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The efficient management of an operation as complex and extensive as the Department of Defense is a most formidable task indeed, one which cannot be ignored in today's world. Understanding DOD's approach to solving this problem, known as the Planning, Programming, and Budgeting System, is therefore of vital concern to every professional military officer. While the current system is far from flawless, it has proven its ability to adjust to new management requirements placed upon it and will continue to provide the military manager unlimited opportunities for innovation to meet the challenge of the future.

THE DEPARTMENT OF THE NAVY AND THE DOD PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS)

An adaptation of a lecture given at the Naval War College

by

Captain Charles F. Rushing, U.S. Navy

Introduction. Of the thousands of military officers on active duty, only those who have served in Washington, D.C., since 1961 have had the opportunity for direct involvement in the Department of Defense (DOD) Planning, Programming, and Budgeting System (PPBS). And of these only a relatively few have become intimately associated with all aspects of the multifaceted system that manages DOD's resources. Today PPBS serves as the *raison d'être* justifying the bulk of the military billets in the Washington, D.C., area. The Pentagon is the hub of the system, with other offices scattered throughout the District and the suburbs of Maryland and Virginia. From here the Department of Defense resources of men, money, and material are managed in a network that reaches to all parts of the world.

For the middle grade and senior military officers who will eventually serve in the Washington, D.C., area, there is no escaping PPBS. Whether involved with the development of strategy or as a program manager or in juggling the details of a budget submission, every officer should know how his function contributes to the overall scheme. This paper is an attempt to provide the reader with the evolutionary development and broad concept of PPBS so that he may appreciate his role, now or in the future, in the management of DOD's resources.

*Where not footnoted, technical information in this article taken from the Department of the Navy *Programming Manual* (OP 90P-1C). Recent changes not reflected in the latest edition of the manual provided by the Department of the Navy Program Information Center (DONPIC).

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To begin, let me describe in a few words a system so comprehensive that only a very broad treatment can be presented here. The steps of PPBS can be generalized in this manner:

- *Strategy* developed in consideration of the *threat*.

- *Force requirements* developed to support the *strategy*.

- *Programs* developed to provide, on an orderly basis, ships, aircraft, weapons systems, and manpower over a period of time, with due consideration of the *total cost to the Nation*.

- *Funds* budgeted in such a manner as to obtain the required forces and weapons systems within the resources that the Nation provides.¹

One might legitimately ask, "How else would a world power manage its military establishment?" While the Department of Defense is managed pretty much along those lines today, this has not always been the case. Until the post-World War II era, financial management in our Government was most cumbersome and inefficient. For more than 150 years Congress simply appropriated funds "by the seat of its pants," and Government agencies were managed in much the same fashion. Not until after World War II were positive steps initiated to correct the enormous inefficiencies that existed in financial management of the Military Establishment.

Charles J. Hitch, who was instrumental in developing PPBS, relates that, As late as 1948, the Navy Department was still managing its affairs through some 130 separate appropriation accounts, and the Congress for that year had actually appropriated new funds for 87 of them. These appropriation accounts ranged in size from fifty dollars for the payment of certain claims to over one billion dollars for pay and subsistence of Navy personnel. There was even a separate appropriation of ten dollars

for the US Naval Academy Museum fund in 1947.

Mr. Hitch added that the situation in the War Department was no better.²

Each of these separate appropriation accounts had to be separately administered, and funds could not generally be transferred from one account to another except by a special act of Congress. As the first step in an evolutionary process that continues to this day, Defense Secretary Forrestal and his Comptroller, W.J. O'Neill, developed an entirely new, uniform budget structure for each of the three military departments. From their efforts evolved the five major groupings of appropriation accounts that still exist today: Military Personnel; Operation and Maintenance; Procurement; Research and Development, Test and Evaluation (RDT&E); and Military Construction.³

However, that was only the beginning as standardization and reduction of numbers of appropriations accounts were not enough. A system was needed to correct a multitude of inefficiencies that had existed in our Military Establishment for so many years, brought on by the military departments planning and budgeting in relative isolation from one another.

By 1948 Canada and the United Kingdom, as well as the United States, had begun reorganization of their Military Establishments into single defense agencies. All were convinced that only through centralized defense management could realistic national security objectives be formulated. Mission duplication, parochialism, isolated planning, and the resultant waste of defense dollars had to be eliminated if we were to achieve an organization truly responsive to national security objectives and mushrooming changes in technology. This would require unification in a real sense—adding a Secretary of Defense and changing the organization structure could not do the job alone.

Unfortunately, "unification," until

1961, existed in name only. The Army's strategy and force structure was based on a long war of attrition with conventional weapons, while the Air Force based its plans on a relatively short nuclear exchange.⁴ Neither of these services seriously considered the opposite alternative, and the Navy was left somewhere in the middle. Within broad limits each of the services decided where to spend its money after receiving a set percentage share of the Defense budget. The Joint Chiefs of Staff, as a singular body, did not play a significant role anywhere in the process.

The year 1961 is considered by most as the turning point in military management and the year in which unification, as we know it today, began to materialize. When Robert S. McNamara became Secretary of Defense that year, he was concerned that in many instances the several military departments did not function as a team in carrying out the principal missions of the Defense Establishment. The military planning function and budgeting function of Defense financial management were already well established, but it was clear that a new function was needed to bridge the gap between planning and budgeting to provide the data needed by top Defense officials to make the really crucial decisions.⁵ That *bridge* was "programming."

Several years before McNamara assumed the position of Secretary of Defense, Charles J. Hitch, with the Rand Corporation, had developed a concept which incorporated the features desired by McNamara: the Planning, Programming, and Budgeting System. As the new Department of Defense Comptroller, Hitch recommended to McNamara that PPBS be adopted, estimating that such a major change would take 18 months to implement. Hitch was directed to install the system in 6 months. Somehow the feat was accomplished, forming the basis for the fiscal year 1963 DOD budget.⁶

Such a revolutionary change in so short a time would normally have been doomed to failure, but McNamara was determined. While few supporters of Robert S. McNamara remain in the military, one must candidly admit that without the decisiveness and determination of a McNamara and the genius of a Hitch, the Defense Establishment might still be in the dark ages of management.

Within 2 years of operation, the future of PPBS was assured. Through an endless series of evolutionary changes, PPBS advanced steadily toward its goal:

- Budgets in balance with programs,
- Programs with force requirements,
- Force requirements with military missions,
- Military missions with national security objectives, and
- The total dollars required by the plan for future years do not exceed the Secretary's responsible opinion of what is necessary and possible.⁷

As with all other things conceived by man, however, the system is not perfect. The PPBS is a living, growing mass of people and computers that generates tons of paper each day. Procedures are ponderous and inefficient, but infinitely better than we ever had before 1961. Since 1961 PPBS has adapted itself to changing personalities in the Office of the Secretary of Defense (OSD) with surprising flexibility. By 1965 PPBS had proved itself so successful in the management of DOD's financing that President Johnson made its adoption mandatory in all agencies of the executive branch.⁸ Furthermore, PPBS is now used to some degree in several large corporations—due largely to the influence of retired military officers who have joined industry.

Remembering the very generalized description of PPBS at the beginning of this essay, the system can be summarized in different terms by reducing it to the six basic steps shown in the left-hand column of figure 1. Generally

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1. Collect intelligence
2. Appraise the threat
3. Develop strategy to meet the threat
4. Devise force levels to support the strategy

5. Program resources

6. Annual budget allocation to procure men and materials

Planning

The process of determining actions and specifying the *time-phased* military force requirements to accomplish a mission.

Programming

The process of translating planned military force requirements into *time-phased* manpower and material resource requirements.

Budgeting

The process of translating manpower and material resource requirements into *time-phased* financial resources.

Figure 1

accepted definitions of the three phases of PPBS, *Planning*, *Programming*, and *Budgeting*, are arranged on the right, opposite the basic steps which operate within the phases: Note that the term common to each definition is "time-phased," a feature which will be discussed later.

Planning. Planning determines military strategies and force requirements to achieve national security objectives. It includes the evaluation of alternative means of achieving specific goals, it decides upon objectives, on changes in these objectives, and on the policies that govern the acquisition, use, and disposition of military resources. Planning is accomplished by the Joint Chiefs of Staff in concert and coordination with each military service. Strategic guidance and fiscal guidance are highly significant controls over the planning process, injected by the Office of the Secretary of Defense. While the Secretaries of the military departments certainly exert an influence over their respective service Chiefs every step of the way, the civilian officials have no assigned or assumed responsibility in the planning phase of the PPBS. This is an important aspect of the system.

The best way to describe the planning phase of PPBS is to look at the documents produced by it and at the major guidance directives that are issued

by the Secretary of Defense and the Joint Chiefs of Staff during the process:

Joint Intelligence Estimate for Planning (JIEP) summarizes factors and trends in world power relationships and assesses the capabilities of important foreign nations. This estimate is influenced by all national intelligence-gathering agencies, civilian and military, and by the National Security Council.

Joint Long-Range Strategic Studies (JLRSS), based on the JIEP, describe the role of the military power of the United States 10-20 years in the future.

Navy Strategic Study (NSS), *Marine Corps Long-Range Plan* (MLRP), and similar studies and plans from other services: present service concepts in support of the Joint Long-Range Strategic Studies.

Joint Strategic Objectives Plan, Volume I (JSOP I):* provides the JCS concept of the military strategy and force planning guidance to attain the national security objectives and the military objectives derived therefrom.

In the *Policy and Planning Guidance*, the Secretary of Defense, as direct representative of the President, reviews

*It is suggested that the reader use figure 2 as an aid in following the progress of the system as it develops. Note that the figure covers the complete 18-month cycle and that beginning in June 1971 two cycles are in operation concurrently.

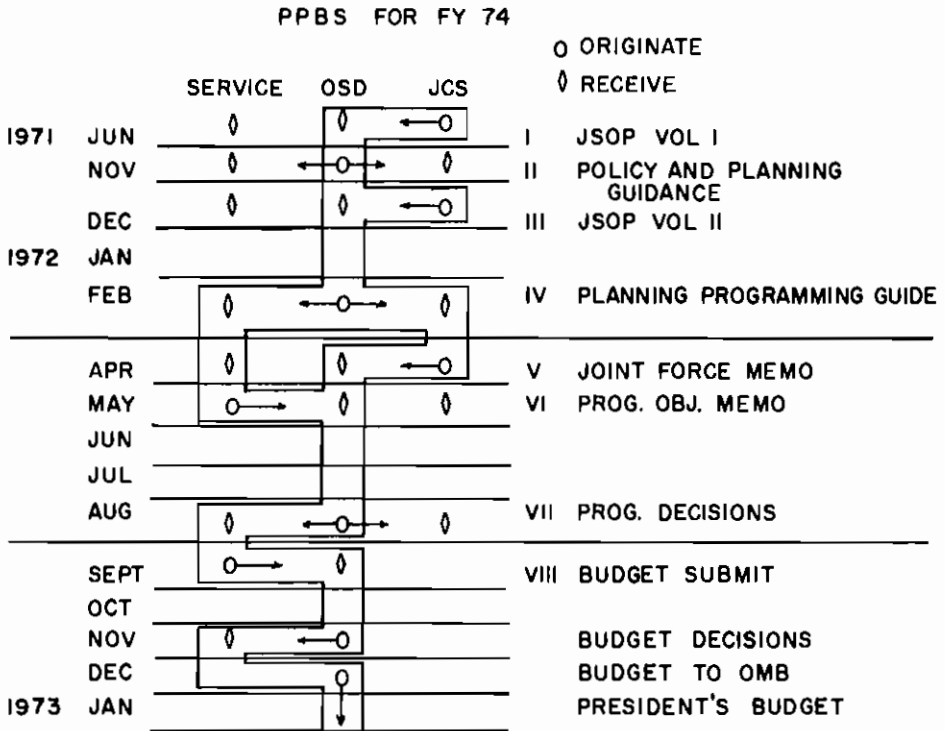


Figure 2

Source: DONPIC Handout, January 72, updated by author.

JSOP I and establishes the strategic framework objectives for the planning, programming, and budgeting phases of the PPBS for the entire Department of Defense.

The *Joint Strategic Objectives Plan, Volume II (JSOP II)* translates the national security objectives and the military strategy of volume I, as modified by the Policy and Planning Guidance, into force objectives required to support that strategy. JSOP II contains force tables, recommended major force level objectives, analyses of the rationale and cost and manpower estimates for these objectives, and major force issues on which decisions are pending.

It is important to note here that the JSOP II is not fiscally constrained, and for good reason: without fiscal constraints all force level alternatives introduced by the service Chiefs, parochial as they may be, have their day in court in

the joint arena. The constraints on JSOP II traditionally have been intuitive although they represent attainability and feasibility. (As a point of interest, with the increased emphasis on participatory management since 1969, the estimates for JSOP II have been about 25 percent closer than before to DOD fiscal guidance introduced later in the cycle.) As the Joint Chiefs' estimate of the total force requirements to meet the threat, JSOP II influences the Secretary of Defense's recommendation to the President for the total Defense budget.

The *Planning and Programming Guidance Memorandum (PPGM)* culminates the planning phase. Issued by the Secretary of Defense to the Joint Chiefs of Staff and the military departments concurrently, it sets the stage for the programming phase by providing revised policy and planning guidance and assumptions and includes fiscal guidance

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(for the first time), Southeast Asia planning assumptions, and material support planning guidance. This is the most significant strategic document in the PPBS because it ties strategy to fiscal constraints.

Programming. The *Joint Forces Memorandum* (JFM) is the initial document in the programming phase. Submitted by the Joint Chiefs of Staff to the Secretary of Defense as a response to the PPGM, it provides recommendations on the joint force program within stated guidelines. Through this document the service Chiefs insert their own programs into the system, and these may well differ from the service Secretaries' programs submitted through the Program Objectives Memoranda, which will be discussed later.

Programming converts the plans of JSOP II (as modified by the PPGM) to missions and program elements within broad program categories.

The most significant document in the programming phase is the *Program Objectives Memorandum* (POM). The POM are memoranda submitted to the Secretary of Defense by the Secretaries of the military departments which recommend, describe, and justify the total resource requirements within the fiscal constraints established by the Secretary of Defense in his PPGM.

One POM was submitted by the Department of the Navy for the fiscal year 1973 budget, which will give you an idea of the size of the "memorandum" described in the definition. Basically, the POM provides the rationale for all proposals which differ from the current military department approved program, all substantiated by economics analyses.

The relationship of the POM to the Joint Forces Memorandum is the same as the relationship between the Secretary of the Navy and the Chief of Naval Operations or the Commandant of the Marine Corps.* Before formulation of

the JFM in the JCS arena, the Chief of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC) submit to the Secretary of the Navy a skeleton POM, addressing the CNO/CMC programs. Subsequent discussions between the Secretary and his Chiefs may uncover differences of opinion. While these officers may be *influenced* by the Secretary of the Navy, they are not *controlled* by him: their inputs to the JFM need not agree with SECNAV's program. When the POM is submitted by the Secretary of the Navy as *his* program, he is required to address the differences from the JFM, including justification. The Secretary of Defense now has the benefit of opinions from both sides—military and civilian.

In the POM we have seen two significant improvements made in PPBS since 1969. First, the Joint Chiefs of Staff now have a major role in the decision-making process, while prior to 1969 its role was only advisory. Second, the Secretary of Defense's fiscal guidance comes early in the cycle, prior to submission of the service program, and it is relatively firm. Before 1969 service budgets were submitted without firm fiscal guidance, and the tendency was to submit a larger total program than the eventual fiscal constraint would cover. As a result, with too little time to weigh alternative programs, significant program decisions were being made within the Comptroller organization of the Department of the Navy (NAVCOMPT) and/or the Office of the Secretary of Defense, despite the fact that NAVCOMPT's real purpose is only to check the fiscal validity of the Navy's budget submission.

As noted earlier, POM requirements

*—Implementing procedures for PPBS within the Department of the Navy often are similar but not necessarily identical to those of the other Departments. Procedures followed within the Departments of the Army and Air Force, however, lie beyond the scope of this paper.

are supported by economics analyses, in keeping with DOD directives. Normally, these studies would be provided by program managers in the Naval Material Command or programs sponsors in OPNAV. The Systems Analysis Division of OPNAV, OP-96, checks these before inclusion in the POM. Further, OP-96 is kept busy conducting special studies in areas identified by the Office of the Secretary of Defense for selected analysis early in the PPBS cycle. The scope of these analyses are determined jointly by OSD and the services. This is a far cry from the days of McNamara's Whiz Kids, who conducted their own analyses often without the benefit of help from the military departments. At that time it was generally felt by the services that those studies were biased by arbitrary Secretary of Defense decisions. OSD still has its systems analysis office, but now at least the Navy has the opportunity to make its influence felt in this particular area.

Work on the POM and JFM is a continuing process. Each time the Chief of Naval Operations, Commandant of the Marine Corps, or Secretary of the Navy makes a program decision, a working copy of the current POM is updated. Thus, as JFM and POM submission time draws near, the budget year documents, in theory, can be prepared by simply cranking in the Planning and Programming Guidance Memorandum. This is an oversimplification. Actually, each program decision generated costs money, men, and material. Since the size of the next Navy budget cannot be anticipated, trade-off decisions should be made concurrently with the addition to the POM of a new or changed program. This is seldom done since the tendency is to put off hard decisions. Nevertheless, the "moment of truth" must come, as it does, when the POM deadline finally approaches.

The programming phase of PPBS theoretically ends on receipt of the Secretary of Defense's Program Decision

Memorandum (PDM), which follows the POM by about 4 months. Upon receipt of the POM, feedback from the Office of the Secretary of Defense comes in in the form of issue papers, which identify major issues and alternatives, and through conversations "over the back fence" between high-level personnel in OSD and OPNAV. So the opportunities for reclama* are there, and reclaims can usually be submitted and answered before receipt of the final program decisions. The calendar calls for the Program Decision Memorandum in August, and the service budgets *must* be submitted to OSD by 1 October. While reclaims are still being processed, the current DOD total program is updated to reflect the Secretary of Defense's decisions, and work on the service budget submission progresses from August through September.

The base for the Department of Defense programming phase is the *Five-Year Defense Program* or FYDP. The FYDP records, summarizes, and displays the decisions that have been approved by the Secretary of Defense as constituting the Department of Defense's program. It is a management tool that keeps management informed of what has been accomplished in the past and what is to be accomplished in the future to support the national strategy decisions. To achieve this, the FYDP displays the manpower and dollars involved in these approved programs for the fiscal years 1962 through the current year plus 5 additional program years. As an added feature, force authorizations are displayed for the current year plus 8 program years. The purpose of extending the listing of forces for 3 more years is to provide management more visibility for long leadtime procurement decisions.

These displays of manpower, dollars, and forces are further categorized in

*A request for reconsideration, usually accompanied by further justification.

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terms of major programs. That is, those programs in which the major decisions are required to insure that the DOD resources are expended to provide the capabilities dictated by the national strategy.

The FYDP major program structure recognizes the interfaces and combinations of forces assigned to the several services. In other words, each major program category contains programs and program elements of all service agencies that support that major program. A few examples are shown in parentheses with this list of the 10 major programs:

- O (Zero) - Support of other nations
- I - Strategic forces (SAC, FBM system, etc.)
- II - General purpose forces (TACAIR, Army divisions, etc.)
- III - Intelligence and communications
- IV - Airlift and sealift
- V - Guard and Reserve forces
- VI - Research and development
- VII - General supply and maintenance
- VIII - Training, medical, and other personnel activities
- IX - Administration and associated activities

All DOD activities are grouped into program categories and program elements within each major program. Today there are over 1,100 different program elements. Program elements are defined as program functional subcategories: the forces, weapons, and support systems with which mission programs are accomplished.

Programming requires the full program cost concept, otherwise it is not possible to compare alternative uses of resources. Each program element is carried in the FYDP with a full breakdown of forces assigned to that element. (For instance, if the element is Navy Tactical Air Force Wings, forces would be the number of squadrons.) Full costs of investment or acquisition, research and development, and operations are further broken down into "appropriations" such as RDT&E, Military Construction, Procurement, and Operations

and Maintenance.

The matrix shown in figure 3 will give you a general idea of how the FYDP is structured.

Since the FYDP is both a record of historical costs and a program of future costs, costs are displayed in consonance with the year they represent: costs for the years prior to the current year are actual obligations; current year costs are actual when known, otherwise they are the programmed costs; budget year and out-year costs should reflect price indices or inflationary trends—except where controlled by law. Since the pay of military personnel and civil service personnel is controlled by legislation, it is considered imprudent to anticipate. This is a controversial issue as Congress is apparently jealous of its right to change the pay legislation at any time and does not want to be "second guessed."

The FYDP is updated at least twice each year, in October and January. The October update records the final Secretary of Defense programming decisions; the January update records the President's congressional budget decisions. These updates reflect the Secretary of Defense's decisions up to that time and obligations as of that time.

Although the FYDP is the base for PPBS, it is not used in its published form by the military departments for their programming. The FYDP lists all DOD program elements in the structure of the 10 major programs, all of which contain program elements of more than one service. All OSD planning and programming decision documents are in terms of *Major Mission and Support Categories*, so that each service receives decisions made by the Secretary of Defense in terms consistent with the decision environment and organization within that service. The Major Mission and Support Categories are:

- Communications
- Research and Development
- Support to other Nations

YEARS →	PRIOR YEARS			C	B	OUT YEARS						
	62	70	71	72	73	74	75	76	77	78	79	80
FORCES →	↑			T	H	I	N	G	S			
R	RD T&E											
B	MILCON											
D	(TOTAL)											
I	PROC	↑										
N	MILCON											
V	(TOTAL)		D	O	L	L	A	R	S			
O	O & MN											
P	PROC											
E	MILPERS	↑										
R	(TOTAL)											
T. O. A.												
M	OFFICER											
I	ENLISTED	↑										
L	(TOTAL)		P	E	O	P	L	E				
C	U. S.											
I	FOREIGN	↑										
V	(TOTAL)											

Figure 3

- General Support
- Miscellaneous Costs
- Strategic Forces
- Land Forces
- Tactical Air Forces
- Naval Forces
- Mobility Forces
- Intelligence and Security

This is the structure in which the Navy/Marine Corps version of the FYDP, the "Department of the Navy Five Year Program," or DNFYP, is displayed. This document is the Secretary of the Navy's approved program for the Navy and the Marine Corps. The DNFYP is updated to reflect decisions of both the Secretary of Defense and the Secretary of the Navy. Within the DNFYP structure, each major mission and support category contains program elements, which, in turn, contain listings of all the resources needed to support the military missions. Dollar resources are expressed as the five basic appropriations accounts discussed earlier: Research and Development, Test and Evaluation; Military Construction; Procurement; Operations and Maintenance;

and Military Personnel. Forces and manpower figures are also included.

The only bridge between the planning, programming, and budget structure is via common program data [broken into the above appropriations accounts] in a computerized computation process. The resultant inability to establish a direct, perceptible translation between major mission/support category costs and appropriation funding is a source of continuing difficulty in program planning.⁹

We have seen the structure of the PPBS in the form of the FYDP and the DNFYP. The objective of the programming phase is to cause changes to be made to the FYDP, so that when the President's budget is submitted to Congress it will reflect, as nearly as the Secretary of Defense will allow, the service Secretary's desired program. Happy with it or not, the services have had many opportunities to make their cases with the Joint Chiefs of Staff and the Secretary of Defense, and no more

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adequate form of redress can be designed into a system than that.

Budgeting.¹⁰ The budget process is the final phase of PPBS. In the Department of the Navy, NAVCOMPT, through a series of hearings and re-hearings with OPNAV and Commandant of the Marine Corps representatives, checks the validity of program priceouts and transforms the DNFYP to the budget submission format or "Bluebook." Total obligational authority for the current year, budget year, and prior year occupies most of the pages of the Bluebook, providing Congress with the information needed for deliberation in the formulation of its appropriations bills.

The next step in the DOD budget process is the *Budget Review*. This review is conducted jointly by OSD and the Office of Management and Budget (OMB, formerly the Bureau of the Budget). Here, procurement lists are examined in greater detail than in the programming process. Similarly, production schedules, leadtimes, status of funds, prices, et cetera, are studied by OSD and OMB. To put it another way, the Budget Review is simply a thorough analysis of the first annual increment of the FYDP.

Based on the Budget Review, the Secretary of Defense issues *Program Budget Decisions* (PBD's), which are received by the services and modify the budget year (and prior years as appropriate) of the FYDP. They may also influence programs in future years.

By this time there are not many days before the Secretary of Defense must submit his budget to the President. Often there remain as little as 24 to 48 hours for the services to process final reclaims to the PBD's. Only after the last reclama has been processed and the DOD budget finally is locked in does the Office of Management and Budget combine the DOD budget with the rest of the national budget to be presented

to the Congress by the President early in January (6 months prior to the fiscal year covered by the budget). Congressional staffs review the budget and service backup papers briefly, and congressional review commences early in February.

Four congressional committees are involved in the hearings: House and Senate Armed Services Committees and House and Senate Appropriations Committees. Hearings with the committees begin with posture statements from the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, service Secretaries, and service Chiefs.

Following delivery of the posture statements, detailed hearings involving services' witnesses are held. The end results are annual authorization and appropriations bills passed into law by the Congress. Ideally, this occurs in early July, but delays in passage have run as late as December and January. When appropriations laws are delayed past 1 July, the Congress will pass a joint resolution to provide authority to continue operations, pending passage of the appropriation. This so-called "continuing resolution" authorizes rates of expenditure not to exceed that of the preceding fiscal year. Obligations must also be in consonance with already approved programs.

There are certain controls built into the budgeting process designed to restrict the rate of spending to quarterly or other periodic bases. This is to prevent overexpenditures, and such controls exist at all levels, down to the lowest cost center in the smallest military units.

A technique well known to many of us is sometimes used by OSD to restrict the flow of funds into the economy and to control programs. This is called *deferral*. An excellent example occurred a few years ago when Congress approved construction of an aircraft carrier that Secretary McNamara did not particularly want. He simply deferred con-

struction of the carrier until later in the budget execution period. Although carrier construction was eventually started, it was almost a year later than Congress and the Chief of Naval Operations had hoped for.

Summary. Perhaps the quickest way to recap the PPBS process is for the reader to review *figure 2*. While re-tracing each step in the 18-month cycle will probably be necessary to achieve a complete understanding of the process, the brief description of the steps provided below may be helpful.

The PPBS concept is relatively simple, but the enormity of the Defense Establishment and the size of its budget generate a very complex operation indeed. The process is still in evolution, so perhaps it will become less complex as time goes on. There is hope, as PPBS already has undergone major improvements since its inception in 1961. Chief among these have been:

- *Earlier fiscal guidance*, allowing services to make more realistic plans, thus more nearly achieving their own force mix, with fewer OSD cuts at the end of the cycle.

- *More analyses by the services*, contributing even further to decentralization of the decision process.

- *A larger role for JCS*, with influence in the decision process throughout the cycle.

- *The cycle lengthened to 18 months* (from 12). Allows more time for dialog between OSD and the services and for slippage of some events. The crunch near the budget submission deadline is still there, but with fewer trade-offs to resolve at that point in time.

The system is the best we have had to date, but it is far from perfect. To those officers working with PPBS now, many of its imperfections seem almost insurmountable, but the opportunities for innovation are unlimited, providing a real challenge to military managers. Among the many unanswered questions about the PPBS, the following are particularly frustrating:

- What machinery do we need to insure that all programming documents reflect the Chief of Naval Operations' decisions as soon as they are made? Some form of POM, updated daily by the computer, may be the answer. As the system is working now, we sometimes have to cancel previous Chief of Naval Operations' decisions to get new decisions in. The other services have the same problem.¹¹

- How can we revise the PPBS to have dialog with the Secretary of Defense within reasonable time constraints? In spite of the niceties of the 18-month schedule, hard decisions are often delayed to the point where they must be made within a relatively short

I	- JSOP I	JCS concept of military strategy and force planning guidance
II	- POL/PLNG GUIDANCE	Secretary of Defense strategy for PPBS
III	- JSOP II	Force objectives required to support strategy
IV	- PPGM	Secretary of Defense lays out his priorities, puts constraints on total obligations authority and expenditures by Major Mission and Support Categories
V	- JFM	Recommendations from JCS on the joint force program within fiscal guidance of PPGM
VI	- POM	Total military department resource requirements within parameters of PPGM and JFM
VII	- PDM	Secretary of Defense decisions on POM's and JFM
VIII		Military Department Budget Submissions

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time with as little as 24 to 48 hours for appeal.¹²

• How do you program a full-scale war? Wartime requirements are unpredictable, costs tend to become secondary because of the need for forces to fight the war, and budget constraints are removed. That just about knocks programming into a cocked hat!

In the conclusion, let me borrow a statement from one of the current PPBS experts in OPNAV:

The effort involved in planning, programming, and budgeting is tremendous. The system transitions from mission and threat analysis, through force requirements determination, thence to planning of the phasing of men, money and material resources needed to provide and sustain the military forces, and finally to the detailed annual procurement of such resources. The number of people and the amount of formal and informal communications involved are incalculable. Military, financial and political pressures are daily apparent. But to the extent that we fail to express real requirements, or that we inaccurately

measure costs or phase procurements, we lessen our capability to apply force at the time and place where it is needed.¹³

BIOGRAPHIC SUMMARY



Capt. Charles F. Rushing, U.S. Navy, is a graduate of the U.S. Naval Academy and holds a master's degree in management from the U.S. Naval Postgraduate School, Monterey, Calif. As a naval aviator he has

served in patrol planes and a carrier based antisubmarine squadron, his most recent duty being as Commanding Officer of Antisubmarine Squadron 31 and subsequently as Air Officer in the U.S.S. *Wasp* (CVS-18). He has had duty as an analyst for the Fleet Intelligence Center, Pacific, and for the Department of the Navy Program Information Center (DONPIC) in the Office of the Chief of Naval Operations (OP-90). Captain Rushing recently served as Plans Officer for the College of Naval Command and Staff and is now serving as Head, Air ASW Branch of the Undersea and Strategic Warfare Development Division, Office of Research and Development, Test and Evaluation, OPNAV (OP-981E).

FOOTNOTES

1. Source unknown.
2. Charles J. Hitch, "Retrospect and Prospect," *A Modern Design for Defense Decision* (Washington: Industrial College of the Armed Forces, 1966), p. 114.
3. *Ibid.*
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10. *Ibid.* Most of this section adapted from this source.
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