

USAWC STRATEGY RESEARCH PROJECT

**BLACK BERETS AND THE BERRY AMENDMENT: POLITICS, PAROCHIALISM,
AND THE PRESS**

by

Colonel William E. Zeller
United States Army

Dr. Rich Yarger
Project Adviser

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ABSTRACT

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This paper explores the Berry Amendment and how this important and sometime parochial legislation has affected Department of Defense strategic procurements in recent years. It focuses on a single incident, the procurement of the Army's Black Berets, a strategic decision on the part of the Army Chief of Staff and the Army's symbol of transformation. But more importantly, it shows how this one seminal event caused doubt about the Defense Logistic Agency's ability to deliver goods in time of war. It also demonstrates how politics and parochialism can affect an otherwise benign and insignificant procurement of one piece of military headgear and move it to the center of public and political opinion, illustrating the complexity of logistics at the strategic level.

BLACK BERETS AND THE BERRY AMENDMENT: POLITICS, PAROCHIALISM AND THE PRESS

The purpose of this paper is to explore the effects of the Berry Amendment and how this important and sometime parochial legislation has affected Department of Defense strategic procurements in recent years. It focuses on a single case study, the procurement of the Army's Black Berets, and how this one seminal event played out both in the actual procurement of the item and against the backdrop of the greater DOD procurement system. It demonstrates how politics and parochialism can affect an otherwise benign and insignificant procurement of one piece of military headgear and show the strategic consequences of that procurement. The paper provides a brief and necessary history of the Berry Amendment and Defense Logistics Agency and how these two are intertwined in the procurement process in which the Armed Forces of the United States requests and receives supplies and equipment.

The Berry Amendment requires the Department of Defense (DOD) to give procurement preference to domestically produced, manufactured, or home grown products. These products include a wide variety of resources and commodities but are best characterized as food, clothing, fabrics, and specialty metals. No other law has the pervasiveness and the ability to influence the procurement decision making process necessary to sustain the DOD as does this Amendment. The Berry Amendment is, indeed, of strategic importance since it casts a net over virtually all DOD purchases in an era of full disclosure and compliance with the procedure and the laws of procurement. Everything from operational rations to body armor, to up armor packages for HUMVEES falls under the purview of the Berry Amendment.¹ Importantly, however, no other procurement legislation is so misconstrued and misunderstood.

The Berry Amendment: A Quick History

The Berry Amendment dates its humble beginnings to the early days before the United States entered World War II. Named in honor of George Leonard Berry, a Democrat from Tennessee, it was first enacted as part of the Fiscal Year (FY) 1941 Fifth Supplemental National Defense Appropriations Act, P.L. 77—29, Title 10 of the United States Code 2241.² Its original purpose was simple and straightforward, intended to be both patriotic and supportive of preparedness for war. It was enacted to make sure U.S. troops wore military uniforms wholly produced within the United States and that U.S. troops were fed U.S. produced food products.³ Congress saw a global war on the horizon and acted with urgency. They wanted a strong domestic manufacturing base and recognized the need to prime the military procurement system in the uncertain peace of 1941.

Despite the earlier Buy American Act of 1933, departments within the federal government bought meat from Argentina and large quantities of wool from foreign sources. The Buy American Act was designed to protect domestic labor and give preference to domestic products in all government purchases. Over the subsequent eight years, the Buy American Act had not entirely worked to the satisfaction of the Congress.⁴ It was only required for government contracts made within the boundaries of the United States and allowed the inclusion of 50 percent of the costs of foreign components.⁵ It also allowed exceptions if a purchase of a domestic product over a foreign one was inconsistent with the public interest, if the product was unreasonable in cost, and if the product was for use outside the United States.⁶ Suppliers continued to circumvent the spirit of the legislation and Congress wanted a more practical law to fix this problem. The Buy American Act needed a helping hand and the Berry Amendment fulfilled that purpose.

The Berry Amendment solved the enforcement problem through an all or nothing approach. It eliminated all foreign components from any DOD procurement. Since there was no latitude for foreign components, the Berry Amendment was much easier to enforce. Under the Berry Amendment all items procured for DOD had to be 100 percent domestic in origin.⁷ Also, the Berry Amendment closed the loophole on the purchase of products by DOD even if the products are used outside the United States. While the Berry Amendment has some limited exceptions, these exceptions are strictly enforced and need approval at the highest level. It closed the gap that "Buy American" left open and severely reduced any foreign purchase options. It also created a myriad of problems for DOD's largest common services provider, the Defense Logistics Agency, better known by its simple acronym of DLA.

DLA: An Evolution to a Common Services Provider Using A Vendor Based System

Why did the services need a common provider like the Defense Logistics Agency, (DLA)? The answer was to save money and gain procurement efficiency. Like the Berry Amendment, DLA's origins date back to World War II and America's need for a massive military build up. The war in Europe and the threat of America being drawn into it gave urgency to streamlining the process for rapid strategic procurement of huge amounts of domestic origin munitions and supplies. Prior to 1941, each military department bought their own products and spent their Title 10 monies as each saw fit. There were many redundant procurements and subsequently much waste. In addition, the Berry Amendment was difficult to enforce because there were multiple purchases of the same product by each service. Each service became competitors, competing for goods amongst themselves, driving up prices and not sharing lessons learned or

economy of scale. There were also bigger problems. The services shared little or no knowledge with one another about the goods they purchased. There was no common catalog, no economy of purchasing power, and no one single lead service or manager making purchases. Also, each service bought products that did not address interoperability or commonality.⁸ World War II's demands compelled each service to begin to coordinate their procurement of petroleum products, medical supplies, clothing and other commodities. Consequently there was much improvement of commonality and collaboration on big purchases throughout the war's duration. The Army and Navy collocated their buying offices in order to eliminate duplication and overlap. The seeds for common procurement among the military services were sowed.

Following World War II, the evolution of military procurement continued, albeit slowly. Although the services did not revert to their pre-war methods, there was no compelling need for the unity of effort spawned by a massive and lengthy conflict. Nonetheless, The National Security Act of 1947 and the Commission on the Executive Branch of the Government (the Hoover Commission) led to integrated management of all military service supplies and services. As a compromise to leave the uniformed services in charge, the Joint Army-Navy-Air Force Support Center was created in 1952. For the first time every service bought, stored and issued items using a common nomenclature. These items were designated "consumables"—defined as supplies not repairable, and thus consumed in normal use. Specific consumable items, called commodities, were assigned to one service to manage for all of the services. The lead service/single manager concept for procurement was the most significant step toward integrated supply management within DOD and the military services since World War II.⁹

Throughout the 1950s the military leaders of each of the services continued to oppose having a single agency for managing all military logistics support. They feared a common agency would be less responsive to military requirements and jeopardize the success of military operations. Yet there were compromises, such as the buy in on more "single managers" for selected groups of common supply and service commodities, the creation of the first Federal Catalog, and an \$800 million reduction in common inventories.¹⁰ However, service parochialism remained despite these advances. The stage was set for an even further evolution.

In 1961 Secretary of Defense Robert S. McNamara sought to improve efficiency and productivity within DOD. He set out to reorganize and streamline all of DOD and he did not overlook the DOD's procurement processes. He was well justified. While there was commonality of catalog and selected single commodity service managers, each service operated under its own procedures. Customers and suppliers were faced with different sets of

procedures for each service. There was no uniform procurement procedure and Mr. McNamara was convinced that an organization was needed to “manage the managers.” On August 31, 1961 he announced the creation of a separate common supply and service agency known as Defense Supply Agency (DSA). DSA eliminated the service lead managers and created a single manager of supply for hundreds of commodities across the services. In 1965, DSA was re-designated as DLA.¹¹

Throughout its 40 year history, DLA has undergone several name changes and restructures to make it more responsive to the needs of its DOD customers. DLA has emerged as the Executive Agent for critical supply chains, identifying customer requirements and managing the industrial base to ensure product availability. That responsibility includes routine operations as well as a surge capacity for operations such as Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom.¹² Vice Admiral Keith Lippert, the current director of DLA commented directly on why this mission remains so important:

DLA must continue to evolve as DOD’s premier end to end supply chain integrator. We have become a national strategic asset providing ‘factory to foxhole’ management of consumable items, stock positioning and distribution services, reutilization and marketing services, and logistics information to a global deployed and deployable force. This environment dictates that we adopt a robust business strategy that will allow DLA to build and deliver integrated, tailored logistics solutions crossing the operational spectrum from peace to war.¹³

While today there is much praise from the Joint Chiefs for DLA, there has been criticism of the agency’s business transformation over the past 12 years.¹⁴

The CSA and Black Berets

On October 17, 2000, General Eric Shinseki, the Army Chief of Staff, announced a special directive that would have huge strategic implications.¹⁵ His action was taken in an effort to help the U.S. Army fulfill its national purpose. It had a strategic objective: support Army transformation. His directive outlined his decision to provide all Army personnel with a new item of headgear, the black beret. General Shinseki made the decision because the beret represented an emblem of excellence in specialty units and he wanted this distinctive emblem to symbolize the Army’s commitment to transformation and adaptiveness.¹⁶ Others say that his reasons were to improve retention and recruiting, but he was clear that it was to demonstrate the Army’s commitment to get to the Objective Force, a mobile fighting force capable of responding swiftly to crises anywhere in the world:

Today, our heavy forces are too heavy and our light forces lack staying power. We will address those mismatches. Heavy forces must be more strategically

deployable and more agile with a smaller logistical footprint and light forces must be more lethal, survivable, and tactically mobile.¹⁷

General Shinseki wanted both active duty and reserve soldiers wearing the black beret on June 14, 2002, the first birthday of the new millennium and the 225th anniversary of the Army. The Army Birthday in June meant a due date of April 2001 for the first large beret delivery. Supply rooms across the Army needed the difference in time to fit and issue a single beret to each soldier. The April 2001 delivery date was necessary in order to effectively field the beret but it only allowed 5 months to procure them and get them delivered to supply rooms. Contracts for millions of berets had to be placed quickly in order to accomplish this mission.¹⁸ General Shinseki's order hurried the deadline for DLA and its Primary Field Activity, the Defense Supply Center Philadelphia (the Army's clothing and textile provider), to accomplish the mission. General Shinseki appeared unaware that the task he was ordering could not reasonably be rushed.¹⁹ The Chief of Staff wanted an unprecedented 1.3 million active duty and reserve soldiers outfitted by the June deadline, while a second beret would be issued to each soldier in the fall of 2001.²⁰ The total order was an unprecedented 3.2 million black berets. The number would grow to 4.8 million. DLA's logisticians endeavored to meet the deadline, failing to raise the implications of General Shinseki's decision. DLA leadership remained mute and focused on satisfying the new demand. They were following a common logistician's mistake, "never say no." In doing this, they ran head on into the Berry Amendment.

The Political Fallout

Although General Shinseki's object was transformation symbolism, many of the elite Army units were angered and disappointed with his choice of the black beret as a symbol of Army unity. They called and wrote their Congressmen asking for help in compelling the Chief of Staff to reverse his decision. Their argument was that making berets available to every soldier in the Army would negate the esprit of the black beret worn by 30,000 Rangers, one of the Army's most elite combat groups.²¹ Congress responded by triggering a review of the uniform change and General Shinseki was compelled to respond to Congress and his many critics. He called for Congress and the Army to accept the challenge of military excellence characterizing special operations and airborne units.²² His best efforts, however, did not quiet the Rangers until a new tan colored beret was designated specifically for them.²³ The new color scheme resolved the Ranger's primary objection but the black beret controversy continued in the media for weeks to follow. These criticisms, particularly from the retired community, set the public stage and heightened Congressional awareness. Both Democrats and Republicans expressed continued

unhappiness. Senator Zell Miller, a Georgia Democrat whose state is the home of the 75th Ranger Regiment, wrote, "I respectfully disagree with the black beret decision...it is inadvisable to take this symbol of achievement from an important and proud component of the Army like the Rangers." Senate Majority Leader Trent Lott, a Mississippi Republican, wrote a letter to Secretary Donald Rumsfeld questioning the beret policy. "Taking the black beret away from the Rangers complicates the laudable goal of creating esprit d'corps in the Army," he wrote.²⁴ General Shinseki's misreading of the elite force culture and the role of the retired community suggests the decision needed more careful thought. The media and congressional attention embarrassed the Army and propelled the black beret into the strategic arena. The last thing the Army needed was another issue with the beret.

The Black Beret and the Logisticians

The Defense Supply Center Philadelphia, (DSCP), as DLA's principal textile logistician and textile vendor manager, took the Chief of Staff's beret decision in stride and immediately swung into action. Wheeling under earlier criticism, they recognized that any non-responsiveness on their part would result in severe censure of their abilities to supply in time of war. Military commanders voiced their doubts in regard to this in an earlier 2000 report. "Regarding transition to war, the particular area of concern mentioned was the integration of vendor and contractor shipments into the defense distribution system."²⁵ Since DSCP was DLA's supply integrator and the link between the contractor and Army, any failure to deliver black berets would only confirm the suspected non-responsiveness of the DLA system. While the black beret seemed an insignificant procurement, it had strategic implications to the future of DLA and the reputation of the logistics community. The logisticians at DSCP could neither say no to this order nor challenge the unreasonableness of the timeline without facing criticism that potentially jeopardized the creditability of the entire DLA procurement system. Both DSCP and DLA now faced a showdown with their just-in-time delivery system. In a culture of never saying no, the logisticians had no choice but to deliver the black beret order on time.

The Clothing and Textiles Directorate, "C & T" for short, is a major Directorate at DSCP. It is a responsive organization run by a completely professional team of military and DOD civilian professionals. C & T consists primarily of contracting experts since DSCP ceased manufacturing clothing and textile items internally in 1994 and began acquiring them from the private sector.²⁶ In-house manufacturing had proven inefficient and labor intensive and DSCP had evolved into a procurements based organization, rather than a manufacturer.²⁷ The C & T Directorate is responsible for all segments of the textile solicitation process, which is soliciting

manufacturers for proposals, examining the proposals, and making contract awards. No organization in DOD knows textile suppliers better or has more experience in the textile field than C & T. In the case of the black beret, C & T contracting personnel understood that the Army needed a one piece quality product at a reasonable price on an abbreviated timeline. C & T was well acquainted with the Berry Amendment and knew it could spell problems with beret procurement, especially given the large quantity needed and abbreviated delivery deadline.

While C & T was responsible for ensuring that a fair and transparent process took place to get the military what they wanted, the directorate is obligated under the Berry Amendment's textile provisions to use items procured from American textile manufacturers. Subparagraph 2533a, Section (b) clearly spells out clothing as a covered item, making the purchase of black berets by domestic suppliers a requirement under the law.²⁸ Since all DSCP contracting officers are Federal Acquisition Regulation (FAR) certified and warranted, that is, authorized to enter contracts on behalf of the federal government and DOD, noncompliance due to ignorance of the FAR and the Berry Amendment is unlikely. In addition to contracting officer knowledge and experience, no contract is signed before DSCP's legal department completely reviews the final contractual instrument for legal completeness.

Besides experience and knowledge of the FAR, C & T's contracting officers also had the most current information on who makes up the nation's industrial base that supports the military in peace and in time of war.²⁹ The industrial base consists of over 1,900 textile and apparel firms on C & T's vendor list of small businesses.³⁰ These small businesses live or die by the fairness of the solicitation process run by C & T. Unfortunately, C & T had one almost insurmountable problem. That problem was providing time definite delivery of an extremely difficult to manufacture product: the one piece knitted Black Beret. No combination of American specific manufacturers could meet the Army's requirement on time with a domestically produced product. Why in a country as large as the United States with its diverse industry base should finding contractors be a problem? The answer is a common theme throughout American businesses and manufacturing, the reliance of non-domestic sourced materials, component parts or products. Today, everything from computers to aircraft is imported or built by domestic suppliers using all or part foreign sourced materials. The black beret was simply not available from domestic suppliers under Berry Amendment rules.

The primary reason there were no domestic suppliers for the black beret was the manner in which it was manufactured. The black beret that the Army specifically wanted was a one piece article and still knitted on antiquated equipment that is extremely labor intensive. More efficient domestic manufacturing techniques have not been developed for this because single

piece berets cannot be produced at a competitive price in the United States. Subsequently, most of the manufacturers had laid off workers and gotten rid of their outdated looms and moved to other more profitable sectors of the textile industry.³¹ They were, in short, out of the traditional beret making business. Since the Army had rejected a more modern two piece stitched beret, which could be manufactured using modern techniques, C & T was forced to explore other methods to get the Army's job done and on time.

C & T sought to procure the Army's black berets in a proper manner. They followed the rules and when they came up against the Berry Amendment, they asked and received permission in the form of an allowable exception under the law. While the Berry Amendment is all encompassing, Congress has built in a series of exceptions that allow DOD to buy non-domestic sourced products. C & T followed the exception procedures and applied for and received two exceptions or waivers to the Berry Amendment on October 30, 2000. C & T cited the Army's June 14, 2002 deadline as an "emergency" justifying the waivers. The first waiver was issued in order to purchase military uniforms from foreign sources because they already knew that none of the 1,900 textile suppliers could produce berets in sufficient quantity by April 2001.³² The only "one piece" beret manufacturer in the United States was the Bancroft Cap Company of Cabot, Arkansas. Bancroft was a relatively small company and had continued to produce a limited number of "one piece" berets for the Army Rangers as only a small fraction of their overall business. Unfortunately, Bancroft produced their berets using foreign made yarn. This necessitated a second waiver to allow Bancroft Cap to continue to produce berets without totally U.S. sourced materials.³³ Yet in the spirit of the Berry Amendment, DSCP still wanted Bancroft to do all it could despite its foreign sourced yarn.³⁴

On November 1, 2000 C & T issued a Determination and Findings (D & F) in order to issue contracts for black berets without competition, as normally required by the Competition in Contracting Act (CICA) because of the Army's deadline. Between November 2 and December 7, 2000, C & T issued a total of 7 non-competitive contracts to produce berets. The result was 4.8 million berets for a total of \$29 million put under contract by C & T to be produced in the United States, Canada, Sri Lanka, India, Romania, and China.³⁵ The Bancroft Cap Company received a contract to produce 617,936 berets, roughly 13 percent of the total order or \$ 4 million.³⁶ If Bancroft could have produced more, the contract would have been much larger. Bancroft Cap, however, could produce no more than 617, 936 berets given the timeline and output of their facility. C & T applied the letter and the spirit of the law, but the black beret refused to succumb to the logic of bureaucracy.

The Black Beret is Back in the News

The first reports of foreign made black berets appeared in the week of March 16, 2001. CNN's banner headline was "Army may delay beret change after ordering glitch."³⁷ The article by Jamie McIntyre, CNN Military Affairs Correspondent, detailed the contracts and where the berets would be produced. The article cited "Buy American" mandates but did not make any reference to the Berry Amendment, the cause of the "ordering glitch," or DLA, the agency responsible for the procurements.³⁸ To CNN and its readers, the Army was responsible for its Berets and the ordering glitch was theirs' alone. To CNN, the Buy American Act was synonymous with the Berry Amendment, yet they are two completely different legislative decisions. CNN's ambiguous report as well as others carried in the days to come often confused the whole procurement issue and added to the overall confusion of the public on what really happened. By then, any explanation of the correctness in the procurement process was not relevant. The black beret, the symbol of our nation's Army, was not being produced in the United States and that became the central issue.

The Beret and the Exception Process

On March 16, 2001, Deputy Secretary of Defense Paul Wolfowitz announced that the DOD supported the Army's decision to adopt the black beret.³⁹ Mr. Wolfowitz also announced that DOD was looking into whether DLA had acted properly in its procurement process to meet the Army's requirements.⁴⁰ In responding to a reporter's question about some of the black berets being made in China, he said, "It's not the Army's responsibility to acquire, it's Defense Logistics Agency's."⁴¹ While his statements do not appear intentionally misleading, Mr. Wolfowitz was misinformed. His boss, the Secretary of Defense, was the approval authority for the two Berry Amendment waivers and had the ultimate responsibility for the black beret procurement.⁴²

Few people outside of DLA know about the approval process for exceptions to the Berry Amendment. With the beret, DLA followed a strict protocol including a policy and legal review before requesting approval for Berry Amendment exceptions. The process they used was hardly routine but it was done according to the law. C & T asked for and received two exceptions before proceeding with its purchase of berets for the Army. While DLA recommended approval, only the Secretary of Defense ultimately authorized all Berry Amendment exceptions. Accordingly, DLA received the needed Office of the Secretary of Defense (OSD) authorizations before proceeding with the contract purchases. The Acting Undersecretary of Defense for Acquisition, Technology, and Logistics, Mr. Allen Beckett, would

have logically advised the Secretary of Defense before any decision was made to grant exceptions.⁴³

In early spring 2001, the DOD's internal report on the exceptions granted concluded that there was no wrong doing in the process.⁴⁴ The exception process was correct and had followed the rules. The key leaders, including LTG Henry T. Glisson, Director of DLA, and Secretary of Defense Donald Rumsfeld, had full knowledge of the exceptions. On March 15, 2001, General Shinseki and LTG Glisson received identical letters from the U.S. Senate Committee on Small Business expressing their concerns about news reports of the purchases by the Army through DLA. Of particular concern was the fact that three million berets were being purchased from sources outside the United States and not reserved for American small businesses.⁴⁵ The Chairman of the Committee asked for all records that pertained to the requisition process and, in particular, "all memoranda and other written documents involving the request and the approval of the waiver of the Berry Act."⁴⁶

If DLA followed the rules, why did Congress react so strongly in March of 2001 when they learned a large portion of the black berets were being manufactured in China? China was being admitted to the World Trade Organization and its products were being imported into the United States in record quantities.⁴⁷ The answer lay in an outspoken business constituency and the protest of servicemen and women over wearing Chinese berets. American outrage was getting the attention of Congress but it probably was not sufficient to change the beret purchase, given the purchase was conducted correctly. But the beret's symbolism had already proven problematic in more ways than General Shinseki's advisors anticipated, and its symbolism was to resurface in a dramatic way - an EP-3 collision over the Peoples Republic of China.

The Beret Becomes a Strategic Issue Again: The EP-3 Incident

On March 30, 2001 a U.S. Navy EP-3 reconnaissance plane on a routine surveillance mission collided with a Chinese fighter causing an emergency landing on Hainan Island in People's Republic of China.⁴⁸ The plane was carrying a crew of 21 men and three women. The incident quickly strained diplomatic relations when the crew and the plane were not immediately turned over to the U.S. It gave new meaning to the black beret procurement.

On April 5, 2001, The Pentagon had planned a press release to offer justification for its black beret purchases but put off its announcement as a result of the continuing controversy. Officials said that it was put off "to avoid the awkwardness of appearing to condone made-in-China berets while Beijing held 24 American servicemen and women as hostages. At the same time, the House Small Business Committee delayed their hearing examining the beret purchase

at the request of the White House. Chinese made black berets had now come to symbolize the U.S. - China controversy and a China who was a military adversary with a poor record on human rights, and not a particularly important trade partner.⁴⁹

The PRC's reluctance to return the 24 crewmen and the airplane outraged America. Chinese made berets became a symbol of China's offensiveness to members of Congress and the Army. More than 75 House members penned a letter of protest to Defense Secretary Rumsfeld and the Army refused to accept any black berets made in China.⁵⁰ Another letter, written by Representative Lois Capps, a Democrat from California, was sent to President Bush demanding an immediate reconsideration of the DLA contracts. In testimony before the House Small Business Committee in the fall of 2001, General Shinseki testified that he had first learned of the purchase from a Chinese source in February 2001. He recommended that soldiers not wear the berets after the EP-3 incident. General Shinseki told the committee that he recommended that all berets delivered from China be returned to DLA.⁵¹ LTG Glisson testified in defense of DLA's procurement procedures. He stated that he never saw or heard of any recommendations from General Shinseki against Chinese made berets. The berets had taken on political importance in both the international, strategic, and domestic environments. They had also driven a wedge in the Army -- DLA relationship, and potentially the Army -- OSD relationship as well.

The Aftermath

In the late spring of 2001, DLA cancelled its contract with its Chinese vendor. DLA's cancellation coincided with Deputy Secretary Paul Wolfowitz's 2 May statement: "The Army Chief of Staff has determined that U.S. troops shall not wear berets made in China or berets with Chinese content."⁵² A Pentagon spokesman said that the standoff with China over the detention of the EP3 crew was the main cause of the canceling.⁵³ DLA did not deliver the Chinese made black berets it received before the contract cancellation went into effect and was forced to warehouse them while it waited on other contractors to make up the differences. DOD, in an attempt to get better reviews with Congress and the media, revamped the Berry Amendment exception process to provide for the Undersecretary of Defense for Acquisition, Technology, and Logistics approving the exceptions in conjunction with the secretaries of the military services.⁵⁴ In the fall of 2001, following a distinguished 35 year career in the United States Army, LTG Glisson retired and transferred the reigns of DLA to VADM Lippert.⁵⁵ While the deadline of June 14, 2001, was not met, the Army eventually received its black berets with many of the original manufacturing contracts to produce them being cancelled or renegotiated.

General Shinseki retired as the Army Chief of Staff in late 2003.⁵⁶ His vision of the black beret as the Army's strategic transformation symbol was unrealized for the Army's 225th anniversary, but today, over 1.3 million active, National Guard, and reserve soldiers proudly wear a black beret, symbolizing the Army's ongoing transformation.

Conclusion

On the surface, the Army's black beret is a simple procurement transaction, one of thousands processed each year for the Army by DLA. But delve a little deeper and the black beret becomes a classic case study in leadership and the complexity of the strategic environment. It was the leadership at all levels of the Army and procurement system who failed to gauge this complexity. The beret provides a window into this failure from which others can learn.

Congressional legislation on procurement is designed to ensure U.S. Armed Forces are properly equipped and serviced to accomplish their missions in an efficient and effective manner; a role allocated to Congress in the Constitution under the power "to raise and support armies."⁵⁷ Congressional legislation also seeks to provide the maximum opportunity for American businesses in the military procurement process. Yet, despite these good intentions, current legislation through its failure to recognize the complexity of a global economy makes procurements of almost any item or service an "exception" for senior leadership approval. It also potentially elevates any purchase to Congressional scrutiny. As a political institution, Congress does not limit such scrutiny to efficiency and effectiveness. Every purchase has a political dimension that must also be considered as Congress responds to its constituents and world events. The Berry Amendment is a noble effort in procurement legislation to give military purchases to the American domestic economy. However, any legislation that potentially makes every procurement purchase an exception cannot be sustained and managed effectively. For that reason, the Berry Amendment must be updated to allow for less arduous procedures. Most importantly, it must recognize the level of today's globalization in the world economy.

On assuming his position, General Shinseki understood that Army Transformation was his most important task. The black beret symbolizes his recognition of that as well as the actual transformation. Its purpose was to strategically communicate to his soldiers and the American people that the Army of the future would be different. As a strategic communication of transformation his efforts ultimately failed because of entanglements with politics, parochialism and the press. Yet it failed at a much more fundamental level first. Whether ill served by his staff or simply unaware, General Shinseki failed to appreciate the cultural component of the

Army. He failed to recognize how unpopular his decision would be with the Army's elite forces, and particularly the retirement community. As a result, a good idea became a divider, rather than a unifier, and elevated the decision into the political arena making it a strategic level issue. In a similar manner, the push for an accelerated delivery date demonstrated a lack of appreciation for the complexity of the procurement process and the logistics community sub-culture. Intentionally or unintentionally, the berets posed a "test" for this community and one they saw as having strategic implications. General Shinseki acknowledged this failure in February 2001 when he learned the berets were being made outside of the U.S.⁵⁸ He said, "If I had known earlier I would have been more flexible with the time to don the black berets."⁵⁹ At a minimum, the subsequent multi-order fallout of the black beret decision suggests it deserved more critical thought.

DLA acted correctly with regard to the Berry Amendment and the procurement process, but failed ultimately. Its failure was two-fold. First DLA at all levels appears to have minimal appreciation for the strategic perspective. Like the Army leadership, they failed to understand the sensitivity of the beret purchase with the Rangers and the retirement community. In addition, DLA failed to anticipate the potential fallout of non-U.S. procured berets with Congress and the press. Regardless of where they were made outside the United States, the beret was being sourced by foreign suppliers, taking the business away from American suppliers. The lack of American contractors, the abbreviated timeline, and foreign sourcing could have been anticipated as a procurement disaster and a public embarrassment. Throughout DLA, personnel at all levels shared little appreciation for how these intangible factors could influence a simple procurement and catapult it to the center of public attention.

Second, DLA reacted to what the logistics community feared the most: a strategic message of non-responsiveness to the needs of the war fighter. They focused on procuring and fielding the beret without delays in order to avoid the perception of non-responsiveness. The "can do" culture of providing support by focusing on supplying the requirement of black berets in short order was their undoing. DLA failed to question General Shinseki's request for black berets and to look beyond procedural correctness and "legal" adherence to the Berry Amendment in order to meet the fielding timeline. DLA failed to tell General Shinseki that 86 per cent of the Army's beret contracts would be produced by manufacturers outside the United States, a contentious perception problem even without any Chinese complications. DLA's entanglements with politics, parochialism, and the press could have been avoided by properly appraising the Chief of Staff and requesting more time. Additional time would have meant a more deliberate procurement process which would have anticipated and complimented the

Chief of Staff's strategic vision. Most importantly, the lack of a strategic perspective at the institutional level cast doubt on DLA's ability to provide proper support in time of war.

Endnotes

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