



Chapter Title: Introduction

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Introduction

Background

Current national policy, as described in the January 2012 Defense Strategic Guidance (DSG), calls for small-footprint, low-cost approaches where possible to ensure U.S. security in a 21st-century world of transnational threats.¹ In response to the DSG, United States Special Operations Command (USSOCOM) has developed the Global SOF [Special Operations Forces] Network (GSN) concept, which calls for increased forward presence by SOF and envisions building cooperative relationships with partner countries to deter future threats and to respond more effectively to emerging threats.² The GSN concept posits that increasing SOF forward presence and creating networks will enable USSOCOM to deepen existing partnerships and establish new ones with like-minded organizations and countries and thus obtain greater insight into conditions on the ground, more effectively shape the environment, and better enable local SOF partners to meet security threats. Building and employing a GSN and strengthening partners form the core of the concept.

The GSN concept outlines a general vision. USSOCOM asked RAND to develop and apply an approach for developing options to implement that concept.³ Because realizing USSOCOM's vision, if it is supported, may require modifications to command and control arrangements and Department of Defense (DoD) funding and budgeting processes, USSOCOM also asked RAND to investigate whether and what kind of changes to command and control arrangements or DoD funding and budgeting processes might be needed for effective execution of the concept.

¹ Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, Washington, D.C., January 2012.

² U.S. Special Operations Command, *The Global SOF Network*, March 22, 2012.

³ The results of the posture aspects of the study are summarized in Thomas S. Szayna and William Welser IV, *Developing and Assessing Options for the Global SOF Network*, Santa Monica, Calif.: RAND Corporation, RR-340-SOCOM, 2013.

If approved, USSOCOM's GSN concept comprises three main elements:

1. Improve the special operations capabilities available to the Geographic Combatant Commands (GCCs) by augmenting the Theater Special Operation Command (TSOC) resources, capabilities, authorities, and force structure.
2. Ensure that DoD policies and authorities enable USSOCOM to be effective as a functional combatant command with global responsibilities.
3. In collaboration with U.S. interagency partners, build and employ a GSN that is enhanced and strengthened with willing and capable partner-nation SOF.

The GSN concept is intended to raise the role of SOF in the U.S. global posture and represents an ambitious long-term vision of SOF and their role in protecting U.S. interests. It emphasizes the strengths of SOF in supporting the objectives of GCCs in their respective Areas of Responsibility (AORs). In accordance with the DSG, a key attribute is the ability of SOF to gain situational awareness and build the capabilities of local forces, with a small footprint⁴ and at a low cost (relative to the cost of general-purpose forces).

It is likely that the GCCs, in accordance with guidance received from the President and the Secretary of Defense, will generate requests for unplanned activities and operations, some of which will be in response to unanticipated events. Such events by definition fall outside of planned and programmed activities. It will fall to the TSOCs not only to plan operational support requirements in response to validated unfunded and/or unbudgeted (referred to as unfunded)⁵ requirements but also to negotiate with a variety of stakeholders to secure the funding necessary to execute them. The principal problems addressed in this report concern disputes over institutional responsibility to pay; complexity, both in resolving disputes and in securing appropriate funding; and the tension between congressional appropriations on one hand and the availability of funding for the tasks at hand on the other. The disputes are often based on complex issues of law and administrative practices that are not well understood at various points in the decision process and that seem to loom throughout the process, beginning with the Statement of Requirements drafted by the TSOC. The Statement of Requirements identifies both SOF-peculiar and Service-common requirements to support the operation being planned. These requirements are validated through normal staff processes. In principle, USSOCOM is responsible for the SOF-peculiar goods and services, and the Service or its Service component com-

⁴ Department of Defense, 2012.

⁵ In this report, *unfunded* refers to both unprogrammed or unbudgeted requirements. Unprogrammed requirements are those that have emerged since the beginning of the current budget year; unbudgeted requirements are those that were known but priorities precluded their funding.

mand (or several of them) is tasked with providing funding for Service-common support, including base operating support (BOS). The taskings are staffed carefully, and the Military Departments (MILDEPs) or component commands play integral roles in the staffing and may ultimately “chop” (concur) on the taskings. However, funding disputes may arise even after “chopping” on the details of funding, and headquarters (HQ) may push back. At that point, staff officers try to resolve the impasse. When they fail to do so, the matter escalates to the Under Secretary of Defense (Comptroller) [USD(C)], where it is decided; the Office of the Secretary of Defense (OSD) then directs the manner for funding the required goods and services. This study presents potential options for reducing dispute numbers and duration.

History of Theater Special Operations Commands

This section describes the origins and evolution of the TSOCs,⁶ how their funding evolved, and the current state of such funding.

Origins of the TSOCs

The TSOCs evolved idiosyncratically, although along similar trajectories. Several began as the Special Operations divisions of the theater J-3,⁷ but most developed from standing task forces (e.g., Joint Unconventional Warfare Task Forces) and became functional component commands beginning in 1983; they then became subunified commands of their GCCs in 1986.⁸ Variances in developmental paths, differences in staff capabilities along the way, and the quality of relationships with their parent commands affected the planning, programming, and budgeting (PPB) capabilities that eventually developed within the individual TSOCs.⁹ In turn, these command relationships and capabilities have shaped the TSOCs’ operational awareness and influence over their financial situation.

On April 16, 1987, USSOCOM was established as a unified combatant command pursuant to Pub. L. No. 99-443 and as directed by a Joint Chiefs of Staff (JCS) message, JCS Msg 142324Z Apr 87.¹⁰ Under 10 U.S.C. § 167, USSOCOM was assigned several responsibilities and authorities, including the development and acquisition of

⁶ We refer to these organizations as TSOCs throughout, although in 1989, they were still primarily Special Operations Divisions or task forces.

⁷ Chairman, Joint Chiefs of Staff Instruction 4320.01, Enclosure A, paragraph 1(a).

⁸ CAPT Mike Jones, “Theater Special Operations Command Resourcing,” TSOC Desk Officer briefing, USSOCOM, undated.

⁹ Wayne W. Anderson, Jr., *Alternative Headquarters Support Funding for Theater Special Operations Commands*, Monterey, Calif.: Naval Postgraduate School, thesis, December 2002.

¹⁰ Jones, undated.

SOF-peculiar equipment and the acquisition of SOF-peculiar materials, supplies, and services. In August 1987, the Secretary of Defense issued a message reorganizing the SOF.¹¹ After that date, the Service Special Operations Commands would be resubordinated to USSOCOM. However, the TSOCs remained subordinated to their respective GCCs.

Evolution of TSOC Funding

Originally, since the TSOCs were constituent parts of the GCCs' staffs, the operating costs were paid by their theater combatant commands. With the creation of USSOCOM and the development of the TSOCs as subunified commands, funding provisions evolved.

Before November 1989, all SOF funding—Major Force Program 11 (MFP-11) and other funding—was included in the MILDEP budgets. This funding provided for the support of USSOCOM and its subordinate commands (e.g., the United States Army Special Operations Command [USASOC], the Air Force Special Operations Command [AFSOC], and the United States Naval Special Warfare Command [NAVSPECWARCOM]). No MFP-11 funding was allocated for the TSOCs.

With the promulgation of Program Budget Decision (PBD) 731C in December 1989, control of baseline MFP-11 funding moved from the MILDEPs to USSOCOM. Service-common and BOS funding were not included in this functional transfer, nor was funding for the TSOCs. Next, a Defense Conference Report effective in fiscal year (FY) 1992 pursuant to Pub. L. 102-190, National Defense Authorization Act for Fiscal Years 1992 and 1993, moved all funding associated with the TSOCs to MFP-11.¹² A memo from the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict (ASD SO/LIC) directed that funding arrangements for the TSOCs not be different from those for funding other SOF commands with MFP-11 dollars.¹³ The arrangement that prevails today thus took shape: MFP-11 funds are controlled by HQ USSOCOM and used for its subordinated Service-component HQ activities (AFSOC, USASOC, NAVSPECWARCOM). Funding for goods, services, and activities that are not SOF-peculiar was to be provided by MILDEP executive agents, the forerunner of today's combatant command support activities. Several more modifications to funding procedures occurred—PBD 623 (FY 1993), PBD 744 (FY 1994), USD(C) Memo directing implementation of the Planning, Budgeting and Adminis-

¹¹ SECDEF msg 241808Z Feb 87, "Reorganization of DoD Special Operations," in Jones, undated. The message identified service component commands assigned to USSOCOM as USASOC, AFSOC, and Naval Special Warfare Command. Joint Special Operations Command was reassigned in a separate message.

¹² U.S. Congress, Defense Conference Report, H. Rept. 102-311, 1991.

¹³ Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict and Interdependent Capabilities, ASD SO/LIC Memo, July 10, 1992.

trative System¹⁴—but none of them transferred responsibility or authority for funding Service-common and BOS goods and services from the MILDEPs to USSOCOM; to do otherwise would have made Service-common and BOS reimbursement arrangements more complicated and more expensive by requiring USSOCOM to account for and reimburse them on an installation-by-installation basis.

On December 19, 2000, PBD 081 was issued, confirming the responsibilities of the MILDEPs to fund Service-common and BOS requirements and closing loopholes in the use of MFP-11 funds that had begun to emerge. It directed that DoD Directive (DoDD) 5100.3 be amended to reflect that the source of funding for TSOC direct HQ support would be the supporting MILDEP. Provision of adequate funding was the responsibility of the GCC to which the TSOC was assigned. Table 1.1 summarizes the primary directives and their impacts.

The PDB also directed USSOCOM to transfer \$2.5 million per year to the Services from MFP-11 through the Future Years Defense Program (FYDP) to support the TSOCs, because the TSOCs had used MFP-11 funds to pay for common support requirements.

Table 1.1
Program Budget Decisions and Other Directives and Their Effects on USSOCOM Funding

Date	Action/Circumstance	Outcome
Pre–November 1989	MFP-11 and other SOF funding placed in MILDEP budgets	None allocated for TSOCs
December 1989	PBD 731C moves MFP-11 funds from MILDEPs to USSOCOM. Service-common funds and BOS remain with MILDEPs	None allocated to TSOCs
December 1992	PBD 623	Funding for TSOC SOF-peculiar requirements in FY 1993 budget
March 1993	PBD 744	MFP-11 funds allocated to TSOCs for SOF-peculiar requirements for FY 1994–FY 1999
February 1996	Under Secretary of Defense (Comptroller) memo directs all DoD funds to be issued and controlled through Program Budget and Accounting System	TSOCs receive direct distribution of MFP-11 funds for SOF-peculiar requirements in FY 1997
December 2000	PBD 081 directs that the MILDEP responsible for supporting a GCC is also responsible for TSOC HQ support (but does not direct a specific funding pathway)	USSOCOM directs a stop to use of MFP-11 funding for TSOC HQ support. PBD realigns MFP-11 and MFP-2 funds in accordance with a recent audit
February 2001	USSOCOM memo directs each TSOC to work with its respective GCC resourcing program to obtain support needed to operate the TSOC HQ	

¹⁴ Under Secretary of Defense (Comptroller) Memorandum, February 9, 1996.

The tightening of the distinctions between MFP-11 and Major Force Program 2 (MFP-2) placed the TSOCs in a difficult position where their PPB needs were concerned. They were now dependent upon USSOCOM for their SOF-peculiar and SOF mission requirements and on their GCCs for non-SOF-peculiar requirements. This split of responsibilities and authorities extended a long way:

- The TSOCs were dependent on their GCCs for common support items on the integrated priority list but dependent on USSOCOM for SOF mission operational items.
- For the Program Objective Memorandum (POM) and budget submissions, the TSOCs were dependent on the GCCs for management HQ and common support items but dependent on USSOCOM for SOF-peculiar and SOF mission operational items.
- For unfunded requirements (UFRs), the TSOCs were dependent on the GCCs for management HQ and common support items but dependent on USSOCOM for SOF-peculiar and SOF mission operational items.

As a further complication, each MILDEP had its own rules for governing these activities and processes.

The Current State of TSOC Funding¹⁵

Recognizing the difficulties confronting the TSOCs in securing Service-common and BOS funding from their GCCs, the Commander of USSOCOM (CDRUSSOCOM) directed the creation of a Resource Issue Support Team (RIST) to assist the TSOCs. The TSOCs can now submit their difficult resourcing and support issues through the Global Mission Support Center for vetting and resolution.¹⁶

¹⁵ The current basis for TSOC MFP-11 funding lies in four key documents: (1) 10 U.S.C. § 167, “The commander of the special operations command shall be responsible for, and shall have the authority to conduct: development and acquisition of special operations-peculiar equipment. . . . [for] Program and budget execution”; (2) DoDD 5100.1, which grants USSOCOM the authority to recruit, organize, train, and equip forces and to develop, garrison, supply, and equip and maintain bases and other installations; (3) DoDD 5100.03, which requires the MILDEPs to provide administrative and logistic support of the COCOM [combatant command] headquarters . . . and of all subordinate joint commands (which includes TSOCs, since they are subordinate, subunified, joint commands); and (4) Joint Publication 4.0, which requires that SOF (e.g., the Service SOF component commands, USASOC, AFSOC, NAVSPECWARCOM) maintain the ability to self-support for 15 days during rapid-response operations.

¹⁶ USSOCOM Fact Sheet by Macedonio Valdovinos, Special Operations for Financial Management (SOFM-MC) to prepare the USSOCOM Chief Financial Officer (CFO)/Comptroller for his upcoming meeting with the USCENTCOM J-8 (undated, but references documents dated 2011). The RIST comprises small and medium enterprises (SMEs) from OSM, SOFM, J-8 (Joint Staff Directorate for Force Structure, Resource, and

Despite the assistance provided by the RIST, the March 24, 2011, “GO/FO/SES offsite” directed the USSOCOM staff to “develop a more responsive set of procedures, processes, and mechanisms to educate and facilitate deployed SOF support requirements.”¹⁷ The offsite noted that a number of operational resourcing issues persisted:¹⁸

TSOCs lack the support to negotiate the labyrinth of funding sources and authorities and available equip/services.

Current TSOC decision cycles are often adversely impacted by lengthy and unclear budgetary processes for funding joint operations.

[TSOCs are] frequently required to seek funding from multiple sources to accomplish GCC directed task.

MILDEPs may not have sufficient resources for Service-common lines in their appropriations to support emergent TSOC operational deployments.

The current process is often too slow and complicated to allow TSOC commanders to take advantage of strategic and operational windows of opportunity.

These issues exemplify the existing challenges in the funding process.

Research Questions

RAND was asked to examine whether USSOCOM should become the Combatant Command Support Agent (CCSA) for the TSOCs and thereby consolidate responsibilities for command and control with the funding responsibilities currently held by the Services, as described in DoDD 5100.03. To respond to this request and to better understand the issues underlying funding disputes and develop options to resolve them, we used the following research steps (see Table 1.2):

1. Understand the problem
 - Interview stakeholders
 - Review budgetary documents
 - Study UFRs in MFP-2 and MFP-11
 - Explore regulatory environment, current regulations, Memoranda of Understanding (MOAs), etc.

Assessment), J-6, J-5 (Plans Directorate of a joint staff), J-4, J-3 (Operations Directorate of a joint staff), J-2, and Special Operations Research, Development and Acquisition Command.

¹⁷ USSOCOM briefing by S. George Woods, Director of Integration, “Theater Special Operations Commands (TSOC) Resourcing Issues,” July 20, 2011, p. 3.

¹⁸ Woods, 2011, p. 4.

Table 1.2
Research Design

Understand the problem	Consider the impact of GSN	Formulate courses of action
Interview stakeholders	Estimate scale of UFRs	Identify potential alternative approaches to address UFRs
Review budgetary documents	Consider impact of frequency and duration of funding disputes	Vet options with stakeholder community
Study UFRs in MFP-2 and MFP-11	Explore the potential remedies available (i.e., established financial practices that might be adopted to minimize frequency and/or duration of funding disputes)	Formulate recommendations
Explore regulatory environment, current regulations, MOAs, etc.	Examine the ability of stakeholder organizations to implement them	

2. Consider the impact of the GSN
 - Estimate the scale of UFRs
 - Consider the impact of frequency and duration of funding disputes
 - Explore the potential remedies available (i.e., established financial practices that might be adopted to minimize the frequency and duration of funding disputes)
 - Examine the ability of stakeholder organizations to implement potential remedies
3. Formulate courses of action
 - Identify potential alternative approaches to address UFRs
 - Vet options with the stakeholder community
 - Formulate recommendations

This approach included a review of the following:

1. Current laws, regulations and directives governing the relationships and responsibilities of USSOCOM, the GCCs, CCSAs, and the TSOCs, including
 - a. OSD directives and regulations, including but not limited to
 - DoDD 5100.3, Support of the Headquarters Combatant and Subordinate Joint Commands, November 15, 1999 (canceled)
 - DoDD 5100.03, Support of Combatant Commands and Subordinate Joint Commands, February 2, 2011
 - Joint Publication 1-06, *Financial Management Support in Joint Operations*, March 2, 2012
 - Joint Publication 1-02, *DOD Dictionary of Military and Associated Terms*, November 8, 2010, as amended through June 15, 2013

- DoDD 5000.71, Rapid Fulfillment of Combatant Commander Urgent Operational Needs, August 24, 2012
 - Department of Defense Instruction 4000.19, Interservice and Intergovernmental Support, August 9, 1995
 - Department of Defense Instruction 5000.02, Operation of the Defense Acquisition System
 - Memorandum, Deputy Secretary of Defense, Guidance for Developing and Implementing the Special Operations Forces Program and Budget, December 1, 1989 (Atwood Funding Guidance Memorandum)
 - DoD Financial Management Regulation 7000.14-R, Vol. 3, Chap. 19, “Working Capital Funds,” October 2008
 - DoD 7000.14-R, Vol. 2B, Chap. 9, “Defense Working Capital Funds Activity Group Analysis,” October 2008
 - Defense Finance and Accounting Service 7900.4-M, *Financial Management Systems Requirements Manual*, Vol. 20, “Working Capital Funds,” September 2011
- b. Statutes, including Title 10 of the U.S. Code and Pub. L. 112-81 (December 2011)
 - c. MOAs between the MILDEPs and USSOCOM and other MOAs entered into by DoD
2. Current processes used by the MILDEPs, USSOCOM, and the TSOCs to plan, budget, and execute operations. The study team
 - a. Examined recent TSOC funding and planning documents to understand how funding decisions are made and the extent to which TSOCs experience difficulties funding requirements
 - b. Conducted a case study of a recent unfunded initiative and challenges faced in finalizing its funding
 - c. Interviewed TSOC staff to understand how they interact with USSOCOM, the GCCs, and their CCSAs (the interviews revealed the level of financial expertise resident at the TSOC level and the challenges of financial management from the TSOC perspective)
 - d. Interviewed USSOCOM staff across multiple functions, including J-3, J-5, J-8, the Office of the Judge Advocate General, and the Office of the Comptroller, to gain their perspective on current and future challenges to more effectively supporting TSOCs.

Organization of the Report

Chapter Two describes the difficulties TSOCs have in obtaining funding. Chapter Three presents conclusions and recommendations. Appendix A provides a gen-

eral definition of MOAs and their functions and reviews and critiques three of the MOAs between USSOCOM and the MILDEPs. It also offers examples of other MOAs between DoD and other U.S. government entities. Appendix B discusses some important funding sources that are or have been available for USSOCOM operations. It provides an overview of the U.S. Defense Program and MFP-2 and MFP-11, and it describes types of funding, the sources of the funds, and the limitations on their use.