands and fiscal constraints make it critical for the Department of Defense (DOD) to ensure that its weapon system investments not only meet the needs of the warfighter, but make the most efficient use of available resources. GAO's past work has shown that achieving this balance has been a challenge and weapon programs have often experienced cost growth and delayed delivery to the warfighter.

In 2003, DOD implemented the Joint Capabilities Integration and Development System (JCIDS) to prioritize and ensure that the warfighter's most essential needs are met. In response to Senate Report 109-69, GAO reported in March 2007 that DOD lacks an effective approach to balance its weapon system investments with available resources.

This follow-on report focuses on (1) whether the JCIDS process has achieved its objective to prioritize joint warfighting needs and (2) factors that have affected DOD's ability to effectively implement JCIDS. To conduct its work, GAO reviewed JCIDS guidance and capability documents and budgetary and programming data on major weapon systems, and interviewed DOD officials.

## What GAO Recommends

GAO is recommending actions aimed at improving DOD's ability to prioritize joint capability needs. DOD generally concurred, but believes that current processes and resources in the department are sufficient for doing this.

To view the full product, including the scope and methodology, click on [GAO-08-1060](#). For more information, contact Michael J. Sullivan at (202) 512-4841 or [sullivanm@gao.gov](mailto:sullivanm@gao.gov).

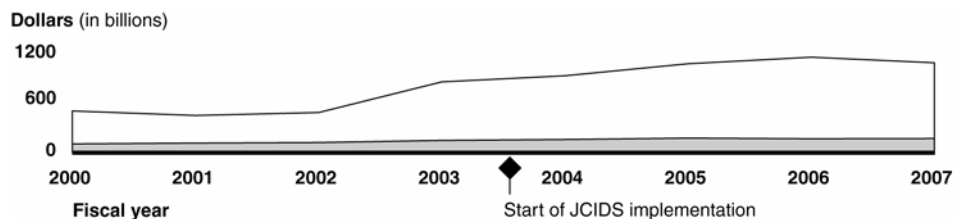
## DEFENSE ACQUISITIONS

### DOD's Requirements Determination Process Has Not Been Effective in Prioritizing Joint Capabilities

## What GAO Found

The JCIDS process has not yet been effective in identifying and prioritizing warfighting needs from a joint, departmentwide perspective. GAO reviewed JCIDS documentation related to proposals for new capabilities and found that most—almost 70 percent—were sponsored by the military services, with little involvement from the joint community—including the combatant commands (COCOMs), which are largely responsible for planning and carrying out military operations. By continuing to rely on capability proposals that lack a joint perspective, DOD may be losing opportunities to improve joint warfighting capabilities and reduce the duplication of capabilities in some areas. In addition, virtually all capability proposals that have gone through the JCIDS process since 2003 have been validated—or approved. DOD continues to have a portfolio with more programs than available resources can support. For example, the remaining costs for major weapon system programs in DOD's portfolio went from being about four times greater to almost six times greater than annual funding available during fiscal year 2000 through 2007. The JCIDS process has also proven to be lengthy—taking on average up to 10 months to validate a need—which further undermines efforts to effectively respond to the needs of the warfighter, especially those that are near-term.

**Major Defense Acquisition Program Costs Remaining versus Annual Appropriations, from Fiscal Year 2000 through Fiscal Year 2007**



Legend:  Costs remaining for major defense acquisitions  Annual RDTE and procurement appropriations

Source: DOD (data); GAO (analysis and presentation).

DOD lacks an analytical approach to prioritize joint capability needs and determine the relative importance of capability proposals submitted to the JCIDS process. Further, the functional capabilities boards, which were established to manage the JCIDS process and facilitate the prioritization of needs, have not been staffed or resourced to effectively carry out these duties. Instead, the military services retain most of DOD's analytical capacity and resources for requirements development. The Joint Staff recently initiated a project to capture the near-, mid-, and long-term needs of the services and other defense components, and to synthesize them with the needs of the COCOMs. However, DOD officials told us that determining how best to integrate COCOM and service capability perspectives will be challenging because of differences in roles, missions, and time frames. Efforts have also begun to streamline the process and reduce the time it takes to validate proposals.

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**Abbreviations**

CDD	capability development document
COCOM	combatant command
CPD	capability production document
DOD	Department of Defense
FCB	functional capabilities board
ICD	initial capabilities document
JCIDS	Joint Capabilities Integration and Development System
JNN-N	Joint Network Node–Network
JROC	Joint Requirements Oversight Council
JUON	Joint Urgent Operational Need

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United States Government Accountability Office  
Washington, DC 20548

September 25, 2008

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Department of Defense (DOD) expects the cost to develop and procure the major weapon systems in its current portfolio to total \$1.6 trillion—\$335 billion of which is expected to be spent over the next 5 years. Increasing combat demands and escalating fiscal constraints make it critical for DOD to ensure that its weapon system investments not only meet the needs of the warfighter but make the most efficient use of the department's substantial resources. Our past work has shown that achieving this balance has been a challenge for DOD and that the department has pursued more programs than its resources can support. Our work has also shown that DOD has had difficulty translating needs into executable programs, which has often led to cost growth and delayed delivery of needed capabilities to the warfighter.

In 2003, DOD implemented the Joint Capabilities Integration and Development System (JCIDS)—a requirements generation system intended to prioritize and ensure that the most essential needs of the warfighter are met.<sup>1</sup> Through JCIDS, needs are expected to be determined from a joint capabilities perspective, rather than from an individual service or program perspective, which can lead to stovepiped solutions. In fiscal year 2006, you directed that GAO review how DOD's requirements and resource allocation processes can better support program stability in major weapon systems acquisition.<sup>2</sup> In March 2007, we reported that DOD lacks an effective, integrated approach to balance its weapon system investments with available resources. This follow-on report, also done in

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<sup>1</sup> DOD's weapon system investments are based on JCIDS and two other decision-making processes: the Planning, Programming, Budgeting and Execution system, for allocating financial resources, and the Defense Acquisition System, for managing product development and procurement.

<sup>2</sup> S. Rep. No. 109-69 at 343-346 (2005).

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response to the fiscal year 2006 direction, focuses on requirements management as embodied in the JCIDS process.<sup>3</sup> Specifically, we (1) determined whether the JCIDS process has achieved its objective to prioritize joint warfighting needs and (2) identified any factors that have affected DOD's ability to effectively implement JCIDS.

To conduct our work, we reviewed DOD, Joint Staff, and military service guidance documents on JCIDS and other interdependent processes; budgetary and programming data on major weapon systems; and Joint Staff information on the status and sponsorship of capability proposal documents submitted to the JCIDS process for review. We also reviewed the findings of prior research on DOD requirements by audit agencies and DOD-sponsored organizations. We interviewed requirements officials from the Joint Staff, DOD's functional capabilities boards, several combatant commands (COCOMs),<sup>4</sup> and the Army, Navy, and Air Force. We conducted this performance audit from May 2007 to August 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For more information on our scope and methodology, see appendix I.

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## Results in Brief

The JCIDS process has not yet met its objective to identify and prioritize warfighting needs from a joint capabilities perspective. Instead, capabilities continue to be driven primarily by the individual services—which sponsored 67 percent of initial capabilities proposals submitted since 2003—with little involvement from the COCOMs, which are largely responsible for planning and carrying out military operations. By continuing to rely on capability proposals that lack a joint perspective, DOD may be losing opportunities to improve joint warfighting capabilities and reduce the duplication of capabilities in some areas. In addition,

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<sup>3</sup> We also issued a report recently examining the impact of DOD's resource allocation process on major weapon system programs. See GAO, *Defense Acquisitions: A Knowledge-Based Funding Approach Could Improve Major Weapon System Program Outcomes*, [GAO-08-619](#) (Washington, D.C.: July 2, 2008).

<sup>4</sup> COCOMs are DOD's operational commanders. There are six COCOMs with geographic responsibilities and four with functional responsibilities. See app. III for more information on COCOMs.

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proposals for new capability needs and system solutions are not systematically prioritized across capability and mission areas, and virtually all proposals that have gone through JCIDS have been validated. The JCIDS process has also proven to be lengthy, taking on average up to 10 months to validate a need. Such a protracted process further undermines the department's efforts to effectively respond to the needs of the warfighter, especially those that are near term.

DOD lacks an analytic framework to prioritize capability proposals submitted by component sponsors to the JCIDS process. To date, JCIDS largely responds to proposals on a case-by-case basis, rather than assessing them from a departmentwide or joint perspective. Further, the functional capabilities boards (FCBs), which were established to manage the JCIDS process and facilitate the prioritization of needs, have not been staffed or resourced to effectively prioritize and address joint needs. Instead, the military services retain most of DOD's analytical capacity and resources for requirements development. DOD has recently taken steps aimed at improving the JCIDS process. For example, the Joint Staff recently initiated a project to capture the near-, mid-, and long-term needs of the military services and other defense components and to synthesize them with the needs of the COCOMs. According to DOD officials, however, it will be a challenge to develop appropriate criteria and measures for identifying capability gaps and determining the relative importance and resource commitment of one gap against another—particularly given that the COCOM and service capability perspectives are based on different roles, missions, and time frames. Efforts are also under way to streamline the JCIDS process and reduce the time it takes to validate proposals.

We are recommending DOD take two actions aimed at ensuring that the JCIDS process achieves its objective to identify and prioritize joint warfighting needs: (1) develop an analytical approach within JCIDS to better prioritize capability needs and (2) determine and allocate appropriate resources for joint capabilities development planning. DOD partially concurred with the first and concurred with the second recommendation. Generally, in responding to these recommendations, DOD stated that several current processes and initiatives, both within and outside of JCIDS, contribute to the department's total prioritization effort and that resources are sufficiently allocated for capabilities development planning. However, we believe that the department's processes are not well integrated with JCIDS and that the joint community—the COCOMs and FCBs—lack the resources to play a stronger role in determining joint capability needs.

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## Background

Historically, new weapon systems have been developed by the military services to counter specific threats. Under DOD's Requirements Generation System, the precursor to JCIDS, requirements frequently grew out of the military services' unique strategic visions and often lacked clear linkages to the national military strategy<sup>5</sup> and the needs of the joint force commanders, who are responsible for carrying out military operations. This service-centric, stovepiped approach often created weapon systems that lacked interoperability,<sup>6</sup> were duplicative, or did not fill critical gaps. In a 2002 memo, the Secretary of Defense expressed dissatisfaction with the requirements system and commented that the system "continues to require things that ought not to be required, and does not require things that need to be required."

As part of its 2001 *Quadrennial Defense Review*, DOD determined that the department needed to shift from threat-based defense planning to a capabilities-based model that focuses more on how an adversary might fight than who the adversary might be or where a war might be fought.<sup>7</sup> JCIDS was established to provide the department with an integrated, collaborative process to identify and guide development of a broad set of new capabilities that address the current and emerging security environment. Through JCIDS, capabilities are to be developed from national military strategy and should relate to joint concepts that describe how the strategy will be implemented. JCIDS is also intended to ensure a strong voice for warfighters and identify needs from a joint perspective to ensure that current and future warfighters are provided the capabilities they need to accomplish assigned missions. Furthermore, JCIDS emphasizes that needs be derived in terms of capabilities instead of specific system solutions.

The JCIDS process is overseen by the Joint Requirements Oversight Council (JROC)<sup>8</sup> and supports the Chairman of the Joint Chiefs of Staff,

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<sup>5</sup> The national military strategy describes the Armed Forces' plan to achieve military objectives in the near term and is intended to provide the vision for ensuring that they remain decisive in the future.

<sup>6</sup> When weapon systems are interoperable, information can be directly exchanged and used.

<sup>7</sup> The *Quadrennial Defense Review* is a major DOD review done every 4 years that is designed to provide a comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, and budget plans.

<sup>8</sup> The JROC consists of the Vice-Chairman of the Joint Chiefs of Staff and the four military service vice chiefs.

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who is responsible for advising the Secretary of Defense on the priorities of military requirements in supporting the national military strategy. Within JCIDS, FCBs—headed by a general or an admiral and made up of military and civilian representatives from the military services, joint staff, COCOMs, and the Office of the Secretary of Defense—manage different capability area portfolios.<sup>9</sup> The FCBs are intended to support the JROC by evaluating capability needs, recommending enhancements to capabilities integration, examining joint priorities, assessing program alternatives, and minimizing duplication of effort across the department.

The JCIDS process requires that gaps in military capabilities be identified and potential materiel and nonmateriel solutions for filling those gaps be developed based on formal capability assessments. The results of these capability assessments are formally submitted as initial capabilities documents (ICD)—a capability proposal—by a military service, defense agency, COCOM, FCB, or other sponsor. ICDs are intended to document a specific capability gap or set of gaps that exist in joint warfighting functions and propose a prioritized list of various solutions to address the gap(s). When a capability proposal is submitted, a Joint Staff “gatekeeper” conducts an initial review to determine what level of joint interest and review there should be and which FCB should take the lead. Capability proposals deemed to have a significant impact on joint warfighting, such as those involving potential major defense acquisition programs, are designated as “JROC interest” and must be validated or approved by the JROC.<sup>10</sup>

A JROC-validated ICD provides the basis for starting a major weapon system acquisition. Specifically, it should lead to an analysis of alternatives,<sup>11</sup> a concept refinement phase, and a decision on a preferred system concept. Before a weapon system program is approved to begin

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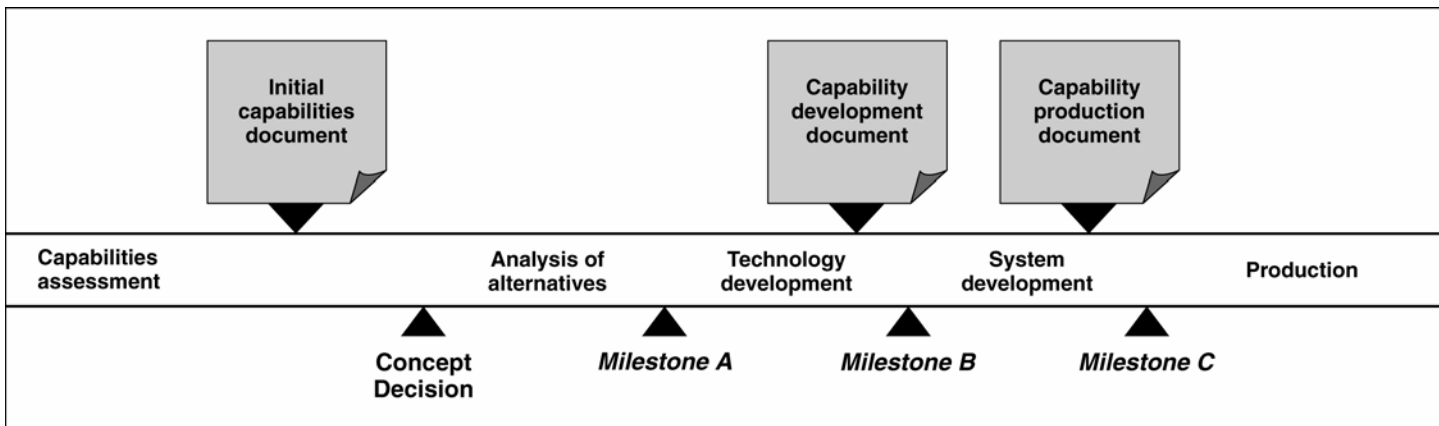
<sup>9</sup> Currently, there are nine FCBs—made up of representatives from the military services, COCOMs, and other DOD entities—established within JCIDS: Battlespace Awareness, Building Partnerships, Command and Control, Corporate Management and Support, Force Application, Force Support, Logistics, Net Centric, and Protection. See app. II for more information on FCBs.

<sup>10</sup> Other capability proposals that are determined to have less joint impact do not have to go through the full JCIDS process and are usually validated and approved by the sponsoring organization.

<sup>11</sup> An analysis of alternatives is typically developed by the acquisition community and is an evaluation of the performance, effectiveness, suitability, and estimated costs of alternative systems to meet a capability.

system development, the sponsor is required to submit a capability development document (CDD)—which defines a specific solution as identified in the analysis of alternatives—through JCIDS for approval by the JROC. The CDD defines the system’s key performance parameters or attributes against which the delivered increment of capability will be measured. Finally, the sponsor prepares a capability production document (CPD) to address the production elements of an acquisition program prior to the program starting production.<sup>12</sup> Figure 1 shows how the documentation relates to the major milestones for a weapon system program in the Defense Acquisition System.

**Figure 1: Relationship between JCIDS Documentation and Key Milestones in the Defense Acquisition System**



Source: DOD.

## JCIDS Is Not Meeting Its Objective to Prioritize Joint Warfighting Needs

While JCIDS is intended to determine needs from a joint, departmentwide perspective, capability needs continue to be proposed and defined primarily by the military services, with little involvement from the joint community—including the COCOMs, which plan and implement military operations. This can lead to stovepiped and duplicative solutions that do not necessarily support a joint force on the battlefield. In addition, virtually all of the proposals for new capability needs and weapon system solutions completing the JCIDS process since 2003 have been validated.

<sup>12</sup> Depending on the capability being acquired, not all documents may be required. For example, when a capability is being completely delivered through a commercial-off-the-shelf solution with no development or significant integration required, a CDD is not typically required.

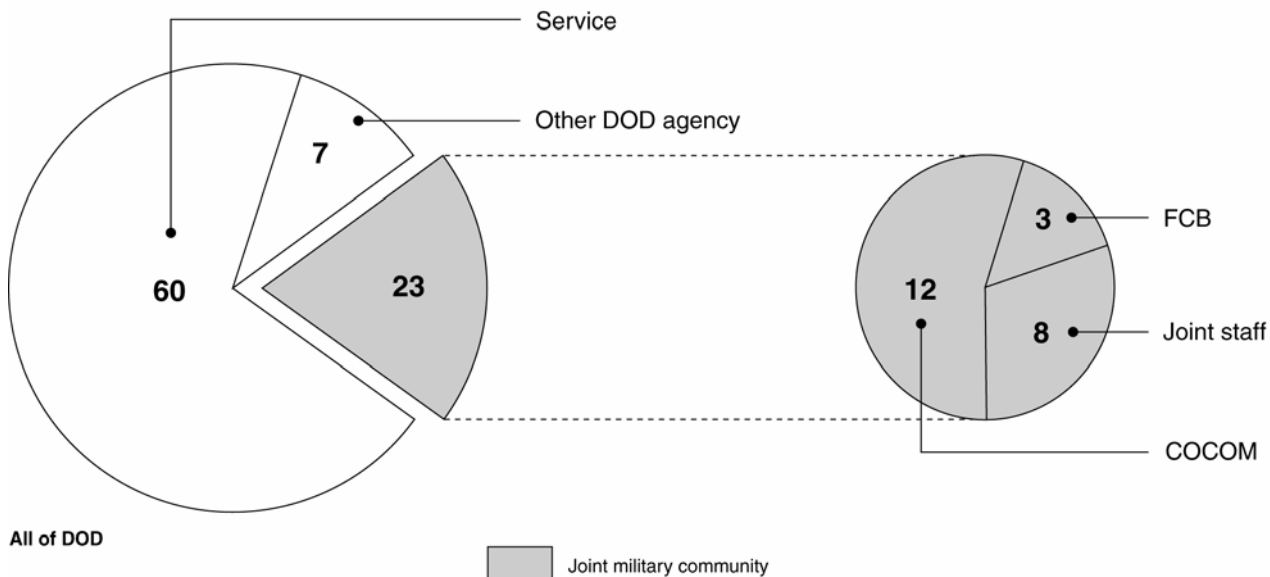
The JCIDS process has also proven to be lengthy, taking on average up to 10 months to validate a need. Such a protracted process further undermines the department's efforts to effectively respond to the needs of the warfighter, especially those that are near term.

**The Services, Not the Joint Warfighting Community, Continue to Sponsor Most JCIDS Proposals**

Our review of the documentation associated with 90 "JROC interest" ICDs submitted to JCIDS since 2003 showed that 60 proposals, or 67 percent, were sponsored by a military service, and 23, or 26 percent, were sponsored by a COCOM, an FCB, or the Joint Staff. (See fig. 2.)

**Figure 2: Sponsorship of DOD Requirements Documents**

90 Capability proposals, July 2003-May 2008 (initial capabilities documents)



Source: DOD (data); GAO (analysis and presentation).

JCIDS is intended to encourage collaboration among the services, COCOMs, and other DOD organizations to identify joint solutions to capability gaps, and there are some cases where this has occurred. For example, the Navy submitted a capability proposal through JCIDS to get a precision and landing system in place to avoid delays in delivering its aircraft carriers in development. The lead FCB reviewed the Navy's proposal and recognized that it was similar to a need identified by the Air Force and determined that the Air Force's needs could be met under the

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same proposal. However, according to JCIDS officials, FCB, COCOM, and other stakeholder reviews have had little influence in promoting joint solutions.

Past studies have also raised concerns that the services and the COCOMs do not routinely collaborate to identify possible joint solutions. For example, in 2006 the Army Audit Agency recommended that the Army improve collaboration with the joint community early in the capabilities planning process to improve the quality of its capabilities documents and facilitate more timely reviews of proposals that are submitted into the JCIDS process.<sup>13</sup> In January 2006, the Defense Acquisition Performance Assessment Panel concluded that JCIDS resulted in capabilities that did not meet warfighter needs in a timely manner and recommended that JCIDS be replaced with a COCOM-led requirements process in which the services and defense agencies compete to provide solutions.<sup>14</sup> The Defense Science Board similarly reported that JCIDS has not provided for increased warfighter influence, but instead actually suppresses joint needs in favor of military service interests, and recommended an increase in the formal participation role of the COCOMs in the JCIDS process.<sup>15</sup> The Center for Strategic and International Studies has also pointed out that while the services are responsible for supplying operationally capable armed forces, the COCOMs are responsible for responding to threats and executing military operations.<sup>16</sup> Therefore, it recommended that the Joint Forces Command take the lead in conducting capabilities development planning for the COCOMs and become a formal member of the JROC.

By continuing to rely on stovepiped solutions to address capability needs, DOD may be losing opportunities to improve joint warfighting capabilities and reduce the duplication of capabilities in some areas. In January 2006,

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<sup>13</sup> Army Audit Agency, *Army's Capabilities Determination Process*, A-2006-0224-ALA (Sept. 27, 2006).

<sup>14</sup> Assessment Panel of the Defense Acquisition Performance Assessment Project for the Deputy Secretary of Defense, *Defense Acquisition Performance Assessment Report* (January 2006).

<sup>15</sup> Defense Science Board, *Summer Study on Transformation: A Progress Assessment* (February 2006).

<sup>16</sup> Center for Strategic and International Studies, *Beyond Goldwater Nichols, Department of Defense Acquisition and Planning, Programming, Budgeting, and Execution Reform, Phase III Report* (Washington, D.C.: August 2006), and *Invigorating Defense Governance: A Beyond Goldwater-Nichols Phase IV Report* (Washington, D.C.: March 2008).

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we reported that military operations continue to be hampered by the inability of communication and weapon systems to operate effectively together on the battlefield.<sup>17</sup> In May 2007, we reported that while the military services have successfully planned and fielded a number of unmanned aerial vehicle systems over the past several years, DOD has struggled to coordinate the development of these systems across the services and ensure that they complement one another and avoid duplicating capabilities.<sup>18</sup> Specifically, despite similarities in proposed capabilities between two key unmanned aerial vehicle systems—the Air Force’s Predator program and the Army’s Warrior program—the Army awarded a separate development contract to the same contractor producing the Predator. By taking separate tracks to developing these two systems, the Air Force and the Army missed an opportunity to identify potential similarities in their requirements and thereby avoid redundant or non-interoperable systems. Although the Army and Air Force agreed to consider cooperating on the acquisition of the two systems, the services are struggling to agree on requirements.

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### Virtually All Capability Proposals That Have Completed the JCIDS Process Are Validated

JCIDS is intended to support senior decision makers in identifying and prioritizing warfighting capability needs. As such, it is meant to be an important tool in maintaining a balanced portfolio of acquisition programs that can be executed within available resources. However, the vast majority of proposals completing the JCIDS process are approved—or validated. Adding to a portfolio that already contains more programs than resources can support is likely to perpetuate instability and poor outcomes in weapon system programs.

Of the 203 JROC-interest capability proposals (ICDs and CDDs) we reviewed, 140 completed the JCIDS process and were validated. Of the remaining proposals, 57 are still under review, and 6 are considered inactive (see fig. 3). According to a Joint Staff representative, some proposals are returned to sponsors for modifications because the supporting documentation lacked sufficient analysis to justify the capability gap and solutions being presented, or because reviewers raised

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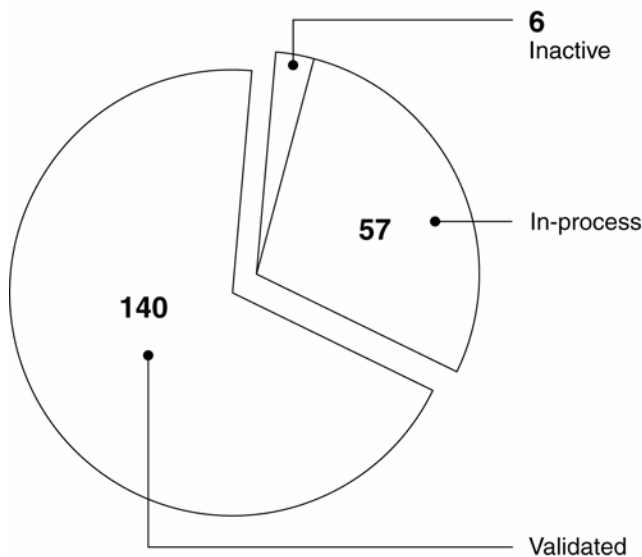
<sup>17</sup> GAO, *Defense Acquisitions: DOD Management Approach and Processes Not Well-Suited to Support Development of the Global Information Grid*, [GAO-06-211](#) (Washington, D.C.: Jan. 30, 2006).

<sup>18</sup> GAO, *Defense Acquisitions: Greater Synergies Possible for DOD’s Intelligence, Surveillance, and Reconnaissance Systems*, [GAO-07-578](#) (Washington, D.C.: May 17, 2007).

other technical concerns that needed to be resolved. Returned proposals are usually modified and resubmitted to the JCIDS process. The 6 proposals that are considered inactive were not resubmitted by the sponsors.

**Figure 3: Status of “JROC Interest” Capability Proposals Submitted to JCIDS Process since 2003**

**203 Capabilities proposals (initial capabilities documents and capability development documents)**



Source: DOD (data); GAO (analysis and presentation).

According to JCIDS officials, proposals are not prioritized across capability and mission areas. Instead, the extent to which any prioritization has occurred within JCIDS has been limited to the key performance parameters or requirements within individual capability proposals. For example, the Special Forces Command wanted to add capabilities to a Navy-sponsored JCIDS proposal—described in a CDD—for a high-speed intratheater surface lift capability to transport military units and supplies into shallow and remote areas. However, addressing a key capability requested by the Special Forces Command—to land a V-22 aircraft on the surface ship—would have necessitated a major redesign for the proposed Navy ship and delayed providing capabilities to the warfighter by several years. While the JROC agreed that the Special Forces Command’s requirement was valid, it decided to approve the Navy capability proposal without the Special Forces Command requirement and

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requested that a study be undertaken to identify how this requirement could be addressed in the future.

The lack of early prioritization of capability needs through JCIDS makes it difficult for DOD to balance its portfolio of weapons programs. Validated proposals tend to gain momentum and win approval to become formal weapon system programs—in part because other reviews are not conducted prior to the start of system development and demonstration, or Milestone B. In prior work,<sup>19</sup> we found that 80 percent of the programs we reviewed entered the acquisition system at Milestone B without a Milestone A or other prior major review.<sup>20</sup> By this time, the military services have already established a budget and formed a constituency for their individual capability needs. Successful commercial companies we have reviewed value and use a disciplined approach to prioritize needs early and often—one that views potential product development programs as related parts of a companywide portfolio.<sup>21</sup> These companies make tough decisions to defer or say no to proposed products and achieve a balanced portfolio—one that matches requirements with resources and weighs near- and long-term needs.

Since JCIDS was implemented, the number of major defense acquisition programs in DOD's portfolio has increased from 77 to 93, or by 21 percent. This increase is likely to exacerbate an already sizable disparity between what programs are expected to cost and available funding. The estimated acquisition costs remaining for major weapon system programs increased 130 percent from fiscal year 2000 through fiscal year 2007, while the

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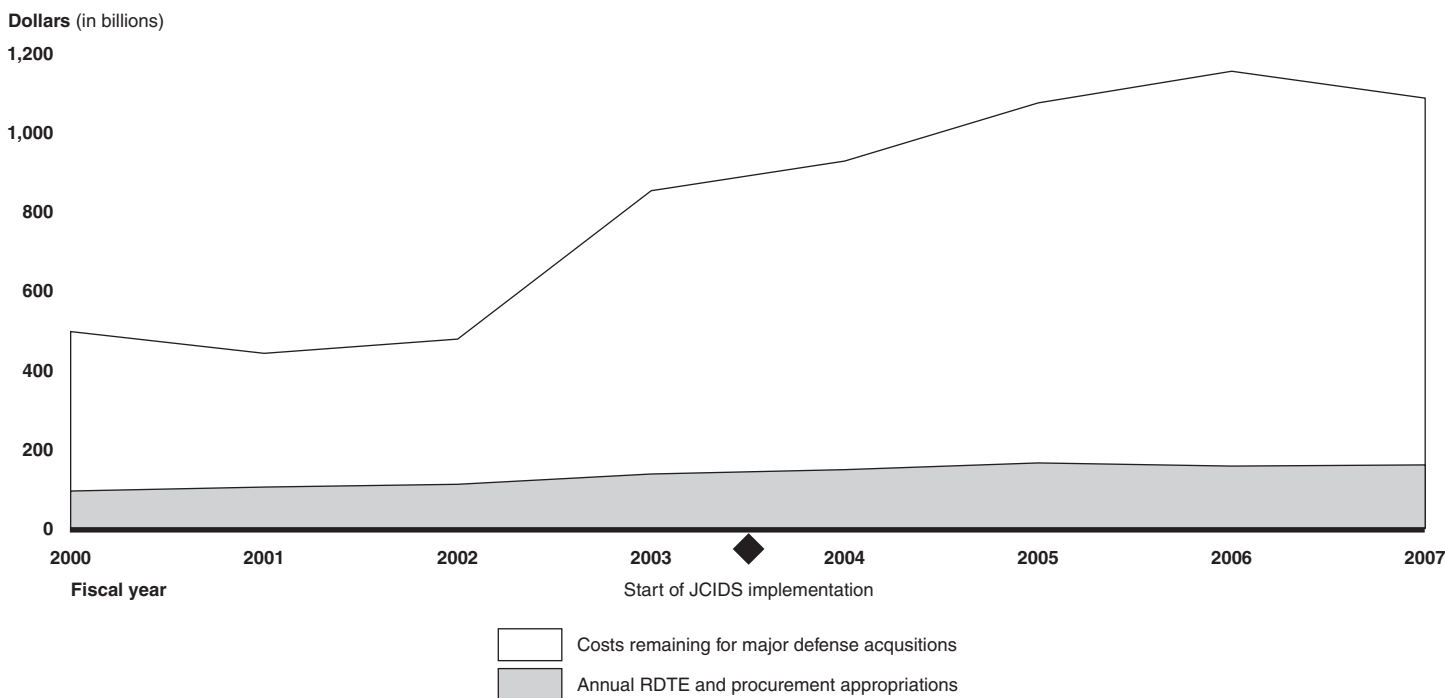
<sup>19</sup> GAO, *Defense Acquisitions: Major Weapon Systems Continue to Experience Cost and Schedule Problems under DOD's Revised Policy*, [GAO-06-368](#) (Washington, D.C.: Apr. 13, 2006).

<sup>20</sup> It should be noted that as of March 2008, if a major defense acquisition program has a Milestone A review it may not receive Milestone A approval to begin a technology development program until the Milestone Decision Authority certifies to Congress that (1) the system fulfils an approved initial capabilities document; (2) the system is being executed by an entity with a relevant core competency as identified by the Secretary of Defense; (3) if the system duplicates a capability already provided by an existing system, the duplication provided by such system is necessary and appropriate; and (4) a cost estimate for the system has been submitted. DOD is currently revising its policy and guidance for conducting and certifying Milestone A reviews. National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 110-181, § 943, (2008).

<sup>21</sup> GAO, *Best Practices: An Integrated Portfolio Management Approach to Weapon System Investments Could Improve DOD's Acquisition Outcomes*, [GAO-07-388](#) (Washington, D.C.: Mar. 30, 2007).

annual funding for these programs increased by a more modest 67 percent (see fig. 4). During the same time frame, the remaining costs for the major weapon systems in DOD’s portfolio went from being about four times greater to almost six times greater than annual funding.

**Figure 4: Costs Remaining versus Annual Appropriations for DOD Major Defense Acquisitions from Fiscal Year 2000 through Fiscal Year 2007 (Billions of Then-Year Dollars)**



Source: DOD (data); GAO (analysis and presentation).

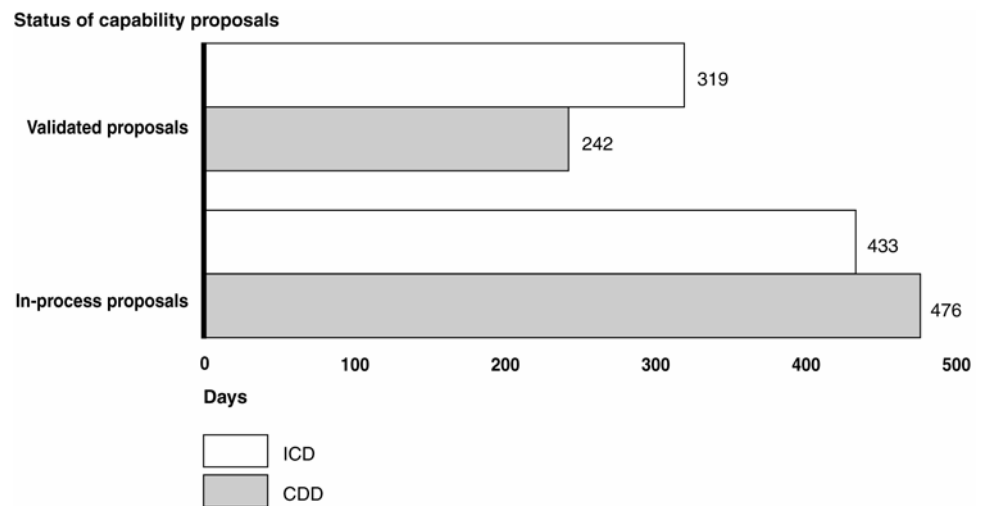
Shortfalls as significant as this are likely to be fiscally unsustainable. As we recently reported, to compensate for funding shortfalls, DOD has made unplanned and inefficient program adjustments—including shifting funding between programs, deferring work and associated costs into the future, or cutting procurement quantities.<sup>22</sup> Such reactive practices contribute to the instability of many programs and undesirable acquisition outcomes.

<sup>22</sup> GAO-08-619.

## JCIDS Has Proven to Be a Lengthy Process

The JCIDS process may lack the efficiency and agility needed to respond to warfighter needs—especially those that are near term—because the review and validation of capability proposals can take a significant amount of time. A proposal submitted to JCIDS can go through several review and comment resolution phases before consensus is reached on the proposal, and through several levels of approval before the JROC validates the proposal. Our review of capability proposals submitted to JCIDS from fiscal years 2003 through 2008 found that review and validation takes on average 8 to 10 months (see fig. 5). JCIDS and service officials also indicated that prior to submitting a JCIDS proposal, the sponsor can take a year or more to complete a capabilities-based assessment and get a proposal approved. In other words, 2 years or more can elapse from the time a capability need is identified by a sponsor to the time the capability is validated by the JROC.

**Figure 5: Average JCIDS Staffing Days Required for “JROC Interest” Capability Documents**



Source: GAO analysis of DOD data.

Given the size and complexity and level of funding that will be committed to many of these capability needs, the length of the process may be warranted. However, concerns have been raised by officials within the department about how responsive JCIDS can be—concerns that may prompt some sponsors to bypass the process. According to some department officials, too much time is spent reviewing individual capability proposals with little evidence of increased attention to prioritization or jointness. Senior COCOM officials we spoke with also stated that the JCIDS process is not conducive to addressing near-term

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requirements—the primary focus of the COCOMs—and that the lengthy nature of the JCIDS process makes it difficult to adjust to emerging needs. In one case, the Army used extraordinary measures, going outside DOD’s normal requirements, acquisition, and budgeting process to acquire and field the Joint Network Node-Network (JNN-N)—a \$2 billion, commercial-based system designed to improve satellite communication capabilities for deployed military units in Afghanistan and Iraq.<sup>23</sup> While JNN-N provided enhanced capability for the warfighter, the work-around allowed the Army to bypass the management and oversight typically required of DOD programs of this magnitude.<sup>24</sup>

In 2005, DOD established the Joint Urgent Operational Need (JUON) process to respond to urgent needs associated with combat operations in Afghanistan and Iraq and the war on terror.<sup>25</sup> The JUON process is intended to prevent mission failure or loss of life and is generally considered to be more efficient than JCIDS for meeting urgent needs. However, short-term needs that do not qualify as urgent operational needs—such as JNN-N—must still go through JCIDS.

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<sup>23</sup> GAO, *Defense Acquisitions: The Army Faces Challenges in Developing a Tactical Networking Strategy*, [GAO-07-10SU](#) (Washington, D.C.: Oct. 4, 2006).

<sup>24</sup> In 2005, DOD’s Office of General Counsel determined that the amount of funding for JNN-N exceeded the threshold for establishing a major defense acquisition program and that it must comply with applicable laws and DOD policies. The Army subsequently had a capability document validated through the JCIDS process and established JNN-N as a formal program in 2007, by absorbing it into the first increment of the Warfighter Information Network-Tactical program.

<sup>25</sup> A JUON is an urgent operational need identified by a COCOM involved in an ongoing military operation. The purpose of the JUON process is to gain Joint Staff validation and funding, usually within days or weeks, to meet high-priority COCOM needs. The scope of a JUON is limited to needs that (1) fall outside of the established military service processes and (2) if not addressed immediately, will seriously endanger personnel or pose a major threat to ongoing operations. The proposed solution to this type of COCOM need is not supposed to involve the development of a new technology or capability.

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## DOD Has Faced Challenges in Implementing JCIDS but Has Efforts Under Way to Improve the Prioritization of Joint Needs

DOD lacks the necessary framework for more effective implementation of JCIDS. The department has not yet developed a structured, analytical approach to prioritize capability proposals submitted to the JCIDS process. Additionally, the FCBs, which were established to manage the JCIDS process, do not have the capacity to effectively take the lead in prioritizing capability needs. Without an approach and entity in charge to determine what capabilities are needed, all proposals tend to be treated as priorities within the JCIDS process. The Joint Staff has recently taken steps to improve the prioritization of capability needs across DOD.

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## DOD Lacks an Effective Structure to Facilitate the Prioritization of Capability Needs

DOD's failure to prioritize capability needs through the JCIDS process is due in part to the lack of an analytic framework to determine and manage capability needs from a departmentwide perspective. To date, JCIDS largely responds to capability proposals that are submitted by component sponsors on a case-by-case basis. Lacking a more proactive approach, JCIDS has been ineffective at integrating and balancing needs from the military services, COCOMs, and other defense components. DOD has several different approaches to identify capability needs but they do not appear to be well integrated with JCIDS. For example, each COCOM submits annually to the Chairman of the Joint Chiefs of Staff an integrated priority list, which defines the COCOM's highest-priority capability gaps for the near term, including shortfalls that may adversely affect COCOM missions. However, it is unclear to what extent integrated priority lists or other approaches, such as JUONs and lessons learned from recent and ongoing military operations, inform the JCIDS process. According to officials from several COCOMs, needs identified through integrated priority lists are not typically developed into JCIDS capability proposals. These officials indicated that to be successful in getting a need addressed, they have to build a coalition with one or more services that may have similar needs.

At the same time, the military services continue to drive the determination of capability needs, in part because they retain most of DOD's analytical capacity and resources for requirements development. According to Air Force and Army officials, they have several hundred staff involved in capabilities planning and development. In contrast, the FCBs are relatively small, with the majority having 12 or fewer staff members. FCB officials noted that the assessments that must be conducted to support a capability proposal can cost several million dollars and require several staff years of effort. Consequently, the FCBs only sponsored five capability development

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proposals over the last 5 years and generally devote most of their time and effort to reviewing documents submitted by sponsors and providing recommendations on them to the JROC. In March 2008, we reported that the FCB responsible for intelligence, surveillance, and reconnaissance capabilities lacked sufficient resources to engage in early coordination with sponsors and review the sponsors' capability assessments.<sup>26</sup> Representatives from several of the FCBs also indicated that they lack the expertise to effectively weigh in on the technical feasibility and costs of sponsors' capability proposals and identify trade-offs that may be needed to modify proposals. A study performed under contract for the Joint Staff in July 2007 also found that some FCBs were under resourced for performing their duties.<sup>27</sup>

COCOMs, particularly the regional commands, also lack analytic capacity and resources to become more fully engaged in JCIDS—either by developing their own capability assessments or participating in reviews and commenting on proposals submitted to JCIDS. Some COCOM officials pointed out that because of their limited resources, they must pick and choose capability proposals to get involved in. Several studies have recommended that DOD increase joint analytic resources for a less stovepiped understanding of warfighting needs.<sup>28</sup>

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## Efforts Under Way to Improve Prioritization and Streamline the JCIDS Process

In 2006, the JROC developed a most pressing military issues list in an effort to identify the most important high-level issues facing the department and thereby provide better guidance to sponsors and FCBs on what capability assessments to focus on. In addition, the JROC directed the FCBs to develop and implement an approach to synthesize the COCOMs' annual integrated priority lists and bring greater focus to prioritizing joint capability needs. This resulted, in 2007, in a consolidated

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<sup>26</sup> GAO, *Intelligence, Surveillance, and Reconnaissance: DOD Can Better Assess and Integrate ISR Capabilities and Oversee Development of Future ISR Requirements*, GAO-08-374 (Washington, D.C.: Mar. 24, 2008).

<sup>27</sup> Booz Allen Hamilton, *Follow-up to Chief, JCD Functional Capabilities Board Analytic Assessment Final Report Brief*, study done for the Joint Staff (July 9, 2007).

<sup>28</sup> Institute for Defense Analyses, *Improving Integration of Department of Defense Processes for Capabilities Development and Planning* (September 2006); Center for Strategic and International Studies, *Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era, Phase I Report* (March 2004); and Joint Defense Capabilities Study Team (DOD), *Joint Defense Capabilities Study: Improving DOD Strategic Planning, Resourcing, and Execution to Satisfy Joint Capabilities*, Final Report (January 2004).

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list of capability needs. The JROC has also increased its involvement with the COCOMs through regular trips and meetings to discuss capability needs and resourcing issues. According to joint staff officials, these efforts have helped the JROC gain an increased understanding of the COCOMs' needs as well as provided the COCOMs with a forum for communicating their needs. Officials from several COCOMs noted that many of the near-term needs reflected in their integrated priority lists are now being addressed more effectively through annual budget adjustments and force structure changes.

At the direction of the Deputy Secretary of Defense, the Joint Staff has also recently begun a project to provide a more systematic approach to prioritizing capability areas and gaps that need to be addressed across the department. This effort is intended to identify the near-, mid-, and long-term needs of the military services and other defense components and synthesize them with the needs of the COCOMs. The project's first step, which is expected to be completed by the Joint Staff by the end of 2008, focuses on establishing what capabilities are most important to carrying out military operations either now or in the future. Capability areas will then be assessed to identify and prioritize where deficiencies or gaps in capabilities exist, and where additional capabilities may or may not be needed. The framework being used in the project is similar to one that the Institute for Defense Analysis developed with the U.S. Pacific Command a few years ago to strengthen the analytical basis for the integrated priority lists. The framework used by U.S. Pacific Command links capability needs to elements of the operational plans that the command is responsible for executing. Capability needs are determined by consolidating the views of operational planners, capability developers, and other subject matter experts from within the command.

If the project achieves expected results, the FCBs—and ultimately, the JROC—would be able to screen new capabilities proposals during the JCIDS review process while having knowledge of the capacity and sufficiency of existing requirements. According to Joint Staff officials, however, there are key challenges to implementing the project and coming up with a credible prioritization of capability needs. A major challenge will be to determine how best to integrate service and COCOM capability perspectives that are typically based on different roles, missions, and time frames. The military services tend to address capabilities in terms of defense planning scenarios that identify the mid- and long-term challenges the department must be prepared to handle. This has led to the development of capability proposals that advocate the need for the “next generation” of weapon system capability. In contrast, the COCOMs tend to

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address capabilities in terms of being able to execute operational plans they have developed for assigned missions in their geographic areas of responsibility. As such, the COCOMs' focus has been on current and near-term needs. The Center for Strategic and International Studies and others have advocated that mid- and long-term capability planning capacity is needed for COCOMs and that the functional COCOMs should perhaps play a stronger role in representing the regional COCOMs. Another challenge will be in developing appropriate criteria and measures for identifying capability gaps and determining the relative importance of these needed capabilities. Such criteria and measures have generally been lacking in the JCIDS process.

Adjustments have also been made to try to streamline the JCIDS process to reduce the time it typically takes to validate capability proposals. One recent change to the process means a sponsor does not have to submit a CPD if the program is on track and there are no changes since the CDD was validated. In addition, the Joint Staff has been tracking the amount of time it takes to get through the various review and comment phases of JCIDS and implemented measures to speed up the adjudication of reviewers' comments on capability proposals. As a result, there has been some improvement in reducing the time it takes to validate capability proposals. For example, we found that capability proposals (ICDs and CDDs) took about 9.5 months to be validated during 2003 to 2005 compared to about 8 months during 2006 to 2008. The Joint Staff has also recognized that the definitions used to determine what capability proposals must be brought to the JROC for approval is too broad and some proposals could be delegated to other authorities for validation. The definitions are being modified in part to focus JROC oversight on proposals that may truly warrant JROC involvement. Furthermore, the JROC is considering delegating authority for some JROC-interest capability proposals to lower levels, such as the Joint Capabilities Board and the FCBs.

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## Conclusions

By establishing JCIDS, DOD has, to some extent, recognized the need to better ensure that joint warfighting needs can be addressed within fiscal resource constraints. However, the process has not proven to be an effective approach to increase the level of joint participation or to prioritize the capability needs of the services, COCOMs, and other DOD components. While DOD has begun initiatives to improve JCIDS, the department continues to lack an analytic approach and an appropriate alignment of resources to balance competing capability needs. Consequently, DOD continues to start more weapons programs than

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current and likely future financial resources can support and miss opportunities to improve joint warfighting capabilities. Until JCIDS evolves from a service-centric process to a process that balances service and joint near-, mid-, and long-term capability needs, DOD will continue to contend with managing a portfolio that does not match available resources and risk failing to provide joint capabilities needed by the warfighter.

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## Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Chairman of the Joint Chiefs of Staff to develop an analytic approach within JCIDS to better prioritize and balance the capability needs of the military services, COCOMs, and other defense components. The Joint Staff should consider whether current efforts—particularly, the capabilities prioritization project—should be adopted as a framework for this approach. The approach should also establish appropriate criteria and measures for identifying capability gaps and determining the relative importance of near-, mid-, and long-term capability needs. Ultimately, the approach should provide a means to review and validate proposals more efficiently and ensure that the most important capability needs of the department are being addressed.

We also recommend that the Secretary of Defense determine and allocate appropriate resources for joint capabilities development planning. In so doing, the Secretary should consider whether the responsibility and capacity of the COCOMs and FCBs to conduct joint capabilities development planning should be increased, whether one or more of the functional COCOMs should be given the responsibility and capacity to conduct joint capabilities development planning, and whether resources currently residing within the military services for capabilities development planning should be shifted to the COCOMs and FCBs.

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## Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD partially concurred with our first recommendation and concurred with the second recommendation. DOD's partial concurrence with our first recommendation—that an analytic approach be developed within JCIDS to better prioritize and balance the capability needs of the military services, COCOMs, and defense components—is based on the premise that prioritization occurs through several existing processes in the department, and that JCIDS is not intended to be the primary means of prioritizing. DOD's concurrence with our second recommendation—to determine and allocate appropriate resources for joint capabilities development planning—is based on its position that resources are adequate and have been allocated appropriately. The department's

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response to both of our recommendations leads us to conclude that it does not see a need to improve its ability to prioritize and balance joint capability needs.

In commenting on our first recommendation, DOD pointed out that identifying, prioritizing, and balancing joint capability needs occurs through multiple processes both within and outside of JCIDS, such as COCOM integrated priority lists and JUONs, as well as through the department's budgeting and acquisition systems. We acknowledge that these DOD processes play a role in delivering capabilities to the warfighter; however, as we note in our report, these processes do not appear to be well integrated with JCIDS. Regardless, DOD established JCIDS as the principal process to support senior decision makers in identifying, assessing, and prioritizing joint warfighting needs. The process was intended to move the department away from a service-centric, stovepiped approach to a joint approach that helps ensure that COCOMs are provided the capabilities needed to carry out military operations. However, many of the COCOMs do not believe that their needs are sufficiently addressed through JCIDS and there is no evidence that the process has achieved its intended goals. In fact, capability proposals submitted through JCIDS are not prioritized and largely continue to reflect insular interests. Unless an analytic approach to prioritize and balance the capability needs of the services, COCOMs, and other defense components is established, DOD will continue losing opportunities to strengthen joint warfighting capabilities and constrain its portfolio of weapon system programs. Given that JCIDS was established for this purpose, it seems logical to build such an approach within JCIDS.

In concurring with our second recommendation, DOD asserts that the resources currently allocated for joint capabilities development planning are appropriate. However, while the FCBs may be sufficiently resourced to review capability proposals submitted by sponsors into JCIDS, they lack the resources and capacity to play a leading role in defining and prioritizing joint capability needs for their functional capability areas. In addition, while the JCIDS process provides opportunities for their participation, the COCOMs lack the resources and analytic capacity to conduct their own capability assessments or review proposals submitted

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by other sponsors. Several other recent studies<sup>29</sup> similarly indicated that the COCOMs are underrepresented in the department's efforts to determine joint capabilities. We continue to believe that a better alignment of resources for conducting joint capabilities planning—among the services, FCBs, and COCOMs—would help the department to more effectively prioritize and balance competing capability needs.

DOD also provided information about recent initiatives that are being implemented to improve the JCIDS, budgeting, and acquisition processes, and to strengthen the involvement of the joint community in determining capability needs. For example, since completing our draft report, the JROC moved to give the COCOMs a greater voice in the JCIDS process by delegating responsibility for validating requirements in the command and control functional area to the Joint Forces Command. While this initiative and others appear promising, as DOD notes, it is too early to determine whether the full benefits of these initiatives will be realized.

In addition, DOD commented that our report did not sufficiently recognize the extent of joint participation that occurs through the JCIDS process. DOD stated that many of the services' proposals are in direct response to capability gaps identified by the COCOMs and that the JCIDS process is structured to provide the joint community multiple opportunities and time to review proposals and ensure that they correctly state the needs of the joint warfighter. While we agree that some proposals submitted to JCIDS do address joint needs, the services still largely drive the vast majority of capability needs that are pursued in the department. Furthermore, once proposals are submitted to JCIDS, there is little evidence of increased attention to prioritization or jointness that results from the review of these proposals.

DOD's letter, with its written comments and description of new initiatives, is reprinted in appendix IV.

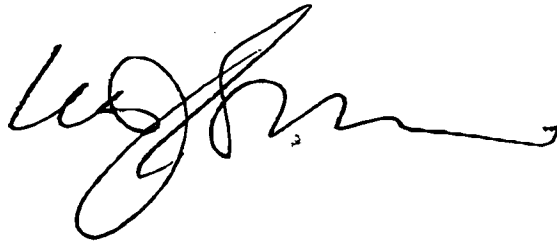
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<sup>29</sup> Institute for Defense Analyses, *Improving Integration of Department of Defense Processes for Capabilities Development and Planning* (September 2006); Center for Strategic and International Studies, *Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era, Phase I Report* (March 2004); and Joint Defense Capabilities Study Team (DOD), *Joint Defense Capabilities Study: Improving DOD Strategic Planning, Resourcing, and Execution to Satisfy Joint Capabilities*, Final Report (January 2004).

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We are sending copies of this report to the Secretary of Defense; the Secretaries of the Air Force, Army, and Navy; and the Director of the Office of Management and Budget. We will provide copies to others on request. This report will also be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you have any questions about this report or need additional information, please contact me at (202) 512-4841 or [sullivanm@gao.gov](mailto:sullivanm@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were John Oppenheim, Assistant Director; John Krump; Sean Seales; Karen Sloan; and Don Springman.

A handwritten signature in black ink, appearing to read 'Michael J. Sullivan', with a stylized flourish at the end.

Michael J. Sullivan  
Director, Acquisition  
and Sourcing Management

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# Appendix I: Scope and Methodology

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To determine whether the Joint Capabilities Integration and Development System process has achieved its objective to prioritize joint warfighting needs, we analyzed information and capability documents contained in the Joint Staff's Knowledge Management/Decision Support tool<sup>1</sup> compiled since the inception of JCIDS. First, we determined how many capability documents—initial capabilities documents (ICD) and capability development documents (CDD)—were designated “JROC-interest,” which are defined as all Acquisition Category (ACAT) I programs and other programs whose capabilities have a significant impact on joint warfighting. We identified a total of 203 capability documents—90 ICDs and 113 CDDs. We then analyzed and determined whether the capability documents were sponsored by the joint community, military services, and other Department of Defense (DOD) agencies. In addition, we determined which documents had completed the JCIDS process and been validated, which had completed the process and are inactive, and which are still under review. We also determined the amount of time required for capability documents to complete the JCIDS process and the amount of time other documents have remained in the process. We also reviewed Joint Requirements Oversight Council (JROC) memorandums validating requirements documents to determine if requirements were assigned a priority upon validation. Further, we reviewed budgeted and projected program costs for major defense acquisitions reported by DOD's Selected Acquisition Report summary tables for the years 2000 to 2007, covering periods before and after the inception of JCIDS.

To identify factors affecting DOD's ability to effectively implement JCIDS, we analyzed the existing structure of the JCIDS process and evaluated the sufficiency of the Joint military community workforce for preparing and reviewing JCIDS requirements documents. We provided written questionnaires to functional capability boards (FCB) to determine staffing and resource levels. We also evaluated recent DOD initiatives designed to improve the JCIDS process.

In researching both of our primary objectives, we interviewed officials from the Joint Staff; DOD's FCBs; U.S. Special Operations Command; U.S.

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<sup>1</sup> This system is designed to track the status of capability proposal documents—ICDs, CDDs, CPDs, and other documents—submitted to the JCIDS process for review. It is the key system that the Joint Staff and other DOD components use to review and comment on proposals. To assess the reliability of the data system, we interviewed Joint Staff officials knowledgeable about the system. We determined that the data were sufficiently reliable for the purposes of this report.

Joint Forces Command; U.S. Pacific Command; U.S. Central Command; Department of the Air Force; Department of the Navy; and Department of the Army. We reviewed statements made by DOD officials in prior congressional testimony. We reviewed prior GAO and other audit reports as well as DOD-sponsored studies related to JCIDS that were conducted by the Center for Strategic and International Studies, the Institute for Defense Analyses, the Defense Acquisition Performance Assessment Project, the Defense Science Board, and Booz Allen Hamilton. We reviewed guidance and regulations issued by the Joint Staff, the military services, and DOD, as well as other DOD-produced documentation related to JCIDS.

We conducted this performance audit from May 2007 to August 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Functional Capabilities Boards

Nine FCBs have been established by the JROC to evaluate issues impacting their respective functional areas and provide subject matter expertise to the JROC. The assigned functional areas and sponsoring organizations of the FCBs are shown in table 1. FCBs assist the JROC in overseeing capabilities development within JCIDS, to include assessment of ICDs, CDDs, and CPDs. FCBs can only make recommendations, and are not empowered to approve or disapprove of proposals.

**Table 1: Functional Capabilities Boards**

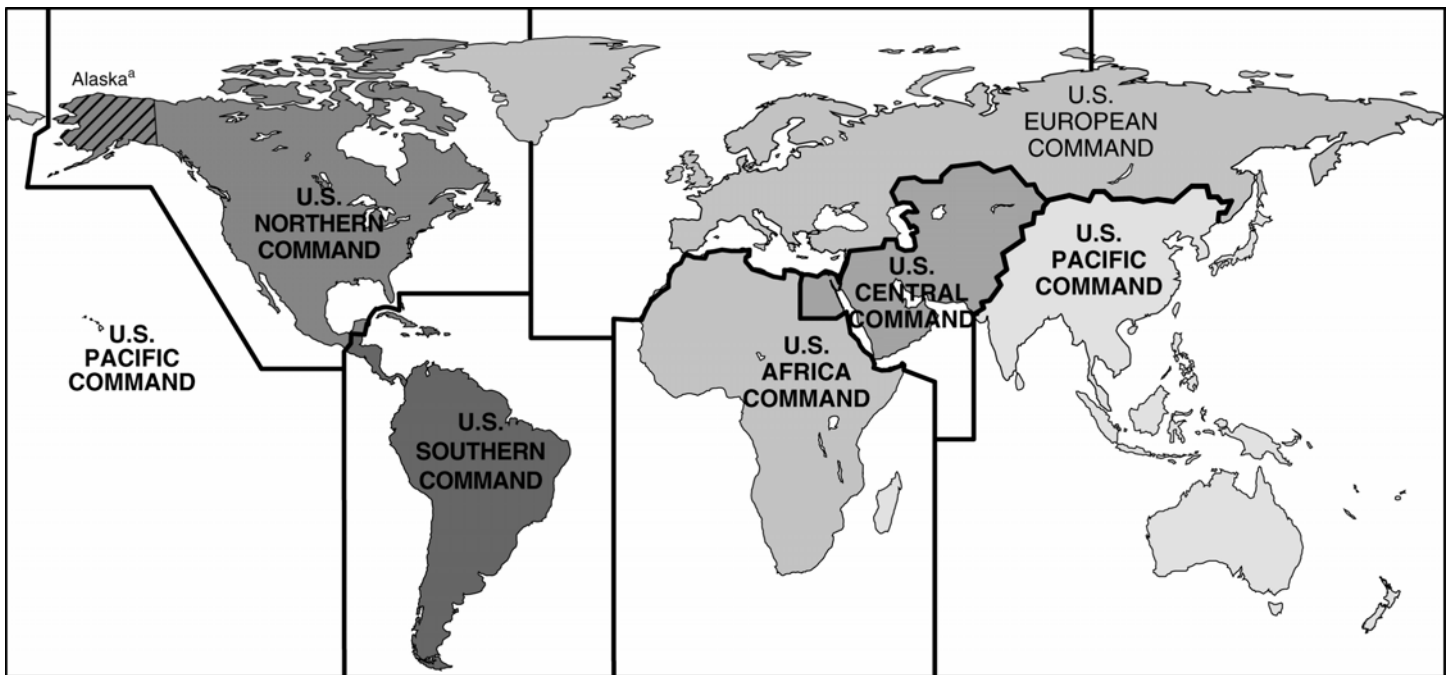
FCB	Sponsoring agency	Capability
Battlespace Awareness	Joint Staff, Directorate for Intelligence (J-2)	Understand dispositions and intentions as well as the characteristics and conditions of the operational environment that bear on national and military decision making.
Building Partnerships	Joint Staff, Directorate for Strategic Plans and Policy (J-5)	Set the conditions for interaction with partner, competitor, or adversary leaders, military forces, or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior, and capabilities.
Command and Control	U.S. Joint Forces Command	Exercise authority and direction by a properly designated commander or decision maker over assigned and attached forces and resources in the accomplishment of the mission.
Corporate Management and Support	Vice Director of the Joint Staff	Provide strategic senior-level, enterprisewide leadership, direction, coordination, and oversight through a chief management officer function.
Force Application	Joint Staff, Directorate of Force Structure, Resources and Assessment (J-8)	Integrate the use of maneuver and engagement in all environments to create the effects necessary to achieve mission objectives.
Force Support	Joint Staff, Directorate of Force Structure, Resources and Assessment (J-8)	Establish, develop, and maintain capable installation assets across the total force to ensure that needed capabilities are available to support national security.
Logistics	Joint Staff, Directorate of Logistics (J-4)	Project and sustain a logistically ready joint force through the deliberate sharing of national and multinational resources to effectively support operations, extend operational reach, and provide the joint force commander the freedom of action necessary to meet mission objectives.
Net Centric	Joint Staff, Directorate for C-4 Systems (J-6)	Provide a framework for full human and technical connectivity and interoperability that allows all DOD users and mission partners to share the information they need, when they need it, and in a form which they can understand it and act on it with confidence, and protects information from those who should not have it.
Protection	Joint Staff, Directorate of Force Structure, Resources and Assessment (J-8)	Prevent and mitigate adverse effects of attacks on personnel and physical assets of the United States and its allies and friends.

Source: GAO.

# Appendix III: Combatant Commands

There are currently 10 unified combatant commands (COCOM) serving as DOD's operational commanders—6 with geographic responsibilities and 4 with functional responsibilities. The 6 COCOMs with geographic responsibilities are U.S. Africa Command, U.S. Central Command, U.S. European Command, U.S. Northern Command, U.S. Pacific Command, and U.S. Southern Command. Their geographic areas of responsibility are shown in figure 6.

**Figure 6: Combatant Commands with Geographic Responsibilities**



Source: GAO presentation of DOD data.

Note: In February 2007, the Secretary of Defense announced that DOD will establish a sixth COCOM with geographic responsibilities—the U.S. Africa Command—which is expected to become operational by September 2008.

The four functional COCOMs are U.S. Joint Forces Command, which engages in joint training and force provision; U.S. Special Operations Command, which trains, equips, and deploys special operations forces to other COCOMs and leads counterterrorist missions worldwide; U.S. Strategic Command, whose missions include space and information operations, missile defense, global command and control, intelligence, surveillance, and reconnaissance, strategic deterrence, and integration and synchronization of DOD's departmentwide efforts in combating weapons

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of mass destruction; and U.S. Transportation Command, which provides air, land, and sea transportation for DOD.

# Appendix IV: Comments from the Department of Defense



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

SEP 17 2008

Mr. Michael J. Sullivan  
Director, Acquisition and Sourcing Management  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, DC 20548

Dear Mr. Sullivan:

The enclosed is the Department of Defense (DoD) response to the GAO Draft Report, GAO-08-1060, "DEFENSE ACQUISITIONS: DoD's Requirements Determination Process Has Not Been Effective in Prioritizing Joint Capabilities," dated August 5, 2008 (GAO Code 120653).

DoD appreciates the opportunity to review and comment on this draft report. After reviewing the draft report, DoD partially concurs with the first recommendation and concurs with the second. The enclosed information provides amplifying comments for clarification.

Sincerely,

James M. Durham  
Director  
Joint Advanced Concepts

Enclosure:  
As stated



GAO Draft Report Dated AUGUST 5, 2008  
GAO-08-1060 (GAO CODE 120653)

**“DEFENSE ACQUISITIONS: DOD’S REQUIREMENTS DETERMINATION PROCESS  
HAS NOT BEEN EFFECTIVE IN PRIORTIZING JOINT CAPABILITIES”**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATION**

**RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense direct the Chairman of the Joint Chief of Staff to develop an analytic approach within Joint Capabilities Integration and Development System (JCIDS) to better prioritize and balance the capability needs of the military services, COCOMs, and other defense components.

**DoD RESPONSE:** Partially Concur. JCIDS is not intended to be the primary means of prioritizing and balancing the DoD investment portfolios. Additional processes that contribute the total DoD prioritization effort include contributions from:

- Strategic Guidance
- The Analytic Agenda
- Joint Concepts and Experimentation
- Defense Acquisition System
- Planning, Programming, Budgeting, and Execution (PPBE) System
- Capability Portfolio Management
- Materiel Development Decision

Adopting the recommendation to develop an approach ‘within JCIDS’ would foster a narrow approach that would not reflect the richness of inputs and analyses from multiple Joint participants that is now in effect. The following paragraphs provide details on the methods DoD uses to identify, prioritize, and balance the needs of the Services, COCOMs and other defense components.

Identification of Joint Capability Needs. Within DoD, multiple venues exist to identify the capability needs of the joint warfighter. These venues exist both within and outside the JCIDS process. In accordance with the Chairman’s Manual for the “Operation of the Joint Capabilities Integration and Development System,” CJCSM 3170.01C, the primary means within JCIDS to identify one or more joint capability needs is the Capabilities Based Assessment (CBA). The CBA also identifies potential materiel and non-materiel approaches to address those needs.

Outside the JCIDS process, capability needs may be identified by COCOMs, Services, Joint Staff, Office of the Secretary of Defense (OSD) and other defense agencies through a variety of means that may ultimately enter into the JCIDS process. These methods include, but are not limited to, COCOM Integrated Priority Lists (IPLs), Joint Capability Technology Demonstration (JCTD), Lessons Learned and Joint Urgent Operation Needs (JUONs).

Prioritization of Joint Capability Needs. The GAO report recommends the development of an analytic approach to better prioritize the capability needs of the military Services. Prioritization is essential. The Department's resources have limits, and the needs of today must be balanced with our future needs. Prioritization, however, does not occur in a single forum or process. It is the result of multiple analytic efforts that occur in the capability development system, the acquisition system, and the Planning Programming and Budgeting System. The Integrated Priority Lists (IPLs), for example, are an important statement of COCOM priorities. The Chairman submits a Chairman's Program Assessment (CPA) to the Secretary of Defense which reflects his assessment of service Program Objectives Memorandum (POMs) as judged by his personal strategic review. The Functional Capabilities Boards (FCBs) prioritize capability needs by their assessment of needs across their domains.

Recently, the Department has introduced Capability Portfolio Management (CPM). CPM creates horizontal assessments of all Service programs in given functional areas, such as Command and Control. Within that portfolio, the CPM team (co-chaired by COCOM or Joint Staff Flag Officers, representatives from the FCBs, and OSD senior executives) prioritizes programs, recommends the addition or removal of resources, and presents their findings as recommendations to the Deputy Secretary of Defense. This is a new and potentially powerful prioritization tool that is highly complementary with JCIDS. The acquisition system continually prioritizes within its domain, balancing cost, schedule, and performance against the stated requirements of the warfighter. The POM represents each Service's statements of priorities across all the functional areas. JCIDS contributes to these prioritization efforts by complementing both the acquisition system and PPBS.

Balancing Capability Needs of COCOMs, Services, and other Defense Components. The GAO report states that "JCIDS has been ineffective at integrating and balancing needs from the military Services, COCOMs, and other defense components (pg 15/GAO)." COCOMs and Services have different perspectives based upon their statutory requirements. COCOMs identify capability needs based upon current operational tasks assigned to them by the President and Secretary of Defense. Services are responsible for manning, training and equipping the joint force required to meet COCOM needs. Due to the time it takes to develop the joint force, Services must look to future needs of COCOMs in order to provide a balance of joint capabilities. The JCIDS process allows multiple venues for COCOMs and Services to provide inputs on capability needs in order to achieve a proper balance. Additionally, other DoD processes, such as the Analytic Agenda, PPBE, and Strategic Guidance carefully examine and adjust the balance between the needs of the COCOMs and Services.

**RECOMMENDATION 2:** The GAO recommended that the Secretary of Defense determine and allocate appropriate resources for joint capabilities development planning.

**DoD RESPONSE:** Concur. In order to be an effective participant in the identification and development of fiscally informed joint capabilities, participating commands/organizations must be properly resourced (i.e., sufficient people equipped with appropriate skill sets and decision

support tools). At present, the competency for the JCIDS analyses (and the majority of the resources for this function) resides in the Services. Each Service fulfills this function as a component of a combatant command. Shifting the responsibility to the COCOM staff could impact COCOM focus on assigned mission sets if they are not appropriately resourced.

The Secretary of Defense and Chairman of the Joint Chiefs of Staff presently determine and allocate resources for joint capabilities development planning. The FCBs, by design, are matrixed organizations with representation from the Services, COCOMs, Joint Staff, OSD, and other defense agencies. When necessary, these participating organizations contribute resources to support FCB assessments in order to ensure their organizational requirements are adequately addressed.

Annually, the FCBs present to the Vice Director, Joint Staff J-8 their contract man-year equivalent requirements to perform the core JCIDS responsibilities outlined in the Chairman's Instruction on the FCBs, CJCSI 3137.01C. Based upon the restructuring of Joint Capability Areas (JCAs) in February 2008, J-8 fully funded each FCB's request based upon realignment of capability portfolios. In addition, FCBs, Services and COCOMs may request additional funding, as necessary, to support unplanned analysis required by the JROC.

**ADDITIONAL DoD COMMENTS:**

Overall comments to the draft report can be summarized in the following 3 points:

1) Joint Capabilities Integration and Development System (JCIDS) is Only One of Multiple Elements

The DoD uses three key processes that are aligned to identify, fund, and deliver joint warfighting capabilities: the JCIDS process is used to determine the shortfalls in capabilities across the Department; the Planning, Programming, Budgeting, and Execution process is used to prioritize and allocate resources; and the focus of the Acquisition process is cost-effective delivery of the capability. Efforts to address any shortcomings of the JCIDS process would be best addressed in the context of the entire acquisition reform effort now underway at DoD. There is concern that undue focus on one process will lead to an unbalanced solution. For example, even if the requirements process could produce/provide justifiable documentation in less than 6 months, present acquisition and budgeting processes are not flexible/agile enough to rapidly place new capabilities into the hands of the warfighter. A useful approach might be to identify JCIDS reform recommendations as part of a bigger solution set.

Additionally, the JCIDS process alone does not prioritize capabilities, but is one of several processes the DoD uses to prioritize warfighting needs. Additional comments on this particular issue are detailed in the response to Recommendation 1.

2) Progress Not Documented in the Report

While refinement of the requirements process is certainly needed, it is important to identify and leverage the progress that has been made to date. Since the GAO report was initiated, a number

of reforms have been implemented, and the JCIDS process described in the report does not fully reflect the current process. Realizing the full benefits of these reforms will require a completed cycle of development, but we would like to here enumerate the works in progress.

We also would like to highlight that the current process of joint requirements development attempts to strike a balance between development time and performance of delivered capabilities. While the report acknowledges some improvement in reducing JCIDS timelines (from 10 to 8 months), it does not reflect the improvement over the Requirements Generation Process (predecessor to JCIDS), which on average took 18 months. Nor does the report recognize the leadership's current focus on initiatives and experiments to improve the process. The following initiatives are reflective of this progress:

a) Since completion of the GAO report the Joint Requirements Oversight Council (JROC) moved to give COCOMs (JFCOM, TRANSCOM, STRATCOM, SOCOM) a greater voice in the requirements process. A first step will be for JFCOM to review proposed new capabilities within the Command and Control functional area. This step represents a demonstrable shift in authority for requirement validation from the JROC to a Combatant Commander. Additional examples of Functional COCOMs acting on behalf of the JROC to assess proposed requirements in their designated domains are most likely to follow.

b) Recently, the Department introduced Capability Portfolio Management (CPM). CPM creates horizontal assessments of all Service programs across functional areas, such as Command and Control. Within a portfolio, the CPM team (co-chaired by COCOM or Joint Staff Flag Officers, representatives from the FCBs, and OSD senior executives) prioritizes programs, recommends the addition or removal of resources, and presents their findings as recommendations to the Deputy Secretary of Defense. This is a new and potentially powerful prioritization process that is highly complementary with JCIDS. The acquisition system continually prioritizes within its domain, balancing cost, schedule, and performance against the stated requirements of the warfighter. The Program Objective Memorandum (POM) represents each Service's statements of priorities across all the functional areas. JCIDS contributes to these prioritization efforts by complementing both the acquisition system and Planning, Programming and Budgeting System (PPBS).

c) The acquisition system is also evolving in concert with changes to the JCIDS process. The Quadrennial Defense Review (QDR)-initiated Concept Decision Initiative (CDI) assessed alternative processes for analysis and review to increase the effectiveness of the CJCSI 3170 capability development process and the DoDI 5000.2 acquisition processes. The CDI pilot effort resulted in a number of key "Lessons Learned." The outcome was creation of a new decision point in the acquisition system called the Materiel Development Decision (MDD). Formerly known as the Concept Decision, MDD capitalizes on Lessons Learned from the CDI and provides an early, formal opportunity to weigh capability gaps relative to technology opportunities and resourcing. At the MDD, which is the mandatory formal entry point into the acquisition process for all programs, the Milestone Decision Authority (MDA) determines what analysis must be conducted to assess the range of alternatives necessary to meet the joint capability need. The MDA's determination is formally captured in an Acquisition Decision

Memorandum and the Analysis of Alternatives (AoA) study guidance that informs succeeding acquisition decisions.

This approach places a new emphasis on the AoA and employs it more effectively as a decision support tool to inform acquisition decision-making. The result of the analysis is recommendation of one or more proposed materiel solution(s) that reflects maturity of key technologies, as well as any risks of integration and manufacturing. This information serves as the foundation for any follow-on development activity. This use of the MDD is designed to reduce programmatic risk and ensure stable and predictable acquisition programs.

### 3) Lack of Recognition of Joint Processes for Requirements Development

The process of identifying joint capabilities is, of necessity, a balancing of current needs against investment for future needs. The DoD must meet the immediate needs of our warfighting commanders, yet there also must be sufficient investment in future capabilities to ensure our long-term security. No single player in the capabilities determination process has the perspective required to make the best judgment. Capabilities determination is a collaborative process amongst the Joint Staff, the Services, and the Combat Support Agencies. This thoroughly joint process is both top-down, emanating from Joint Operations Concepts and Service assessments of future requirements – as well as bottom-up, derived from assessments conducted by the Combatant Commanders. In the past, the Services, with their considerable analytical capacity and budget authority, have been the most powerful players in the process. This is correctly identified in the draft GAO report. However, our current process, aided by improvements the JROC has recently initiated, reduces this imbalance by leveraging the Services capacity to focus on Joint capability priorities.

The draft report argues that the lack of joint participation in the requirements process is evidenced by the fact that most new proposals for joint capabilities were sponsored by the Services. The Services have a statutory responsibility to man, equip, and train the joint force required to meet COCOM needs. In recognition of this requirement, the Chairman of the Joint Chiefs of Staff (CJCSI 3170 series) directs development of capability documents to be the responsibility of the acquisition authority as sponsor. Since Services/Agencies possess 95+% of those funds, it is perhaps not surprising that 67% of Initial Capabilities Documents (ICDs) are developed by the Services. This statistic alone does not reflect that many of the Services' proposals are in direct response to capability gaps identified by the COCOMs. Nor does it reflect the influence that COCOM-developed Joint Capability Documents (JCDs) have on shaping ICDs. As the Services refine their requirements, COCOMs and the rest of the joint community have multiple opportunities for input. Indeed, part of the criticism in the report – the time required to validate new requirements – exists for this exact reason. Every member of the joint community has the right and obligation to scrutinize proposal requirements to ensure that they correctly state the needs of the joint warfighter.

In addition, the following are responses to specific GAO statements within the report:

*1) "Capabilities continue to be driven primarily by the individual Services – which sponsored 67 percent of initial capability proposals submitted since 2003 – with little involvement from the*

*COCOMs, which are largely responsible for planning and carrying out military operations (pg 2/GAO)."*

1. Joint perspective is captured as COCOMs and defense agencies provide inputs and are involved in key decisions for capability proposals within their areas of interest.
2. Often capability needs fall solely within the functional domain of a single service. The Services, as the force provider components of the COCOMs, have the functional expertise in these areas and are thereby assigned as sponsors of these capability proposals in fulfillment of their statutory obligations.
3. Programs that truly require a joint approach are developed through joint teams comprised of representatives from the COCOMs, Services, Joint Staff and other defense agencies (e.g., Joint Strike Fighter, Joint High Speed Vessel).

*II) "Vast majority of proposals completing JCIDS are approved (pg 9/GAO)."*

1. Only valid capability needs complete the JCIDS process.
2. All proposals go through an extensive commenting and review process that includes the COCOMs, Services and OSD before being briefed to the FCB and JCB. Through this comment and review process, changes are made in the documents to ensure they meet the needs of the joint warfighter prior to their approval by the JROC.
3. There are a significant number of instances in which valid capability needs are not entered into JCIDS because there are sufficient, existing means to address the gap, the technology required is not sufficiently developed or it is decided to accept risk associated with the capability gap.

*III) "JCIDS proposals are not prioritized across capability and mission areas. Instead, the extent to which any prioritization has occurred within JCIDS has been limited to the key performance parameters or requirements individual capability proposals (pg 10/GAO)."*

1. During the conduct of a CBA, joint concepts are evaluated against the current and programmed force across one or more mission areas. Capability needs identified during the CBA are then prioritized.

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