MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE
ATTN: Executive Secretariat, Defense Organization Study

SUBJECT: Departmental Headquarters and National Military Command Structure Studies

This is in response to your memorandum of 13 July 1978 in which you requested comments on the two studies.

Most of the recommendations and findings in the study reports would have little direct impact on us. Comments on those which, if adopted, would be of interest, are at Enclosure 1.

The third study you mentioned, which addresses resource management, will be of particular interest to us. We request the opportunity to review and comment on it when it is completed by Dr. Rice.

FOR THE DIRECTOR:

E. M. KOCHER
Rear Admiral, SC, USN
Assistant Director,
Plans, Programs and Systems

1 Encl
1. **Departmental Headquarters Study**

   A. Recommendation 6 (p. 63) suggests that functions recently consolidated under ASD(MR&L) are so broad in scope as to preclude effective control. We concur in this sentiment. Manpower and Logistics represent two different disciplines, each of such size, complexity and importance within DoD that they deserve the full-time attention of separate Assistant Secretaries.

   B. The findings addressed under Chapter IV, para K (p. 68), confirm the existence of two readiness reporting systems, both sponsored by JCS. Neither provides the Secretary of Defense the intelligence necessary to allocate resources to improve a given readiness condition. In this regard, we support the efforts of the DoD Readiness Management Steering Group. We strongly encourage a system that will permit a quantitative measurement of increased readiness levels directly resulting from application of more resources. We could use such a system to better identify resource requirements to support specific operation plans.

2. **National Military Command Structure Study**

   This study includes a proposal (p. 39) that the Chairman, JCS, be given a formal role in resource allocation planning and decisions. Adoption of this recommendation would change some prioritization of logistic needs. We would see more of a focus on the operational readiness and war fighting capability of the Unified Commands in lieu of the current emphasis on readiness of separate units or weapons systems. There would be a new emphasis on sustainability of combat forces as an alternative to expending limited resources on new equipment and peacetime exercises. As a result, we would expect more intensified management of war reserve material. Specifically, we would expect greater emphasis on positioning of subsistence and petroleum stocks overseas.