

Note to Amb. Michael Senko

From: Linc Bloomfield

Subj: PM's Management Challenge and Performance

Mike,

Thanks again to you, Richard and the OIG inspection team for hearing us out yesterday in detail. Clearly, you have done an enormous amount of quality research and have information and insight that neither I nor my deputies have at our disposal. As I said at the meeting, there cannot be any disputing the facts you have uncovered.

Reflecting on the way these facts are carried forward into an overall story line of PM's management performance, I thought I should share with you, explicitly, how I see it, for whatever that may be worth as you make final decisions on the judgments you will feature in the report. I think it best to do this in the consultative stage. I have not spoken with any of my deputies about this communication, and indeed chose to communicate with you while at home, preparing my departure Sunday for Europe. I think, however, that my team and I share a sense that the insights brought forward from the interview process among the PM workforce, however profound, important, and deserving of amplification they certainly are, ought not to be taken as the predominant or truest guide to the front office's performance in handling the PM management challenge on our watch.

Perhaps the best way to make this point – which, I repeat, is offered as an additional optic rather than a substitute or rebuttal to the key insights the report conveys – is to offer a quick, rough, but perhaps additive story line, from the top of the organization. I do this for illustrative purposes, as my final input to your process in determining what, in the final analysis, the PM management team's story really has been. My short version – far from all-inclusive – goes something like this:

- 1995 – PM OIG report finds ingrained problems (resistant to diversity, not career enhancing for FSOs, etc)
- 1999 – Breakup of PM removes the two most coherent functions (arms control, non-proliferation policy), leaving PM in several small pieces without a recognizable lead mission or interagency profile

- Jan 2001 – Incoming M (transition director) briefs incoming A/S that PM is the most troubled bureau in the Department
- 2001-2004 – As is now well-documented, DoD from the top down was resistant to close collaboration with State, posing a performance challenge to PM more than to any other single bureau
- 9/11/01 – Crisis-level stress on this same PM (with 2 DASes) to produce base access, gain diplomatic approval for movement/entry of wartime forces for OEF, then OIF (and all the related tasks noted in OIG draft) and at the same time, continue with non-wartime tasks (security assistance, major arms transfers by RSAT, improving licensing performance by DTC in the face of unabated criticism from past and expectations of new Administration, the newly consolidated Special Rep landmine responsibility – another issue with worldwide visibility and sharp potential for domestic/international criticism of the President, etc)
- Jan 2003 – Third DAS (K. Bue) brings immediate relief to front office, permitting shift from debilitating crisis-reactive mode to an environment more conducive to policy/management initiative.
- 2003-2004 – Progression of Directorate-level movements. At least 3, maybe more PM Directors held their positions far more than 3 years – DTC, CPP, HDP-landmines – receiving extensions from A/S; each ultimately departed based on, or in reaction to, A/S decisions, and each was very well accommodated in respective career moves. But the introduction of new leaders was, for many PM offices, the first leadership change going back many years. One office, PM/MAIP (now in WRA) came into PM from PRM, creating 2 “landmine” related directorates.
- June 2003 – the ’05 BPP presentation to D (second time for this A/S) was the first with the new RM bureau; With a small team in support, Richard Kidd handled close coordination of PM’s inaugural effort to meld its activities and resource allocations to RM’s breakout of priorities and objectives, over a period of about 3 months before the submission.
- July 2003 – DAS Suchan begins at DDTC, clearly removing from A/S desk a segment of damage-control (I described the change publicly as my “wanting to see a whole lot better out of DDTC’s windshield, and experiencing a whole lot less out of its tailpipe...”) and beginning what I confidently believe to be the first-ever effective policy coordination between the A/S desk and that office.
- Fall 2003 – Ambassador Likins starts as PDAS, recognizes major potential for more systematic front office management leadership, assumes that burden, brings aboard Michele Truitt to assist.

- Late 2003 – A/S brings aboard consultant Diarmuid O’Connell, with strong business consulting, international marketing, corporate experience, with the idea of our exploiting that management expertise in return for his building knowledge and experience to pursue a foreign affairs public service career. PM/FO (A/S, DASes) and O’Connell begin weekly management meetings, still a regular feature today. O’Connell interviews throughout the organization, prepares power-point critiques/recommendations which he briefs regularly to Management team. Most recent realignment moves came from this venue (consolidated WRA – name and logo chosen by workforce; exit to AC of CSBM, placement of ISO, POLADS, CPA under PDAS policy direction, decision to recommend movement of Consequence Management to another bureau, etc.).
- January 2004 – Unprecedented format (structured by O’Connell) for January offsite held in NDU “boardroom”, wherein each Director held to a tight schedule, 20 minutes each, briefing A/S on key objectives, plans, deliverables tied to national strategy and Secretary’s priority goals, for approval or disapproval by A/S. Meeting went on schedule, all managers received their marching orders.
- June 2004 – ’06 BPP: Reflecting maturation of the RM Bureau, PM and RM both now had a much better feel for how PM activities related to the categories and metrics deemed to be the Department’s definitive guide to resource management. PM/FO team took the RM BPP “measures of effectiveness” for each function to be the definitive “goalposts” of our management performance.
- Summer 2004 – Memo to all PM employees from A/S listing a dozen or so clear, hard deliverables deemed to be priority objectives (over and above the normal outputs of assistance apportionment memos by PPA or arms transfer notifications by RSAT or military execute order clearances managed by ISO). Each of the identified goals were of a nature that PM might fail to deliver absent extra initiative.

Mike, obviously a story line of this kind could go on at much greater length. That is why I requested that you speak with those who bore witness to this evolution, such as Maura, Chris, and Ruth, and see how it looked to them. I provide this to you not because I dispute the continued depth of the management challenge in the PM bureau. The issue for me is what judgment is implied – and, in the current draft, stated – for the management effort of my DASes. In this, by the way, I include Turk Maggi from his

front office days as DAS after 9/11, and then his gutsy move in January 2003 (six months before Greg) to walk into DDTC after Will Lowell's exit and try to establish moral leadership while initiating a very aggressive turnaround in performance (including the construction job to fit more workstations, which was disruptive and has led to complaints that this accounted for people squeezing past each other – a factor in people's sense of fairness regarding the EEO case).

Each big move – Kara's arrival in Jan 03; Turk's, then Greg's, moves to DDTC; Diarmuid's top-to-bottom review of the alignment of people and funding to department objectives; and perhaps more than anything else, Rose's assumption of FO responsibility for management at the bureau level a little over a year ago, aided by Michele – produced not just one more competent hand in the executive ranks, but truly a transforming effect for the better, in my view. Add this to newly recruited or promoted managers with exemplary qualities (Elena Kim-Mitchell, Richard Kidd<sup>1</sup> – whom I brought into government and promoted when I thought he was ready – David Trimble, Amb. Bob Loftis), the four IT projects we have championed as ways of reducing strain on the workforce, and the actual statistics – compared to our peers in the Department – of face-to-face, telephonic and (particularly classified in my case) email contact directly between front office principals and action officers throughout the bureau, notwithstanding their undisputed morale issues, and I am content that the whole picture is in focus.

My last comment goes back to the BPP, which Mr. Armitage has made clear is the one and only arena of reckoning as to how senior officers are managing their people and money on the Secretary's behalf. As Chris Burnham asks bluntly, "Tell us what you did with the money and people we gave you last year, and what we're going to get if we accommodate your new requests." Those are PM's definitive management marching orders from the Department. Hence my first-order focus on what PM produces.

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<sup>1</sup> West Point, 6 years in US Army, field officer with UN in Afghanistan under the Taliban, logistics coordinator for World Food Program in Rome, international landmine program manager for Vietnam Veterans of America Foundation. Richard's understanding of landmines as a military weapon, his ability to get information from specialized offices in DoD without raising hackles, and to navigate the sensitive relationships with the UN agencies and non-governmental organizations all made him more than uniquely qualified for his current job. I was the one official other than S and D permitted by NSC to participate in development of the President's landmine policy, which I announced in February. Without Richard Kidd as my secret resource, State and NSC could not have developed a correct, credible policy that overrode some DoD objections and has reflected honor on the President in the face of withering scrutiny. Richard's reputation is far more recognized outside the U.S Government than within at this stage.

When I look back on this period in PM, I will recall the state of disarray and disunity of the post-1999-reorg PM Bureau. I will recall the flat-out exertion of the 15 months following 9/11, managing wartime, peacetime, and bureau reform agendas without either the necessary executive or working-level people. And I will recall with some satisfaction the progression of remedies accompanying each successive arrival of a senior team member or execution of a major realignment move.

Throughout, I and my team have had but one set of authoritative management goalposts in our sights. That was, and is, the BPP, which instructs us informally and formally on an annual basis, and spells out (more clearly than ever for PM in this year's version) "measures of effectiveness" for key PM functions.

If you and the OIG inspection team conclude that there is a PM management "road not taken" these past few years that would have brought the bureau to a place at the end of 2004 where PM no longer bore the concerns your team has chronicled, I would ask only that it be framed in the final report against the road we did take, a journey familiar to the senior Department management officers I named yesterday, and a journey whose compass was oriented – for justified fear of the Deputy Secretary's displeasure – toward his and RM's measures of management effectiveness.

As I have said, I value the report's insights, and already see enormous benefit from this expert look at a bureau whose future success, personally for each officer as well as institutionally, is my highest aspiration. Thanks for your consideration.