

Advance Questions for Frank Kendall III, Nominee to be Deputy Under Secretary of Defense for Acquisition and Technology

Defense Reforms

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms have strengthened the warfighting readiness of our Armed Forces. They have enhanced civilian control and clearly delineated the operational chain of command and the responsibilities and authorities of the combatant commanders, and the role of the Chairman of the Joint Chiefs of Staff. They have also clarified the responsibility of the Military Departments to recruit, organize, train, equip, and maintain forces for assignment to the combatant commanders.

- 1. Do you see the need for modifications of any Goldwater-Nichols Act provisions?**

Currently, I see no specific changes in the Act that I would recommend.

- 2. If so, what areas do you believe might be appropriate to address in these modifications?**

N/A.

Duties

Section 133a of title 10, United States Code, describes the role of the Deputy Under Secretary of Defense for Acquisition and Technology (DUSD(AT)).

- 3. Assuming you are confirmed, what duties do you expect that the Under Secretary of Defense for Acquisition, Technology, and Logistics will prescribe for you?**

If confirmed, my statutory responsibilities Under Section 1333a of Title 10 would be to be the principal advisor to the USD(AT&L) and the Secretary of Defense for matters relating to acquisition and the integration and protection of technology. Dr. Carter and I have discussed my role in the USD(AT&L) organization, and if confirmed I will also be acting as his principle deputy. The model that we have discussed is that of a Chief Executive Officer and Chief Operating Officer with me in the Chief Operating Officer role under Dr. Carter's supervision.

- 4. What background and experience do you possess that you believe qualifies you to perform these duties?**

I have over 35 years experience in the areas of national security, defense, and acquisition. My education includes degrees in engineering, business and law. I served on active duty in the Army for over ten years including in operational units and research and development commands. As a civil servant I worked as a systems engineer and systems analyst. I spent over eight years in the Pentagon on the Under Secretary for Acquisition's staff first as Assistant Deputy Under Secretary for Strategic Systems (Defense Systems) and then as Director, Tactical Warfare Programs. Outside of government I have been the Vice President of Engineering for Raytheon Company and a consultant on national security and acquisition related matters, principally program management, technology assessment, and strategic planning, for a variety of defense companies, think tanks, and government laboratories or research and development organizations.

5. Do you believe that there are any additional steps that you need to take to enhance your expertise to perform these duties?

No.

6. Do you believe that any significant changes should be made in the structure and decision-making procedures of the Department of Defense with respect to acquisition matters?

I am not aware of any changes that need to be made at this time. The Weapons System Acquisition Reform Act of 2009 addressed this question and I understand that it is currently being implemented. If confirmed, I intend to keep an open mind, assess historical changes, and work within the DoD and with Congress in an open and transparent manner on any recommendations concerning the structure or decision-making procedures for acquisition.

Qualifications

If confirmed, you will be responsible for assisting the Under Secretary in the management of an acquisition system pursuant to which the Department of Defense spends almost \$400 billion each year.

7. What background and experience do you have that you believe qualifies you for this position?

As indicated above, I have over 35 years experience in the areas of national security, defense, and acquisition. My education includes degrees in engineering, business and law. I served on active duty in the Army for over ten years including in operational units and research and development commands. As a civil servant I worked as a systems engineer and systems analyst. I spent over eight years in the Pentagon on the Under Secretary for Acquisition's staff first as

Assistant Deputy Under Secretary for Strategic Systems (Defense Systems) and then as Director, Tactical Warfare Programs. Outside of government I have been the Vice President of Engineering for Raytheon Company and a consultant on national security and acquisition related matters, principally program management, technology assessment, and strategic planning, for a variety of defense companies, think tanks, and government laboratories or research and development organizations.

8. What background or experience, if any, do you have in the acquisition of major weapon systems?

My most extensive experience was in my previous positions in the Under Secretary of Defense for Acquisition's office from 1986 to 1994. During this period I had oversight responsibility, first for all strategic defense programs, and then for all tactical warfare programs. During my period as Director of Tactical Warfare Programs from 1989 to 1994, I chaired the Conventional Systems Committee, now called the Overarching Integrated Product Team, which was responsible for preparing for Defense Acquisition Board (DAB) decisions for the Under Secretary for Acquisition. In this capacity I was responsible to the Under Secretary for approximately 100 DAB reviews covering systems from all three military departments that spanned the spectrum of major weapon systems. After I left government service in 1994, I was involved with a number of major weapons systems programs in my capacity as Vice President of Engineering at Raytheon. As an independent consultant I spent several years providing technical management and program management consulting to the Lead System Integrator for the Future Combat Systems program. During the period 1997 to 2008 I was also involved in reviews of a number of major acquisition programs, either as an independent consultant or as a member of a government advisory board.

9. Relationships

In carrying out your duties, what would be your relationship with:

The Secretary of Defense

If confirmed, I would support the Secretary of Defense's priorities in acquisition and technology.

The Deputy Secretary of Defense

If confirmed, I would support the Deputy Secretary's priorities in matters of acquisition and technology.

The Under Secretary of Defense for Acquisition, Technology, and Logistics

The Under Secretary of Defense for Acquisition, Technology, and Logistics would be my immediate supervisor. If confirmed, I would be the principal advisor to the USD (AT&L) for matters relating to acquisition and the integration and protection of technology. In addition I would assist the USD(AT&L) in the performance of his duties relating to Acquisition and Technology and in any other capacity that he might direct.

The other Under Secretaries of Defense

There are many actions that require coordination among the offices of the Under Secretaries of Defense. If confirmed, I would support the USD(AT&L) in working with the other Under Secretaries of Defense to best serve the priorities of the Department of Defense.

The Deputy Chief Management Officer of the Department of Defense

If confirmed, I would work with the Deputy Chief Management Officer to support the effective and efficient organization of business operations throughout the Department of Defense.

The Assistant Secretaries of Defense

If confirmed, I would work with the USD(AT&L) to cooperate with the Assistant Secretaries of Defense to best equip the Services and implement Department of Defense priorities.

The DOD General Counsel

If confirmed, I would work with the General Counsel's office to ensure all actions are legal, ethical, and within regulatory guidelines.

The Director of Operational Test and Evaluation

If confirmed, I would work with the Director of Operational Test and Evaluation to ensure appropriate testing oversight for DoD acquisition programs.

The Director of Cost Assessment and Program Evaluation

If confirmed, I would work with the Director of Cost Assessment and Program Evaluation to support their efforts to provide DoD with independent analysis and resourcing assessments for weapons systems programs.

The Director of Defense Research and Engineering

If confirmed, I would work with the Director of Defense Research and Engineering to rapidly field technologies and capabilities to support ongoing operations, and to ensure the Department and the nation maintain a strong technical and engineering foundation to reduce the cost, acquisition time, and risk of our major defense acquisition programs.

The Director of Developmental Testing

If confirmed, I would work with the Director of Developmental Testing to ensure that there is strong involvement early in program formulation, and that comprehensive, independent developmental testing assessments of program maturity and performance are available to inform acquisition decisions.

The Director of System Engineering

If confirmed, I would rely on the expertise and advice of the Director, Systems Engineering, encourage early involvement in supporting acquisition programs, and consider his independent assessments and recommendations in decisions pertaining to Major Defense Acquisition Programs.

The Acquisition Executives in the Military Departments

If confirmed, I would make communication and coordination with Service Acquisition Executives a top priority in daily management. I would engage with the Acquisition Executives to ensure effective oversight of acquisition programs in their areas, support transparency in sharing information about program status, take appropriate remedial actions to rectify problems, actively engage in departmental processes to improve acquisition outcomes, and support the policies and practices of the Department. I would also expect them to champion best practices and share ideas and concerns with each other, with me, and members of my organization.

The Vice Chairman of the Joint Chiefs of Staff

If confirmed, I would support the Vice Chairman in general, but particularly in his role as a member of the Defense Acquisition Board (DAB). I would also seek to ensure the requirements and acquisition processes work more effectively together in terms of stabilizing requirements, and ensuring requirements established for acquisition programs are achievable within appropriate cost, schedule and technical risk.

Major Challenges and Problems

10. In your view, what are the major challenges that will confront the DUSD(AT)?

If confirmed, I believe there are a number of daunting challenges that will have to be confronted and it would be impossible to list them all. The highest priority challenge would be supporting the war effort through rapid acquisition and delivery of effective capabilities to our forces engaged in combat and other counterinsurgency or counter-terror operations. Next, I anticipate a major challenge in ensuring that the Department's acquisition programs are executed within cost, schedule, and performance goals. I understand that many programs are falling short in this area and I would work to regain control of existing programs and to ensure that new programs do not repeat these problems. There is a challenge and opportunity in growing both the size and capability of the acquisition workforce particularly in the areas of program management, engineering, contracting, and cost estimating. I also believe there is a need to improve the efficiency and effectiveness of the transition of technologies from the science and technology community into acquisition programs. Finally, maintaining the strength and resiliency of our national defense industrial base is a challenge that I anticipate will require attention.

11. Assuming you are confirmed, what plans do you have for addressing these challenges?

If confirmed, I would use my experience to leverage the resources and expertise of the Defense Department, industry and other organizations to address these issues.

12. What do you consider to be the most serious problems in the management of acquisition functions in the Department of Defense?

I believe the top issues are effective and transparent oversight of our major programs to identify and rectify problems early; establishing acquisition programs that appropriately balance cost, schedule, performance, and risk; restricting unrealistic or unaffordable requirements appetites; strengthening both the acquisition workforce and our industrial base; and efficiently utilizing our investments in science and technology.

13. What management actions and timetables would you establish to address these problems?

I am not familiar enough with the position and the current situation to propose any actions or timetables at this time.

Acquisition Organization

Section 906 of the National Defense Authorization Act for Fiscal Year 2010 would realign the Deputy Under Secretaries (DUSDs) within the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(ATL)).

14. What is your view of the changes made by section 906? Do you see the need for any changes to this legislation?

I do not know what the impact of these changes would be in practice; however, I do not see the need for any changes at this time.

15. Do you believe that the office of the USD(ATL) is appropriately structured to execute its management and oversight responsibilities?

Yes.

16. Do you believe that any change is needed in the duties and responsibilities of the DUSDs serving under the USD(ATL)?

I have not had an opportunity to review those responsibilities and do not have any recommended changes at this time.

17. What role do you expect to play, if confirmed, in the realignment of the responsibilities of the DUSDs in accordance with the requirements of section 906?

If confirmed, I would expect to advise the Secretary of Defense, the Deputy Secretary of Defense and the USD (AT&L) on the enacted requirements.

18. Do you see the need for any changes in the relationship between the USD(ATL) and senior acquisition officials in the military departments?

Not at this time.

19. Do you see the need for any additional processes or mechanisms to ensure coordination between the budget, acquisition, and requirements systems of the Department of Defense and ensure that appropriate trade-offs are made between cost, schedule, and performance requirements early in the acquisition process?

I am not familiar enough with current procedures to make a recommendation at this time. If confirmed, I would examine these issues and recommend appropriate changes if I perceived that any were necessary. My experience is that there is an unavoidable overlap between budget, acquisition, and requirements procedures that is best addressed by continuous cooperation and coordination among the individuals with responsibilities for those processes.

20. What do you believe should be the appropriate role of the service chiefs in the requirements, acquisition, and resource-allocation process?

The service chiefs have a key role to play in the development of capability needs

and in the planning and allocation of resources consistent with those needs. Although service chiefs do not play a formal role in the acquisition chain of command, if confirmed I would respect, encourage and solicit and certainly welcome their advice and inputs.

21. What do you believe should be the appropriate role of the combatant commanders in the requirements, acquisition, and resource-allocation processes?

Combatant commanders advise on capability needs, priorities and allocation of resources consistent with those needs. I am particularly sensitive to the need for the acquisition system to address urgent needs of the combatant commanders in support of wartime operations. If confirmed, I would respect and encourage their advice and solicit their input on meeting their needs effectively.

22. Do you see the need for any changes in the structure or operations of the Joint Requirements Oversight Council (JROC)?

I am not familiar enough with current procedures with regard to the JROC to recommend any changes at this time.

Major Weapon System Acquisition

The investment budget for weapon systems has grown substantially over the past few years to more than \$150 billion per year. An increasing share of this investment is being allocated to a few very large systems such as the Joint Strike Fighter, Future Combat Systems, and Missile Defense.

23. Do you believe that the current investment budget for major systems is affordable given increasing historic cost growth in major systems, costs of current operations, projected increases in end strength, and asset recapitalization?

I believe the investment budget will come under increasing pressure in the future. If confirmed, I would work to control both the growth in costs of existing programs, as well as seek to ensure the Department has a sustainable and affordable investment strategy for the longer term.

24. If confirmed, how do you plan to address this issue?

If confirmed I would make this issue a top priority. Both the budget process and the acquisition process for individual programs provide vehicles to address this problem. I would advise the USD(AT&L) in his role in both of these processes and other Department leadership as appropriate to address this issue.

25. What would be the impact of a decision by the Department to reduce purchases of major systems because of affordability issues?

There could be impacts on short and long term national security, sustainment of the existing force structure, the health of the industrial base, and international implications. Each program decision would have to be considered both individually and collectively to determine the impact.

Nearly half of DOD's 95 largest acquisition programs have exceeded the so-called "Nunn-McCurdy" cost growth standards established in section 2433 of title 10, United States Code, to identify seriously troubled programs. Section 206 of the Weapon Systems Acquisition Reform Act of 2009 tightened the standards for addressing such programs.

26. What steps if any would you take, if confirmed, to address the out-of-control cost growth on DOD's major defense acquisition programs?

If confirmed, I would review the portfolio of programs to assess the degree to which they may still have cost problems and propose appropriate measures on a case by case basis to address those problems. It would be my intent to ensure future programs start off on a sound technical and fiscal footing to reduce the risk of future growth in costs. Emphasis would be placed on realistic overall cost estimates, executable program plans, and well understood and achievable technical requirements. Acquisition strategies should provide strong incentives to successful program execution. I would also enforce policies and measures such as the statutory provisions recently enacted to discipline the system and stabilize it over time.

27. What steps if any do you believe that the Department should consider taking in the case of major defense acquisition programs that exceed the critical cost growth thresholds established in the "Nunn-McCurdy" provision?

I believe the current statutory provision provides the authority to take appropriate measures, including major restructuring or termination.

28. Do you believe that the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, as currently structured, has the organization and resources necessary to effectively oversee the management of these major defense acquisition programs? If not, how would you address this problem?

Yes, to the best of my knowledge, however if confirmed I will review the organization and resources available to me to determine if changes are required.

29. Do you see the need for any changes to the Nunn-McCurdy provision, as revised by section 206?

Not at this time.

30. What principles will guide your thinking on whether to recommend terminating a program that has experienced “critical” cost growth under Nunn-McCurdy?

If confirmed, I would use the five criteria listed in the law. They address whether the capability is essential to the national security and whether there are other alternatives that can provide the capability at less cost. They also address whether we now have reasonable cost and schedule estimates and the management to achieve them. The law also requires consideration from where the funding will come.

In the Budget Blueprint that supports the FY2010 Presidential Budget Request, the Administration committed to “set[ting] realistic requirements and stick[ing] to them and incorporat[ing] ‘best practices’ by not allowing programs to proceed from one stage of the acquisition cycle to the next until they have achieved the maturity to clearly lower the risk of cost growth and schedule slippage.”

31. If confirmed, how would you help ensure that the Department makes good on this commitment?

Advanced technology is essential to maintaining the operational superiority of our weapon systems, but there must be a balance between pursuing desirable technology goals and ensuring adequate maturity before committing to major development programs that depend on new technology. If confirmed, I would seek to ensure programs do not proceed unless they are ready in all respects to advance to the next stage in the acquisition process. This requires a detailed review of the specific risks associated with each program. If confirmed, I would work closely with the Director of Defense Research and Engineering and other appropriate offices to ensure that adequate reviews are conducted.

Systems Engineering and Developmental Testing

One of the premises for the Weapon Systems Acquisition Reform Act of 2009 was that the best way to improve acquisition outcomes is to place acquisition programs on a sounder footing from the outset by addressing program shortcomings in the early phases of the acquisition process. The Defense Science Board Task Force on Developmental Test and Evaluation reported in May 2008 that “the single most important step necessary” to address high rates of failure on defense acquisition programs is “to ensure programs are formulated to execute a viable systems engineering strategy from the beginning.”

32. Do you believe that the Department of Defense has the systems engineering and developmental testing organizations, resources, and capabilities needed to ensure that there is a sound basis for key requirements, acquisition, and budget decisions on major defense acquisition programs?

I have not had an opportunity to fully study the adequacy of both systems engineering and the developmental test and evaluation organizations in DoD and the Services. If confirmed, I would, with the DDR&E, review the entire acquisition organization, including Systems Engineering and Developmental Testing to ensure changes are implemented as necessary to best accomplish the mission.

33. If confirmed, what role do you expect to play, in working with the new Director of Systems Engineering and the new Director of Developmental Testing to address this problem?

If confirmed, I would work closely with both directors to establish a clear strategy for improving the capabilities of the technical workforce. I would also seek their expertise and active involvement in programs in their early stages to ensure the best technical approaches are being used to reduce program risk to acceptable levels and to ensure that programs are ready to proceed to production and operational testing.

34. Do you believe that the nation as a whole is producing enough systems engineers and designers and giving them sufficient experience working on engineering and design projects to ensure that DOD can access an experienced and technically trained systems engineering and design workforce? If not, what do you recommend should be done to address the shortfall?

I have not had the opportunity to fully study the level of shortfall, if any, in the national technical workforce today. I am concerned that the demographics of the national security workforce will present a problem within the next five or ten years if not sooner. If confirmed, I would work within the Department to understand and to mitigate these issues.

Technological Maturity

Over the last several years, the Government Accountability Office (GAO) has prepared a series of reports for this Committee comparing the DOD approach to the acquisition of major systems with the approach taken by best performers in the private sector. GAO concluded that private sector programs are more successful than DOD programs because they consistently require that new technologies achieve a high level of maturity before such technologies may be incorporated into product development programs. Section 104 of the Weapon

Systems Acquisition Reform Act of 2009 addresses this issue by tightening technological maturity requirements for major defense acquisition programs.

35. How important is it, in your view, for the Department to mature its technologies with research and development funds before these technologies are incorporated into product development programs?

It is very important for acquisition programs to use mature technologies and to carefully manage the risk associated with new technology insertion. Chances of program success go down dramatically when the risks associated with technologies that have not been demonstrated adequately are accepted. One effective way to mature technologies is through the use of DoD R&D funds.

36. What steps if any would you take, if confirmed, to ensure that the key components and technologies to be incorporated into major acquisition programs meet the Department's technological maturity goals?

If confirmed, I would work with the Director, Defense Research and Engineering to ensure that the technology risk associated with defense acquisition programs is properly tailored to the phases of development to avoid program disruption or failure. The principal tool to accomplish this goal would be a rigorous, independent assessment process conducted by the Director, Defense Research and Engineering. If confirmed, I would review current processes with the DDR&E to determine their adequacy.

37. Do you believe that the Department should make greater use of prototypes, including competitive prototypes, to ensure that acquisition programs reach an appropriate level of technological maturity, design maturity, and manufacturing readiness before receiving Milestone approval?

Yes.

38. If so, what steps do you believe the Department should take to increase its use of such prototypes?

I believe the Department should insist on the use of competitive prototyping whenever viable. If confirmed, I would strongly encourage the use of competitive prototyping provisions in acquisition strategies.

Section 2366a of title 10, U.S. Code, requires the Milestone Decision Authority for a major defense acquisition program to certify that critical technologies have reached an appropriate level of maturity before Milestone B approval.

39. What steps if any will you take, if confirmed, to make sure that the Department of Defense complies with the requirements of section 2366a?

If confirmed, I would assist the USD(AT&L) in his role as chair of the Defense Acquisition Board (DAB) and Milestone Decision Authority (MDA) for Acquisition Category (ACAT) 1 programs in fulfilling this requirement. This would include supporting the use of independent technology readiness assessments to ensure compliance with section 2366a.

40. What steps if any will you take to ensure that the Director of Defense Research and Engineering is adequately staffed and resourced to support decisions makers in complying with the requirements of section 2366a?

If confirmed, I would work with DDR&E and other members of the OSD and military service staffs to evaluate the adequacy of resources available to meet the challenges of complying with the requirements of section 2366a.

41. Are you satisfied that technology readiness assessments adequately address systems integration and engineering issues which are the cause of many cost overruns and schedule delays in acquisition programs?

I am not familiar enough with current practices to provide an opinion at this time. If confirmed, I would work to ensure that systems integration, engineering, as well as technology maturity issues are properly addressed and coordinated.

42. Do you plan to follow the recommendation of the Defense Science Board Task Force on the Manufacturing Technology Program and require program managers to make use of the Manufacturing Readiness Level tool on all programs?

I believe strongly that manufacturing technology is important and deserving of DoD support. I also agree that manufacturing readiness is important to program success and should be assessed rigorously before programs pass into production. If confirmed, I intend to review the specific recommendations of the DSB report and to take action to strengthen the use of Manufacturing Readiness Levels if needed.

43. Beyond addressing technological maturity issues in acquisition programs, what other steps should the Department take to increase accountability and discipline in the acquisition process?

There are a great number of factors that contribute to the failure of programs to meet their schedule, cost and performance goals. As Secretary Gates has said, there is no “silver bullet” that will address all of the factors. In addition to excessive technology risk, failures can originate in acquisition strategies that do not properly motivate the Department’s suppliers, unrealistic requirements, optimistic cost estimates and schedules, poor detailed program planning, poor engineering practices, and inefficient production rates, just to name a few. If

confirmed, I would commit to examining all these factors both as systemic problems and in each program that comes before the USD(AT&L) for a decision. If confirmed, I would work tenaciously to minimize the frequency and the impact of all of these problems, in part by focusing on the individuals responsible for executing the Department's programs; the Program Managers and Program Executive Officers.

Unrealistic Cost, Schedule and Performance Expectations

Many acquisition experts attribute the failure of DOD acquisition programs to a cultural bias that routinely produces overly optimistic cost and schedule estimates and unrealistic performance expectations. Section 101 of the Weapon Systems Acquisition Reform Act of 2009 is designed to address this problem by establishing an independent Director of Cost Assessment and Performance Evaluation, who is charged with ensuring the development of realistic and unbiased cost estimates to support the Department's acquisition programs.

44. Do you agree with the assessment that overly optimistic cost and schedule estimates and unrealistic performance expectations contribute to the failure of major defense acquisition programs?

Yes.

45. If confirmed, how do you expect to work with the Director of the new office to ensure that the Department's cost, schedule and performance estimates are realistic?

During my eight years in the Under Secretary for Acquisition's office I worked very closely with the Cost Analysis Independent Group (CAIG) and relied heavily on their expertise. If confirmed, I would expect to work closely with CAPE and to rely on their independent estimates, as well as other sources of information, to ensure thorough and objective reviews of programs coming before the USD(AT&L) for acquisition decisions.

Section 201 of the Weapon Systems Acquisition Reform Act of 2009 seeks to address this problem by promoting early consideration of trade-offs among cost, schedule, and performance objectives in major defense acquisition programs.

46. Do you believe that early communication between the acquisition, budget and requirements communities in the Department of Defense can help ensure more realistic cost, schedule and performance expectations?

Yes.

47. If so, what steps if any would you take, if confirmed, to ensure such communication?

I believe the key is leadership that is committed in all three processes to working together. If confirmed, I would work closely with the leaders in requirements, acquisition and budgeting to ensure that our actions are coordinated and collaborative.

The Department of Defense has increasingly turned to incremental acquisition and spiral development approaches in an effort to make cost, schedule and performance expectations more realistic and achievable.

48. Do you believe that incremental acquisition and spiral development can help improve the performance of the Department's major acquisition programs?

Yes.

49. What risks do you see in the Department's use of incremental acquisition and spiral development?

I am not familiar with the Department's record with regard to implementing these approaches. If confirmed, I would support the use of these practices where appropriate.

50. In your view, has the Department's approach to incremental acquisition and spiral development been successful? Why or why not?

I am not familiar enough with the Department's experience with these strategies to have an opinion as to their success or failure. If confirmed, I will review the results that have been obtained to date.

51. What steps if any do you believe are needed to ensure that the requirements process, budget process, and testing regime can accommodate incremental acquisition and spiral development approaches?

I am not familiar enough with the Department's experience with these strategies to have an opinion as to whether additional steps to ensure the requirements, budget and testing processes are needed. If confirmed, I will review the results that have been obtained to date.

52. How should the Department ensure that the incremental acquisition and spiral development programs have appropriate baselines against which to measure performance?

I am not familiar enough with the Department's experience with baselines for these strategies to have an opinion as to whether appropriate baselines are being maintained or what changes are necessary. If confirmed, I will review the results that have been obtained to date.

Funding and Requirements Stability

The poor performance of major defense acquisition programs has also been attributed to instability in funding and requirements. In the past, the Department of Defense has attempted to provide greater funding stability through the use of multi-year contracts. More recently, the Department has sought greater requirements stability by instituting Configuration Steering Boards to exercise control over any changes to requirements that would increase program costs.

53. Do you support the use of Configuration Steering Boards to increase requirements stability on major defense acquisition programs?

Yes.

54. What other steps if any would you recommend taking to increase the funding and requirements stability of major defense acquisition programs?

I am not familiar enough with the current practices in the Department that seek to address funding and requirements stability to be able to make a recommendation.

Fixed Price-Type Contracts

Recent Congressional and DOD initiatives attempt to reduce technical and performance risks associated with developing and producing major defense acquisition programs so as to minimize the use of cost-reimbursable contracts.

55. Do you think that the Department should move towards more fixed price-type contracting in developing or procuring major defense acquisition programs? Why or why not?

I do think that the Department should, when possible, consider the more frequent use of fixed price type contracts in developing or procuring major defense acquisition programs. I believe that fixed price contracts offer several advantages to stability, schedule and cost for appropriate programs. There are circumstances in which fixed price contracts are not appropriate, including in the development of entirely new designs, when contractors assume greater risk and are more likely to face very high losses. If confirmed I will ensure acquisition contracts are designed to provide the greatest benefit to the warfighter and the taxpayer.

Technology Transition

The Department continues to struggle with the transition of new technologies into existing programs of record and major weapons systems and platforms. Further, the Department also has struggled with moving technologies from DOD programs or other sources rapidly into the hands of operational users.

56. What impediments to technology transition do you see within the Department?

I believe there may be several issues with technology transition, but I have not seen any data that would confirm the root causes or their relative significance. If confirmed, I would work with the DDR&E to understand the magnitude and impact of these factors and to develop measures that would improve technology transition.

57. What steps if any will you take, if confirmed, to enhance the effectiveness of technology transition efforts?

Overcoming the impediments would be a priority for me. If confirmed, I intend to work with the DDR&E to understand this issue and to devise and implement further measures to overcome these impediments.

58. What can be done from a budget, policy, and organizational standpoint to facilitate the transition of technologies from science and technology programs and other sources, including small businesses, venture capital funded companies, and other non-traditional defense contractors, into acquisition programs?

It is very important that defense tap into these sources, which are some of the most innovative in the world, for technology that can be applied to weapons systems. I believe that R&D and acquisition processes and policies must make it easier for such entities to contribute to defense and if confirmed, I would work with the DDR&E to develop specific measures to achieve that goal.

59. Do you believe that the Department's science and technology organizations have the ability and the resources to carry technologies to higher levels of maturity before handing them off to acquisition programs?

I am not familiar enough with the current science and technology programs and the maturity levels they are able to achieve to answer this question definitively.

60. What steps if any do you believe the Department should take to ensure that research programs are sufficiently funded to reduce technical risk in programs so that technological maturity can be demonstrated at the appropriate time?

I believe technologies that are necessary or desirable to meet proposed acquisition program needs should be identified early and that specific maturation programs should be defined and agreed to by the S&T and development communities and that those programs should be collaboratively managed. I am not aware of the extent to which this is currently being done. If confirmed, I would review this area to determine if changes are necessary.

61. What role do you believe Technology Readiness Levels and Manufacturing Readiness Levels should play in the Department's efforts to enhance effective technology transition and reduce cost and risk in acquisition programs?

TRLs and MRLs should serve as management tools to gauge the maturity of technologies that might be adopted by acquisition programs to meet performance or cost goals or adopted to achieve desired production capabilities.

Multi-Year Contracts

The statement of managers accompanying Section 811 of the National Defense Authorization Act for Fiscal Year 2008 addresses the requirements for buying major defense systems under multiyear contracts as follows: "The conferees agree that 'substantial savings' under section 2306b(a)(1) of title 10, United States Code, means savings that exceed 10 percent of the total costs of carrying out the program through annual contracts, except that multiyear contracts for major systems providing savings estimated at less than 10 percent should only be considered if the Department presents an exceptionally strong case that the proposal meets the other requirements of section 2306b(a), as amended. The conferees agree with a Government Accountability Office finding that any major system that is at the end of its production line is unlikely to meet these standards and therefore would be a poor candidate for a multiyear procurement contract."

62. What are your views on multiyear procurements? Under what circumstances do you believe they should be used?

In general, I favor multiyear procurement strategies if they provide substantial savings and if there is a firm commitment to the planned procurement. I believe that multiyear procurements can offer substantial savings through improved economies in production processes, better use of industrial facilities, and a reduction in the administrative burden in the placement and administration of contracts. The potential for multi-year procurement can be a power incentive to suppliers to reduce cost and negotiated price but it also has the disadvantage of reducing the government's flexibility during the years the strategy is being executed. Some factors in deciding whether a program should be considered for multiyear procurement are: savings when compared to the annual contracting methods; validity and stability of the requirement and funding; associated technical risks; degree of confidence in the estimates of both contract costs and

anticipated savings; and promotion of national security.

63. What is your opinion on the level of cost savings that constitute “substantial savings” for purposes of the defense multiyear procurement statute, 10 U.S.C. § 2306b?

I understand that there has been much debate over the threshold on the level of cost savings that constitutes “substantial savings.” In my view the 10% figure cited in the conference manager’s statement is a reasonable benchmark, but I would agree that it should not be an absolute definition, as the managers’ statement provides. I agree with the need to ensure that the savings achieved from multiyear contracts are substantial, not only in terms of dollars but also in terms of the relative difference in price that the Department would otherwise pay for an annual procurement.

64. If confirmed, under what circumstances, if any, do you anticipate that you would support a multiyear contract with expected savings of less than 10 percent?

The complexity of each situation makes a general answer difficult. I believe that multiyear contracting can provide cost savings, and therefore it should be considered as an option to best serve the war fighter and taxpayer. The total magnitude of the savings that could be achieved and the firmness of the procurement plan would be key considerations.

65. If confirmed, under what circumstances, if any, would you support a multiyear contract for a major system at the end of its production line?

The complexity of each situation makes a general answer difficult, but it could be appropriate in some circumstances to consider a program for multiyear procurement when it is nearing the end of production. As indicated above, the total magnitude of the savings that could be achieved and the firmness of the procurement plan would be key considerations.

66. Under what circumstances, if any, do you believe that a multiyear contract should be used for procuring weapons systems that have unsatisfactory program histories, e.g., displaying poor cost, scheduling, or performance outcomes but which might otherwise comply with the requirements of the defense multiyear procurement statute, 10 U.S.C. § 2306b?

Additional analysis and careful review of all information should be completed whenever a multi-year contract is being considered for use in procuring weapon systems that have shown unsatisfactory program histories, but which otherwise comply with the statutory requirements. The Department would need to examine very carefully all risk factors to determine if a multiyear procurement would be

appropriate.

67. Under what circumstances, if any, should DOD ever break a multiyear procurement?

The cancellation of a multiyear contract should be a very rare event. However, there are circumstances when it could occur. One such event would be the failure to fund a program year. Another would be the failure of the contractor to perform, which ultimately could lead to a decision to terminate for default. In these circumstances, breaking a multiyear procurement could be appropriate or even required.

Continuing Competition and Organizational Conflicts of Interest

The Defense Science Board Task Force on Defense Industrial Structure for Transformation recommended last summer that “DOD must increase its use of creative competitive acquisition strategies, within limited budgets, in order to ensure long-term innovation and cost savings, at both prime and critical sub-tier elements. Competition would not be required beyond the competitive prototype phase, as long as the current producer continuously improves performance and lowers cost – but other contractors should always represent a credible option if costs rise or performance is unacceptable.” Section 202 of the Weapon Systems Acquisition Reform Act of 2009 requires DOD to take steps to promote continuing competition (or the option of such competition) throughout the life of major defense acquisition programs.

68. Do you agree with the recommendation of the Defense Science Board? Do you believe that continuing competition is a viable option on major defense acquisition programs?

Yes, I believe that Department should use competitive acquisition strategies whenever possible. Competition is a powerful force in the marketplace, and I believe the Department should strive to use that kind of leverage as much as possible in its programs. I believe that Department should increase its use of creative competitive acquisition strategies as much as possible to ensure long-term innovation and cost savings.

69. In your view, has the consolidation of the defense industrial base gone too far and undermined competition for defense contracts?

I do not have enough information to provide a definitive answer.

70. If so, what steps if any can and should the Department of Defense take to address this issue?

It is my understanding that the Department continues to discourage mergers and acquisitions among defense materiel suppliers that are not in the Department's interest or injurious to national security. I believe the Department should continue to work closely with the antitrust agencies in evaluating defense-related mergers and mitigating negative impacts to ensure a robust, innovative, and competitive defense industry. If confirmed, I would work to adjust DoD transaction evaluation procedures/criteria as appropriate and I would look for creative ways to provide for competition in our programs.

Section 203 of the Weapon Systems Acquisition Reform Act requires the use of competitive prototypes for major defense acquisition programs unless the cost of producing such prototypes would exceed the lifecycle benefits of improved performance and increased technological and design maturity that prototypes would achieve.

71. Do you support the use of competitive prototypes for major defense acquisition programs?

Yes, very much so. I believe that competitive prototypes provide an effective mechanism to mature key technologies, refine requirements, support preliminary design, improve cost estimation and reduce total costs. This does not mean competitive full scale prototypes are always the best acquisition approach, and I believe there are circumstances where there would not be a good business case for them. In these cases, prototyping at the subsystem level could be a preferred and viable strategy.

72. Under what circumstances do you believe the use of competitive prototypes is likely to be beneficial?

I believe competitive prototypes could be beneficial in all cases where technologies are immature, alternative design concepts are available, requirements lack refinement, cost estimates are inadequately informed by demonstrated technical capability, and where competition is likely to drive down total cost.

73. Under what circumstances do you believe the cost of such prototypes is likely to outweigh the potential benefits?

Given the long term benefits that result from effective prototyping, I expect that there will be few instances where the cost of prototyping will outweigh the benefits. In some instances, such as where the materiel solution is based on mature, well integrated technologies and demonstrated designs, prototyping may be redundant. In addition, there are likely to be instances, such as some ship development programs, where the cost to develop competitive full system prototypes could be prohibitive. In those instances, I would focus on prototyping the sub-systems with the greatest technical risk. Competitive prototyping requires

the existence of viable competitors of course, but even in instances where there is only one viable supplier, risk reduction prototypes prior to Engineering and Manufacturing Development are likely to be beneficial to total program cost.

Section 207 of the Weapon Systems Acquisition Reform Act requires the Department to promulgate new regulations to address organizational conflicts of interest on major defense acquisition programs.

74. What steps if any do you believe the Department of Defense should take to address organizational conflicts of interest in major defense acquisition programs?

Even the perception of an Organizational Conflict of Interest (OCI) may taint the integrity of the competitive procurement process. I support the requirements of the Weapons Systems Acquisition Reform Act and, if confirmed, would work with the Secretary in developing new DFAR provisions and regulations or policies to tighten existing requirements to avoid, neutralize, or mitigate OCIs, to include limiting a contractor's ability to compete on certain future requirements. Additionally, I support the Department's activities to remedy OCIs when identified in the course of its review of defense-related mergers. If confirmed, I would highlight the sensitivity of the issue with the acquisition community and work to ensure that it is adequately reviewed when considering acquisition strategies and source selections.

75. What are your views on the lead system integrator approach to managing the acquisition of major weapon systems?

The lead system integrator label has been applied to what are in reality "super-primers" with responsibilities for both systems integration and delivering baskets of multiple defense products. I believe that there is a need for systems integration across weapons systems, but there are other strategies to accomplish this goal than super-prime lead systems integrators. I also believe that inherently governmental functions should not be transferred to contractors.

76. What are your views on the use of system engineering and technical assistance contractors that are affiliated with major defense contractors to provide "independent" advice to the Department on the acquisition of major weapon systems?

I believe that Systems Engineering and Technical Assistance support contractors are currently providing critical support to the Department's acquisition workforce. However, I believe these contractors should not be used to perform inherently governmental functions and they should not be used in a situation where a conflict of interest or the appearance of a conflict of interest would exist. If confirmed, I would support the Department's efforts to increase government staff and reduce its reliance on contractors and as indicated above I would work to implement the

Weapons System Acquisition Reform Act provisions strengthening the conflict of interest regulations and policies.

77. What lines do you believe the Department should draw between those acquisition responsibilities that are inherently governmental and those that may be performed by contractors?

When it comes to acquisition responsibilities, I believe that only government personnel may make value judgments and decisions that obligate government funds and commit the government contractually. I believe that contractors can support these functions, but that the government must have the depth of expertise to analyze, validate, and understand any contractor provided information or analysis and make its own judgments about the obligation of government funds and the management of government contracts. I also recognize that a number of other important functions within the defense acquisition community should be retained for government-only performance. Given the current workforce mix and the level of contracted support to acquisition functions, I believe a careful review is needed to assess the degree to which the Department has become too dependent on contractors.

78. If confirmed, what steps if any would you take to ensure that defense contractors do not misuse their access to sensitive and proprietary information of the Department of Defense and other defense contractors?

It is my understanding that USD(AT&L) has issued guidance to information assurance and acquisition personnel to ensure strong measures are in place to prevent disclosure of this information at the individual contract level. I believe existing law covers misuse of this type of information and regulations will be strengthened as a result of WSARA mandated conflict of interest provisions. If confirmed, I would carefully review these measures to ensure they provide sufficient protection of sensitive and proprietary information and I would support the effort to strengthen regulations designed to prevent conflicts of interest that might provide incentives to misuse.

79. If confirmed, what steps if any would you take to ensure that defense contractors do not unnecessarily limit competition for subcontracts in a manner that would disadvantage the government or potential competitors in the private sector?

I believe that competition at both the prime and subcontract level is essential to the Department. If contractors are limiting competition at the subcontract level in a manner disadvantageous to the government, it is unacceptable. If confirmed, I would review the Department's safeguards against this potential situation.

In February 2007, the Secretary of Defense submitted a report to Congress entitled “Defense Acquisition Transformation Report to Congress”.

80. If confirmed, to what extent would you support and continue implementation of the defense acquisition reform initiatives set forth in that report? In particular, please discuss your views regarding the following aspects of transformation:

- **Portfolio Management:** In general, I support the premise of Capability Portfolio Management, which is intended to provide an enterprise-level, horizontal (cross-component) view to better balance and harmonize joint war fighter capability needs. If confirmed, I would review the current construct to ensure it enables better-integrated and balanced advice across the full spectrum of capability needs to DOD senior leadership.
- **Tri-Chair Concept Decision:** I support harmonizing and ensuring good communication exists across the major Department processes for requirements, resources and acquisition and, if confirmed, would pursue management mechanisms that further those aims.
- **Time-Defined Acquisitions:** I am not familiar with the extent to which this concept has been implemented or what the effectiveness has been. I would agree that schedule is a key aspect of DOD acquisition decision-making and emphasizing time can force a much more realistic consideration of acquisition approaches and alternative technologies that can be fielded. Shorter times can also create less opportunity for requirement growth; and reduce the risk of technology and manufacturing obsolescence, but they can also increase risk if applied unrealistically. This approach may be most applicable to urgent operational needs, but again I am not familiar with how it has been implemented to date.
- **Investment Balance Reviews:** As with portfolio reviews, I believe there is value in looking broadly across the Department to assess the opportunities and national security threats across all the Services and to determine where to best focus our future investments.
- **Risk-Based Source Selection:** It is my understanding this initiative is to use techniques that enhance the quality of requests for proposals and source selections by improving technical criteria and making the Department a "smarter" buyer. If confirmed, I would review these efforts to ascertain whether they are effective and should be further strengthened
- **Acquisition of Services Policy:** It is my understanding this policy imposed changes in the way the Department manages and reviews the performance of service contracts. I am aware that the Department spends more on Service contracts than it does on major weapons systems, so this is an area of great

- **Systems Engineering Excellence:** I believe that sound systems engineering is critical to acquisition programs throughout their life but especially in their early stages. If confirmed, I would encourage early and effective systems engineering and I would work closely with the Director of Systems Engineering to ensure the Department's programs utilize sound systems engineering practices. I would also work to grow the size and the quality of the government's systems engineering workforce and to ensure that the industrial basis has adequate capacity in this area.
- **Award Fee and Incentive Policy:** I support linking award fee and incentive payments to objective measurable acquisition outcomes such as cost, schedule, and technical performance. If confirmed, I would intend to assess such initiatives and related policy and make any adjustments necessary to ensure that their intended purposes are being met.
- **Open, Transparent and Common Shared Data Resources with Defense Acquisition Management Information Retrieval (DAMIR):** I am not familiar with DAMIR, but I understand that it currently provides enterprise visibility to acquisition program information. If confirmed, I would review the effectiveness of DAMIR and support initiatives focusing on implementation of open, transparent and common shared data resources and steps that would improve the management of the Department's programs.
- **Restructured Defense Acquisition Executive Summary Reviews:** In my experience, the DAES reviews provide a forum for OSD to work with the Services and Agencies to evaluate program execution. I believe these kinds of oversight reviews are critical and must be based on objective information aimed at identifying problems early, getting to their root, and fixing them. I think it is equally important to learn what is working well and why. If confirmed, I would review this process to assess its effectiveness at meeting these goals and consider options to improve the process.
- **Policy on Excessive Pass-Through Charges:** I fully support ensuring that pass-through charges on contracts or subcontracts that are entered into for or on behalf of DoD are not excessive in relation to the cost of work performed by the relevant contractor or subcontractor.

81. Are there other initiatives or tools discussed in the Defense Acquisition Transformation Report that you view as particularly likely, or unlikely, to be productive in achieving acquisition reform?

If confirmed, I would review the report fully to understand any additional proposed ways and means to improve the effectiveness and efficiency of the acquisition system and I would take appropriate action to implement those that are likely to be productive.

Operation of the Defense Acquisition System

On December 2, 2008, the Department promulgated a new version of DOD Instruction 5000.02, the key guidance on the Department's acquisition of major weapon systems. The revised instruction restructured the management framework for translating capability needs and technology opportunities into stable, affordable, and well-managed defense acquisition programs.

82. What is your assessment of the new version of this instruction and the extent of its implementation to date?

The new instruction is a constructive step, and if confirmed I would ensure that it is effectively implemented and seek to improve upon it consistent with the Secretary's guidance to improve acquisition.

83. If confirmed, what steps would you take to continue implementation of the new version of DOD Instruction 5000.2 and improve upon it?

If confirmed, I would monitor the implementation and effectiveness of the new policies. If necessary, I would alter these or introduce additional policies to ensure that our programs comply with the Instruction and achieve cost, schedule and performance objectives.

Contracting for Services

Over the past eight years, DOD's spending on contract services has more than doubled, with the estimated number of contractor employees working for the Department increasing from an estimated 730,000 in Fiscal Year 2000 to an estimated 1,550,000 in Fiscal Year 2007. As a result, the Department now spends more for the purchase of services than it does for products (including major weapon systems).

84. Do you believe that the Department of Defense can continue to support this rate of growth in its spending on contract services?

It is my understanding the rate of growth in this area may have leveled off somewhat over the past year or so and that Secretary Gates is committed to scale back the role of contractors in support services. If confirmed, I would intend to work with the Department's senior leadership to address the underlying question

about whether the Defense Department is adequately staffed, quantitatively and qualitatively, to carry out its responsibilities. Even if the Department decreases its spending on contracted services while increasing funding for new civilian billets to perform functions previously accomplished by contractors, the Department would need to ensure there are a sufficient numbers of qualified Government civilian or military personnel dedicated to perform meaningful oversight of contractor activities. I believe that the Department also needs to look carefully at the content of the services that DoD is contracting for to ensure that these taxpayer dollars are being spent efficiently and on services that are truly needed.

85. Do you believe that the current balance between government employees (military and civilian) and contractor employees is in the best interests of the Department of Defense?

One of the biggest surprises to me in becoming familiar with current staffing levels since my nomination is the extent to which government employees have been replaced by contractors since I left the Department 15 years ago. I understand that during this past year, Secretary Gates has committed to alter the mix between government employees and contractor employees and that efforts are underway to in-source a number of functions. I am not familiar enough with the current situation to assess where the correct balance lies, but I fully support Secretary Gates' initiative and as the Department moves forward with in-sourcing I would, if confirmed, work to help ensure that a more appropriate balance is achieved.

86. What steps if any would you take, if confirmed, to control the Department's spending on contract services?

If confirmed, I would work with the Department's senior leadership to analyze not only the amount of spending on contracted services, but also the degree to which contracted services are employed in the various functional support areas. As stated above, I believe that we need to look carefully at the content of the services that DoD is contracting for to ensure that these taxpayer dollars are being spent efficiently and on services that are truly needed.

At the request of the Committee, the GAO has compared DOD's practices for the management of services contracts to the practices of best performers in the private sector. GAO concluded that leading companies have achieved significant savings by insisting upon greater visibility and management over their services contracts and by conducting so-called "spend" analyses to find more efficient ways to manage their service contractors. Section 801 of the National Defense Authorization Act for Fiscal Year 2002 required DOD to move in this direction. Sections 807 and 808 of the National Defense Authorization Act for Fiscal Year 2008 built on this provision by requiring inventories and management reviews of contracts for services.

87. Do you believe the Department is providing appropriate stewardship over service contracts?

I do not have sufficient knowledge to make an assessment at this time. If confirmed, ensuring appropriate oversight of service contracts would be a high priority for me.

88. Do you believe that the Department has appropriate management structures in place to oversee the expenditure of more than \$150 billion a year for contract services?

I have not had an opportunity to assess the management structures that are in place, but if confirmed, I would work with the Department's senior leadership to make the necessary adjustments in order to implement President Obama's direction to carry out robust and thorough management and oversight of contracts, including contracts for services.

89. Do you believe that the Department should conduct a comprehensive analysis of its spending on contract services, as recommended by GAO?

Although I am not familiar with the specific GAO recommendations regarding a comprehensive analysis, I agree that a comprehensive analysis of spending on contracted services is necessary. I understand some efforts are underway, but I do not know the extent to which such a review may have already been carried out. If confirmed I would work to ensure that this is done effectively.

90. Do you support the use of management reviews, or peer reviews, of major service contracts to identify "best practices" and develop lessons learned?

Yes.

91. If confirmed, will you fully comply with the requirement of section 807 of the National Defense Authorization Act for Fiscal Year 2008, to develop an inventory of services performed by contractors comparable to the inventories of services performed by federal employees that are already prepared pursuant to the Federal Acquisition Inventory Reform (FAIR) Act?

Yes.

92. What additional steps if any would you take, if confirmed, to improve the Department's management of its contracts for services?

If confirmed, I would make a point of emphasizing to senior leaders the vital role they must play in diligently managing service contracts in a way that maximizes the benefit to the warfighter and the taxpayer. I would assist the USD(AT&L) in

identifying and reviewing, and as appropriate implementing, additional steps that would improve the management of contracts for services.

Contractor Performance of Critical Governmental Functions

Over the last decade, the Department has become progressively more reliant upon contractors to perform functions that were once performed exclusively by government employees. As a result, contractors now play an integral role in areas as diverse as the management and oversight of weapons programs, the development of personnel policies, and the collection and analysis of intelligence. In many cases, contractor employees work in the same offices, serve on the same projects and task forces, and perform many of the same functions as DOD employees.

93. In your view, has DOD become too reliant on contractors to support the basic functions of the Department?

Although I do not have detailed knowledge, it appears to me that the Department may have become overly reliant on support contractors. If confirmed, I would be particularly focused on ensuring we make the necessary adjustments to ensure the Defense Acquisition Workforce is not overly reliant on support contractors.

94. Do you believe that the current extensive use of personal services contracts is in the best interest of the Department of Defense?

I do not have detailed knowledge of this subject and am unable to make a judgment, but I am concerned that this may be a problem that needs addressing and if confirmed I would work to understand the situation and take appropriate action as needed within the scope of my responsibilities.

95. What is your view of the appropriate applicability of personal conflict of interest standards and other ethics requirements to contractor employees who perform functions similar to those performed by government employees?

I am not familiar with the details of how personal conflict of interest standards are being applied to contractor employees today. I do believe that support contractor employees who have access to sensitive or source selection sensitive information, should be subject to similar ethical standards as the Government employees they support.

96. U.S. military operations in Iraq and Afghanistan have relied on contractor support to a greater degree than any previous U.S. military operations. According to widely published reports, the number of U.S. contractor employees in Iraq and Afghanistan have exceeded the number of U.S. military deployed in those countries.

97. Do you believe that the Department of Defense has become too dependent on contractor support for military operations?

I am not familiar enough with the details of how contractor support is being used to support military operations to have a firm opinion. I know that contractors are providing many necessary services in support of military operations and that the numbers are large, but I do not know if the Department has become too dependent on their support. It is my understanding that Deputy Secretary Lynn issued a directive to the Secretaries of the military departments and combatant commanders to undertake a review of all contracted services for possible in-sourcing as a part of a Total Force Management Strategy. If confirmed, I would work with the senior leadership of the Department to carry out this directive and to take any necessary corrective action within the scope of my responsibilities.

98. What risks do you see in the Department's reliance on such contractor support? What steps do you believe the Department should take to mitigate such risk?

I believe the largest risks with such a large reliance on contractor support is assured availability of those services in combat zones in the future and the Department losing critical core knowledge of inherently governmental functions. The first step in mitigating such risk is to ensure the senior leaders have accurate information so that they have a clear understanding of the risks given the current workforce mix between military, civilian and contractors. Once the risks are fully understood, mitigating options should be considered as needed.

99. Do you believe the Department is appropriately organized and staffed to effectively manage contractors on the battlefield?

I do not have the knowledge necessary to provide a definitive answer. It is my understanding that there have been shortcomings in recent years, and if confirmed, I would intend to actively participate in taking action to address any such shortcomings.

100. What steps if any do you believe the Department should take to improve its management of contractors on the battlefield?

It is my understanding the USD(AT&L) has developed guidance and tools to improve the management of contractors on the battlefield and is developing additional guidance at this time. If confirmed, I would review these initiatives and take steps to ensure appropriate attention is given to this issue.

Private Security Contractors

The Special Inspector General for Iraq Reconstruction (SIGIR) recently reported that federal agencies including the Department of Defense have spent more

than \$5 billion for private security contractors in Iraq since 2003. Over this period, there have been numerous reports of abuses by private security contractors, including allegations of contractors shooting recklessly at civilians as they have driven down the streets of Baghdad and other Iraqi cities. In September 2007, employees of Blackwater allegedly opened fire on Iraqis at Nisour Square in downtown Baghdad, killing more than a dozen Iraqis and wounding many more. Most recently, private security contractors were reported to have engaged in inappropriate activities at the U.S. embassy in Kabul.

101. Do you believe the Department of Defense and other federal agencies should rely upon contractors to perform security functions that may reasonably be expected to require the use of deadly force in highly hazardous public areas in an area of combat operations?

A: I believe that the use of private security contractors, and more generally the use of contractors in wartime, deserves careful review and other alternatives should be considered, particularly in highly hazardous public areas. I also believe that if physical security contractors are used that they should not be allowed to operate with legal impunity for their actions.

102. In your view, has the U.S. reliance upon private security contractors to perform such functions risked undermining our defense and foreign policy objectives in Iraq and Afghanistan?

I believe that all Americans and American employees in combat theaters, including military personnel and contractors, must display proper conduct or they will undermine our objectives. The failure to do so can have and has had an effect on defense and foreign policy objectives. In my view even if there is a compelling need for private security contractors, despite any risks associated with their use, they must be properly screened, trained, supervised, and held accountable for any misconduct.

103. What steps if any would you take, if confirmed, to ensure that any private security contractors who may continue to operate in an area of combat operations act in a responsible manner, consistent with U.S. defense and foreign policy objectives?

I believe that using private security contractors in any area of combat operations must be fully coordinated across the government to ensure there are consistent procedures and policies for all such contractors. There must also be effective legal accountability for the actions of private security contractors and as stated above they must be properly screened, trained and supervised. If confirmed, I would review further steps that should be taken to ensure that this is the case.

104. Do you support the extension of the Military Extraterritorial Jurisdiction Act to private security contractors of all federal agencies?

I am not an expert in this area, but it is my understanding that DoD has consistently supported unambiguous application of the Military Extraterritorial Jurisdiction Act to all U.S. government private security contractors operating in contingency areas. In the absence of another effective mechanism to ensure legal accountability I would support the extension of MEJA to all federal agencies.

105. What is your view of the appropriate application of the Uniform Code of Military Justice to employees of private security contractors operating in an area of combat operations?

I support the use of appropriate civilian and military legal processes to enforce accountability for the actions of all contractors deployed to an area of combat operations. I believe that in the absence of an effective civil legal system that the UCMJ could provide an acceptable alternative for holding people accountable for their actions; however, I understand that there may be legal issues associated with applying the UCMJ to civilian contractors that might have to be resolved.

OMB Circular A-76 defines “inherently governmental functions” to include “discretionary functions” that could “significantly affect the life, liberty, or property of private persons”

106. In your view, is the performance of security functions that may reasonably be expected to require the use of deadly force in highly hazardous public areas in an area of combat operations an inherently governmental function?

I understand that DoD’s position is that the decision to use private security contractors (including subcontractors) is in compliance with current U.S. government policy and regulations. I have no basis to question that legal position.

107. In your view, is the interrogation of enemy prisoners of war and other detainees during and in the aftermath of hostilities an inherently governmental function?

The role of DoD contractors in various circumstances raises issues of appropriateness, and if confirmed I would intend to participate in shaping policies regarding the appropriate use of contractors to the extent appropriate given the scope of my responsibilities.

108. Do you see a need for a comprehensive reevaluation of these issues now?

I believe this type of evaluation could support efforts to strengthen current operations as well as to more fully understanding the appropriate roles and capabilities of contractors supporting the Department in future operations, but I am not familiar with any reviews that may have been conducted or be in progress.

Government Contracting Reform

In a memorandum to the heads of all federal agencies, the President on March 4, 2009, directed a government-wide review of contracting procedures, stating that “executive agencies shall not engage in noncompetitive contracts, except in those circumstances where their use can be fully justified and where appropriate safeguards have been put in place to protect the taxpayer.”

109. If confirmed, what role would you play in determining whether the use of noncompetitive contracts could be fully justified?

If confirmed, I would continue to emphasize the importance of competition. I would also review the existing processes to see if additional guidance or adjustments are required pursuant to the President’s guidance. For programs whose acquisition strategies are reviewed by the USD(AT&L), I would expect to be involved in the determination as to whether competition had been appropriately provided for in the acquisition strategy and I would work closely with the service acquisition executives and agency heads to ensure that competitive opportunities are maximized. It is also my understanding that the Department is taking steps to re-invigorate the role of the Competition Advocate to ensure that they are actively participating in acquisition strategy determinations and are engaged in the review of noncompetitive contracts.

110. In your opinion, how would the direction in this memo affect the use of single-award and multiple-award Indefinite Delivery/Indefinite Quantity contracts?

I support the direction in the memo emphasizing competition and appropriate use of various contract types and to my knowledge, the memo will not restrict the use of single and multiple award Indefinite Delivery/Indefinite Quantity contracts. It is my understanding that the Department does not support the use of single-award IDIQ contracts unless they are absolutely necessary. If confirmed, I would intend to review these practices pursuant to the President’s guidance.

Contracting Methods

The Office of Federal Procurement Policy and the Department of Defense have long agreed that federal agencies could achieve significant savings and improved performance by moving to “performance-based services contracting” or “PBSC.” Most recently, the Army Environmental Program informed the committee that it has achieved average savings of 27% over a period of several years as a result of moving to fixed-price, performance-based contracts for environmental remediation. Section 802 of the National Defense Authorization Act for Fiscal Year 2002, as amended, established performance goals for increasing the use of PBSC in DOD service contracts.

111. What is the status of the Department's efforts to increase the use of PBSC in its service contracts?

I am not yet in a position to provide the status of the Department's efforts to increase the use of "performance based services" methodologies in service contracts. However, if confirmed, I would review the Department's efforts to increase the use of PBSC.

112. What additional steps if any do you believe the Department needs to take to increase the use of PBSC and meet the goals established in section 802?

I am not yet in a position to express a view on this subject. If confirmed, I would assess the Department's efforts in this area and ensure that appropriate steps are taken.

In recent years, the Department of Defense has relied heavily on time-and-materials contracts for the acquisition of services. Under such a contract, the Department pays a set rate per hour for contractor services, rather than paying for specific tasks to be performed. In some cases, contractors have substituted less expensive labor under time-and-materials contracts, while continuing to charge federal agencies the same hourly rates, resulting in effective contractor profits of 25 percent or more.

113. What is your view of the appropriate use of time-and-materials contracts by the Department of Defense?

In my view, the use of time and materials (T&M) contracts often represents a poor business arrangement for the Government. If confirmed, I would engage to fully support appropriate limitations on the use of T&M contracts.

114. What steps if any do you believe the Department should take to minimize the abuse of time-and-materials contracts?

It is my understanding that the Department has taken steps to minimize the abuse of time-and materials (T&M) contracts but I do not have detailed knowledge of those actions. If confirmed, I would review the various initiatives and determine what, if any, additional measures are necessary to limit the use and abuse of T&M contracts.

Section 852 of the John Warner National Defense Authorization Act for Fiscal Year 2007 requires the Department of Defense to promulgate regulations prohibiting excessive "pass-through" charges on DOD contracts. Pass-through charges are charges added by a contractor for overhead and profit on work performed by one of its subcontractors, to which the contractor provided no added

value. In some cases, pass-through charges have more than doubled the cost of services provided to the Department of Defense.

115. What is your view of the regulations promulgated by the Department of Defense to implement the requirements of section 852?

While I have not had the opportunity to analyze this matter sufficiently in order to form an opinion, if confirmed, I would carefully review the regulations being implemented. I do believe that effective regulations to prevent excessive “pass-through” profits are necessary.

116. What additional steps if any do you believe the Department should take to address the problem of excessive pass-through charges?

I do not have enough information to make a recommendation at this time.

Interagency Contracting

GAO recently placed interagency contracting – the use by one agency of contracts awarded by other agencies – on its list of high-risk programs and operations. While inter-agency contracts provide a much-needed simplified method for procuring commonly used goods and services, GAO has found that the dramatic growth of inter-agency contracts, the failure to clearly allocate responsibility between agencies, and the incentives created by fee-for-services arrangements, have combined to expose the Department of Defense and other federal agencies to the risk of significant abuse and mismanagement. The DOD Inspector General and the GSA Inspector General have identified a long series of problems with inter-agency contracts, including lack of acquisition planning, inadequate competition, excessive use of time and materials contracts, improper use of expired funds, inappropriate expenditures, and failure to monitor contractor performance. DOD, in conjunction with the General Services Administration and the Office of Management and Budget, is taking a number of actions to improve training and guidance on the use of this contract approach.

117. If confirmed, what steps if any will you take to monitor and evaluate the effectiveness of the actions currently underway or planned regarding DOD’s use of other agencies’ contracts?

I am not yet in a position to offer recommendations on this subject. However, interagency contracting can be an efficient and effective method to meet mission requirements, but it must be done in a way that gives best value to the taxpayer. If confirmed, I would carefully review and evaluate whether or not current or planned actions are effective and assess whether additional measures are warranted.

118. Do you believe additional authority or measures are needed to hold DOD or other agency personnel accountable for their use of inter-agency contracts?

I am not yet in a position to express a view on this subject. However, if confirmed, I would review and evaluate whether or not additional authorities or measures are warranted.

119. Do you believe contractors have any responsibility for assuring that the work requested by DOD personnel is within the scope of their contract?

My understanding is that the primary responsibility for ensuring work is within the scope of the contract rests with the contracting officer. I believe that if a contractor is uncertain whether or not supplies or services ordered are within scope of their contract they should consult with the contracting officer before expending any resources on the requested work.

120. Do you believe that DOD's continued heavy reliance on outside agencies to award and manage contracts on its behalf is a sign that the Department has failed to adequately staff its own acquisition system?

I am not aware of the extent to which this practice is being followed nor of the extent to which it may reflect a problem with Department staffing levels, so I am not yet in a position to express a view on this subject; however, if confirmed, I would examine whether or not the Department is adequately staffed to manage and execute its contracts. The Department should only utilize the expertise of non-DoD agencies operating under Congressional authority to acquire supplies and services if those agencies have demonstrated that they contract for our goods and services efficiently, effectively, in accordance with DoD policy and if they provide a cost effective alternative to direct DoD management.

Acquisition of Information Technology

Most of the Department's Major Automated Information System (MAIS) acquisitions are substantially over budget and behind schedule. In particular, the Department has run into unanticipated difficulties with virtually every new business system it has tried to field in the last ten years.

121. Do you believe that unique problems in the acquisition of business systems require different acquisition strategies or approaches?

Yes.

122. What steps if any do you believe the Department of Defense should take to address these problems?

I have not had an opportunity to review how the Department is currently addressing the acquisition of business systems so it would be premature for me to express an opinion. If confirmed I would review the current practices to see if changes are necessary.

123. If confirmed, how would you work with the Chief Information Officer of the Department of Defense to take these steps?

If confirmed, I would work closely with the DoD CIO and I would ensure the OUSD (AT&L) staff and the DoD CIO staff work closely together to identify and take any steps needed to improve the acquisition of the Department's business systems.

Problems with computer software have caused significant delays and cost overruns in a number of major defense programs. Section 804 of the National Defense Authorization Act for Fiscal Year 2003 required DOD to establish a program to improve the software acquisition process.

124. What steps if any would you take, if confirmed, to address delays and cost overruns associated with problems in the development of software for major weapon systems?

If confirmed, I would review the implementation of Section 804 and make any necessary recommendations for improvement. I believe many of the challenges in the past were the result of factors such as inadequate technical maturity, undisciplined or poorly understood requirements, poor configuration management practices, the lack of disciplined and mature software development processes, and shortages of qualified people. If confirmed, I would work to identify the root causes of the Department's software development problems, identify solutions and implement appropriate corrective action.

125. What role if any do you believe that the Chief Information Officer of the Department of Defense should play with regard to the acquisition of information technology that is embedded in weapon systems?

Information technology is ubiquitous and integral to any weapon system today and I believe the Chief Information Officer of the DoD can and should play a key role in advising on information technology and interoperability matters affecting weapon systems.

126. Section 804 of the National Defense Authorization Act for Fiscal Year 2010 would require the Secretary of Defense to establish a new acquisition process for information technology programs.

127. Do you believe that the acquisition of information technology systems is sufficiently different from the acquisition of other systems to justify the development of a unique acquisition process?

While the acquisition of IT systems is similar to the acquisition of other systems in many ways, I believe they are sufficiently different that the Department should consider an alternative or tailored IT acquisition process but I have not had an opportunity to examine specific proposals. If confirmed, I would review any existing proposals and take appropriate action.

128. If so, what do you see as the unique features that would be desirable for an information system acquisition process? What types of information technology programs do you believe should be covered by the new process?

I have not reviewed this subject in any detail, however some features of the new process that might be desirable include: relatively short duration increments/releases of capability; better informed cost estimates; and more frequent progress reviews. I also believe that strong incentive provisions should be a key feature of any dedicated information systems acquisition process.

Acquisition Workforce

Over the last 15 years, DOD has reduced the size of its acquisition workforce by almost half, without undertaking any systematic planning or analysis to ensure that it would have the specific skills and competencies needed to meet DOD's current and future needs. Since September 11, 2001, moreover, the demands placed on that workforce have substantially increased. While DOD has started the process of planning its long-term workforce needs, the Department does not yet have a comprehensive strategic workforce plan needed to guide its efforts.

129. Do you believe that DOD's workforce is large enough and has the skills needed to perform the tasks assigned to it?

Not at this time, but I know that actions are underway to improve the situation. Secretary Gates has announced his intent to increase the size of the DoD acquisition workforce by approximately 20,000. If confirmed, improving both the size and the quality of the acquisition workforce would be a high priority for me.

130. In your view, what are the critical skills, capabilities, and tools that DOD's workforce needs for the future? What steps will you take, if confirmed, to ensure that the workforce will, in fact, possess them?

The needed skills include program management, systems engineering, other engineering disciplines, test planning and management, contracting, cost estimating, risk management, pricing, manufacturing process management, and quality control among the capabilities that are essential for ensuring sound

acquisition outcomes. If confirmed, I would actively support Secretary Gates' initiative to increase the size of the acquisition workforce and I would work to ensure that a balanced set of capabilities exists to fulfill the Department's roles in acquisition.

I believe the Department must attract talented people into the acquisition workforce; give them challenging work; retain capable people; and ensure all the Department's acquisition employees are fully trained and qualified for the mission critical work they are asked to perform. If confirmed, I would strive to ensure a high quality, high performance work environment where employees are valued and effective members of the DoD acquisition workforce are properly rewarded for their efforts.

131. Do you agree that the Department needs a comprehensive human capital plan, including a gap analysis and specific recruiting, retention and training goals, to guide the development of its acquisition workforce?

In general, yes. I am not familiar with what the Department has done in this regard, but I believe that a comprehensive human capital plan that addresses recruiting and hiring, recognition and retention, and training and workforce development would be beneficial.

132. What steps if any do you think are necessary to ensure that the Department has the ability it needs to attract and retain qualified employees to the acquisition workforce?

If confirmed, I would do all I can to ensure we have a properly sized, highly qualified, professional acquisition workforce. I understand that the largest numbers of people in the acquisition workforce are engineering, scientific and technical professionals, followed by business-oriented people, such as contracting officers. The acquisition workforce must be agile, flexible, and prepared to adapt our buying practices to match our national security needs. To attract and retain high quality people the Department must provide challenging and rewarding work and competitive compensation. I believe that there is nothing more inherently rewarding than serving one's country as the men and women of our armed forces and our civilian employees do and I will work to see that this attitude permeates our recruiting and retention efforts.

133. What are your views regarding assertions that the acquisition workforce is losing its technical and management expertise and is beginning to rely too much on support contractors, FFRDCs, and, in some cases, prime contractors for this expertise?

My impression is that this is the case, at least to some degree; however, I have not reviewed any data that would confirm the extent of the problem. High quality government professionals are critical to protecting the interests of the warfighter

and the taxpayer. I believe that it is important that the Department strike the right balance between our organic capability and contractor support personnel. If confirmed, I would work to understand how many support contractors we have, what they are doing, and at what cost and I would work to better understand the roles of FFRDCs and any limitations on their contributions. Once I have this information I would be in a position to assess the magnitude of the problem and to develop specific recommended solutions as needed.

134. What is the appropriate tenure for program managers and program executive officers to ensure continuity in major programs?

I believe that program managers and program executive officers need to be in their positions long enough to be accountable for their decisions in successfully meeting appropriate milestones. The people who take on the responsibilities of these positions must be fully qualified professionals. I am aware that there are statutory tenure requirements prescribed for these and other key leadership positions, which I support. If confirmed, I would examine closely how well this policy is being implemented.

Section 852 of the National Defense Authorization Act for Fiscal Year 2008 established an Acquisition Workforce Development Fund to help the Department of Defense address shortcomings in its acquisition workforce. The fund would provide a minimum of \$3 billion over six years for this purpose.

135. Do you believe that the Acquisition Workforce Development Fund is needed to ensure that DOD has the right number of employees with the right skills to run its acquisition programs in the most cost effective manner for the taxpayers?

Yes.

136. If confirmed, what steps if any will you ensure that the money made available through the Acquisition Workforce Fund is spent in a manner that best meets the needs of the Department of Defense and its acquisition workforce?

Working with the USD(AT&L), I would, if confirmed, review the process and initiatives in place to ensure critical resources are allocated to the greatest needs.

Procurement Fraud, Integrity and Contractor Responsibility Issues

Recent acquisition scandals have raised concerns about the adequacy of existing mechanisms to uphold procurement integrity and prevent contract fraud.

137. What is your view of the adequacy of the tools and authorities available to DOD to ensure that its contractors are responsible and have a satisfactory record of integrity and business ethics?

I have not had an opportunity to review the existing tools and authorities and am not in a position to comment or make a recommendation.

138. In your view, are current “revolving door” statutes effective?

I do not have any information that would permit me to assess the effectiveness of the current “revolving door” statutes.

139. What tools other than law enforcement measures could be used to help prevent procurement fraud and ethical misconduct?

It is my understanding that the Department’s Panel on Contracting Integrity has developed tools and information to identify and root out fraud. Specifically, the Panel has drafted a handbook of acquisition fraud indicators in scenario form for training and awareness. I have not reviewed these products, however, if confirmed, I would assess these tools to determine whether existing measures are adequate.

140. Are there sufficient enforcement mechanisms to ensure compliance with laws and regulations?

To the best of my knowledge there are sufficient enforcement mechanisms under existing laws and regulations.

“Buy America”

“Buy America” issues have been the source of considerable controversy in recent years. As a result, there have been a number of legislative efforts to place restrictions on the purchase of defense products from foreign sources.

141. What benefits do you believe the Department obtains from international participation in the defense industrial base?

I do not have any information that would allow me to assess the degree to which these benefits are being realized in practice, however the potential benefits are many. I believe international participation in the defense industrial base serves to promote the interoperability, standardization, and rationalization of the conventional defense equipment used by the armed forces of the United States, its allies and other friendly governments. It also can help to avoid or reduce duplication in research and development initiatives and can lead to economies of scale in production of systems. These attributes can lead to savings in terms of the time and money needed to develop, produce, support, and sustain the materiel

needed and used by our warfighters. In many cases, it enables the Department to achieve the advantages of competition in contracting, which includes the ability to obtain world class, best value products for our warfighters. Further, international participation in the defense industrial base encourages development of mutually beneficial industrial linkages that enhance U.S. industry's access to global markets and exposes U.S. industry to international competition, helping to ensure that U.S. firms remain innovative and efficient.

142. Under what conditions, if any, would you support the imposition of domestic source restrictions for a particular product?

In certain instances, involving national security or the preservation of a key defense technology, design capability, or production capability, domestic source restrictions may be advisable. The Department holds (and, I understand, has exercised) the authority to "self-impose" such domestic source restrictions.

Section 831 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 requires the Secretary of Defense to ensure that the United States firms and United States employment in the defense sector are not disadvantaged by unilateral procurement practices by foreign governments, such as the imposition of offset agreements in a manner that undermines the United States industrial base.

143. What steps if any do you believe the Department should take to implement this requirement?

I am not familiar enough with the ongoing steps to make a recommendation. I understand that the Department of Defense participates in an Interagency Working Group consisting of representatives from the Departments of Labor, Commerce, State and the U.S. Trade Representative to consult with other nations about limiting the adverse effects of offsets. The interagency team, chaired by the USD(AT&L), conducts consultations with foreign nations and domestic entities, including defense contractor associations and labor organizations regarding the effect of offset requirements. If confirmed, I intend to support the Secretary of Defense to make every effort to ensure that the policies and practices of the Department reflect the goal of establishing an equitable trading relationship between the U.S. and its foreign defense trade partners.

The Defense Science Board Task Force on "Defense Industrial Structure for Transformation" found in July 2008 that U.S. policy regarding "Buy America" and the "Berry Amendment" inhibits the nation from gaining the security and economic benefits that could be realized from the global marketplace.

144. What is your opinion of "Buy America" legislation and the "Berry Amendment"?

I have not had the opportunity to review the Defense Science Board Report or to evaluate its recommendations and I am not adequately familiar with the details of the existing restrictions to evaluate their costs and benefits. If confirmed, I would review this area and make recommendations for change that I concluded were needed.

The Defense Industrial Base

145. What is your view of the current state of the U.S. defense industry?

I have not had the opportunity to review a detailed assessment of the health of the industrial base. Our defense and technology industrial base does develop, produce, and support militarily superior defense systems that are the most capable in the world; however I am concerned that some trends in defense investment may be having a negative effect on the nation's industrial base. If confirmed, I would work to understand this situation in depth and to assess the need for actions that might be necessary or prudent to ensure the continued health of the industrial base.

146. Do you support further consolidation of the U.S. defense industry?

I believe that the competitive pressure of the marketplace remains the best vehicle to shape an industrial environment that supports the defense strategy and that preserving competition is important to national security. As indicated in response to a previous question, I do not have enough information to provide a definitive answer about the acceptability of further consolidation, but I suspect that the situation varies depending on the industrial base sector considered. If confirmed, I would work with the Director of Industry Policy and others to understand this situation. If confirmed, I would also oppose business combinations when it is necessary to do so in order to maintain appropriate competition and develop and/or preserve industrial and technological capabilities (at all levels of the supply chain) that are essential to defense.

I support the Department's overall policy to review each proposed merger, acquisition, and teaming arrangement on its particular merits in the context of the individual market and the changing dynamics of that market. If confirmed, I would work with Department leadership to evaluate options to address continued consolidation.

147. What is your position on foreign investment in the U.S. defense sector?

Generally, with appropriate security protections, I am not opposed to foreign investment in the defense sector; however, each investment must be considered on its own merits. Foreign firms can enhance competition which can lower costs of specific defense systems, as well as provide for the inclusion of leading edge

technologies which have been developed abroad. In addition, such investment in the long-run will increase interoperability between the U.S. and its allies. Nevertheless, the Department must ensure that foreign investment in the defense sector does not create risks to national security. I support strong DoD participation in the Committee on Foreign Investment in the U.S. (CFIUS) which conducts national security reviews of foreign acquisitions of U.S. firms. I also support strong DoD participation in implementation of the export control laws to help ensure that defense-relevant U.S. technologies resident in foreign-owned firms with DoD contracts are not transferred overseas or to foreign nationals without proper authorization.

148. What steps if any do you believe the Department of Defense should take to ensure the continued health of the U.S. defense industry?

If confirmed, I would support the Department's current strategy to rely as much as possible on competitive free market forces to create, shape, and sustain the industrial and technological capabilities needed to provide for the Nation's defense. However, I also believe that the Department needs to thoroughly understand the current and projected health of the industrial base across the spectrum of defense products and at all levels of the supply chain and should be willing to take action, within the range of options available to the Department, to ensure the continued health of the base where necessary. If confirmed, I would work to ensure sound acquisition practices that would inherently strengthen the industrial base, and I would include industrial base considerations as a factor in acquisition decisions where appropriate.

Manufacturing Issues

The recent Defense Science Board (DSB) study on the Manufacturing Technology Program made a number of findings and recommendations related to the role of manufacturing research and capabilities in the development and acquisition of defense systems.

149. Have you reviewed the findings of the DSB Task Force on the Manufacturing Technology Program?

Not in detail, however I have been made aware of some of the recommendations in the report.

150. What recommendations, if any, from the Task Force would you plan to implement if confirmed?

I understand that the overarching recommendation of the DSB report was to give "leadership emphasis" to manufacturing technology, and, if confirmed, I would definitely do so. Manufacturing technology can be an enabler for weapons systems production and a source of major cost savings. I also understand that the

DSB recommended that manufacturing readiness should be assessed more rigorously before programs pass into production. I would agree that manufacturing readiness is an important consideration in the decision to enter production and if confirmed I would review current processes to ensure that manufacturing readiness is properly assessed.

151. What incentives do you plan to use to enhance industry's incorporation and utilization of advanced manufacturing processes developed under the manufacturing technology program?

I have not reviewed the incentives the Department is currently using and can not comment on their adequacy or whether additional steps are necessary. In general, competitive pressure should provide the most cost effective manufacturing technologies, but where those pressures do not exist other mechanisms may have to be implemented. If confirmed, I would work to identify and implement appropriate mechanisms.

Science and Technology

152. What, in your view, is the role and value of science and technology programs in meeting the Department's transformation goals and in confronting irregular, catastrophic, traditional and disruptive threats?

I believe science and technology play a large role as the Department takes on the challenge of accomplishing an expanded range of missions, just as it does in improving the Department's capabilities for current missions. The threats to our national security have expanded into cyberspace as well as physical space. The threats the nation faces have also expanded to include terrorist groups, insurgencies, and innovative competitors who seek to defeat our existing technical advantages. I believe the Department needs science and technology programs that respond to current, emerging, and future threats of all types.

153. If confirmed, what direction will you provide regarding funding targets and priorities for the Department's long term research efforts?

I have not had the opportunity to review the Department's planned technology investments in detail and I understand there are a number of reviews in progress that could shape the future direction of the Department. If confirmed, I would carefully review all technology funding portfolios in light of the results of these reviews in order to assess whether the Department's funding targets and priorities are aligned with its strategic direction.

154. What specific metrics would you use, if confirmed, to assess whether the Department is making adequate investments in its basic research programs?

If confirmed, I would work with the DDR&E and the military services and agencies to assess the adequacy of the Department's investments in basic research. There are a number of metrics available to assess whether the Department is making an adequate investment in basic research. Metrics to consider include: growth or decline in real dollars of the basic research program; change in number of projects; proportion of DoD-funded researchers in key science disciplines; trends in the number of patents that result by field, and number of students supported by the basic research program investments.

155. Do you feel that there is sufficient coordination between and among the science and technology programs of the military services and defense agencies?

I am aware that there are coordination mechanisms in place for the Department's S&T program. If confirmed, I would look at this issue more closely in cooperation with the DDR&E to determine if current coordination is adequate. At this time I do not have the information to make an assessment of the adequacy of the existing coordination mechanisms.

156. What is the Department's role and responsibility in addressing national issues related to science, technology, engineering, and mathematics education and workforce development?

I believe that the Department should take a proactive role in ensuring that the Nation has an adequate Science, Technology, Engineering and Mathematics (STEM) workforce. In addition to encouraging STEM workforce development through its research investments and education outreach efforts, I believe the Department of Defense needs to work closely with the Office of Science and Technology Policy, the National Science Foundation, and other federal components concerned with science, engineering and mathematics education adequacy.

157. What steps if any would you take to support efforts to ensure that the nation has the scientific and technical workforce needed for its national security technological and industrial base?

I am aware of several activities within the DoD, such as the National Defense Education Program and the National Security Science and Engineering Fellows program, that aim to expand the pool of scientists and engineers able to contribute to the national security technological and industrial base. If confirmed, I would work with the DDR&E to determine how well these programs and others like them meet the Department's science and technical workforce needs.

158. How would you use science and technology programs to better reduce technical risk and therefore potentially reduce costs and schedule problems that accrue in large acquisition programs?

Science and technology programs, particularly in applied research and advanced development, can have a substantial impact on improving technological readiness, and thereby reduce technical risk. I believe there is an opportunity to expand the ties from these programs to large acquisition programs, particularly between Milestones A and B. If confirmed I will work with the DDR&E and the service acquisition executives to ensure that this linkage is strengthened.

159. Do you feel that the science and technology programs of the Department of Defense are too near-term focus and have over emphasized technology transition efforts over investing in revolutionary and innovative research programs?

I do not have the information to make this assessment at this time. If confirmed, I would review the balance between near and far-term innovative research. The DoD S&T program should be balanced so there are opportunities for both a capabilities pull, responding to the warfighter's needs, and a technology push, responding to the promise of new technology. If confirmed, I would work with the DDR&E to ensure that this is the case.

160. Are you satisfied that the Department has a well articulated and actionable science and technology strategic plan?

I have not had the opportunity to review the Department's existing science and technology strategic plans. If confirmed, I would work with the DDR&E and others to ensure the plans have clear and actionable guidance.

161. Do you see a need for changes in areas such as hiring authority, personnel systems, financial disclosure and ethics requirements, to ensure that the Department can recruit and retain the highest quality scientific and technical workforce possible?

I believe any modern enterprise needs effective tools, to shape the workforce and attract the most capable people. This principle holds true for the Department. If confirmed, I would take all possible steps to ensure the Department is competitive; however I have not had the opportunity to review the Department's current efforts to recruit and retain high quality technical people so I am not in a position to recommend changes at this time.

The Director of Defense Research and Engineering (DDR&E) has been designated as the Chief Technology Officer of the Department of Defense.

163. In your view, what is the appropriate role of the Chief Technology Officer of the Department of Defense?

The role of the Chief Technology Officer of the Department is defined in the DDR&E charter. I understand that the charter defines the role of the DDR&E as the Principal Staff Assistant to the Under Secretary (AT&L) and the Secretary on all technical matters. As CTO, the DDR&E should provide guidance to shape the DoD S&T program and develop technology options for the Department. The CTO should also contribute significantly to ensuring that major acquisition programs are conducted with acceptable technological risk.

164. What authority should the DDR&E have over the Defense Advanced Research Projects Agency (DARPA)?

My understanding is that as the Department's primary corporate research activity, DARPA reports to DDR&E. The DDR&E should have all authorities necessary to ensure DARPA is effective in meeting its mission, including budgetary authority and authority over selection of agency leadership.

165. What authority should the DDR&E have over other Service and Agency science and technology efforts?

The DDR&E should provide oversight responsibilities of the Service and Agency programs, consistent with the DDR&E charter.

166. Do you see the need for any changes in organizational structure, workforce, or availability of resources to improve the effectiveness of the Office of the Director of Defense Research and Engineering?

At this time I have no specific recommendations for changes. I believe science and technology is critical to maintaining military superiority across a broad range of crises and military operations. Ensuring the technological superiority of our armed forces requires a strong DDR&E. I am aware that the DDR&E has taken steps to strengthen his organization, and I look forward to working with the DDR&E on any additional efforts that are needed.

Defense Laboratories

167. What is your view on the quality of the DOD laboratories as compared to the DOE national laboratories, federal laboratories, academic laboratories and other peer institutions?

I have no information that would allow me to make a valid comparison of the quality of these institutions. The DoD laboratories I have worked with employ a talented and mission-oriented workforce, and constitute an important Departmental resource for the Nation's national security. That said, I am certain improvements can be made. If confirmed, I would work with the DDR&E in examining the capabilities and long-term requirements of the DoD laboratories,

and develop, with the Services, recommendations to enhance the capabilities of the DoD laboratories.

168. What metrics will you use, if confirmed, to evaluate the effectiveness, competitiveness, and scientific vitality of the DOD laboratories?

The effectiveness, competitiveness, and scientific vitality of the DoD laboratories could be gauged by a combination of factors, including external review of their research programs and the Service parent organizations' assessment of their effectiveness in meeting Service requirements and other needs. These in turn are influenced by the ability to attract and retain a talented workforce, and the adequacy and robustness of their physical infrastructure. I believe collaboration with universities, industry, and other laboratories also constitute an important contributor and measure of our laboratories' effectiveness in fostering and recognizing world class research and development. The single most important factor, however, would be the laboratories success in developing and transitioning technologies, by whatever mechanism, to our warfighters.

169. What steps if any will you take, if confirmed, to increase the mission effectiveness and productivity of the DOD laboratories?

At this time I do not have the information necessary to make specific recommendations. If confirmed, I would work with the DDR&E to ensure that DoD Labs operate at maximum effectiveness and productivity.

170. Do you see value in enhancing the level of technical collaboration between the DOD laboratories and academic, other federal and industrial scientific organizations?

Yes. The effectiveness and competitiveness of our laboratories can only be helped by enhanced technical collaboration with other research and development organizations.

171. Do you feel that past investments in research equipment; sustainment, repair and modernization; and facility construction at the DOD laboratories have been sufficient to maintain their mission effectiveness and their standing as world class science and engineering institutions?

I do not have the information that would allow me to make this assessment at this time. If confirmed, I would work with the DDR&E to understand whether the Department's investments in the DoD laboratories have been adequate.

DARPA

172. Has DARPA struck an appropriate balance between investments in near-term technology programs that are tied to current battlefield needs and

investments in longer term, higher risk, and revolutionary capability development?

From my previous years in the Pentagon, I am very much aware of the critical role DARPA has in developing new technologies and capabilities for the Department's warfighters and weapons systems, as well as for the nation. I do not currently have insight into DARPA's investment balance between near and far term technologies, but if confirmed, I would work with the DDR&E to ensure that DARPA continues to meet the far reaching technology needs of the DoD.

173. Do you believe that DARPA has adequately invested in the academic research community?

I do not have current insight into the DARPA investment portfolio, so I have no real basis upon which to assess if DARPA is adequately invested in the academic research community. I do believe that a sound DoD S&T program invests in a balanced supplier base—including internal DoD laboratories, industry and universities.

174. What are the major issues related to DARPA investments, management, and research outcomes that you will seek to address?

If confirmed, I would work with the Director, Defense Research and Engineering to investigate the current DARPA investments, management, and research outcomes to determine which, if any, issues need to be addressed. I do not currently have sufficient information to make an evaluation.

Test and Evaluation

The Department has, on occasion, been criticized for failing to adequately test its major weapon systems before these systems are put into production.

175. What are your views about the degree of independence needed by the Director of Operational Test and Evaluation in ensuring the success of the Department's acquisition programs?

The independence of the Director of Operational Test and Evaluation is an important aspect of ensuring the Department's acquisition programs are realistically and adequately tested in their intended operational environment. I am aware of concerns that testing can be perceived as creating additional cost and delays in delivering capability, especially in the context of pressing real world operations. If confirmed, I would seek the advice of the DOT&E on testing and evaluation issues as a partner in the acquisition process, while allowing for the necessary independent viewpoints.

176. Are you concerned with the level of test and evaluation conducted by the contractors who are developing the systems to be tested?

In general, I believe contractors are an important and integral part of the test and evaluation process during system development. However, in the past, implementation of acquisition reform the Department may have delegated too much of the early developmental test and evaluation responsibility to the contractors without adequate government participation or oversight. If confirmed, my emphasis would be on integrating contractor and government test efforts to ensure that the Department's products in development are adequately and efficiently tested and that test results provide a reliable indicator of program progress toward meeting requirements.

177. What is the impact of rapid fielding requirements on the standard testing process? If confirmed, how will you work to ensure that all equipment and technology that is deployed to warfighters is subject to appropriate operational testing?

I believe that rapid fielding requirements require rapid performance from the entire acquisition team, including the test and evaluation community. With a rapid fielding requirement, it is necessary to adjust the scope and amount of testing to address the key issues and risks that affect safety and the system's use in combat and to gain early insights into the capabilities and limitations of the system being acquired. In rapid fielding, particularly of commercial items, the focus needs to be on understanding what is being bought and whether it is acceptable, not whether the system meets a set of rigid requirements. If confirmed, I would work with all stakeholders to ensure test and evaluation processes support rapid fielding without delaying our response to these urgent requirements a moment more than is absolutely necessary.

178. Do you believe that the developmental testing organizations in DOD and the military services are adequate to ensure an appropriate level of developmental testing, and testing oversight, on major defense acquisition programs?

I have not had the opportunity to review the adequacy of the Department's testing resources. If confirmed I would work with the DOT&E, the Director of Developmental Testing, the Service Acquisition Executives, and others to assess the adequacy of existing and planned test resources.

The National Defense Authorization Act for Fiscal Year 2003 included several provisions to improve the management of DOD test and evaluation facilities.

180. Are you satisfied with the manner in which these provisions have been implemented?

I understand the FY03 NDAA led to the establishment of the Defense Test Resource Management Center (TRMC) to plan for and assess the adequacy of the Major Range and Test Facility Base (MRTFB). This office leads developing the Department's Strategic Plan for T&E Resources and certifies the adequacy of Service and Agency Test and Evaluation budgets. If confirmed, I would consult with the TRMC Director and review the adequacy of the Department's responses to these legislative mandates.

181. Do you believe that the Department should take any additional steps to improve the management of its test and evaluation facilities?

At this time I am not aware of any additional steps that should be taken, however, I have not had the opportunity to review the current situation. If confirmed, I would consult with the Department's stakeholders and assess any additional steps necessary to improve management of T&E facilities.

As systems grow more sophisticated, networked, and software-intensive, DOD's ability to test and evaluate them becomes more difficult. Some systems-of-systems cannot be tested as a whole until they are already bought and fielded.

182. Are you concerned with DOD's ability to test these new types of systems?

Absolutely, testing and developing software-intensive programs in a net-centric, systems-of-systems (SoS) environment is a challenge.

183. What steps, if any, do you believe the Department should take to improve its test and evaluation facilities to ensure adequate testing of such systems?

I do not have sufficient information to make a recommendation at this time.

Ballistic Missile Defense

When it was created in 2002, the Missile Defense Agency (MDA) was exempted from normal acquisition rules and processes in order to field an initial set of missile defense capabilities on an expedited basis. That fielding has now taken place, although numerous upgrades and corrections are being implemented. Each of the elements of the Ballistic Missile Defense System (BMDS) would normally meet the criteria for a Major Defense Acquisition Program (MDAP), but none of them has been managed as an MDAP. Furthermore, for most of MDA's existence, all its programs were funded with Research, Development, Test, and Evaluation (RDT&E) funds, even for non-RDT&E activities.

184. What management and acquisition changes or improvements if any do you believe are warranted for the ballistic missile defense programs?

I have not had an opportunity to review the ballistic missile defense programs and am not in a position to recommend any changes or improvements.

185. Do you believe that the Under Secretary of Defense for Acquisition, Technology, and Logistics should have the same responsibilities relative to the ballistic missile defense acquisition programs as for all other MDAPs?

I have not had an opportunity to review this issue. At this point, however, I see no reason why the Under Secretary of Defense for Acquisition, Technology, and Logistics, should not have the same responsibilities for the ballistic missile defense programs as for all MDAPs.

186. If confirmed, what steps if any would you plan to take to ensure that the ballistic missile defense programs of the Department of Defense follow sound acquisition and management practices and processes?

I am not adequately familiar with current practices at this time to make an assessment of their effectiveness

187. For many years the Department of Defense and Congress have agreed on the principle that major weapon systems should be operationally effective, suitable, survivable, cost-effective, affordable, and should address a credible threat.

188. Do you agree that any ballistic missile defense systems that we deploy operationally must be operationally effective, suitable, survivable, cost-effective, affordable, and should address a credible threat?

Yes.

189. If confirmed, what steps if any would you take to ensure that the BMDS and each of its elements meet these criteria?

Rigorous and realistic testing of missile defenses is imperative. I understand that the Missile Defense Agency presently is executing a plan which includes the use of a Development/Operational Testing approach that allows the U.S. Strategic Command warfighter community (which includes all Combatant Commanders) and all the Service Operational Test Agencies to be integral parts of the test program. If confirmed, I would need to review these plans and the proposed test activities to determine whether additional steps or other emphases are necessary or appropriate.

Today, there are many hundreds of short- and medium-range ballistic missiles that can reach forward-deployed U.S. military forces, allies, and

other friendly nations. A Joint Staff study, the Joint Capabilities Mix study, has repeatedly concluded that the United States needs about twice as many Standard Missile 3 (SM-3) and Terminal High Altitude Area Defense (THAAD) interceptors just to achieve the minimum inventory needs of regional combatant commanders to defend against such threats.

190. Do you agree that U.S. missile defense efforts should be prioritized on providing effective defenses against existing ballistic missile threats, especially the many hundreds of short- and medium-range ballistic missiles that are currently within range of our forward-based forces, allies, and other friendly nations?

If confirmed, I would review the balance among the elements of the ballistic missile defense program in light of the results of ongoing Department strategic reviews and take action to influence plans accordingly based on the results of those reviews.

191. What do you believe should be the appropriate role of the combatant commanders and the military in determining requirements, force structure, and inventory levels for ballistic missile defense forces?

Combatant commanders are the ultimate employers of the capabilities that the acquisition community delivers. As such, they should have a strong voice in determining the priorities for requirements, force structure, and necessary inventory levels. Title X provides for the Military Departments to have responsibility to organize, train, and equip the forces employed by the COCOMs. MDA serves as the materiel developer for ballistic missile defenses and as such has a role in determining what capabilities are achievable and what inventory quantities are feasible at what cost. These three roles are interdependent. At this point in time I am not aware of any reason to adjust these roles.

For many years, Congress and the Department of Defense have agreed on the principle of “fly before you buy,” namely demonstrating that a weapon system will work in an operationally effective, suitable, and survivable manner before deciding to acquire and deploy such systems. This demonstration requires rigorous, operationally realistic testing, including independent Operational Test and Evaluation (OT&E), to provide an accurate assessment of how weapon systems will perform in combat conditions. The Director of Operational Test and Evaluation (DOT&E) has expressed concerns that the testing of the Ground-based Midcourse Defense (GMD) system has not been sufficient to provide confidence in its operational capability.

192. Do you agree that ballistic missile defense testing needs to be operationally realistic, and should include Operational Test and Evaluation, in order to assess operational capabilities and limitations of ballistic missile defense systems, prior to making decisions to deploy such systems?

A: I agree that operationally realistic testing should be conducted prior to making decisions to deploy such systems.

193. If confirmed, what steps if any would you take to ensure that the BMDS, and each of its elements, undergoes independent operational test and evaluation?

A: If confirmed, I will work with the Missile Defense Agency and the Director, Operational Test & Evaluation (DOT&E) to see what testing is planned to ensure that adequate tests are conducted.

The Missile Defense Agency has developed ballistic missile defense systems and capabilities and procured the initial inventories of missile defense element weapon systems. However, the military departments are notionally intended to procure, operate, and sustain these missile defense systems.

194. What do you believe is the appropriate role for the military departments in the procurement, operation, and sustainment of ballistic missile defense systems, and at what point do you believe these systems should be transitioned and transferred to the military departments?

A: I understand the Missile Defense Agency and the Military Departments are in the process of preparing overarching and element-specific Memorandum of Agreements to define responsibilities and relationships in preparation for Ballistic Missile Defense System (BMDS) operations and deployment. If confirmed, I would work with the Missile Defense Agency and the Military Departments to ensure processes and policies are in place to accomplish the transition and transfer in a timely manner and within budget. At this point in time I have not had the opportunity to assess the most appropriate point at which responsibility for these systems should be transferred to the military departments.

Small Business Innovation Research (SBIR) Program

195. What do you see as the major successes and challenges facing the DOD SBIR program?

I have not had an opportunity to review the SBIR program in depth and am not in a position to comment on its major successes and challenges. If confirmed I would make this program a high priority.

196. What steps would you take to ensure that DOD has access to and invests in the most innovative small businesses?

If confirmed, I would evaluate current efforts and look broadly for ways to improve our access to the research, ideas, and products of the most innovative small businesses.

Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

197. Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Yes.

198. Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the USD(ATL)?

Yes.

199. Do you agree to ensure that testimony, briefings and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Yes.

200. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted Committee, or to consult with the Committee regarding the basis for any good faith delay or denial in providing such documents?

Yes.