

Testimony of Rudy deLeon
House Armed Services Committee
April 30, 2009

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**Before the
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Major Weapon System Acquisition Reform

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Mr. Chairman and Members of the Committee,

Thank you for the invitation to testify before this committee on the committee's acquisition reform package. I would like to further acknowledge Chairman Skelton and Ranking Member McHugh for their leadership on this matter.

I would like to start highlighting the problems in the weapons acquisition system. A blue-ribbon group of former Pentagon acquisition officials concluded in late 2007 that the military contracting process was plagued with systematic problems and failures.

The investigators found that acquisition and contracting procedures were inadequate to support U.S. military forward deployments in Iraq and Afghanistan. As the blue-ribbon group concluded, "the most notable characteristic of the testimony is a nearly unanimous perception of the current problems, their gravity, and the urgent need for reform." This panel of experts report is the starting point for examining acquisition and contracting needs.

Solutions should begin at the top, with the Quadrennial Defense Review. The QDR should include a thorough review of the Pentagon investment program to ensure that budget decisions are aligned with the current military needs and priorities.

The review should include all weapons programs, joint combat and network systems, intelligence and information assurance, a full examination of space programs, and missile defense research and development. The procurement and R&D component of last year's defense budget is \$183.8 billion, more than one-third of the defense baseline. Appropriately, this QDR portion will be particularly important because significant budget realignment and redirection is likely. Secretary Gates' statement earlier this month was the beginning of this process.

Related to this area, the QDR must also examine the availability of critical technical personnel, especially government executives who serve as program managers for these Pentagon programs. The government needs highly skilled people who understand the technology, and can make high-tech trade-offs to get taxpayers good return for their investment and the right equipment to our troops. The career civilian workforce is the best source of candidates for these positions, but their ranks were reduced by administration and congressional directed budget cuts. Technical expertise is essential to protect the public interest.

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After the QDR, the next step is to implement sensible adjustments in the acquisition process. We must ensure that major defense acquisition programs are subject to careful review. I will offer my comments on the pending legislation in my oral presentation.

For any of these reforms to bear fruit, we must first invest in government personnel responsible for engineering and acquisition. No improvements will materialize without adequate expertise. Several issues require attention:

- (1) The Pentagon's capability to manage and integrate large acquisition programs needs to be improved. The solution lies in a combination of a strengthened Pentagon acquisition workforce, greater reliance on not-for-profit independent advisory bodies like RAND, the Institute for Defense Analysis, MITRE, and the other federally funded centers, and a return to industry prime contractors that are exclusively concerned with system engineering and program management.
- (2) The Pentagon needs a new policy on mergers and acquisition of defense contractors that ensures a healthy defense industrial base, a robust and innovative workforce, fair competition, and low cost. For the past few years, the acquisition workforce for the DOD has been shrinking, even as procurement appropriations increased. Without adequate numbers of qualified personnel, the acquisition process will be plagued with inefficiencies.

Investment in human capital must occur now to increase the workforce in the pipeline in preparation for the retirement of the most senior and skilled personnel. We should also seek dedicated training for government personnel responsible for contract negotiation and management. This critical function and these important improvements have the potential to save dollars. Furthermore, the Pentagon could improve its capabilities for program management if it could accelerate the time required to issue security clearances to acquisition and other personnel.

- (3) Many experts believe that too little emphasis is being given to technology-based activities on which advanced military weaponry is dependent. While it is true that the military must compete for technical talent in the highly competitive commercial market. Some of these obstacles can be overcome through mutually beneficial military-commercial dual use projects.
- (4) There is growing concern that the future supply of U.S. scientist and engineers will be inadequate for the defense industry, a critical educational issue identified by the National Academy of Sciences report, "Rising above the Gathering Storm." We cannot allow this to occur if we are to maintain military superiority.

The American defense workforce— public and private— is a critical national security asset. The preservation of these advanced technology skills in the engineering, manufacturing, and system integration areas is a national priority.

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The Pentagon and private sector must work together to preserve and regenerate these critical skills for the future.

Furthermore, there should be integration in the acquisition system.

- (1) Technology advancement requires integration of platforms—aircraft, ships, ground vehicles—with redundant information networks.
- (2) Successful next generation systems require that the people who will use the equipment establish clear requirements that include appropriate technological trade-offs.
- (3) There should be integrated planning, programming, and budgeting for intelligence programs.
- (4) The separation of the requirements process (under the Joint Chiefs of Staff) and the acquisition process (the Pentagon's Defense Acquisition Board) should be eliminated.

I'll be happy to address any questions you may have.