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ROUTING AND TRANSMITTAL SLIP		Date
		7 APR 86
TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. EXO/DDA	ELL	7 April
2. ADDA	[Signature]	2 APR 1986
3. DDA	[Signature]	2 APR 1986
4. DA/PLANS	MES [Signature]	4/7
5. DA/MS	[Signature]	
Action	File	Note and Return
Approval	For Clearance	For Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

6. DDA REGISTRY

Chairman, NIC HAS ACTION.

cc: ~~D/OL~~ } done 4/7/86

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FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg:
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U.S.G.P.O.: 1983-421-529/320

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

**EXECUTIVE SECRETARIAT
ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC	X			
10	GC		X		
11	IG		X		
12	Compt		X		
13	D/OLL		X		
14	D/PAO		X		
15	D/PERS		X		
16	VC/NIC		X		
17	NIO/SP		X		
18	NIO/GPF		X		
19	ES		X		
20					
21					
22					
		SUSPENSE		10 APR 86	
				Date	

Remarks To 9: Please note action p2 re net assessments. As SecDef is to recommend procedures for accomplishing this to NSC and OMB by 1 July, please prepare recommendation/talking points for DCI to raise with SecDef as next weekly meeting for agreed joint course of action.

4 April 86
Date

3637 (10-81)

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THE WHITE HOUSE
WASHINGTON

Executive Registry
86- 1364x

UNCLASSIFIED with
SECRET attachment

April 1, 1986

DDA REGISTRY

FILE: 100-12



MEMORANDUM FOR THE VICE PRESIDENT
 THE SECRETARY OF STATE
 THE SECRETARY OF THE TREASURY
 THE SECRETARY OF DEFENSE
 THE ATTORNEY GENERAL
 THE DIRECTOR, OFFICE OF MANAGEMENT
 AND BUDGET
 THE DIRECTOR OF CENTRAL INTELLIGENCE
 THE CHAIRMAN, JOINT CHIEFS OF STAFF
 THE DIRECTOR, OFFICE OF SCIENCE AND
 TECHNOLOGY POLICY
 THE ADMINISTRATOR, GENERAL SERVICES
 ADMINISTRATION

SUBJECT: Implementation of the Recommendations of the Blue
Ribbon Commission on Defense Management (U)

The President has approved the attached Directive implementing those recommendations of the Commission on Defense Management that can be carried out through Executive action.

FOR THE PRESIDENT:

John M. Poindexter

Attachment
NSDD -219

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THE WHITE HOUSE

WASHINGTON
April 1, 1986SECRET*National Security Decision
Directive Number 219*IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
PRESIDENT'S COMMISSION ON DEFENSE MANAGEMENT (U)

This directive outlines the steps I have approved for the implementation of the initial recommendations of the Commission on Defense Management. I expect the Commission to make additional recommendations which I will evaluate in due course and to elaborate on those it has already made, as required. We must, however, be especially mindful of the need to move quickly and decisively to implement those changes that the Secretary of Defense and I have approved to date. (U)

I. National Security Planning and Budgeting (U)

The current Department of Defense planning, programming, and budgeting system (PPBS) is a sophisticated and effective process for the allocation of defense resources. Effective planning is a key element of PPBS. In striving to achieve the objectives of our five-year defense program within a constrained resource environment, the requirement for stable and effective planning is becoming even more important. The planning process requires that we consider the entire scope of national policies and priorities. (U)

In this regard, I have determined that defense planning should convey the initial guidance from senior civilian and military officials to those required to implement such guidance by: 1) the NSC reviewing our national security strategy to determine if changes are required; 2) strengthening the process through which I provide policy and fiscal guidance to the Department of Defense; and 3) enhancing the role of the Chairman of the Joint Chiefs of Staff in the resource allocation process. (U)

NSDD-32 and supporting documents will be reviewed by the National Security Council to assess the need for any appropriate and necessary modifications. This review will begin as soon as possible and extend no more than 60 days beyond the date of this directive. The NSC will then report to me on the need for any adjustments to current national security strategy. (S)

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The NSC, with the advice and assistance of the Office of Management and Budget, will develop revised schedules and procedures to improve the integration of national security strategy with fiscal guidance provided to the Department of Defense. Toward this end, within 90 days of the date of this directive, the Secretary of Defense shall recommend to the NSC and OMB procedures for: (U)

A) the issuance of provisional five-year budget levels to the Department of Defense. Those budget levels would reflect competing demands on the federal budget and gross national product, and revenue projections; (U)

B) a military strategy to support national objectives within the provisional five-year budget levels. Such strategy would include broad military options developed by the Chairman with the advice of members of the JCS and the Commanders of the Combatant Commands; (U)

C) a net assessment of U.S. and Allied Forces as compared with those of possible adversaries. This net assessment will be used to evaluate the risks associated with various strategic options. Such net assessment will be prepared by the Secretary of Defense, the Director of Central Intelligence, and the Chairman of the JCS (with the assistance of the Joint Chiefs of Staff); (C) and

D) selection by the President of a military program and the associated budget level. (U)

The NSC and OMB will ensure that such procedures are fully in place prior to the beginning of the budget cycle for Fiscal Year 1989. In the meantime, the Secretary of Defense will ensure that improvements to the planning process, which result from the guidance above, are integrated with the preparation of the Fiscal Year 1988 defense budget to the greatest possible extent. In addition, OMB and DOD will undertake the appropriate steps necessary to produce a two-year defense budget for Fiscal Years 1988-89. (U)

My objective is to improve and stabilize strategic planning at the highest level, so that public and congressional debate can be elevated and brought to bear on these larger questions of defense policy. (U)

II. Military Organization and Command (U)

I fully endorse the recommendations of the Commission concerning military organization and command. To continue to

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strengthen command, control, and military advice, the following measures will be undertaken:

A. Within 90 days of this directive, the Secretary of Defense will report to me concerning changes to appropriate DOD Directives undertaken to increase the effectiveness of communications between the Secretary of Defense and the Combatant Commanders. Such changes shall include improved procedures for the Chairman of the JCS to: (U)

(1) channel the reports of the Combatant Commanders to the Secretary of Defense, subject to the direction of the Secretary, so that the Chairman may better incorporate the views of the Combatant Commanders in his advice to the President and the Secretary; and (U)

(2) channel to the Combatant Commanders the orders of the President and the Secretary of Defense. (U)

B. Within 180 days of the date of this directive, the Secretary of Defense will report to me on revisions made to Joint Chiefs of Staff Publication #2 (Unified Action Armed Forces), the Unified Command Plan, and any other such publications and directives as may be necessary to accomplish the following: (U)

(1) to provide broader authority to the Combatant Commanders to structure subordinate commands, joint task forces and support activities, subject to the approval of the Secretary of Defense; (U)

(2) to provide options in the organizational structure of Combatant Commands to accommodate the shortest possible chains of command consistent with proper supervision and support, which the Secretary of Defense may implement during contingencies short of general war; (U)

(3) to provide increased flexibility to deal with situations that overlap the current geographical boundaries of the Combatant Commands; and (U)

(4) to ensure the continuing responsiveness of the Combatant Commands to current and projected national security requirements. (U)

I also support the recommendation of the Commission that the current statutory prohibition on the establishment of a single Unified Command for transportation be repealed. Assuming this provision of law will be repealed, the Secretary of Defense will take those steps necessary to establish a single Unified Command to provide global air, land, and sea transportation. (U)

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SECRET**III. Acquisition Organization and Procedures (U)**

To continue to improve acquisition management, the following measures will be undertaken:

A. Within 60 days of the date of this directive, in anticipation of the enactment of legislation establishing a level II position of Under Secretary of Defense for Acquisition, the Secretary of Defense will issue a DOD Directive outlining the roles, functions, and responsibilities of the Under Secretary of Defense for Acquisition. The Under Secretary of Defense for Acquisition, who should have a solid industrial background, will serve as the Defense Acquisition Executive. The existing Defense Acquisition Executive will immediately begin implementation of these actions pending the passage of a bill authorizing appointment of a new USD(A) as contemplated by the Packard Commission. The Directive will encompass the following:

- (1) definition of the scope of the "acquisition" function; (U)
- (2) responsibility for setting policy for procurement and research and development; (U)
- (3) supervision of the performance of the entire department acquisition system; and (U)
- (4) policy for administrative oversight of defense contractors. (U)
- (5) develop appropriate guidance concerning auditing of defense contractors. (U)

B. Within 60 days of the date of this directive, in anticipation of enactment of legislation to establish the position of Under Secretary of Defense for Acquisition, the Secretary of Defense will direct the Secretaries of the Military Departments to prepare Military Department Directives establishing Service Acquisition Executives. The Service Acquisition Executives, acting for the Service Secretaries, will appoint Program Executive Officers (PEO) who will be responsible for a reasonable and defined number of acquisition programs. Program managers for these programs would be responsible directly to their respective PEO and report only to him on program matters. Thus, no program manager would have more than one level of supervision between himself and his Service Acquisition Executive, and no more than two levels between himself and the Department of Defense Acquisition Executive. Each Service should retain flexibility to shorten

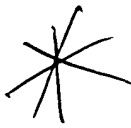
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this reporting chain even further, as it sees fit. By this means, DOD should substantially reduce the number of acquisition personnel. (U)


 C. The Administration should work with the Congress to recodify all federal statutes governing procurement into a single government-wide procurement statute. This recodification should aim not only at consolidation, but more importantly at simplification and consistency. Within 120 days of this directive, the Director of OMB should submit a legislative initiative to me that accomplishes the needed consolidation, simplification and consistency. In preparing this initiative, OMB should work with the DOD and all other appropriate Federal Agencies. (U)

 D. Within 60 days the Secretary of Defense shall report to me on measures to strengthen personnel management policies for civilian managers and employees having contracting, procurement or other acquisition responsibilities. (U)

E. Within 45 days of this directive the Secretary of Defense shall establish procedures which call for the Joint Requirements Management Board (JRMB) to be co-chaired by the Under Secretary of Defense (Acquisition) and the Vice Chairman of the JCS. These procedures should call for the JRMB to play an active and important role in all joint programs and in appropriate Service programs by defining weapons requirements, selecting programs for development, and providing thereby an early trade-off between cost and performance. The JRMB will conduct its activities under the general supervision of the Secretary of Defense and in coordination with the Defense Resources Board. (U)

 F. Within 90 days after the appointment of the Under Secretary of Defense for Acquisition, the Secretary of Defense shall report to me on measures, already taken or to be taken, to enhance the cost-efficiency, quality, and timeliness of procurements. (U)

IV. Government, Industry, Accountability (U)

 Within 90 days of the date of this directive, the Secretary of Defense shall begin implementation and report to me on the implementation of the recommendations of the President's Commission on Defense Management relating to Government/Industry accountability. Steps taken in this regard should not, however, reduce the Department's ability to monitor and audit contractor performance and procedures. (U)

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V. Reporting and Coordination (U)

This NSDD contains numerous actions, plans, and implementation procedures. In order to keep me fully informed on the progress of these events, the Secretary of Defense will advise me regularly on implementation progress. (U)

Ronald Reagan

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