Section 3. Organization of the MOD/SDF

The Self-Defense Forces (SDF), the core of Japan's defense capability, is a specialist organization that plays the most essential role in the continuous survival of the country, that is, national defense. The SDF consists of a full range of units and services that provide the functions required to fulfill that responsibility.

The MOD/SDF must conduct regular reviews to ensure that their organizations are suited to the times so that they can properly address the policy issues of a new age. To this end, the MOD has just in the previous fiscal year carried out an organizational restructuring to strengthen its policy-planning functions and its system for cooperation with local governments, and further restructuring is to be done this fiscal year to ensure more appropriate and effective execution of its assigned tasks.

This section looks at the organization of the MOD⁵/SDF and the restructuring thereof.

1. Organization of the MOD/SDF

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The MOD/SDF consist of a number of organs that center on the Ground Self-Defense Force (GSDF), Maritime Self-Defense Force (MSDF) and Air Self-Defense Force (ASDF), enabling them to fulfill their mission of defending Japan as armed organizations, and other number of organs including the National Defense Academy, National Defense Medical College, National Institute for Defense Studies, Defense Intelligence Headquarters (DIH), Technical Research and Development Institute (TRDI), Equipment Procurement Office, and Defense Facilities Administration Agency. (See Figs. II-3-3-1 • 2)

2. System to Support the Minister of Defense

The Minister of Defense, in accordance with the provisions of the SDF Law, is in charge of the SDF, and supported by the Senior Vice Minister of Defense and two Parliamentary Secretaries of Defense. The Minister of Defense is supported by the Administrative Vice Minister of Defense in supervising administrative work, and the Defense Counselors in setting up basic policies, respectively.

Moreover, the Internal Bureau, Joint Staff Office, Ground Staff Office, Maritime Staff Office, and Air Staff Office (GSDF Staff, MSDF Staff, ASDF Staff) support the Minister of Defense. The Internal Bureau is responsible for basic policies relating to the work of the SDF. The Director-General of the Secretariat and Director-Generals of Bureaus, as part of their own responsibilities, support the Minister of Defense when the Minister of Defense gives instructions and authorization to the Chief of Joint Staff Office (Chief of Joint Staff), and Chief of Ground Staff (GSDF Chief of Staff), Chief of Maritime Staff (MSDF Chief of Staff) and Chief of Air Staff (ASDF Staff). The Joint Staff Office is a staff organization for the Minister of Defense concerning SDF operations. The Chief of Joint Staff Office supports the Minister of Defense by providing unified military expert advice on SDF operations. The Ground Staff Office, Maritime Staff Office and Air Staff Office are the staff organizations for the Minister of Defense concerning their respective services (excluding operations), with the Chiefs of Staff for the GSDF, MSDF and ASDF acting as the top-ranking expert advisors to the Minister of Defense.

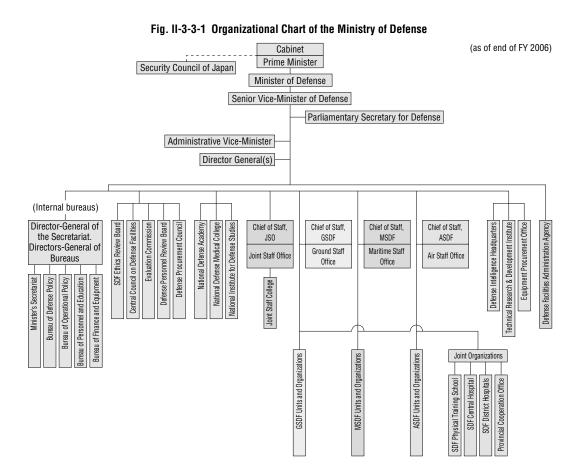


Fig. II-3-3-2 Outline of the Ministry of Defense Organization

| Organization | Outline |
|---|---|
| GSDF (see Location of Principal SDF Units at the back of the book) | Regional Armies Composed of multiple divisions, brigades and other directly controlled units (such as the Engineer Brigade and the Anti-Aircraft Artillery Group) There are five regional armies, each mainly in charge of the defense of its own region. Divisions and Brigades Composed of combat units' logistics units that support the combat units and others |
| MSDF (see above) | Self-Defense Flees Composed of key units such as the Fleet Escort Force, the Fleet Air Force (including fixed-wing patrol aircraft units and others) and the Submarine Force Responsible for the defense of the sea areas around Japan primarily through mobile operations. Regional Districts There are five regional districts that primarily guard their assigned districts and support the Self-Defense Fleet |
| ASDF (see above) | Air Defense Command Composed of key units such as three air defense forces and the Southwestern Composite Air Division Primarily responsible for general air defense Air Division Composed of key units such as Air Wings (including fighter aircraft units and others), the Aircraft Control and Warning Wing (including aircraft warning and control units) and the Air Defense Missile Group (including surface-to-air guided missile units) |
| National Defense Academy (located in Yokosuka City, Kanagawa Prefecture) | Organization for the cultivation of future SDF officers Conducts education and training for the cultivation of future SDF officers (including education that conforms to the same university chartering criteria that apply to general universities) Offers a science and engineering postgraduate course equivalent to a master's and doctoral degree from a university (undergraduate and postgraduate courses) and a comprehensive security postgraduate course equivalent to a master's degree Conducts education and training in order to impart a high ability of knowledge and research capability |
| National Defense Medical College (located in Tokorozawa City, Saitama Prefecture) | Organization for the cultivation of SDF medical officers Education and training for future SDF officers who will serve as medical doctors (including university-level education) Offers a medical course equivalent to a doctoral degree from a university Conducts education and training in order to impart a high level of knowledge and research capability |
| National Institute for Defense Studies (located in Meguro Ward, Tokyo) | Organization that functions as a "think tank" for the Ministry of Defense Conducts basic research and studies related to the administration and operation of the SDF* Conducts research and compiles date on military history Educates SDF officers and other senior officials The Institute's library houses books and documents of historical importance. |
| Defense Intelligence Headquarters (Located in Shinjuku Ward, Tokyo and other locations) | Central intelligence organization for the Ministry of Defense that collects and analyzes military intelligence Collects various military intelligence, including signal intelligence, image information, and information acquired by warning and surveillance activities; comprehensively analyzes and assesses the information; and provides information to organizations within the ministry Consists of the headquarter and the six communication sites |
| Technical Research and Development Institute (located in Shinjuku Ward, Tokyo) | Central organization that conducts equipment-related research and development Conducts R&D in response to the operational needs of each service of the SDF Conducts R&D in a wide range of fields, from firearms, vehicles, ships and aircraft used by each service of the SDF to food and clothing |
| Equipment Procurement Office (Located in Shinjuku Ward, Tokyo) | Central organization for handling affairs related to procurement of equipment required by the SDF to accomplish its duties The necessary equipment includes firearms, ammunition, fuel, guided weapons, ships, aircraft, and vehicles Pursues more robust life-cycle management of equipment through effective cost control Composed of a head office and 5 district offices |
| Defense Facilities Administration Agency (Located in Shinjuku Ward, Tokyo) | Agency to deal process administrative jobs such as acquisition of SDF facilities and USFJ facilities and areas, asset management, administrative work for construction and taking measures for communities in nearby area, labour management for the people who work for the USFJ, and to compensating the damages caused by illegal acts of USFJ Composed of the Agency and 8 Regional Defense Facilities Administration Bureaus |

2. Restructuring of the Defense Agency (previous fiscal year)

In August 2004, (then) Director-General of the Defense Agency issued Director-General instructions on examining the Agency's organization to allow it to appropriately address policy issues in a new security environment and to enhance and strengthen the assistant system for (then) Defense Agency's Director-General. This initiated broad-ranging studies within the Agency and, after submission of the final report on these examinations in August 2005, the FY 2006 budget was allocated and the necessary revisions to laws made. In July 2006 a review of the Advisary Structure by Civilian DGs and a restructuring of internal bureaus, local organizations and acquisition organizations were carried out. An overview of the restructuring is shown in Fig. II-3-3-3.

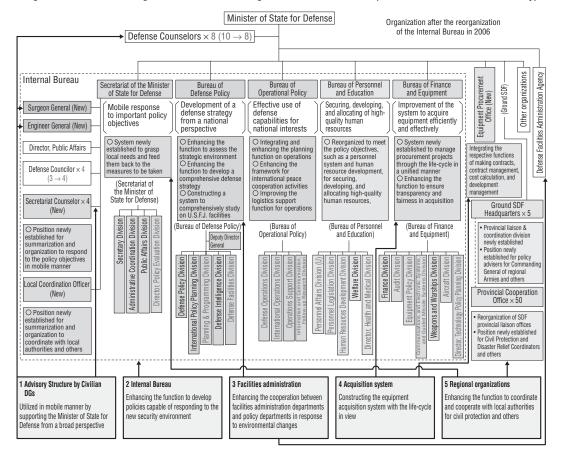


Fig. II-3-3-3 Outline of Organization after the Reorganization in Fiscal 2006 (before the transition to a ministry)

3. Restructuring of the MOD (current fiscal year)

Even after the restructuring of the previous fiscal year, the MOD continued to pursue reforms from a variety of perspectives—preventing bid-rigging and other such problems, enhancing policy-planning functions and crisis management capabilities as a ministry, developing a system emphasizing interaction with the general public, and exploring organizational approaches that could help smooth U.S. force realignment—and decided to carry out large-scale restructuring this fiscal year. Below are an explanation of the process of examination and an overview of the new organization. (See Fig. II-3-3-4)

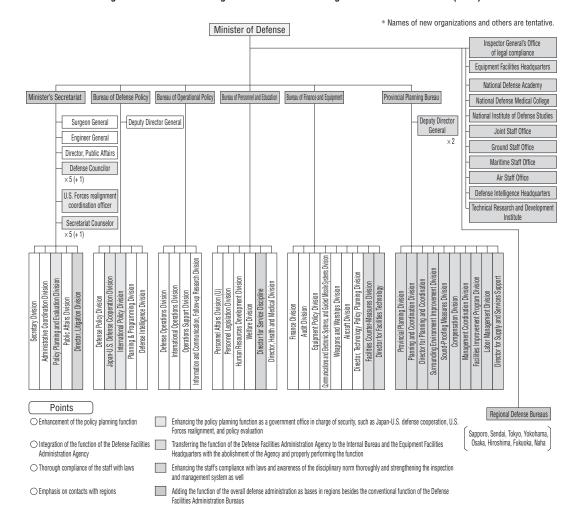


Fig. II-3-3-4 Outline of Organization after the Reorganization in Fiscal 2007 (Plan)

1. Examination Process

On January 30, 2006, senior officials of the Defense Facilities Administration Agency and other persons were arrested on the suspicion of interfering with competitive bidding in relation to construction work on charges of having interrupted construction biddings for defense facilities. The former Defense Agency reacted by establishing an "Investigative Committee on Matters Pertaining to Defense Facilities Administration Agency Bidding Collusion" and a "Study Group on Fundamental Measures to Prevent Defense Facilities Administration Agency Bidding Collusion," conducted a thorough investigation into the facts of the matter and considered measures to prevent recurrences. This investigation determined that steps should be taken to 1) dismantle the Defense Facilities Administration Agency and integrate its functions into the Defense Agency, 2) strengthen mutual supervision functions with regard to order placement procedures for construction work, and 3) enhance agency-wide audit and inspection functions.

In March 2006 recommendations were forthcoming from ruling parties. The Liberal Democratic Party project team under the National Defense Division offered recommendations that included creating a robust

internal audit system directly responsible to the minister, segregating contract and integration organizations and having them exercise mutual oversight functions, and substantially restructuring internal bureaus and local organizations. The Security Study Group of the New Komeito Party submitted to the (then) Defense Agency a proposal on carrying out substantial reorganization by transferring the functions of the Defense Facilities Administration Agency to the Defense Agency, reinforcing mutual check functions, and strengthening audit functions.

As these recommendations emerged, it became necessary by the end of August to organize the different points of discussion, establish organizational details, and prepare a preliminary budget request. The Committee to Study a New Defense Organization after Dissolution of the Defense Facilities Administration Agency headed by (then) Defense Agency Director-General Nukaga was set up on April 7, 2006, for these purposes, and the Committee conducted an organizational study toward preparing a budget request.

Once this study was brought to a conclusion, a budget request was submitted at the end of August 2006, after the necessary matters coordinated within the government, the budget examined by the Diet and the new organization then incorporated into this fiscal year's budget. The new organization is scheduled to be restructured during this year; the key elements in this restructuring are described below.

2. Abolition of the Defense Facilities Administration Agency and Consolidation into the Ministry of Defense

The abolition of the Defense Facilities Administration Agency and the consolidation of its functions into the MOD emphasize 1) development of a system for administering facilities more suitably and efficiently, 2) maintenance and expansion of relations with local communities that previously had been assigned to Defense Facilities Administration Agency, and 3) construction of a structure for cooperation with local governments on the full range of defense-related matters, including facility administration.

To suitably address the policy issues of a new age, among these being the smooth realignment of U.S. forces and effective responses to a variety of situations, it has become all the more important that the MOD establish close relations with communities, especially local governments and local residents.

From this perspective, functions such as local coordination, measures pertaining to communities in the vicinity of Defense facilities, acquisition/management/return of facilities, constructing of facilities for provision to U.S. forces stationed in Japan, procurement of goods and services, and labor management that previously had been assigned to the Defense Facilities Administration Agency's Facilities Department and Support Department will be transferred to the Internal Bureau, with new offices to be set up within the Internal Bureau to serve as liaison points with communities on facilities administration and other matters. In addition to facility administration, responsibility for tasks relating to securing the understanding and cooperation of local governments and local residents will be clearly indicated.

Of the functions covering construction work previously assigned to the Defense Facilities Administration Agency's Construction Division, those tasks related to standards for bidding and contracting will be assigned to an internal bureau (Bureau of Finance and Equipment), while all other tasks concerning implementation (e.g., preparation of technical standards and screening of plans) will be given to the Equipment and Facilities Headquarters. A system will be developed to further ensure fairness and transparency in tasks concerning construction work.

Following this restructuring, MOD policy-making/planning will be carried out by internal bureaus, and practical implementation of these policies as well as the procurement of equipment will be under the charge of the Equipment and Facilities Headquarters. This arrangement will make possible more effective policies and facility installation.

3. Restructuring of Internal Bureaus

The MOD must utilize the opportunity presented by its transformation into a ministry to meet the expectations and trust of the public as a policy organ. To prove itself worthy of these expectations and trust, the MOD must suitably address the policy issues of the new age, including effectively dealing with U.S. force realignment and other circumstances that may arise. Accordingly, the MOD will restructure its internal bureaus so that it can propose a variety of policy options and implement them as a policy organ. More specifically, the MOD will newly create the following organizations:

- a Planning and Evaluation Division (tentative name) in the Minister's Secretariat and a Japan-U.S. Defense Cooperation Division (tentative name) in the Bureau of Defense Policy to bolster policy-planning functions so that the MOD can respond suitably to new issues and circumstances, and
- 2) a Defense Councilor and its aide—a U.S. Force Realignment Coordination Officer (tentative title)—to ensure smooth and steady realignment of U.S. forces.

The MOD will also enhance its international functions in order to more strategically engage in defense exchanges and confidence building with other countries (tentative name: International Policy Division) and its policy-making/planning functions pertaining to the service discipline of MOD personnel (new Service Management Officer [tentative title] to be appointed).

4. Creation of the Inspector General's Office of Legal Compliance, MOD

In addition to incidents such as the bid-rigging case at the Defense Facilities Administration Agency, incidents involving leaks of information and drug use and others gravely injurious to public trust have made it necessary for the MOD to establish a rigorous ministry-wide inspection system to prevent the recurrence of such incidents and to ensure that MOD personnel comply with all relevant laws and standards of professional conduct in the execution of their duties. To that end, the Inspector General's Office of legal compliance, MOD, headed by the Inspector General will be established.

This special organization will report directly to the Minister of Defense and will have high degree of independence; the Inspector General will conduct ministry-wide inspections on the orders of the Minister. The Inspector General will be of assistant administrative vice-minister rank, and the necessary personnel, including appointed outside personnel, are to be assigned to the Inspector General's Office of legal compliance, MOD, and their expertise utilized. The Inspector General's Office of legal compliance, MOD, will carry out inspections and establish overlapping audit and inspection systems, in particular with respect to compliance with laws and regulations.

5. Creation of New Local Defense Bureaus

Relations between the MOD and local communities are of growing importance. Therefore, the Defense Facility Administration Bureaus (local branches of the Defense Facilities Administration Agency) and the local offices of the Equipment Procurement Office will be integrated when abolishing/consolidating the Defense Facilities Administration Agency, and Local Defense Bureaus will be created to serve as local bureaus for the MOD in overseeing the full gamut of defense administration functions at the local level, including coordination and discussions with communities on defense policies.

The Local Defense Bureaus will have comprehensive responsibility for defense administration in their territories, including:

- 1) tasks connected with facility administration at the local level that have been performed by the Defense Facility Administration Bureaus;
- 2) tasks connected with equipment procurement that have been carried out by the local offices of the Equipment Procurement Office; and
- 3) tasks connected with securing the understanding and cooperation of local governments and local residents in order to smoothly and effectively implement tasks assigned by the MOD.

Notes

- On June 20, 1964, (then) Defense Agency Director-General Fukuda explained to the House of Representatives' Cabinet Committee why the bill had not been submitted to the Diet: "We believed that upgrading to ministry status was appropriate from all perspectives, and we still feel strongly that this is necessary. Unfortunately, however, time constraints led to a variety of delays and, given the extremely short time left in the term of the current Diet session, we regrettably concluded that the prospects of submitting to this Diet session were not good."
- 2) On the primary missions (prior to revision of the SDF Law) of the Self-Defense Forces, Article 3 of the Self-Defense Forces Law stipulates that "the first priority mission of the SDF shall be to defend Japan against direct or indirect invasion, and if necessary the SDF shall ensure to maintain public order."
- 3) See Part III, Chapter 3, Section 1 on the stipulation of the international peace cooperation as SDF's primary mission.
- 4) It was pointed out in the discussions among the ruling parties on the transition to a ministry that the connection between the abolition/merge of the Defense Facilities Administration Agency in FY 2007 following the bid-rigging incident at the Agency and other incidents, and the bill for the transition to a ministry is unclear, although both are related to the organization of the Defense Agency. The abolition of the Defense Facilities Administration Agency has therefore been clearly stipulated in the supplementary provisions.
- 5) The MOD and the SDF are the same administrative authority responsible for defense. The term "Ministry of Defense," however, is used to describe the administrative entity that carries out the work of management and administration of the GSDF, MSDF and ASDF, whereas the term "SDF" refers to the armed services themselves, whose duty is to defend the country through the activities of their units.