Chapter 35

Addressing the U.S. Federal Government Financial Crisis:
A Case for a U.S. Department of Defense Enterprise Architecture–Based Approach

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ABSTRACT

The United States (U.S.) Federal Government is in an extreme financial crisis. The U.S. national debt is $14T and the national deficit is $1.3T. The U.S. Government seeks to improve government-wide performance, reduce operating costs, reduce the national debt, and reduce the national deficit. If the U.S. Government continues its current enterprise management approach, the national debt and national deficit could become greater and the Government could default on its debt. The DoD institutionalized a Business Mission Area Enterprise Architecture (EA) and improved performance and reduced operating costs. Leaders in the DoD leveraged an EA-based approach to improve department-wide performance and reduce costs in selected instances. This chapter proposes that the DoD institutionalize an EA-based approach to improve department-wide performance, reduce operating costs, reduce the national debt, and reduce the national deficit.

As President Obama has said, our growing national debt, if not addressed, will imperil our prosperity, hurt our credibility and influence around the world, and ultimately put our national security at risk. As part of the nation's efforts to get its finances in order, defense spending will be—and i believe it must be—part of the solution. -Leon E. Panetta, Secretary, U.S. Department of Defense, August 3, 2011

INTRODUCTION

This chapter examines the current United States (U.S.) Federal Government financial crisis. The chapter reviews the current and anticipated impact of the crisis on the Government. The chapter examines the U.S. Department of Defense (DoD) and explores the impact of DoD operations and initiatives on the national debt and national deficit. The chapter proposes that the DoD institutionalize an EA-based approach to improve performance,

reduce operating costs, reduce the U.S. national debt, and reduce the national deficit.

Although EA is rooted in Information Technology (IT) and IT-related areas in U.S. Government organizations, the concepts and principles of EA are not exclusive to IT and/or IT-related activities. The EA concepts and principles are applicable to the entire enterprise. Additionally, although EA has applicability to electronic government (e-Government) operations, EA is not limited exclusively to e-Government operations. The EA concepts and principles are applicable to the whole of government. Further, although the U.S. DoD implemented an EA for its business mission area and improved performance outcomes and reduced costs, the DoD could significantly improve performance, reduce operating costs, reduce the U.S. national debt, and reduce the national deficit by institutionalizing an EA-based approach for its department-wide enterprise management.

BACKGROUND

The U.S. national debt is approximately $14T. The national debt is the amount the U.S. Government owes to others including "individuals, corporations, state or local governments, foreign governments, and other entities outside the United States Government" (US Department of Treasury, 2011). The U.S. national deficit for Fiscal Year (FY) 2011 is projected to be $1.3T. The national deficit is "the fiscal year difference between what the United States Government (Government) takes in from taxes and other revenues, called receipts, and the amount of money the Government spends, called outlays. The items included in the deficit are considered either on-budget or off-budget" (US Department of Treasury, 2011).

Government debt has been a fact of the U.S. since the birth of the country. The U.S. incurred a national debt of $75M during the Revolutionary War. Alexander Hamilton, in the First Report of the Public Credit, in 1790, stated:

The United States debt, foreign and domestic, was the price of liberty. The faith of America has been repeatedly pledged for it... Among ourselves, the most enlightened friends of good government are those whose expectations of prompt payment are the highest. To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources, both to agriculture and commerce; to cement more closely the Union of the States; to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy; these are the great and invaluable ends to be secured by a proper and adequate provision, at the present period, for the support of public credit (Hamilton as cited in U.S. Bureau of Public Debt, Our History).

Except for a brief period in 1835, the U.S. national debt grew continually to its current level. Following the American Civil War the national debt was $2.7B. Following WWI the debt was $22B. Following WWII the debt was $260B. Between 1980 and 1990, the debt grew to more than triple its amount. By the end of FY 2008, the debt had grown to over $10T, more than 10 times the 1980 level. Several U.S. Presidents attempted to address the national debt.

U.S. President Ronald Reagan declared the national debt to be one of his key presidential initiatives. In his first presidential inaugural address Reagan stated:

For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present.... You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why, then, should we think that collectively, as a nation, we are not bound by that same limitation? (CNN, 2011, Ronald Reagan's First Inaugural Address).

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