

Navy Strategy Development: Strategy in the 21st Century

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NAVAL RESEARCH PROGRAM
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NAVY STRATEGY DEVELOPMENT: STRATEGY IN THE 21ST CENTURY

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Introduction

Project Background

This project examines the process by which the United States Navy formulates and implements strategy. Strategy is traditionally understood as the linkage of ends, ways, and means to achieve specific objectives, while the *Department of Defense Dictionary of Military Terms* narrows the definition to “A prudent idea or set of ideas for employing the instruments of national power in a synchronized and integrated fashion to achieve theater, national, and/or multinational objectives.”¹ OPNAV’s task, however, is to formulate an organizational strategy that enables the Navy to support higher-level policy objectives. This type of strategy ideally should be framed by a conceptual analysis of the future security environment and U.S. defense policy. For OPNAV, Navy strategy is transformative in the sense that it offers a plan to create the Navy of tomorrow out of the Navy of today.

The prospect of declining budgets and a changing geostrategic environment impose an urgent need for a more rigorous ends, ways, and means decision-making cycle when it comes to this Navy strategy. Over the next several years, the Navy faces the prospect of building fewer ships and airplanes than would be necessary to maintain current fleet size. Without a dramatic change in Congressional budgetary politics, the Navy will get smaller over the next quarter century. In order to ensure its continued ability to meet defense requirements, the Navy needs to connect its organizational strategy to austere budgetary realities as well as to the likelihood of accelerating global political, economic and military change. Without a robust attempt to improve its process of linking strategy to ends, ways and means, and by operationalizing policy priorities, the Navy increases the risk of catastrophic failure in war. This project explores how the Navy’s strategy development, planning, and programming processes can be improved to provide Navy leadership with a more robust method to link ends, ways, and means together now and in the future.

Critics assert that the Navy’s process of developing strategy is primarily driven by money allocated in the Future Years Defense Program (FYDP) to the shipbuilding and aviation budgets. Congressman Randy Forbes (R-VA), traditionally a strong ally of the U.S. Navy, recently gave voice to such skepticism, stating, “...in recent years we seem to have turned ourselves upside down by increasingly emphasizing programs and force structure rather than starting with a strategy based on what we need naval forces to do and in what scenarios.”²

Instead of making programming and budgetary decisions on the basis of a systematic assessment of the future security environment, these decisions are heavily weighted by past practice and

¹ *Department of Defense Dictionary of Military and Associated Terms*, Joint Publication 1-02, 8 November 2010 (as amended through 15 March 2015), 234.

² Sam LaGrone, “Randy Forbes to CNO Greenert: ‘The Navy Desperately Needs a Strategy,’” *USNI News*, 1 October 2014, <http://news.usni.org/2014/10/01/randy-forbes-cno-greenert-navy-desperately-needs-strategy>.

institutional interests that seek to preserve the missions and platforms associated with cherished ship and aircraft programs – both of which constitute the core and bedrock of naval institutional identity. While based on a rigorous assessment of force structure resiliency in anticipated near-term scenarios, the existing Planning, Programming, Budgeting, and Execution (PPBE) process, only inspires marginal changes over existing programs. The force structure of today’s Navy is the result of decisions made more than a quarter century ago due to the long life cycle of its ships – decisions that were made in a very different global environment. Some analysts argue that the Navy’s commitment to these legacy platforms has become divorced from a realistic understanding of the changed strategic environment – changes that are indifferent to platform life cycles. Worse yet, the conceptual definition and multi-year planning rigidities of PPBE ensures that changes in money today will not be felt in the Fleet for 5 years.

In order to understand the Navy’s current strategy development processes and mechanisms, this study examined a wide variety of intra- and inter-organizational relationships among different stakeholders that play a role in developing strategy and plans for the Navy. The research team analyzed the OPNAV staff structure and the impact that the intra-bureaucratic balance of power within that staff plays in the strategy development process. For illustrative purposes, the study team also analyzed how the other military departments manage the process of developing and translating strategy into plans and budgets to determine if there are insights that the Navy could use to build a more robust process.

There is a rich literature on the development of strategy in the fields of history and political science, particularly on the impact of organizational and bureaucratic behavior on strategy development. In *Essence of Decision*, Graham Allison and Philip Zelikow address the role of bureaucratic politics in shaping state behavior, arguing that organizational bargaining and interaction play a profound role in producing policy outputs. In the security studies literature, authors Barry Posen, Stephen Peter Rosen, and Deborah Avant propose different explanatory models of organizational behavior in the development of strategies to protect the state.³ There is also an emerging literature that analyzes the impact of bottom-up change in military organizations as a source of organizational innovation. James Russell’s recent work *Military Adaptation in Afghanistan*, co-edited with Theo Farrell and Frans Osinga, and *Innovation, Transformation and War: US Counterinsurgency Operations in Anbar and Ninewa Provinces, Iraq, 2005-2007*, highlights the myriad sources of innovation and change in military organizations that include bottom up pressures.⁴ This literature was drawn upon in developing

³ Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany between the World Wars* (Ithaca, NY: Cornell University Press, 1986); Stephen Peter Rosen, *Winning the Next War: Innovation and the Modern Military* (Ithaca, NY: Cornell University Press, 1991); Deborah D. Avant, *Political Institutions and Military Change: Lessons from Peripheral Wars* (Ithaca, NY: Cornell University Press, 1994).

⁴ Theo Farrell, Frans P. B. Osinga, and James A. Russell, eds., *Military Adaptation in Afghanistan* (Stanford, CA: Stanford University Press, 2013); James A. Russell, *Innovation, Transformation, and War: Counterinsurgency Operations in Anbar and Ninewa, Iraq, 2005-2007* (Stanford, CA: Stanford University Press, 2011).

assumptions to examine the process of developing national strategy and the Navy's translation of that strategy into plans, programs, and budgets.

Project Objectives

- Examine, describe, and analyze the planning processes currently used by the Navy to develop and execute strategy, and the role played by N3/N5 in that process.
- Examine, describe and analyze how the Navy currently operationalizes the prospect of future economic, political, and military uncertainty as an input in the strategy development, planning, and budgetary process.
- Examine the organizational relationship among various Navy stakeholders in the strategy development process, including OPNAV, Naval Postgraduate School, Naval War College, and naval components of the combatant commands.
- Propose ways that relationships between these stakeholders can be improved to support the N3/N5 role in developing strategy and translating plans into budgets that are more responsive to policy priorities.
- Review, describe, and analyze the Army and Air Force's strategy development, planning, and budgetary processes and what insights the practices of these sister services might offer to the Navy.

Project Approach and Methods

This study approached the Navy's problem in developing and executing strategy via three primary avenues: (1) a practical assessment of the formal and informal processes by which the Navy interprets and develops organizational strategies and plans, builds, and funds its programs; (2) a comparison with other services' strategy development experiences; and (3) a historical analysis of previous periods of strategic disarray within the Navy. The team considered such issues as: the disconnect between changes in the security environment and acquisition cycles; the impact of domestic policy on service budget priorities; the role of intra-service rivalries in the strategy and budget execution process; the overriding impact of the nation's economic health that often limits the amount of money available for service budgets; and, the impact that unforeseen global events can have on strategy and operations.

To meet the project objectives, the study team collected data from: (1) secondary source reporting and public documents on the previously referenced issues; (2) primary source documents internal to the services; and (3) information and perspectives from different organizational stakeholders through on-site visits to the Navy offices and commands involved in the development of strategy. The data collected was qualitative in nature. The information collected from these three sources provided the research team with the basis to reach supportable generalizations about the issues being investigated in this project.

Principal Findings

1. Today's Navy suffers from a strategy deficit.

The Navy lacks a process to generate robust thought and debate on the future geostrategic environment upon which to base decisions on the shape, composition, and size of its force structure. As a result, the Navy has failed to ensure that strategy and policy priorities drive programmatic development and execution.

2. Programming and budgeting eclipses strategy and policy.

Within the OPNAV organization, programming and budgeting in the POM/PPBE process eclipses strategy and planning – indeed, the programming process is substituted for, and is often equated to, strategy. Policy priorities play little direct role in the organization's attempt to match ends, ways, and means to a broader vision of the geostrategic environment. Purported strategy documents like *Cooperative Seapower for the 21st Century* and its many predecessors serve as principal-agent/budgeting documents designed to market the institution to Congress in order to secure funding. Strategy documents are largely disconnected from any strategic planning process, although the “Navy Strategic Enterprise” initiative is attempting to tackle this problem. On the OPNAV staff, the N81 wields most of the intra-bureaucratic authority and power when it comes to the making and implementation of strategy. N3/N5 in general, and the N51 in particular, are not empowered, staffed, nor organized to play a meaningful role in strategy development and execution.

3. The Navy's strategic planning processes are inconsistent.

N51, and therefore OPNAV, lacks the power and ability to translate policies, priorities, or instructions to inform strategy development and planning. The processes that exist are anemic, ad hoc and personality driven. As a result, programs are largely unconnected to policy-endorsed assessments of long-term political trends and the future geostrategic environment.

4. OPNAV's processes and structures vary notably from the other services'.

A comparison to the Army and the Air Force efforts to ensure that policy priorities and strategy *drives* programming revealed the extent to which OPNAV's processes and structure are at variance with the other services. Indeed, in the current uncertain budgetary environment, the Army and the Air Force have taken initiatives to strengthen existing planning tools to ensure that strategy and policy drive programming, budgeting and execution.

5. There are deep historical roots to the Navy's strategy deficit.

The Navy's current strategy deficit has deep historic roots in the experiences of the institution that date back to creation of the service in the early days of the republic. History suggests that that the Navy goes through periods of stagnation and regeneration that are linked to its experiences in war. As Navy strategy and force structures reaches operational maturity, events often transpire to render it technologically, strategically or politically obsolete.

1: The Navy's Strategy Deficit

The Navy lacks a process to generate robust thought and debate on the future geostrategic environment upon which to base decisions on the shape, composition, and size of its force structure. As a result, the Navy has failed to ensure that strategy drives program development and execution.

Organizational Challenges

The Navy today suffers from what could be characterized as a profound strategy deficit. Strategy per se is not an institutional value in the Navy. Institutional leadership is neither educated, nor trained, to think about and operationalize strategy – an observation behind the recent “Navy Strategic Enterprise” initiative. Rather, the Navy values operational experience and competent program management above all. A recent study of the Navy’s senior leadership in the post-Cold War by Peter Haynes supports this over-arching conclusion.⁵ According to Haynes, the Navy’s senior leaders over the last 50 years have been uniformly selected for their expertise in their operational communities, combined with their abilities to manage programs and budgets. The Navy places little institutional emphasis on the educational and intellectual development of its officer corps beyond operational matters. While numerous opportunities exist for promising junior officers to pursue higher education, shore tours to complete degrees in strategic studies or the social sciences at institutions such as the Naval Postgraduate School, the Naval War College, and outside civilian universities, are not considered to be career enhancing. Because officers will not receive an observed fitness report (FITREP), and might have to deviate from ideal career paths, these educational opportunities have often been painted as undesirable by detailers and senior leaders when counseling junior officers with promising careers.

The Navy’s institutional focus on technocratic and bureaucratic skills in its senior management finds its most dramatic expression in the intra-bureaucratic power distribution in the OPNAV staff. It is a commonly accepted fact (as reflected in the data collected in this study) that the N8 is the most bureaucratically powerful element in the Navy. Most senior leaders in the Navy have done tours in these organizations as they climb up the organizational hierarchy. While some senior leaders have also spent time in the N3/N5, these tours tend to be short and are geared toward familiarizing admirals with the N3/operations side. Few admirals stay long enough in the position to create significant changes in the organization or to garner greater institutional weight vis-à-vis the other N-codes. The revolving door of senior uniformed leaders through the N3/N5 position weakens the clout of the organization in the OPNAV intra-bureaucratic balance of power.

⁵ Peter D. Haynes, “American Naval Thinking in the Post-Cold War Era: The U.S. Navy and the Emergence of a Maritime Strategy, 1989–2007,” Ph.D. Dissertation, Monterey, CA, Naval Postgraduate School, 2013.

In certain respects, the Navy's cultivation of an analytically oriented leadership group with little background in strategy represents a logical institutional response to the demands placed on it by its civilian masters in the Office of the Secretary of Defense and its patrons in Congress. The Navy, like all the services, is principally responsible for manning, training and equipping the force, and to then provide that force for use by the combatant commands, which will deploy that force as directed by the President/Secretary of Defense. This immense responsibility places a premium on programmatic, managerial, and operational expertise – an enterprise of unimagined complexity. The Navy has (and continues to) produce senior leaders that have mastered their tasks in these required competencies. Given this overarching priority, it could be argued that Navy leadership necessarily regards strategy per se as of secondary importance to the man, train, and equip function.

Domestic Challenges

It also could be argued that the Navy's strategy deficit is a function of an organization that is not actually required to *do* strategy. The Goldwater-Nichols Department of Defense Reorganization Act of 1986, Public Law 99-433, assigned the task of developing long range plans for war fighting to empowered combatant commanders responsible for different geographic regions of the world. Under the management system created by Goldwater-Nichols, the services became force providers to the combatant commanders, whose demands would be coordinated by the Joint Staff with greater authorities. Importantly, Goldwater-Nichols also elevated the stature and authorities of the Chairman of the Joint Chiefs and his staff to bring some level of managerial order to the services' budgets, plans, and programs. Without responsibility for deliberate planning based on potential war scenarios tied to geopolitical assessments, it is perhaps unsurprising that the Navy instead valued operational and managerial expertise in its leaders. Nevertheless, the fact that OPNAV is responsible for manning, training and equipping *the current, as well as the future Navy* highlights the central role of strategy in informing decisions that will shape the Navy twenty or thirty years from today.

Another contributing factor to the Navy's strategy deficit is the lack of consistent and clear strategic direction, supported by authoritative budgetary authority, provided by the civilian masters in the Office of the Secretary of Defense and the Executive Branch. Stated differently, the Navy's strategy deficit is a function of the nation's strategy deficit. The increasingly dysfunctional system of strategy formulation and development in the national command authority over the last quarter century constitutes a powerful contributing factor in the Navy's challenge with developing its organizational strategy.

Throughout much of the 20th century, the Cold War provided civilian leadership across the political spectrum with a series of commonly held assumptions around which to base strategy. This shared framework was provided to and accepted by the military services, which they used to develop supporting plans, policies, and programs. During the Cold War, Republican and

Democratic administrations pursued a relatively consistent security strategy, since both parties essentially agreed on the need to counter Soviet military power. With the end of the Cold War, however, the common intellectual center of gravity for strategy gradually unraveled as the civilian leadership migrated to major regional contingencies as scenarios upon which to base strategy and policy during the 1990s.

The 9/11 attacks presaged a new era in which collapsing states and violent non-state actors came to be seen as the primary threats to national security. The era also saw the collapse of domestic political consensus, with sequestration being only the latest manifestation of the inability of the country to govern via consensus. The subsequent land wars in Iraq and Afghanistan both occurred in an intellectual strategic vacuum created by the new, amorphous “Global War on Terror.” Prosecuting the wars, even in a support role as the Navy did, consumed an immense amount of institutional energy that left less attention to engage in long-range planning and strategy.

The post-9/11 period also saw the rise of capabilities-based planning. Civilian leaders directed the military departments to develop capabilities packages that were not linked to a specific adversary or threat, but would instead be available in a plug-and-play fashion for any contingency. These capabilities packages bore little relationship to broader assessments of the strategic environment. Indeed, capabilities-based defense planning serves as a metaphor for the overall lack of authority to direct strategy in the civilian secretariat, which consciously refused to set priorities to guide strategy and defense planning. The descent into intellectual strategic incoherence at the national-level mirrored the breakdown in domestic political consensus that finds its most recent manifestation in sequestration. Given this wider domestic context, it is perhaps unsurprising that today’s Navy suffers from a strategy deficit.

Technological Challenges

The Navy’s difficulty in engaging in long-range strategic thinking is partially explained by the systemically-complicated nature and lifespan of its principal platform – the surface ship. Trying to synchronize thinking about potential futures with platforms that boast a 40-50 year lifespan is a difficult proposition. Ships last a long time, particularly nuclear-powered aircraft carriers. It is a certainty that the world and the geostrategic environment will change over 50+ years, but it is admittedly difficult, if not impossible, to define these changes with any degree of precision sufficient to guide platform evolution. As a result, the Navy has managed its thinking about the future for these platforms by integrating new technologies onto its platforms to improve such things as the performance of its sensors, communications, speed, weapons accuracy, and a host of other capabilities. One result of this phenomenon is that Navy platforms have undergone iterative changes over their lifetimes, changes principally driven by advances in technology that may satisfy those seeking metrics that demonstrate “capabilities” but which may or not be related

to long-range trends in the strategic environment. It is also disturbing to note that these incremental changes have not been tested in especially challenging combat environments.

2: Programming and Budgeting Eclipses Strategy and Policy

Within the OPNAV organization, programming and budgeting in the Program Objective Memoranda/Planning, Programming, Budgeting, and Execution (POM/PPBE) process eclipses strategy and planning – indeed, the programming process is substituted for, and is often equated to, strategy. Policy priorities play little direct role in the organization’s attempt to match ends, ways, and means to a broader vision of the geostrategic environment. Purported strategy documents like Cooperative Seapower for the 21st Century (CS21) and its many predecessors serve as principal-agent/ aspirational documents designed to market the institution to Congress in order to secure funding, as opposed to providing clear budgetary priorities. On the OPNAV staff, the N81 and the N1 wield most of the intra-bureaucratic authority and power. N3/N5 in general and the N51 in particular are not empowered, staffed, nor organized to play a meaningful role in strategy development and execution.

CNO Admiral Vernon Clark, who served from 2000-2005, once claimed that the Navy’s strategy was its Program Objective Memorandum (POM).⁶ Admiral Clark only voiced what is today the prevalent view throughout the OPNAV staff.⁷ The annual process to build the Navy’s input to the President’s Budget is arguably the single most important bureaucratic function of the OPNAV staff – and it is a process that is only tangentially shaped by strategy. Indeed, the Navy’s strategy deficit sees its fullest expression in the realities of OPNAV’s Planning, Programming, Budgeting, and Execution (PPBE) process. Secretary of Defense Robert McNamara initially created the PPBE system to aggregate what until that point had been completely independent budgetary processes in each of the military departments.⁸ Through PPBE and the Program Objective Memorandum (POM), the Department of Defense oversees with limited authorities the allocation of resources among the services, which continue to enjoy budgetary independence. It aims to achieve the optimal mix of forces, manpower, material, equipment, and support to meet the civilian leadership’s objectives.

PPBE in OPNAV

Within OPNAV, the PPBE process is separated into four phases. The first phase, Strategy and Planning, is broken down into the development of three products: Strategic Guidance (N51); Front-End Assessment (primarily completed by N81); and Planning Guidance (N80). Once the guidance has been developed, the Planning phase is completed, and the Programming phase kicks off. During this phase, assets are assigned to meet identified missions and priorities, and programs are integrated to identify mission shortfalls and duplication of efforts. The Budgeting

⁶ Haynes, “American Naval Thinking in the Post-Cold War Era,” p. 227-228.

⁷ This view was expressed throughout the OPNAV offices canvassed by the study team (2014).

⁸ See, Charles Johnston Hitch, *Decision-Making for Defense*, Berkeley, University of California Press, 1965; and, Charles Johnston Hitch, *et al.*, *The Economics of Defense in the Nuclear Age*, New York, Athenum, 1975.

phase is then conducted by N80, which is responsible for producing an annual budget that links missions and programs to the funding request. The final phase, Execution, is the actual expenditure of funds; this phase was outside the scope of this study.

Through the PPBE process, the Navy analyzes and articulates its potential future operational needs of the fleet. Since the introduction of PPBE, the Navy has placed the N8, Integration of Capabilities and Resources, in the role of refereeing the intra-bureaucratic competition for money, which has given that directorate outsized intra-bureaucratic power. While the current PPBE process successfully allocates money in the Navy budget as required, the study team found that programming decisions are neither driven nor greatly influenced by long-range thinking about the future geostrategic environment provided by the N3/N5 – assuming N51 provides any strategic guidance at all. In reality, the N3/N5 plays little direct role either at the outset of the annual process, or as it unfolds throughout the fiscal year. As noted later in this report, this practice is at variance with the Air Force and Army, which consciously attempt to make their respective strategy organizations centrally involved in program management throughout the entire execution phase of the POM.

The Role of the N8

The strength of the N8 can be seen in the actions taken by successive CNOs with programming backgrounds, who have empowered the N8 and have moved responsibilities to that directorate from the N5. In effect, the N8 creates its own guidance as it “owns” both the data derived from campaign analysis, which can be used to justify the priorities that it has determined (and by extension, dismantle other arguments), as well as “owning” the budget. In effect, it grades its own homework. In the last two years, absent any guidance from N51, N80 had documented priorities as “tenets,” with three different lists of tenets based on the type of budget being produced. There are inherent weaknesses in such insularity, however; for example, the N81 modeling future threats have come under criticism for their force-on-force orientation, with little political nuance such as basing rights and other diplomatic sensitivities. Nevertheless, key planning documents, such as the 30 Year Shipbuilding Plan, not only do not reference any N5 guidance, but are developed in the N9 with heavy N8 involvement; N51 is not engaged during the process in any substantial way. These documents become justifications of shipbuilding for shipbuilding’s sake, with little attention paid to the strategic effects desired.

No less a programming legacy in OPNAV than CAPT (ret.) Arthur “Tripp” Barber has stated that the current planning and management practices of OPNAV need a fundamental rethinking. In a 2014 *Proceedings* article, Barber noted that, “At present projected budget levels, if we continue our current processes for setting the design requirements of future ships and aircraft, the service’s size will shrink over the next two decades to about two-thirds of today’s force-structure

goals of 306 ships and 3,000 aircraft.”⁹ Added impetus to the need to rethink the role of policy and planning in informing OPNAV’s N8 programming directorate is the potential for Sequestration. When added to the anticipated \$4 billion shortfall in the Navy’s 30 Year Shipbuilding Program,¹⁰ Tripp Barber’s assessments may be optimistic.¹¹

In addition to the growth of the N8, several other policy and planning-related initiatives undertaken by CNOs have occurred at the expense of the N5. The billets necessary to create N00Z were taken out of the N5. Many initiatives that should have been undertaken by the directorate were placed in *ad hoc* bodies, such as Deep Blue, the CNO’s Strategic Studies Group, and others. A recent example of the N5’s relatively weak position within OPNAV came with the latest Quadrennial Defense Review (QDR), which was run on the OPNAV staff by the N8.

The unenviable situation in which the N5 finds itself, *vis-à-vis* other OPNAV directorates, is a function of the ambivalence of successive senior naval leaders to the need for the staff to possess a strong institutional planning capability. Traditionally, the CNO Sailing Directions have not been developed by or staffed through the N5, but rather have been done in the N00Z. According to Peter Swartz and Karin Duggan, the VCNO’s PLANORDS for the development of the POM ignored the inputs of the Navy’s strategic planning process.¹²

To its credit, N51 in the past has made a number of attempts to get in front of the N8 and provide planning guidance particularly since the tenure of CNO Admiral Mike Mullen.¹³ The record of effectiveness of its key planning document, however, the Naval Strategic Plan, or NSP, is mixed. There have been some notable successes, such as NSP12. This document was generally considered useful, and N5 subsequently participated actively in the POM-build. This may have been partially attributable to the fact that the N81 assisted in the development of the document’s risk matrix, which was informed by fiscal realities.¹⁴ Nevertheless, the NSP has experienced

⁹ Arthur H. Barber, III, “Rethinking the Future Fleet,” *Proceedings Magazine* 140, no. 5 (May 2014). <http://www.usni.org/magazines/proceedings/2014-05/rethinking-future-fleet>. The fact that the aviators of 2035 will be driven by their automobiles to their aircraft should give the reader pause about Barber’s vision of future Navy force structure.

¹⁰ Harry Kazianis, “The A2/AD Challenge: Interview with Rep. J. Randy Forbes,” *Real Clear Defense*, February 23, 2015, http://www.realcleardefense.com/articles/2015/02/23/the_a2ad_challenge_interview_with_rep_j_randy_forbes.html

¹¹ For a recent and sober assessment of the financial outlook for the Navy see Ronald O’Rourke, “Naval Force Structure and Shipbuilding Plans: Background and Issues for Congress,” RL32665, Washington, DC: Congressional Research Service, 24 February 2015.

¹² According to Swartz and Duggan, the VCNO’s PLANORDS for the development of the POM ignored the inputs of the Navy’s strategic planning process. See Peter Swartz with Karin Duggan, *U.S. Navy Capstone Strategies and Concepts (2001-2010: Strategy, Policy, Concept, and Vision Documents)*, Alexandria, Center for Naval Analysis, 2011, p. 319.

¹³ For a comprehensive description and analysis of OPNAV planning initiatives see, Swartz with Duggan, *U.S. Navy Capstone Strategies and Concepts (2001-2010)*.

¹⁴ CDR Steve Kelley, USN, “Linking Strategy to POM Development: The Navy Strategic Plan in support of POM-12 (NSP-12),” undated unclassified briefing, slide #6.

numerous difficulties since its inception in 2006. A severe critique offered by a former senior official in N8 is that N51 guidance simply stated, at best, that which the N8 was already planning to do; and at worse, that the document's prose was too expansive and did not differentiate between what had to be done very well, and what capabilities could be done just good enough. NSP14 was never endorsed by the CNO, and for FY16, N5 did not develop an NSP at all. Further, NSPs have often been ignored by other OPNAV directorates. One partial explanation for this uneven record is that as OPNAV (like the rest of the Department of Defense) struggled to manage planning and execution during the uncertainties created by sequestration, particularly when POM builds became an annual rather than biannual mandate. The process to create the NSP simply could not keep up with events and the timeline to create the POM. Even absent sequestration, however, the N51's planning documents are likely to have been only marginally useful. Without greater specificity to provide precise financial guidance to the N8 in order to inform the development of the POM, N51's planning guidance has little value.

3: Inconsistent Strategic Planning Processes

The Navy lacks clear policies, guidance, or instructions for strategy development and planning. The processes that exist are ad hoc and personality driven. As a result, programs are largely unconnected to assessments of long-term political trends and the future geostrategic environment.

The Navy lacks a formalized strategic planning process, which creates a yawning gap between high-level national strategy and the implementation of plans, programs and policies. There is *no* Department of the Navy-established policy or guidance sanctioning this essential activity, unlike the other two Military Departments¹⁵ or the Joint Staff.¹⁶ While the Navy leadership sees the need for a formal instruction to conduct force structure assessments, it is unconcerned with creating a process to use such reviews in a comprehensive planning process.¹⁷ This has not always been the case. A review of post-war history makes clear that all Navy Secretaries or CNOs have not accepted this state of affairs. There have been a series of intermittent attempts to exert control over planning and priorities, such the *Maritime Strategy* of the 1980s. In the main, however, these efforts have proven episodic with only limited success.

N51's Ad Hoc Strategic Planning

As noted by the offices canvassed in this study, OPNAV's N3/N5, specifically the N51, exert inconsistent and insufficient influence over the Navy's programming and budgeting activities in the PPBE and play little role in strategy formulation and development. The N3/N5 and the N51 in particular has yet to build an effective and repeatable means of developing and conveying policy guidance and financial priorities to N8.¹⁸ This is not a new problem. For several years, N51 produced the Navy Strategic Plan (NSP), which was given to the N81 before the Front End Assessment in order to provide some sense of long-term priorities and guidance. However, no NSP has been completed in the last three years, and though there are plans to replace it with a Classified Annex to the new CS21, that has not yet happened. Perhaps because of its understrength and lack of long historical expertise as a staff, the N5 directorate has struggled to produce guidance in time, and in sufficient detail to drive the POM development process.

¹⁵ *Planning Programming, Budgeting, and Execution System*, Army Regulation (AR) 1-1; and, *Strategic Planning System*: Air Force Policy Directive 90-11.

¹⁶ Chairman of the Joint Chiefs of Staff, *Joint Strategic Planning System*, CJCSI 3100.01B, 12 December 2008.

¹⁷ *Force Structure Assessments*, OPNAVINST 3050.27, N81, 12 February 2015.

¹⁸ According to Rosenberg, this is an outcome of the Navy's institutional consensus-driven and multi-layered policy making process that produces "strategy" as a reflection of the institution, as opposed to senior leadership. David A. Rosenberg, "American Naval Strategy in the Era of the Third World War: An Inquiry in the Structure and Process of General War at Sea, 1945–90," by N. A. M. Rodger, ed., *Naval Power in the Twentieth Century*, New York, Macmillan, 1996, p. 243.

In some respects, this is an organizational and human capital problem. The N51 has traditionally been a very small directorate (approximately 15), staffed mainly with junior officers. It lacks a cadre of long-serving civilians to provide strategic maturity, institutional memory, and continuity; turnover among civilian staff has been high in recent years. The staff assigned to the N3/N5 and the N51 often lack the educational background and expertise to guide and participate in the budget-requirements driven work on the PPBE coordinated out of the N8. An observation of the N51 staffing was that billets are typically filled one-down (i.e. an O6 billet is filled with an O5, etc.). The lack of staff experience in OPNAV puts N5 action officers at a disadvantage vis-à-vis their N8 counterparts, many of whom have done several tours in the directorate. A commonly heard anecdote related the story of an N51 O-6 who began a meeting by noting that he had never done strategy before – hardly a reassuring statement.

Additionally, most of the other N-code directorates have a civilian deputy to provide continuity. By contrast, the deputy in N3/N5 is an admiral, which generates substantial churn, especially given that jobs in this directorate frequently seem to be short-term assignments on an upward career path. Most senior admirals in the N3/N5 are not in the job long enough to figure out what the directorate is supposed to be doing, and have little vested interest in challenging the intra-OPNAV dominance of the N8.

The Navy's Fractured Strategic Thought Community

The Navy's difficulty in creating a robust strategic planning organization in its N5 is echoed in the fractured and incoherent nature of the Navy's strategic thought community. Many different Navy and quasi-Navy organizations (the Center for Naval Analyses) believe they have a role in strategy, yet no attempt is made to harness and coordinate the substantial intellectual horsepower in organizations like the Naval War College, the Naval Postgraduate School, Deep Blue, N00Z, and other organizations. The "Strategic Enterprise Initiative," which was beginning when the bulk of the research for this report was conducted, seems to be making modest progress in creating a community of strategists in the Navy.

4: OPNAV's Processes and Structures Vary Notably from the Other Services

Comparisons to the Army and the Air Force efforts to improve strategy development, planning, and budgeting revealed the extent to which OPNAV's processes and structure are frankly archaic when compared to the other services. Indeed, the Army and the Air Force are developing organizational and management structures, philosophies and planning tools to reinforce that strategy and policy drive programming, budgeting and execution.

An analysis of OPNAV's version of PPBE demonstrates that it is significantly different from its Military Department counterparts. A comparative analysis of the three PPBE systems employed by the three Military Departments demonstrated that OPNAV's practices are highly centralized and isolated from policy priorities. Decision-making is centered in only a few officials, and there is a lack of coordination, let alone consensus building.¹⁹ Indeed, a comparison of the other two Military Department's PPBE demonstrates that the N8 enjoys a unique degree of freedom from policy and planning priorities. Moreover, unlike the Army and Air Force staffs, the N8 engages in a high degree of "force management" responsibilities that are resident in lower commands in the other Military Departments. This organizational arrangement produces what can be best described as "strategic budgeting," which limits the impact of policy guidance and resource priorities, even when issued by the Secretary of the Navy and the CNO. Perhaps the current programming system is optimal in that it responds effectively to the fleet's requirements today, but it must be acknowledged that this system isolates financing from policy priorities.

No better means of testing this assertion is by comparing the current OPNAV process to that of its other Service counterparts.

Department of the Army

Contrary to the domination of OPNAV by the N8, the Department of the Army's G3/5/7 has the dominate role in producing, and thereafter *managing*, the Army Staff's strategic planning process. In terms of guidance, The Army Plan ("The TAP") actually consists of four separate, but closely inter-related, documents that are produced annually in accordance with a formal policy that outlines the process, i.e., the Army's *Planning Programming, Budgeting, and Execution System*.²⁰ Note that like the Air Force (*vide infra*), in light of a more challenging financial environment, the TAP has recently undergone revisions in order to enable Army

¹⁹ Tiffany F. Hill, "An Analysis of the Organizational Structures Supporting PPPB within the Military Departments," M.A. Thesis, Monterey, CA, Naval Postgraduate School, June 2008, pp. 100; 113.

²⁰ Secretary of the Army, Army Regulation (AR) 1-1, 9 July 1986. To be revised in light of revisions to The Army Plan (TAP).

leadership to focus attention on planning, vice programming, and provide clearer guidance to financial decision-making.²¹ Current and envisaged key strategic planning documents include:

- *Army Vision* (to be co-authored as required by the Secretary of the Army and Army Chief of Staff's offices. "The AV articulates the desired end state of the Secretary and Chief of Staff, Army over a 10 year time horizon; at once, both challenging the Army and providing a 'touchstone' to drive future change.... It is the source document to which all other sections of the revised TAP are tethered, and serves as the central document from which all other strategic communication documents...emanate.")
- *Army Strategic Planning Guidance* (developed biennially by G3/5/7, Strategic Plans and Policy Directorate). This document was the Army's institutional strategic framework. The document is drafted to look out 10-20 years, analyze the emerging geostrategic world, and identifies the Army's objectives and initiates the process of creating priorities. This guidance document will be retired after FY 17-21 POM build. It will be replaced by both the Army vision, as well as by *Army Strategic Plan*.
- *Army Strategic Plan* (developed every four years; reviewed every two years, by G3/5/7, Strategic Plans and Policy Directorate). This document will replace the *Army Strategic Planning Guidance*, after FY 17-21 POM build. "The purpose of the ASP...is to articulate a strategy that directs how the Army will fulfill its Title 10 responsibilities and additional statutory requirements over a 10 year time horizon...The ASP serves as the key linkage between strategy and budget and informs the Army's annual planning efforts as part of the PPBE."
- *Army Planning Guidance* (developed annually by G3/5/7, Strategic Plans and Policy Directorate). "The new planning document is envisaged to enhance "its focus on planning vs. prioritization and will replace the [APPG]." This new document is envisaged to initiate the PPBE process and will have the task of identifying and providing more detailed guidance to guide key planning issues, all of which is needed *before* the POM build is completed.
- *Army Planning Priorities Guidance* (was developed annually by G3/5/7, Resource Analysis and Integration Office, but will be retired and replaced by the Army Planning Guidance). The "APPG" was developed to address the mid-term planning period of next 6-year POM, plus 5-7 additional years. The document's purpose has been to provide additional detail to the *Army Strategic Planning Guidance*. Of importance is its objective

²¹ See Department of the Army, "Revisions to The Army Plan," 16 October 2014. Note that this memorandum was signed both by the Secretary of the Army and the Chief of Staff.

of identifying and creating a priority of current and envisaged operational capabilities. The document included risk guidance to guide planners that is based, *inter alia*, in accordance with the QDR.

- *Army Program Guidance Memorandum* (developed annually by G8, Program Analysis and Evaluation Directorate). The APGM plays the critical role of linking required operational capabilities with programming. The document provides guidance for officials developing their individual Program Evaluation Groups (PEG) and provides a continuum of guidance from mid-term planning to programming. In other words, the APGM translates operational undertakings to resource tasks, i.e., the alignment of strategy, missions and priorities from Army Vision, Army Strategic Plan, and Army Planning Guidance with other guidance from OSD in building the POM.
- *Army Campaign Plan* (developed semi-annually by G3/5/7, Army's Deputy Chief of Staff for Operations and Plans). The *Army Campaign Plan* can be best described as providing an operational expression of the planning and guidance sections of the TAP, i.e., a year-of-execution management tool.²² In the revised TAP, its role is "to establish and monitor annual priorities and initiatives from the Secretary and Chief of Staff, Army that require measurable end states or decisions in the year of execution."

The Department of the Army's approach to managing planning and programming is to produce guidance for the force developed via consensus, both at the staff and senior leadership levels of the Department. In brief, once the *Army Strategic Planning Guidance* has been developed, staffed, and approved, the G3/5/7 takes the lead in working directly with the G8 to ensure that all aspects of the ensuing POM-build remains in conformance with agreed, and approved, guidance. In other words, it maintains its involvement in the Army's PPBE throughout the entire process. This is essential to ensure that which drives the system remains the aggregation of priorities developed by the G3/5/7. To date, these have not been universally cost-informed, but trends point towards this practice gaining greater acceptance. This has been facilitated since the 1990s with the opening up the G8 costing data-base. There has yet to be a formal and detailed as cross-portfolio, or trade-space actions among training, equipping, manning; let alone cost-informed risk-tolerance at the programmatic level within G3/5/7, yet trends point to greater acceptance of this practice.

This coordination is formalized through a series of regular meeting bringing together the G3/5/7 and G8 throughout the PPBE process. Specifically, there is a weekly Council of Colonels which is co-chaired by the Chief, Resource Analysis and Integration Office (G3/5/7); the Chief, Program Development Division, Program Analysis and Evaluation Directorate; and Deputy

²² Howard W. Lord, ed., *How Army Runs, 2013-2014: A Senior Leader Reference Handbook*, Carlisle Barracks, PA, U.S. War College, Department of Command, Leadership, and Management, 15 July 2013, Chapter 9, p. 11-20.

Director of Management and Control, ASA (FM&C). These meetings package proposals, frame issues and coordinate the staging of decision-making sessions at the for 2-Star level, i.e., Budget and Requirements and Programs Group (BRP), and the Planning Programming and Budgeting Committee (PPBC) for issues that cannot be resolved in at the level of Colonels.

From the perspective of the Army Staff, there is little question that the G3/5/7 has responsibility for Army-wide prioritization.²³ That said, it is a misnomer to perceive the G8 as solely the resourcing agent of the army. The directorate's focus has changed in recent year to become the Army's "equipper," as witnessed by moving the responsibility of Force Development from the G3/5/7 to the G8. No better evidence can be seen in the fact that the *Army Campaign Plan* that directs how funding is to flow is developed under the authority of the G3/5/7. It should not come to be a surprise that given these planning and oversight responsibilities that the G3/5/7 is significantly larger than that of the G8, i.e., the former is approximately 1000, vice the latter's several hundred personnel. But, Army officials acknowledged that the entire system is premised on clear policy objectives stated by the Chief of Staff; otherwise, as one Army official has admitted, the G8, *de facto*, is in charge of "guessing" priorities. The process is disciplined by driving priorities to resources; but knowing that without a costed priority, its true value will remain elusive.

Department of the Air Force.

The Air Force, like the Army, has a well-developed planning system that is highly documented with responsibilities spread across the Air Force Staff. However, the Air Force's planning system is undergoing significant change and the current policy that outlines the Air Force's strategic planning process²⁴ is under revision. Nevertheless, policy guidance for the new process and supporting organization has been issued.²⁵ Current and envisaged key strategic planning documents include:

- *Air Force Strategy* (developed by the A5/8.) Explains the Air Force's strategic purpose. Issued every 4 years, and reviewed every 2 years. The document has a 30-year horizon and includes a Strategic Environment and Threat Assessment, and contains Strategic Priorities & Lines of Operation, science, technology, and research focus areas.

²³ Secretary of the Army, General Order 2012-01, "Assignment of Functions and Responsibilities within Headquarters Department of the Army," <http://www.apd.army.mil/pdf/GO1201.pdf>

²⁴ *Strategic Planning System*, Air Force Policy Directive 90-11. Note that this policy document is under revision.

²⁵ "America's Air Force: A Call to the Future," Washington, DC, Department of the Air Force, July 2014. The document outlines how the Air Force is to act, vice what it plans to buy.

- *Strategic Master Plan* (developed by the new A5/8).²⁶ Provides broad guidance, which articulates priorities, goals, and objectives to provide a single Air Force Master Plan. The plan is financially-informed and articulates how it will spend its budget over 10 years. Annexes to the Strategic Master Plan are the Human Capital Development Plan, Strategic Posture Plan, and Capabilities Investment Plan. Note that the Annexes are drafted biennially and reviewed annually.
- *Strategic Planning Guidance* (new and drafted by the A5/8, released in 2014). This document will be drafted annually to inform Core Function Support Plans, articulate planning choices and drive to develop the Approved Planning Force, all with the view of driving the development of the POM.
- *Air Force Planning Force* (drafted by the A8X.) “The Planning Force is a 20-year force structure projection [sand chart] organized as an effects-based capability portfolio integrating MAJCOM strategic investment plans with a vector towards the Air Force Vision and the Strategic Plan. The Planning Force details the capabilities and the capacities needed by the Air Force to execute the FPC [Force Planning Construct] through the mid- and far-term at low risk. The Planning Force is informed by technology and resource projections but is not limited to current fiscal guidance. It sets the baseline from which risk is measured when fiscal constraints are applied to the Planning Force.”²⁷
- “*Annual Planning and Programming Guidance*” (to be retired)²⁸

Notwithstanding this highly integrated and comprehensive system, the Air Force’s PPBE essentially broke down during sequestration, thereby demonstrating that it was not sufficiently robust to operate effectively in a period of budgetary uncertainties. As a result of this experience, the Air Force has made some major changes recently to the management of its PPBE process that endeavours to bring the POM-build from the MAJCOMs up to the Air Staff in order to ensure that their stated priorities are in conformance with the Department of the Air Force’s endorsed strategy and policy priorities. The new system will allow the Air Staff to prioritize decisions that look *across* the Air Force enterprise as a whole, with the objective of militating against community parochialism. To achieve this objective, in future, MAJCOMs will not be involved with the POM-build, but will be limited to identifying priorities and these MAJCOM priorities will be subordinated to the Air Force *Strategic Master Plan*. Current leadership hopes that by

²⁶ Sarah Sicard, “Air Force Chief Reveals Parts of the New Master Plan,” *National Defense*, 16 September 2014. <http://www.nationaldefensemagazine.org/blog/Lists/Posts/Post.aspx?ID=1608>

²⁷ Air Force Policy Directive 90-11, “Strategic Planning System,” 26 March 2009, p. 3.

²⁸ Previously approved by a three-star, in the new system, it will no longer be issued. Criticism of the document included that it was vague to the point of being unhelpful. The way A8X approached developing the document was consensus-based. This process took too long and it rarely was issued in a timely fashion to influence decision-making.

doing so, they will empower the Air Staff to focus more on policy and strategy, as opposed to “chasing” the POM. Thus, the previous A3/5 and A8, and have been reorganized into the new A5/8 directorate, ending the status of the A8 as a stand-alone organization managing the strategic planning process. The objective of this initiative has been to split both Operations, and Plans and Requirements, into the A3/5 and reinforce strategic planning. The new Operations (A3) directorate will be stand-alone, while the planning staffs will form a new A5/8 directorate. The objective of this reform is to remove the programmers from A5/8 and put them in Secretariat of the Air Force/Financial Management (SAF/FM) to help prevent programming requirements from overtaking strategy. According to a senior Air Force General Officer, the new planning process and organizational structure was needed in order to allow planners to focus on strategy and the long-term (i.e., 20 years), *vice* involving themselves in short-term POM battles.²⁹ By removing the programmers from the strategy development process, it is envisaged that the A5/8 will produce very specific guidance and better information than in past in order to give them a strong strategic framework with which they can make resource decisions. The new A5/8 also includes a division dedicated to ensuring that MAJCOMs’ inputs to the POM-building process are consistent with the Air Force’s *Strategic Master Plan*. Importantly, it will be augmented with a new assessments branch (A5S) that will measure the degree to which priorities approved in the *Planning Force* are reflected in the POM. Air Force planning has the objective that by continuing its long-standing practice of using financially-informed assumptions, they will be able to look beyond the FYDP and measure future capabilities using constant dollar costs. A key aim in this reorganization of staff and responsibilities has been to increase the number of 4-star General Office engagement in the process to ensure accountability to endorsed policy priorities. A clarification of staff orientation and focus is represented in the following chart, albeit it has been recognized that there will be difficulty drawing a clear division of responsibilities between Financial Management and the A-5/8.

Department of the Air Force Planning, Programming and Execution Responsibilities

Financial Management	Budgets	2-5 year
Programming/Financial Management	Programs	6 to 20 years
A-5/8	Plans	10 to 30 years

Comparative Differences with OPNAV’s PPBE Process

When compared with its Service counterparts, OPNAV’s strategic planning system is unquestionably unique in that, almost by design, isolates financial decision-making from policy guidance and planning priorities. Notwithstanding the fact that the Army and Air Force’s policy and planning systems are sharply dissimilar to that of OPNAV, there are arguably practices

²⁹ Aaron Mehta, “Lt General Michael Moeller: USAF Deputy Chief of Staff, Strategic Plans and Programs,” *DefenseNews*, April 24, 2014.

employed by the other Services that could be replicated by OPNAV, the better to link financial execution to policy guidance and planning priorities. While hardly comprehensive, the following practices by the other two services should merit close study and analysis by OPNAV.

1. OPNAV does not possess a strategic planning policy document, endorsed by the Secretary of the Navy, which establishes and outlines the OPNAV planning process and assigns respective roles and responsibilities to officials across OPNAV directorates. Both the Army and Air Force have established policy that outlines the PPBE progress at the Headquarters level and ensures that policy guidance and planning priorities *drive* their respective PPBE.
2. The Army Staff keeps policy and priorities as expressed in programs within the G-3/5/7 Resource Analysis and Integration Office in the form of the *Army Planning Priorities Guidance*. The rationale for this document is that it “Links requirements to strategy and guides development of resource priorities for operational tasks over the mid-term period of the next six-year POM plus 5-7 additional years.” Importantly, it provides additional and explanatory details and *resource priorities* to guide the development of programs and budget. It also identifies and establishes *priority* of enduring operational capabilities required to meet those core Army competencies identified in Field Manual 1 (FM 2), *The Army*. Linking Army priorities back to OSD guidance, risk guidance is also provided to programmers and budget officials, which is in accord with the QDR Risk Framework.³⁰ Such an analytical process, therefore, further translates the *Army Strategic Planning Guidance* into more detailed programming priorities that is represented in Section III, the *Army Programming Guidance Memorandum*. The Air Force is creating a new process that while organizationally different from the Army Staff, shares the same objective of strengthening policy, strategy and planning in its strategic planning process to guide resource decision-making. This effort is envisaged to produce a fiscally-constrained investment guide that will create a balance between current and future Air Force priorities.
3. According to the Air Staff, it has long used cost-informed planning and the Army Staff is evolving to this practice to ensure that its plans are more financially disciplined.
4. Both the Army and Air Force place importance on the value of cross staff coordination meetings to ensure policy priorities are articulated in the POM development process. The Army Staff, for instance, holds biweekly meetings that bring the G3/5/7 and the G8 together throughout the PPBE process (until execution) at the 06 and 08 levels that seeks to balance policy priorities and financial realities. Moreover, in order to help bridge the gap between policy priorities and budgeting, the G/3/5/7’s Chief of Resource Analysis and Integration Branch (G-3) is an 06 who is handpicked for this key post; a qualification being the candidate must have a programming background.

³⁰ *How the Army Runs*, Chapter 9, p. 31.

5. The Air Staff is creating a branch in the A5/8 (Strategic Planners) with the objective of assessing the degree to which A5/8's guidance is integrated into the POM, whereas the Army's approach is more a continuous assessment.

Therefore, it is a clear priority in both of these MILDEPS is either to develop a new (Air Force), or maintain existing (Army) procedures to ensure a continuous policy continuum as the POM is developed, with planners using strategy in the lead, thereby leaving their respective programmers to optimize budget execution.

5: Historic Cycles in Navy Strategy

The Navy's current strategy deficit has deep historic roots in the experiences of the institution that date back to creation of the service in the early days of the republic. History suggests that that the Navy goes through periods of stagnation and regeneration that are linked to its experiences in war.

The long era of expanding U.S. defense-budgets from 2002 until 2010 unfolded with much debate over the best ways to employ Naval forces in the Global War on Terror and in the effort to create stability in Iraq. As the United States emerged from the decade-long campaign to eliminate Osama bin Laden and to crush al-Qaeda, however, Navy leaders discovered that the international and domestic political landscape had changed. Demobilization and austerity, highlighted by sequestration of the Department of Defense budget, now loomed large in American domestic politics. On the international scene, new events – the endurance of international terrorism, the 2011 “pivot to Asia,” and the revival of war in Europe in 2014 – and new technological challenges – cyber warfare, robotics, and a host of more exotic “disruptive technologies” – posed a challenge to Naval concepts and operations. Navy leaders agreed that the time was ripe for a renewed emphasis on Naval Strategy. The result was the recent release of the long-awaited revision of the Navy’s *Cooperative Strategy for 21st Century Seapower*, a timely and much-needed response to the challenges facing Naval commanders as they contemplate the changing strategic environment. The fact that the new Cooperative Strategy was backstopped by the “Navy Strategic Enterprise Initiative,” intended to foster the active consideration and use of strategy within OPNAV, highlights the fact that strategy has found a new importance among senior Navy officers.

The creation of this new Naval Strategy was no small accomplishment. Today, Navy strategists find themselves in a rather difficult situation when it comes to devising and explaining the way Naval forces contribute to national defense. During the last quarter century, the Office of Secretary of Defense transferred the making of maritime strategy from the OPNAV staff to the Combatant Commanders who became the center of gravity of U.S. strategy and operations. In the twenty-five years since the eclipse of the Reagan-Lehman Maritime Strategy, the Navy’s strategists found themselves left to defend, as opposed to driving, budget priorities and construction programs. Nevertheless, if the combatant commanders are focused on current operations, OPNAV must not only identify emerging trends and threats, but also find ways to change the course of the Navy to meet the challenges and opportunities of the decades ahead. Naval strategy, as undertaken by the OPNAV staff, is all about the future, and the future Navy. Although Navy strategy must be seen to meet the demands of the day, it will only come to complete fruition when the future force envisioned by today’s Naval strategists meets some future test in combat.

Newcomers to the process of developing Navy strategy might not realize that Navy strategy runs in cycles characterized by stasis, crisis and reform. Indeed, during pivotal moments in the past, the development of naval and maritime strategy has erupted in inter-service and intra-service fights over the budget and preferred weapons, as well as preferred concepts of combined and joint strategy. These debates usually end when some international crisis tips the balance in one direction or another, as decisions are made to reorient the Navy to meet new operational challenges or international threats. Indeed, these cycles are more or less as old as the Navy itself. The question that comes to mind, however, is exactly where are we when it comes to this pattern of stasis, crisis and reform?

Four Cycles

Although dividing the history of U.S. Navy strategy into periods is a somewhat arbitrary enterprise, four broad periods of stasis, crisis and reform can be identified that highlight a pattern in the development of Naval strategy and the institution's response to technological, operational or political change. The first cycle occurred between 1812 and 1880, a period that often appears as a dark age following the growth of the Navy in the Civil War and the rise to prominence of Alfred Thayer Mahan and his works. The second cycle, from 1919 until 1941, begins with the ambiguous role of the new U.S. battle fleet in the First World War through the disarmament and naval limits of the interwar period and ends with the beginning of mobilization that transpired before Pearl Harbor. The third cycle, from 1946 until about 1960, is characterized by inter-service fights over the role of nuclear weapons in national defense and the part the Navy would play in deterring nuclear war. The fourth cycle, which transpired between 1970 until 1980, illustrates the crisis in Naval affairs that led to the Reagan-Lehman 600-ship Navy program that re-coupled the Navy to the general effort to respond to Soviet global ambitions.

The Dark Age: 1865–1880

The phenomenon of cyclic stagnation and rebirth in the formation of naval and maritime strategy is evident in a period that receives little attention from contemporary strategists. Between the War of 1812 and the beginning of the Civil War, the U.S. Navy reflected the Constitutional fundamentals that called for the maintenance of a small navy to protect American interests against modest threats on the world stage, and an expansible army based on forts and a militia, all of which matched the demands of the Monroe Doctrine. In this remote era, there existed little capacity within the Navy for the making of strategy. Instead, issues related to the role and size of the U.S. Navy were resolved through discussions between the Secretary of the Navy and Congress. Given that there was neither the political will nor the economic and industrial means to match the navies of the leading European powers of the antebellum era, there was not much interest in doing more than funding a handful of naval vessels to show the U.S. flag along the

world's trade routes. The changes that occurred, for instance, the launch of the Yangtze patrol in China in 1854, were not accompanied by a fundamental reassessment of naval strategy.

When war came in the spring of 1861, the United States improvised an emergency fleet suited to win protracted war of attrition on a scale unseen in U.S. history. This feat was made easier by the fact that the Confederacy lacked both a fleet and the industrial base to create a significant naval force. The Confederates cobbled together a fleet commerce raiding cruisers and posed a threat briefly to the commercial North East, complicating the Atlantic trade. The Confederate's strategy also entangled Britain and France in the naval war between the North and South, which raised the prospect of drawing the European great powers into the Civil War. This seemed to be a real possibility at the time as the *guerre de course* under the Stars and Bars burdened trans-Atlantic relations, especially when U.S. Navy ships fought Confederate vessels in European waters. The use of commerce raiding by the Confederacy made for good headlines, ruined the U.S. merchant fleet and scared the citizens of the Northeast as rumors of Confederate threats circulated among ports. But this effort had no enduring strategic effect. The Union response to this Confederate threat – a blockade strategy – was highly effective and served as the maritime counterpart to the scorched earth campaigns waged against the South by U.S. Grant and Forrest Sherman.

The exigencies of the Civil War transformed the U.S. Navy into a modern fighting force. While the Navy met its need for skilled personnel by pressing merchant sailors into service, newfound roles for steam and iron, and the growing striking power of artillery allowed the Union at the height of the Civil War to catch up and to even briefly to surpass European navies. Advances in technology, industry and the emerging need for individuals capable of manning and maintaining this new naval hardware heralded the impact of the industrial revolution on the U.S. Navy. The new technologies incorporated into warships created a need for shipyards and arsenals along with an industrial policy similar to the ones adopted by contemporary European naval powers. These irresistible forces created a demand for naval strategy, a demand that outpaced the capabilities of the Navy as an institution.

The Civil War effort could not be sustained in peacetime as national priorities returned to westward expansion, the imperatives of isolation, and doubts about the wisdom of sustaining a peacetime military establishment beyond the size or capability of pre-Civil War levels. By the 1880s, the U.S. Navy declined from its wartime strength into obsolescence, strategic misdirection, and civil military turmoil. The popular mood at the end of the Civil War was one of exhaustion and vanished appetite for martial glory. The nation had no overseas colonies that demanded defense. Americans did not want to be drawn into Europe's squabbles and feuds. Americans understood that they would never launch a war to conquer another nation so they had no appetite to construct a global Navy; after all, the European state system would prevent the rise of a universal power that could threaten the new world. All these arguments militated against a large navy, which, in any event, had never before existed in peacetime.

The Navy reverted to its peacetime habits. It mothballed or scrapped most of its ships. Focus returned to maintaining overseas squadron stations as the best way to protect U.S. trade and the national interests. Contemplation of strategy was largely confined to the prospect of commerce raiding against a possible European enemy. The rise of steam, however, made even this limited strategic option problematic because of the inherent high cost of forward deploying the steamships of the day. Indeed, discussions of Naval strategy only seemed to exacerbate tensions between those who advanced the cause of machine navies and those who resisted this idea not only out of thrift, but because they abhorred the role of machines and the way new technologies demanded the “integration” of people from a variety of social classes into the Navy. Although American interests were gradually becoming more global in nature, debates about Naval strategy were inward looking, focusing on incorporating new technologies and changing personnel requirements.

American politics in aftermath of the civil war also saw the triumph of political and economic interests dead set against free trade, which included opposition to a navy large enough to augment and protect such trade. The struggle by Secretary of the Navy Gideon Welles to reorient the navy on a sensible basis was suffocated in the political backlash against international engagement and trade that accompanied reconstruction. Many believe that no political or strategic need existed for a stronger, larger, and offensively oriented navy because the world’s oceans formed the best common defense. The life of the navy was further burdened by claims of graft, corruption and special interests, made worse by the crisis of the U.S. Grant administration. Members of Congress spent their time investigating corruption in the Navy Department rather than providing the political consensus and means to advance anything resembling sea power, an idea that had yet to be born. All of this was topped off in the course of the 1870s by international economic depression. The Navy teetered on the brink of collapse.

The nadir of the 1870s, was punctuated by the rise of American sea power, even before Alfred Thayer Mahan gave a name to it with his interpretation of war at sea written in the year 1890. The advent of the age of imperialism in the international system, which more or less coincided with the closing of the American frontier and with it the consolidation of continental expansion in the wake of the Civil War, made Americans think in great-power terms, in which navies figured as means of national power. The great powers increasingly used navies to subjugate areas of Africa and Asia as part of a general struggle for power on a global scale. The internecine squabbling in the U.S. Congress that had precluded reform in the world depression graduated to consensus about the need to repair the neglected Navy. Foreign incidents in which American citizens and commerce were at risk in Latin America and in the Pacific gave energy to those in Congress who had long sought naval reform.

Strategic Muddle I: 1919–1941

The forces of decline and rebirth in U.S. Naval strategy also reveal themselves in the interwar period. This period has been described by some observers as a golden age of technological innovation, others describe as time of great frustration for naval strategists. The fate of the battle fleet cannot be simply reduced to a story about the foresight and wisdom of Plan Orange that emerged between 1902 and 1941 or a story about how Franklin Delano Roosevelt willfully moved the fleet in 1940 from California to Hawaii without adequate preparation for combat. The story of strategy during this period is less about carefully executed war games, and more about the character of the international system in the first decades of the 20th century, domestic antiwar sentiment and parsimony and the disjointed nature of army and navy strategy in the Pacific.

The record of these issues is more politically complicated and organizationally ambiguous than widely celebrated legend and enduring Mahanian dogma would have it. For most of this period, the Atlantic world and its international political economy held the attention of American diplomacy and policy, which with the onset of the world depression became isolationist and politically accepting of anti-war principles. Imperial Japan only emerged as a focus of diplomacy and statecraft in the late 1930s, when U.S. interest in an anti-Japanese strategy accorded with domestic and international reality. In the years between 1919 and 1935, Imperial Japan took a backseat in U.S. statecraft behind concerns about the fate of Britain or Germany. There was little domestic political agreement over an appropriate response to the growing Japanese threat in the Pacific during most of the interwar period.

U.S. naval strategy in the Pacific in the interwar period also suffered from a series of policy and strategy mismatches created by several developments in international and domestic politics. These impasses and dead ends included the Republican retreat from world power to normalcy in the 1920s, the U.S. Navy's unrealistic and unsustainable fantasies about overtaking the Royal Navy in the number of capital ships deployed following the extension of the 1916 ship-building program and the evaporation of international cooperation in the years after 1919.

All of this was made worse by a weak League of Nations that emerged in the wake of the war, especially following the U.S. Senate's decision to abandon the League. The Washington Naval Treaty of 1922 as well as the enduring problems of the international system (the lack of common cause by the victors and the emergence of national rivalries, especially between United States and Japan over the fate of China) created significant strategic problems for U.S. Navy. Naval strategists had a difficult time discerning whether to prepare for naval rivalry with Britain and its Japanese ally or to instead focus on Japan as the enemy. U.S. maritime strategy eventually identified Japan as a likely foe by the end of the 1920s. Nevertheless, this center of effort followed neither national policy, which was pacifist, abolitionist and commercially oriented, nor a domestic political consensus, which was seized of normalcy and a horror of war. This strategic

choice was not supported by a budget that would make this preferred Naval strategy completely viable against a rising Japan.

Although the story of interwar naval strategy is often depicted as the fight over technology between battleship conservatives and aircraft revolutionaries, the anti-war stance of the Harding, Coolidge, and Hoover administrations, largely made these debates academic. The domestic politics of normalcy, austerity and pacifism, which became more acute once FDR became president, made the Navy an afterthought in domestic politics. Isolationism became the order of the day in the face of chaos in Asia and Europe. FDR's decision at the end of the 1930s to undertake a massive build up the U.S. Navy in the face of Japanese aggression hardly ended inter service rivalry about a blue ocean Pacific strategy until months before Pearl Harbor when the Plan Dog and "Germany first" decision was made by the British and American governments. The lessons of Pearl Harbor also imposed a burden on the making of strategy at sea, which became manifest in the 24 months after the unconditional Japanese surrender on 2 September 1945.

Strategic Muddle II: 1946–1960

The Second World War brought the U.S. Navy to the pinnacle of sea power and world prominence, but such good fortune could not endure; the pattern of demobilization swiftly reappeared amid postwar strategic confusion. With the victories in Europe and in Japan, national and Congressional focus returned to the lessons of Pearl Harbor as well as to the dictates of economy and peace, which, in turn, portended problems for the making of maritime strategy and the role of the Navy in the atomic age. The way World War II unfolded in the Atlantic and the Pacific had seemed to give validation to Mahan and his acolytes. But post-war strategy was up for grabs. Wartime inter-service bickering over combined and joint operations drove deep divisions between the Army and the Navy. Debate over an emerging need for an "air atomic strategy" revived the strategic and operational outlook of Giulio Douhet and Billy Mitchell. Dogmatic recitation of early-20th-century navalism, based on the assumption that the United States had to maintain a "second-to-none fleet," was greeted with skepticism by a postwar Congress. The search for an affordable peacetime military posture made the lessons of Pearl Harbor more onerous for the Navy in the Presidential and Congressional priorities of 1946.

The Bikini Atoll atomic bomb test explosions of 1946 seemed to validate the position of air power champions, who had prophesied the obsolescence of capital ships. The concentration of naval forces in a future war, as, say, in the English Channel at Normandy or at the Ulithi Atoll anchorage in the Western Pacific during World War II, would become unfeasible under atomic assault from the air.

To make matters worse, as they cleared the world's oceans of all adversaries at the height of war, Navy leaders apparently failed to consider the looming postwar future. The Navy's sister

services were less circumspect. Army revolutionaries had begun to prepare to carry out Mitchell's idea of an independent Air Force and a single defense department, ending the bifurcation of the U.S. defense establishment between a Department of War and a Department of the Navy. This bifurcation was portrayed by Air Force advocates as a key contributor to the catastrophe at Pearl Harbor. With the aid of Walt Disney and the newsreels, the Air Force had also fashioned a "strategic communication campaign" vastly superior to the newsreels that highlighted the Navy's contribution in defeating Germany and Japan. In their view, the "new" Air Force would be the key to America's future defense, not the Navy.

The domestic political austerity and renewed inter-service rivalry that occurred during the battle over service unification brought new organizational miseries to the Navy, whose very existence was called into question by advocates of air power, by Congressional cost-cutters, and by those in the Army incensed over joint operational problems with the USMC in the Pacific campaigns. The nadir of maritime strategy and the role of the U.S. Navy in national defense arrived with the Congressional unification fight that occurred between 1946 and 1949, an episode that was portrayed by a new generation of young critics, fresh from the war, as righting of the wrongs of Pearl Harbor. They also made much of the "guilt of the Admirals," as it was called, who had ignored the role of aviation before the late 1930s and who had neglected the nation's defenses because of Mahanian dogma that no longer fit in the air atomic age.

The leadership of the Navy in 1946—especially leading figures in naval aviation—feared that the new Air Force would sweep up its aircraft and that the Army would absorb the Marine Corps. This fear led to greater partisanship and civil-military insurgency among senior naval aviators in the midst of the legislative reforms of service unification and the creation of the Department of Defense. This battle over the future of ships and planes blinded these men to the realities and requirements of strategy in the pivotal period between the end of the World War II and the Korean War.

Now almost forgotten in the 21st century, this epoch of dramatic change and institutional adjustment thrust Navy Secretary James Forrestal to prominence. As a kind of reincarnation of Mahan, Forrestal became the leading naval strategist of his time, supported in turn by such men as Forrest Sherman, who, together with Lauris Norstad, had been crucial in the creation of the Defense Department and a comprehensive approach to strategy, which quickly fell apart in the face of budgetary restrictions that worsened service parochialism. Forrestal had to fight to preserve the independence of the Navy while forcing its adjustment to the nuclear age.

In the opening encounters of the Cold War in southern Europe and the Persian Gulf of 1946, the Navy played a vital role by showing the flag at hot spots under Soviet pressure. Fateful for the formation of strategy, however, was the brutal demobilization and shrinkage of the fleet. Forrestal's anti-Soviet attitude and his sponsorship of George Kennan's containment strategy

little compensated for the political primacy of the long-range bomber, the guided missile, and the atomic weapon. The shift from total war to peace and retrenchment amid service unification led to Forrestal's suicide in 1949, a grim prelude to the inter-service fight over the strategic bomber and decisions about which service would deliver the growing U.S. nuclear arsenal to targets in the Soviet Union.

Civil-military turmoil and technological upheaval led the advocates of capital ships and aircraft to attempt a *coup de main* against the idea of air power in the atomic age and its intercontinental long-range bombers. The aviator admirals sortied in 1949 with the supercarrier, the *USS America*, as the centerpiece of a civil-military revolt against the Harry S. Truman administration and its drive for service unification. This public relations and legislative gambit against Curtis LeMay and the new Strategic Air Command formed the main focus of Navy strategy until the outbreak of the Korean War.

The decisive encounter in the battle over service unification became known as the Revolt of the Admirals, a berserk approach to the making of naval strategy. The Navy lost this initial legislative fight about strategy, ships and weapons. Fortune quickly ameliorated this defeat, however, when the Korean War made possible the increase in air, land and sea forces as set forth in March 1950 by NSC 68. The Korean War forced Truman to overlook the services' incapacity to formulate a coherent strategy and to launch a massive post-World War II military buildup.

The advent of the policy of "massive retaliation" in the years after 1953 gave the U.S. Navy an important opening to compete again for the much prized nuclear delivery mission. The slow development of Intercontinental Ballistic Missiles helped Arleigh Burke revive naval strategy. His strategic realism as well as his bureaucratic acumen remain exemplary. The Korean War had shown the renewed importance of maritime operations at Inchon, naval strike aviation and sea control. The large aircraft carrier rose from the grave, the size of nuclear weapons shrank, and new jet aircraft emerged to carry such ordnance from the Navy's flight decks. The requirement to wage conventional war against the North Koreans and the Chinese banished the nightmare image of U.S. capital ships under nuclear attack, and gave the Navy a new lease on life. Massive retaliation emerged as a way to deter the Soviets without massive investments in Army manpower.

Massive retaliation contained its own contradictions, which immediately became apparent in the later course of the 1950s in crises in Europe, the Middle East, and East Asia. Such conflicts seemed to call for the limited use of armed forces for the missions of forward defense and crisis management, which allowed Army and Navy strategists to propose alternate strategic concepts at the expense of the Air Force. The new proposals -- Maxwell Taylor's flexible response and Arleigh Burke's limited deterrence --- were also more in accord with domestic political realities and Soviet threats. These strategic ideas took hold as the United States began to introduce its first

intercontinental ballistic missiles and as Hyman Rickover perfected nuclear propulsion in submarines and as centralized operational planning for the use of nuclear weapons in crisis and war—the SIOP – became a reality.

These steps enabled the Navy to break the Air Force’s decade long nuclear monopoly of the nuclear delivery mission by giving the fleet a weapon that could compete with the strategic bomber: the George Washington class submarine. In the words of Burke, the new submarine would enable Americans to live as human beings — not as a nation submerged in bomb shelters. Burke fought off the attempt by the Air force to seize operational control of the Polaris submarine under the guise of a Single Integrated Operational Plan, although he was unable to prevent Air Force personnel from participating in the selection of the targets of submarine launched ballistic missiles. Burke’s effort helped the Navy solidify its role as part of the “triad” of forces given the nuclear deterrence mission, an outcome that appeared highly in doubt at the outbreak of the Korean War. These ballistic missile submarines gave life to the idea of limited deterrence as an option for nuclear strategy and reinforced the role of the Navy in U.S. security policy at the start of the 1960s.

The Hollow Force: 1970-1980

The fourth epoch of decline and rebirth—marked by the so-called hollow force, of the post-Vietnam and pre-Reagan Navy—is perhaps most easily recognizable from the perspective of 2015. As America’s involvement in Southeast Asia began to wind down, Navy leaders confronted a new political and strategic setting: the Cold War now witnessed a new Soviet global assertiveness; new problems emerged in the making of Service strategy following the Vietnam debacle; and the economic concerns loomed large in domestic politics. These issues helped to detach maritime strategy from national policy and strategy, while, organizational disputes within the Navy slowed the adjustment to post-Vietnam strategic realities.

The sad story of the nearly derelict Navy that preceded the Reagan defense buildup and the Lehman era of reform comprised the funk of the post-Vietnam retrenchment, the stagflation wrought of the 1973 and 1979 oil crises amid war and revolution in the Middle East, too few ships, and a return to strategic aimlessness in the Navy’s evolution. What limited national attention focused on defense concerned itself with the strategic nuclear balance, or “extending deterrence” to the forward defense of Western Europe. Navy leaders faced hard choices because of the rapid decline in the defense budget as U.S involvement in Vietnam ended.

Soviet ships, meanwhile, grew in number and undertook a more aggressive operational posture each year. The hammer and sickle streamed above sleek new Soviet vessels in such places of the former Pax Britannica as Port Said, the coast of East Africa, and the Indian Ocean. Admiral Gorshkov’s rising challenge to U.S. sea power began well before the 1970s, but the rise of Soviet

might afloat became inescapable following Soviet naval movements during the October 1973 Middle East War. By contrast, the ships and planes of the U.S. fleet, which shrank in number due to the budgetary demands of the Vietnam war, grew ever more aged in the course of this unhappy decade. This decline was in fact exacerbated by the budget rigors of the middle- and late 1970s and stagflation. The cost of modern capital ships and aircraft soared at the very moment when the Soviets seemed ready to engage in a major naval arms race.

The long episode of stalemated fighting in Southeast Asia and associated frustrations within American society also reverberated on board with racial conflict and a collapse of command and obedience. The same problems of command and discipline that wracked the Army in the matter of race relations and good order generally hardly vanished once the war ended in 1973. The reforms enacted by Elmo Zumwalt in the 1970s remedied many of these problems, but the newest version of the interwar “gun club”—the attack carrier admirals in the school of Arthur Radford—loathed Zumwalt and decried most of the national strategic decisions that unfolded during the rest of the decade to the harm of a capital ship Navy with an offensive strategy.

This friction became highly public in the Pentagon and the halls of Congress in the late 1970s. As a result, the Navy’s needs were discounted by those who wrote the budget in an epoch of austerity and stagnation. This internal discord about naval strategy contrasted to the more or less unified purpose found in the post-Vietnam U.S. Army, which embraced the all-volunteer force and modernization of the force to fight and win a Soviet onslaught in Central Europe. The Army benefited from the decision to modernize conventional forces in NATO amid the strategic assumption that the nuclear threshold had to be raised. The belief that any all-out war in the 1970s would be short and sharp, also worked against the Navy. Few believed that a confrontation along the Central Front would stalemate in a long war of attrition that would give the Navy an opportunity to alter the course of a land war through an extended campaign at sea. To many, the Navy would be relegated to convoy duty in a future war with the Soviets.

By the time this lost decade slid to its low points in 1979, which were punctuated by the Iranian hostage crisis, the Desert One disaster and the Soviet invasion of Afghanistan, Navy leaders had made the grave error of viewing maritime strategy as nothing more than a chart of red and blue ship diagrams arrayed against one other on the seven seas. That is, strategy was nothing more than force structure and weapons, which, in this case, the authors of naval strategy assumed would be governed by the vagaries of civil-military relations.

The year 1979 witnessed an acute disassociation of means and ends and of the aims of the naval leadership from national policy. Preservation of the carrier construction program became the be all and end all of Navy strategy. The Navy was becoming disconnected from national policy by pushing what appeared to many to be unaffordable weapons, while turning a blind eye to the lack of interest in the body politic that in earlier times had taken a keen interest in sea power and supported the idea and the strategy in American democracy.

Conclusion

It would take a new President and a new Secretary of the Navy to re-integrate Navy strategy into national strategy. Nevertheless, as this brief survey demonstrates, the fortunes of the Navy, to say nothing of Naval strategy, are cyclical. In a sense, changes in the diplomatic, political, economic, and even technological setting outpace the ability of the Navy to adjust to new strategic landscapes. The real irony is that just as the Navy often reaches some pinnacle of operational or technological supremacy, something changes in the external environment to render this supremacy superfluous, Naval officers are then forced to scramble to adjust to new strategic realities, leaving behind preferred strategies and force structures constructed at enormous human effort and great cost. When it comes to Navies, planning cycles are indeed long; changes of course rarely occur before crises force a fundamental reassessment of organizational preferences.

There are successes in each of these cycles. These successes were created by visionaries who championed new technologies and operations at the expense of Navy organizational culture and preferences. The fact that the Navy already possessed the aircraft carrier, the successor to the capital ship of the day, before the battleship was rendered virtually obsolete is an observation that should give contemporary strategists pause. Contemporary strategists would also do well to consider that an inability to link force structure to emerging political, economic and military developments was at the heart of all of the crises surveyed in this paper. Admittedly, changes in force structure followed each of these crises, but changes in strategic outlook were necessary before officers could find away to link Navy strategy to national preferences and objectives. The trick for strategists today would be to anticipate our changing strategic landscape so that Naval strategy, and a more slowly changing Navy force structure, can keep pace with emerging threats and national strategy.

Takeaways and Preliminary Recommendations

A Way Forward: The Navy Strategic Enterprise

Goal: Greater “fidelity and synergy” in “developing, engaging, and assessing Navy strategy.”

Elements:

- Series of meetings create forums for discussion among stakeholders
 - Senior Executive Group (3- and 4-star) to meet quarterly. Co-chaired by N3/5B and PNWC
 - Strategy Oversight Group (1- and 2-star, SES) to meet monthly. Chaired by N51.
 - Three Action Officer Groups (O-5/6 or civ equivalent)
- Strategy subspecialty code improves talent pool
 - Received through education or relevant experience
 - Approx. 70 URL billets designated; officers will remain due-course
- Development of NKSIL (Navy Key Strategic Issues List)
- Mentoring program

We strongly recommend this initiative be resourced appropriately and given highest priority. Improved educational opportunities, more coherent manning of billets, and better coordination across the Navy and OPNAV is the best way to fix structural problems. The Navy Strategic Enterprise Initiative is clearly a vehicle to accomplish this recommendation and is making progress along several of these elements.

Recommendation 1: Codify PPBE Planning Process

- Codify and publish OPNAV planning guidance, signed by CNO or SECNAV
- Narrow the scope of N51 planning guidance
 - Prioritize based on strategy and senior leadership policy priorities
 - Focus *only* on the top 5-10 areas where no additional risk can be assumed and 5-10 areas where the Navy can reduce potentially legacy capabilities – and prioritize within these areas
 - Plans *must* be cost-conscious
- Mandate the release of cost-informed planning priorities before N81’s Front-End Assessment process kicks off
- **More coherent N51 planning guidance will:**
 - Link policy and strategy to outputs
 - Enable measurable policy influence on the POM build

Recommendation 2: Improve Planning-Programming Coherence

- Use Naval Strategic Enterprise Action Office Groups to improve communication with N81 and N80 and to gather input for planning guidance development
- N51 needs to maintain an active role in the PPBE process throughout the POM after planning priorities have been released
 - Formalize an N51 O-6 position to advocate for strategic guidance and maintain N51’s input throughout the POM cycle

- N51 must continuously review planning assumptions and financial cost projections to ensure any modifications are expressed in N8's programs
- After POM build is complete, conduct assessment on degree to which planning priorities were integrated
- N3/N5 to provide costed policy priorities to the N8 and N9I in the creation of 30 Year Shipbuilding and Aviation Plans
- Use Navy Strategic Enterprise Initiative to gather “new thinking” into planning process

Recommendation 3: Resolve Human Capital Issues

Within N51:

- Mandate the end of 1-down filling of billets in N51
 - Unlike N80 and N81, N51's staff is heavily skewed toward junior officers; a distribution of capabilities that must be reviewed with the objective of creating greater balance between the two directorates
- Improve talent management within N51
 - Newly-created Strategy subspecialty-coded officers must be tracked and recapitalized by N51 itself – N51 cannot rely on BUPERS to do this

Within Navy Strategy Community:

- The Naval War College, particularly the Center for Naval Warfare Studies (CNWS); Center for Naval Analyses; and the Naval Postgraduate School can offer N51 institutional memory and outside input into strategic planning and strategy development.
- The NKSIL, sponsored studies, and NPS/NWC strategy students should be used to seek answers to questions N51 does not have the bandwidth to address.

Recommendation 4: Codify Strategy Development Process

- Determine best practices from previous efforts to develop high-level strategies, particularly recently-concluded CS21 effort.
- Develop roadmap for future strategy development efforts based on a sound, structured approach to thinking about the future geopolitical, security, and economic environment.
- Implement intellectually rigorous, ongoing effort to monitor strategic environment to determine when current, published strategy should be revisited.
- Utilize Navy Strategic Enterprise Initiative to search for “new ideas” to inform Navy Strategy.

Appendix A: Research Team Member Biographies

James A. Russell serves as Associate Professor in the Department of National Security Affairs at NPS, where he is teaching courses on Middle East security affairs, US foreign policy, and national security strategy. His articles and commentaries have appeared in a wide variety of media and scholarly outlets around the world. His latest articles are, “Nuclear Reductions and Middle East Stability: Assessing the Impact of a Smaller Nuclear Arsenal,” *Nonproliferation Review* 20, No. 2 (July 2013) and “Counterinsurgency American Style: Considering David Petraeus and 21st Century Irregular War,” *Small Wars and Insurgencies* 25, No. 1 (January 2014). His latest books are *Military Adaptation in Afghanistan* (Palo Alto: Stanford University Press, 2013), co-edited with Theo Farrell and Frans Osinga and *Innovation Transformation and War: US Counterinsurgency Operations in Anbar and Ninewa Provinces, Iraq, 2005-2007* (Palo Alto: Stanford University Press, 2011). From 1988-2001, Mr. Russell held a variety of positions in the Office of the Assistant Secretary Defense for International Security Affairs, Near East South Asia, Department of Defense. During this period he traveled extensively in the Persian Gulf and Middle East working on U.S. security policy. He holds a Master’s in Public and International Affairs from the University of Pittsburgh and a Ph.D. in War Studies from King’s College, the University of London.

James J. Wirtz is Dean, School of International Graduate Studies, and Professor in the Department of National Security Affairs, Naval Postgraduate School, Monterey, California. He is editor of the Palgrave Macmillan series, *Initiatives in Strategic Studies: Issues and Policies* and section chair of the Intelligence Studies Section of the International Studies Association. He joined the Naval Postgraduate School in 1990 after teaching at Franklin & Marshall College, Penn State University, and the State University of New York, Binghamton. Between January 2000 and January 2005 he served as the Chair of the Department of National Security Affairs. He is a past president of the International Security and Arms Control Section of the American Political Science Association. In 2005 he was a Visiting Professor at the Center for International Security and Cooperation, Stanford University. His work on intelligence, deterrence, the Vietnam war and military innovation and strategy has been published in *Air Power Journal*, *Annual Review of Political Science*, *Comparative Strategy*, *Contemporary Security Policy*, *Defense Analysis*, *Harvard International Review*, *Intelligence and National Security*, *International Journal of Intelligence and Counterintelligence*, *International Security*, *International Studies Notes*, *Joint Forces Quarterly*, *National Security Studies Quarterly*, *Orbis*, *Political Science Quarterly*, *SAIS Review*, *Security Studies*, *Strategic Review*, *Strategic Survey*, *Studies in Intelligence*, *The Nonproliferation Review*, *Terrorism and Political Violence*, and *The Journal of Strategic Studies*. He teaches courses on nuclear strategy, international relations theory, and intelligence. Dean Wirtz is currently working on a monograph, entitled *Theory of Surprise* and edited volumes on complex deterrence, intelligence for homeland security, and the future of proliferation. A native of New Jersey, Dean Wirtz earned his degrees in Political Science from Columbia University (MPhil 1987, PhD 1989), and the University of Delaware (MA 1983, BA 1980). In 1985-86 he was a John M. Olin Pre-Doctoral Fellow at the Center for International Affairs, Harvard University.

Donald Abenheim joined the NPS faculty in 1985. He is Academic Associate for Strategic Studies and an Associate Professor of National Security Affairs. Since 1987, he has been a visiting scholar at the Hoover Institution at Stanford University, where he received his Ph.D. in European history in 1985. He helped to create the Center for Civil Military Relations (CCMR) in 1993, and led its successful Expanded International Education and Training (E-IMET) European programs until 2000. He presently represents CCMR to the Consortium of NATO and Partnership for Peace Defense Academies. From 1994 until 2000, he organized seminars in the civil-military relations of NATO Enlargement at HQ, NATO, Poland, Czech Republic, Slovakia, Hungary, Croatia, Romania, Austria and Georgia. The author of the monograph, *Reforging the Iron Cross: The Search for Tradition in the German Armed Forces* (Princeton, 1988), his most recent publications have appeared in the *Oxford Companion to Military History* (2000) (NATO and German military history) as well as in *Orbis* (Vol. 46, 1, Winter 2002) and the *Hoover Institution Digest* (Winter/Spring, 2003) on the evolution of NATO policy and strategy from a historical perspective. Prior to his role in the advent of CCMR, he consulted with the strategic directorates of the army and navy staffs, as well as with the Office of Net Assessment. He lectures widely in Germany, Austria and Switzerland, and has been interviewed by such international media as the *International Herald Tribune*, *Die Zeit*, and the *Los Angeles Times* on questions of contemporary policy and strategy. Before the completion of his doctoral studies in 1985, he was a civilian staff member of U.S. Army, Europe as a liaison to the Bundeswehr in alliance burden sharing; an archivist at the Hoover Institution on Germany in the 20th century; and a museum curator at the Presidio of San Francisco on the U.S. Army in the 19th and 20th centuries and military regalia.

CAPT (ret.) Jeffrey Kline served as a U.S. Naval officer for twenty six years. In his career he commanded two ships, served as a naval analyst on the Office of the Secretary of Defense staff, and had various fleet tours. His graduate degrees are from the Naval Postgraduate School in Operations Research (with honors), and the National War College in National Security Strategy (Distinguished Graduate.) Jeff is currently a Professor of Practice in the Operations Research department. Jeff supports applied analytical research in maritime operations and security, theater ballistic missile defense, and future force composition studies. He has served on several Naval Study Board Committees. His NPS faculty awards include the 2011 Institute for Operations Research and Management Science (INFORMS) Award for Teaching of OR Practice, 2009 American Institute of Aeronautics and Astronautics Homeland Security Award, 2007 Hamming Award for interdisciplinary research, 2007 Wayne E. Meyers Award for Excellence in Systems Engineering Research, and the 2005 Northrop Grumman Award for Excellence in Systems Engineering.

Christopher P. Twomey joined the faculty of the Department of National Security Affairs as an Assistant Professor in November 2004 and was granted tenure and promoted to Associate Professor in July 2011. He served as Associate Chair for Research in the department and as Director of the Center for Contemporary Conflict from 2007-09. In March 2010 he was named Research Fellow with the National Asia Research Program at the National Bureau of Asian Research. He previously spent two years as an Adjunct Assistant Professor and Instructor in the Political Science Department at Boston College (2003-04). He received his Ph.D. in Political Science at the Massachusetts Institute of Technology. He earned a Master's degree from the Graduate School of International Relations and Pacific Studies at the University of California,

San Diego (UCSD) in 1993. He received his B.A. from UCSD in Economics in 1990. His research interests center on security studies, Chinese foreign policy, modern nuclear affairs, strategic culture, statecraft, and East Asian security in theory and practice. His book entitled *The Military Lens: Doctrinal Differences and Deterrence Failure in Sino-American Relations* was published by Cornell University Press in 2010. It explains how differing military doctrines make diplomatic signaling, interpretations of those signals, and assessments of the balance of power more difficult. It then tests this explanation through examination of several deterrent attempts between China and the United States in the early Cold War and shorter cases drawn from the Middle East conflicts in the mid-Cold War. His edited volume entitled *Perspectives on Sino-American Strategic Nuclear Issues* (Palgrave Macmillan) was published in 2008, and he co-edited *Power and Prosperity: The Links between Economics and Security in Asia-Pacific* (Transaction/Rutgers University Press) in 1996. Among his recent articles are: "Asia's Complex Strategic Environment: Nuclear Multipolarity and Other Dangers," *Asia Policy*, 11 (January 2011): 51-78; "Chinese-U.S. Strategic Affairs: Dangerous Dynamism," *Arms Control Today*, vol. 39, no. 1 (January/February 2009); and "Lacunae in the Study of Culture in International Security," *Contemporary Security Policy* 29, no. 2 (Aug 2008).

Diana Wueger is a research associate with the Center on Contemporary Conflict at the Naval Postgraduate School, where she has worked on a range of sponsored research projects related to strategic stability, nuclear and naval strategy, limited war, US-Russian relations, and South Asian security and deterrence dynamics. She has recently completed her Master's degree in National Security Affairs, with a curricular focus in Strategic Studies. Her Master's thesis examined the theoretical foundations of sea-based deterrence with an eye toward understanding the regional security implications of India's efforts to develop a ballistic missile submarine fleet. In addition to her work at NPS, Diana has written on a range of international security and small arms issues for numerous publications, both print and online, including *Democracy Journal*, *The Atlantic*, *United Nations Dispatch*, and *Aviation Week: Defense Technology Edition*. Prior to joining NPS, Diana worked in Washington, DC for the Brookings Institution and the Center for the Study of Services in institutional and business development. She is a graduate of Oberlin College, where she earned High Honors in Politics for her thesis on small arms proliferation dynamics after the Cold War.

Thomas-Durell Young is the Program Manager for the Europe Center for Civil-Military Relations (CCMR) at the Naval Postgraduate School. He is also Academic Associate for the Comparative Defense Planning Certificate in the Department of National Security Affairs. His responsibilities at CCMR are to develop and manage the execution of defense planning and management assistance projects throughout Central and Eastern Europe. Some of the key reform projects he has managed include the oversight of comprehensive defense planning reform projects in Estonia (2000-2002), Ukraine (2003-present), Moldova (2004-2008), Bulgaria (2008-2011), Serbia (2010-present), and Montenegro (2011-present). He developed and executed the Office of the Secretary of Defense's Defense Institution Building survey and road-map development process from 2008-2010. From spring 2010 to the end of 2011, Dr. Young led a major effort to support Bulgarian Defense Minister Anyu Angelov in the conduct of a far-reaching Bulgarian Force Structure Review that sought to transform the defense organization into one that is in full accordance with NATO nations' norms. Dr. Young also holds the position of Staff Consultant at the RAND Corporation (Santa Monica) where he assesses defense

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STUDENT RESEARCHERS

LT Benjiman D. Coyle is currently an instructor at the Surface Warfare Officers School in Newport, RI. Raised in Reno, Nevada, LT Coyle graduated from the University of Nevada in 2005 with a BA in Criminal Justice. In 2008, he earned a commission from OCS. His first tour was aboard USS PREBLE (DDG 88), where he served as the Strike Officer. His second tour was on USS GRIDLEY (DDG 101) as the damage control assistant. Following two successful sea tours, he attended the Naval Postgraduate School, where he earned a Master's Degree in Strategic Studies and completed JPME Phase 1.

LTJG Barry Scott is enrolled at the Naval Postgraduate School in Monterey, CA for a Master's degree in Strategic Studies, and is currently serving as a Director Fellow in the Chief of Naval Operations' Strategic Studies Group at the Naval War College in Newport, RI. He enlisted in the Navy in 2005 and joined Naval Special Warfare. In 2010, he earned a commission from Officer Candidate School in Newport, RI. LTJG Scott has deployed twice in support of OPERATION ENDURING FREEDOM, and served in special projects for the State Department. LTJG Scott was born in Hillsboro, OR. He earned a Bachelor's degree in Political Science from the University of Oregon in 2000, and attended the Executive Program in Strategy & Organization at Stanford University in 2012.