

## Section 2

# Structural Reform of Defense Capability

## 1 Background

In order to develop the Dynamic Defense Force, based on 2010 NDPG and 2011 MTDP, it is necessary to fundamentally streamline and rationalize equipment, personnel, organization, deployment, etc. across all of the Self-Defense Forces from a comprehensive and cross-sectional perspective, selectively concentrate resources on the functions that are genuinely needed, and carry out structural reforms of the defense force.

For these reasons, the Ministry of Defense set up a committee for promotion of the structural reform based on the ministerial direction of December, 2010. The committee chairman is the Parliamentary Senior Vice Minister of Defense, and the committee is conducting deliberation based on the instruction of Defense Minister.

## 2 Specific Matters under Investigation

### 1 Deliberation Framework

The deliberations carried out by the Committee for Promotion of Structural Reform of Defense Capabilities are being carried out in close coordination with the deliberations of the Human Resources Base Reform Committee, the Comprehensive Acquisition Reform Project Team, and the Council for Reforming the Ministry of Defense, which had already been established within the Ministry of Defense, as well as the committee for the deliberation of the enhancement of medical functions, which was established in February 2011, and also the new Cyber Attack Countermeasures Committee, which was established in May 2012. Figure II-3-2-1 provides an overview of the framework.

### 2 Matters under Deliberation

Details of the matters to be deliberated are as follows:

- (1) Study on the joint enhancement of the SDF functions on the future structure

To strengthen systems related to integrated operations, MOD explore strengthening command and control functions by newly appointing “Deputy Director of Operational Department” in the Joint Staff Office. MOD also deliberates comprehensively to strengthen functions such as mobile and deployment, joint medical, information gathering; warning and surveillance; and reconnaissance (ISR), and air defense readiness system of anti-aircraft artillery unit with offshore islands in mind.

- (2) Study on the unification / optimization of cross-sectional resource allocation

MOD deliberates building systems of program

management, budget allocation and R & D which lead to effective resource allocation by grasping the current capabilities of the SDF and in the cross-sectional view. MOD also work on building systems which realize unification and optimization of base / camp maintenance service and telecommunication network etc.

- (3) Promotion of Fundamental Systemic Reforms Relating to the Human Foundation Base

In order to strengthen the SDF forces, manage SDF personnel numbers by rank, review the rank and age structures in accordance with the characteristics of each Self-Defense Force, for example by increasing the number of enlisted personnel, and investigate a new appointment system, policies for the revitalization of all ranks of SDF personnel (officers, warrant officers, sergeants and privates), the early retirement system, policies related to recruitment and re-employment support, etc.

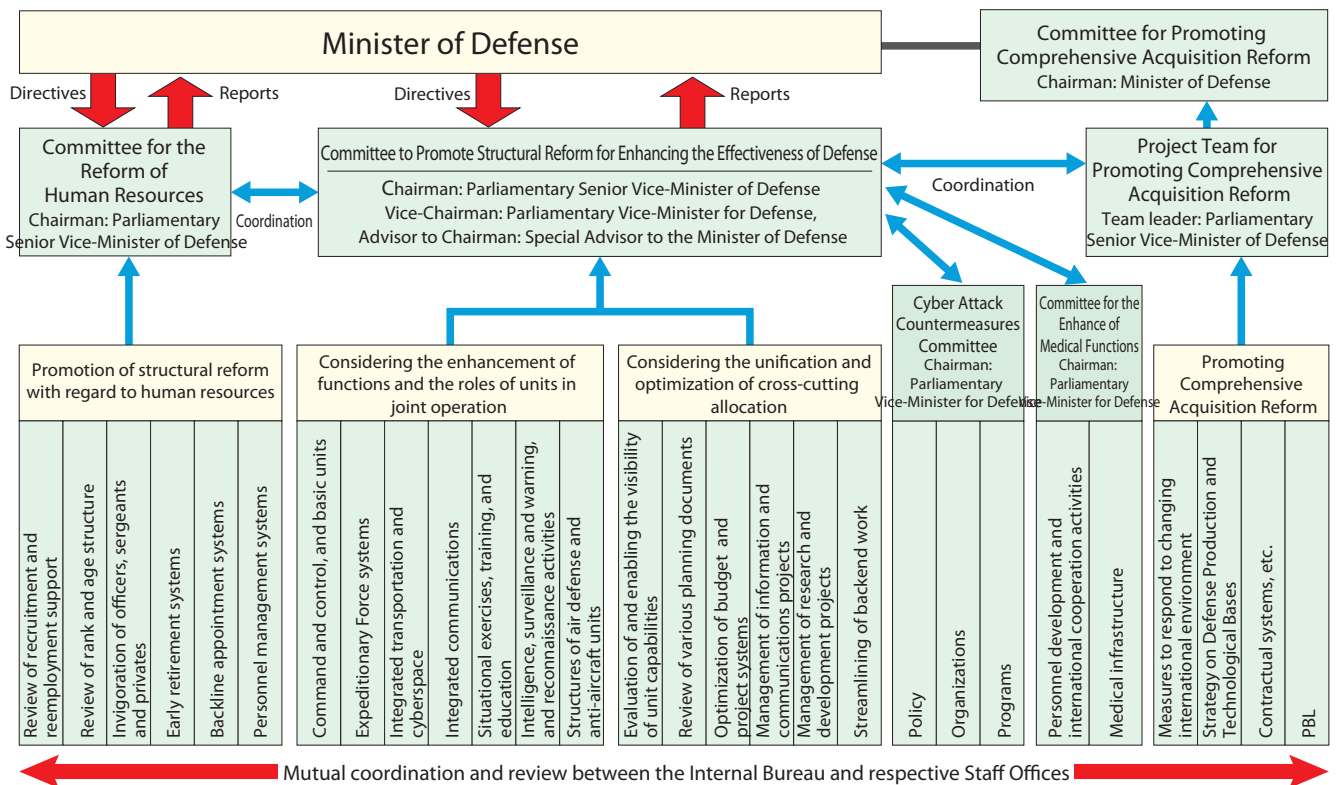
- (4) Promotion of Comprehensive Acquisition Reform

Promote Comprehensive Acquisition Reform that deal with the changing international environment surrounding strategic measures concerning defense production and technology infrastructure, systems related to contracts for acquisition of equipment, and improving maintenance and service systems.

- (5) Enhancement of Medical Functions

Deliberations will take place concerning various hygiene measures, such as making the Self-Defense Force hospitals function as hub hospitals, enhancing their functions, enhancement of functions of the National Medical College and hospitals, and enhancement of medical officer education.

**Fig. II - 3 - 2 - 1** Framework for Promoting the Structural Reform for Enhancing the Effectiveness of Defense



Notes: With regard to items for which review is in progress under the Ministry of Defense Reform, reforms will be advanced in coordination with the said reform.

#### (6) Cyber Attack Countermeasures

Deliberations will take place regarding policy initiatives concerning measures to deal with cyber attacks, etc., as

well as the formation of a special unit for cyber defense and programs relating to cyber attack countermeasures.

## 3 Current Status of Deliberation

With regard to items (1) to (5) detailed in "2. Matters under Deliberation" above, a report was publicized on August 5, 2011 which set forth the perception of the current situation and agenda, the direction of future deliberation, and the roadmap of the reform.

(See Figure II-3-2-2)

In accordance with the roadmap of the reform set forth in this report, the agenda will be under in-depth study, and the

reform will be promoted. Accordingly, follow-up discussions will continue to take place through such frameworks as the Committee for Promotion of Structural Reform of Defense Capabilities. Furthermore, the Cyber Attack Countermeasures Committee was established in May 2012 to consider and implement comprehensive measures to deal with cyber attacks and is strengthening initiatives relating to such measures.

Fig. II-3-2-2 Review Issues Pertaining to the Structural Reform of Defense Capability

Top category	Review issues	Main review issues
Enhancement of functions through integration; review of the posture of units, etc.	Command and control, and basic units	<ul style="list-style-type: none"> <li>● Strengthen command and control functions including the Joint Staff, command and control system</li> <li>● Posture on commanders of main units, which act as the Joint Task Force Commander</li> </ul>
	Expeditionary Force	<ul style="list-style-type: none"> <li>● The essentials of operating and maintaining units that possess Expeditionary Force capabilities</li> <li>● Directivity toward utilization of commercial transport capabilities</li> </ul>
	Integrated transportation	<ul style="list-style-type: none"> <li>● Strengthen control functions on joint transport</li> <li>● Enhance SDF's transport capabilities, utilizing commercial transport capabilities, and developing transport infrastructure</li> </ul>
	Integrated medical units	<ul style="list-style-type: none"> <li>● Posture with regard to medical treatment and sending back on offshore islands</li> </ul>
	Integrated communications and cyberspace	<ul style="list-style-type: none"> <li>● Enhance information sharing between units within each SDF</li> <li>● Develop posture and systems to counter cyberattacks</li> </ul>
	Situational exercises, etc.	<ul style="list-style-type: none"> <li>● Improve joint exercises and exercise infrastructure</li> </ul>
	Intelligence, surveillance and warning, and reconnaissance activities	<ul style="list-style-type: none"> <li>● Posture with regard to strengthening warning and surveillance in Southwest Japan (promotion of mid-term projects) and future goals</li> </ul>
	Structures of air defense and anti-aircraft units	<ul style="list-style-type: none"> <li>● The essentials of integrated force operations regarding overall air defense</li> <li>● Unify future equipment used by anti-aircraft units</li> </ul>
Review of consolidation and optimization of resource allocation in a cross-sectional manner	Evaluation of and enabling the visibility of unit capabilities	<ul style="list-style-type: none"> <li>● Understand current capabilities of the SDF</li> <li>● Understand a gap between the current and necessary defense capabilities</li> </ul>
	Review of various planning documents	<ul style="list-style-type: none"> <li>● Review formulation, assessment processes and rules of mid to long term plans regarding defense force enhancement</li> <li>● The follow-up review of the NDPG and MTDP</li> </ul>
	Optimization of budget and project systems	<ul style="list-style-type: none"> <li>● Integrate and optimize horizontal resource distribution in relation to the budget for each fiscal year</li> <li>● The Plan-Do-Check-Action cycle</li> </ul>
	Management of information and communications projects	<ul style="list-style-type: none"> <li>● Actively introduce technologies, methods and funds, etc. of the private sector; and pursuing optimal acquisition of these resources</li> <li>● New X-band SATCOM project</li> <li>● The project to develop the GSDF communications system</li> </ul>
	Management of research and development projects	<ul style="list-style-type: none"> <li>● Review research and development projects and management (visualization of R&amp;D projects)</li> </ul>
	Streamlining of backend work	<ul style="list-style-type: none"> <li>● Streamline logistical operations to improve fill-rate of front-line units</li> <li>● Rationalize and streamline logistical operations for military bases through effective utilization of private-sector skills while improving quality of services</li> </ul>
Promotion of system reform for human resource base	Review of personnel management systems, and rank and age structure	<ul style="list-style-type: none"> <li>● Establish basic rules such as rank-based quota management for authorized and actual numbers of SDF personnel</li> <li>● Review the operation of the personnel management system from the standpoint of effective management</li> </ul>
	Backline appointment systems	<ul style="list-style-type: none"> <li>● Design and introduce systems in which younger personnel are assigned to front-line units with precedence, and personnel in other duties receive optimum treatment</li> </ul>
	Early retirement systems	<ul style="list-style-type: none"> <li>● Consider the introduction of an early retirement system from the standpoint of adjusting personnel management system and current age structure.</li> <li>● Consider providing reemployment support and adequate post-retirement treatment, which includes reemployment in the public sector</li> </ul>
	Invigoration of officers, sergeants and privates	<ul style="list-style-type: none"> <li>● Establish new ranks that encourage enlisted personnel to aim for, and consider package measures that enable different salary schedules for officers and enlisted personnel while being mindful of consistency with other systems</li> </ul>
	Review of recruitment and reemployment support	<ul style="list-style-type: none"> <li>● Consider enhanced recruitment and reemployment support systems led mainly by the regional cooperation offices of the SDF, adjusting to the tough economic environment</li> </ul>
Promotion of comprehensive procurement reform	Measures to respond to changing international environment	<ul style="list-style-type: none"> <li>● Consider additional measures in response to the changing international environment based on the interim report by the defense production and technology infrastructure study group and the guidelines for overseas transfer of defense equipment, etc., announced by the Chief Cabinet Secretary on December 27, 2011</li> </ul>
	Strategy on Defense Production and Technological Bases	<ul style="list-style-type: none"> <li>● Determine priority areas and presenting necessary measures in order to realize maintenance and improvement of stable, mid to long-term defense capabilities through maintaining and developing defense production and technical infrastructure under the concept of "selection and concentration"</li> <li>● In conjunction with the above, consider postures on international joint development and production, and industrial organizations</li> </ul>
	Contractual systems, etc.	<ul style="list-style-type: none"> <li>● Consider better contract systems, which encourage industries to more willingly reduce costs, and long-term contracts in order to further streamline equipment procurement using the study group on contract system and other means</li> </ul>
	PBL	<ul style="list-style-type: none"> <li>● Consider an introduction of Performance Based Logistics (PBL), a new contract method in which payments depending on performance of maintenance achieved so as to keep a high level of equipment operational availability at lower costs</li> <li>● An introduction of the special transport helicopter (EC-225LP), owned by the GSDF, is scheduled in FY 2012 as a PBL pilot model</li> </ul>
Enhancing medical functions	Centralizing and enhancing the functions of the SDF hospital	<ul style="list-style-type: none"> <li>● Steadily develop functional hospitals that offer specialized functions such as education to prepare for duties at major hospitals and international activities, submarine medicine and aviation medicine</li> </ul>
	Enhancing the functions of the National Defense Medical College and National Defense Medical College Hospital	<ul style="list-style-type: none"> <li>● Enhance medical education and training that are needed for SDF personnel to fulfill their duties</li> <li>● Develop infrastructure for obtaining necessary medical cases that are utilized for clinical training to cultivate medical officers, etc.</li> </ul>
	Enhancing education for medical officers	<ul style="list-style-type: none"> <li>● Formulate various measures to increase opportunities for medical training and practice; and to acquire, maintain and improve specialized skills</li> </ul>
	Others	<ul style="list-style-type: none"> <li>● Improve infrastructure for information communication technologies, improve medical control systems and framework, develop a 4-year nurse training curriculum, and cooperate with the U.S., military medical and sanitary affairs</li> </ul>