

Advance Questions for the Honorable John Young
Nominee to be Under Secretary of Defense for Acquisition, Technology, and Logistics

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?

Answer: I do not see a need for modifications of Goldwater-Nichols in the areas affecting acquisition. The civilian and military roles defined in the Act produce a healthy tension that balances war fighting needs with taxpayer interests. I believe proposals to change this aspect of Goldwater-Nichols by shifting acquisition to the Service Chiefs would be a disservice to the President and our nation's taxpayers. The debate over requirements, technology, cost and capability should begin at levels below the President and the Secretary of Defense. There is great risk in such a change of even further overstating of requirements, growing unfunded requirements lists, and further escalation in the cost of weapon systems.

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

Answer: Based on my experience as the Director of Defense Research and Engineering and Department of the Navy Acquisition Executive, I continue to oppose any modifications that would shift acquisition program management to the Service Chiefs. For the sake of the taxpayer, there needs to be a constant debate at all working levels between the acquisition team - led by Presidential appointees - and the requirements community - led by the Service Chiefs and the Joint Staff. The debate should encompass available technology, cost, affordability, delivered capability, joint options, and alternative solutions.

Duties

Twenty years ago, Congress established the position of Under Secretary of Defense for Acquisition in response to the recommendations of the Packard Commission. The Packard Commission report stated: "This new Under Secretary . . . should be the Defense Acquisition Executive. As such, he should supervise the performance of the entire acquisition system and set overall policy for R&D, procurement, logistics, and testing. He should have the responsibility to determine that new programs are thoroughly researched, that military requirements are verified, and that realistic cost estimates are made before

the start of full-scale development. (In general, we believe, cost estimates should include the cost of operating and maintaining a system through its life.) He should assure that an appropriate type of procurement is employed, and that adequate operational testing is done before the start of high-rate production. He also should be responsible for determining the continuing adequacy of the defense industrial base.”

3.) Do you believe that the position of Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(ATL)) has the duties and authorities necessary to carry out the recommendations of the Packard Commission?

Answer: Yes.

4.) Do you see the need for modifications in the duties and authorities of the USD(ATL)?

Answer: No.

5.) Do you believe that the Department of Defense has effectively implemented a streamlined chain of command for acquisition programs, as envisioned by the Packard Commission?

Answer: I believe that the Department has implemented acquisition chains of command that provide the best management structure to meet current acquisition requirements. If confirmed, I will continue to examine these acquisition structures to improve outcomes and streamline oversight.

6.) Do you see the need for modifications in that chain of command, or in the duties and authorities of any of the officials in that chain of command?

Answer: At the present time, I do not see any need for modifications in the chain of command or in duties and authorities, but modifications could be needed in the future as acquisition mission requirements evolve. I believe the statutory reporting chain which provides USD (AT&L) directive authority for Service acquisition programs via the Service Secretaries is a critical authority which must be maintained. If confirmed, I will continue to evaluate the current chains of command and recommend adjustments, if needed.

Section 133 of title 10, United States Code, describes the duties of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(ATL)).

7.) Assuming you are confirmed, what duties do you expect that Secretary Gates will prescribe for you?

Answer: If confirmed, I expect the Secretary to assign me duties and functions commensurate with the USD(AT&L) position, and any others he may deem appropriate.

8.) Do you recommend any changes to the provisions of section 133 of Title 10, United States Code, with respect to the duties of the USD(ATL)?

Answer: No.

9.) If confirmed, what duties and responsibilities would you plan to assign to the Deputy Under Secretary of Defense for Acquisition and Technology and the Deputy Under Secretary of Defense for Logistics?

Answer: Based on my experience working with both positions, I do not, at this time, see an urgent need for any major changes in the roles and responsibilities of the Deputy Under Secretary of Defense (DUSD) for Acquisition and Technology or the DUSD for Logistics and Material Readiness. At this time, the duties assigned to each position serve an important role to meeting the goals and objectives of the Secretary of Defense. I do believe that the Director of Defense Research and Engineering should serve as the Department's principal staff assistant for technology matters and the Deputy Under Secretary of Defense for Acquisition and Technology should be the principal staff assistant for acquisition program management.

10.) In your view, should the USD(ATL) be a member of the Joint Requirements Oversight Committee (JROC)?

Answer: The JROC membership may be appropriate. The USD(AT&L) must at least participate in a full advisory role.

Qualifications

If confirmed, you will be responsible for managing an acquisition system pursuant to which the Department of Defense spends more than \$200 billion each year. Section 133 of title 10, United States Code, provides for the Under Secretary to be appointed from among persons who have an extensive management background in the private sector.

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

Answer: I believe that my responsibilities and service as the Director of Defense Research and Engineering and the Assistant Secretary of the Navy for Research, Development and Acquisition provide substantial and unique background and experience that qualifies me for this position. Further, my experience as a professional staff member on the Senate Appropriations Defense Subcommittee and my experience working in a variety of positions in industry provides me with a strong and extensive background for this position.

Major Challenges and Problems

12.) In your view, what are the major challenges that will confront the USD(ATL)?

Answer: As the Director of Defense Research and Engineering, I established a vision for the organization of developing the technology to defeat any adversary on any battlefield. I believe this vision, expanded to recognize including acquisition and sustainment, to a high degree also outlines the challenges I would face as USD(AT&L). We must ensure the nation has the technology, systems, training and support necessary to defeat adversaries on every front – urban warfare to cyberspace. We must be efficient with the nation’s tax dollars in order to give the warfighter the largest possible set of robust warfighting tools. The acquisition team must ensure the tools are interoperable and joint and must execute programs with speed and creativity. We have already seen the pace of adjustment of our adversaries in the Global War on Terrorism. If confirmed as the USD(AT&L), my challenge will be to oversee and integrate the research, development, procurement, logistics, and facilities functions within the available resources in order to ensure the nation maintains unmatched military capability. If confirmed, I believe some of the more specific challenges I would confront include –

- Improving the effectiveness, credibility and performance of the Defense Acquisition Team in every acquisition business area.
- Making proactive, clear progress in controlling cost and requirements in order to deliver program results within budget and schedule.
- Ensuring the acquisition process is transparent, objective, timely, and accountable.
- Forging consensus among the acquisition, requirements and budget communities to enable effective acquisition.
- Fostering a science and technology program that meets the nation’s future defense needs
- Implementing logistical and supply chain management initiatives which are effective for the warfighter and the defense enterprise.
- Addressing industrial base challenges in an increasingly globalized commercial marketplace.
- Building and sustaining a high performing, agile, and ethical defense acquisition workforce.
- Ensuring business transformation efforts support sound program decisions and financial management.

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

Answer: If I am confirmed, I expect to draw on my previous experiences as well as the advice and counsel of all members of the defense acquisition team in order to develop and implement a number of initiatives to address these challenges. If confirmed, I also will seek to work closely with the Services and Agencies and the Congress to develop and execute plans and initiatives that will make tangible progress on these challenges.

Major Weapon System Acquisition

14.) Please describe the approach taken by the Department to reduce cycle time for major acquisition programs. Do you believe the Department's approach has been successful?

Answer: I believe that the fundamental step in the Defense Department's efforts is the requirement for appropriate Technology Readiness Levels at key milestones as mandated by the Congress. Ensuring that we move appropriately mature technology into successive stages of program development is fundamental to controlling and reducing cycle times for major acquisition programs.

The Department has also undertaken additional steps to control and reduce cycle times. Key additional steps include efforts to stabilize program funding and requirements in order to permit planned, deliberate program execution. Additional supporting initiatives or pilot projects include concept decision, DAES re-engineering and Performance Based Logistics. If confirmed, I will work to build on these foundations to seek continued improvement.

15.) What specific steps has the Department of Defense taken to adopt incremental or phased acquisition approaches, such as spiral development?

Answer: Incremental and Spiral acquisition strategies are being utilized in the Department. These approaches are defined in DoD 5000.2, are embedded in the DAU training for Program Management, Systems Engineering and Contracting and are utilized by all Services.

16.) How will the requirements process, budget process, and testing regime change to accommodate spiral development?

Answer: Spiral development is an acquisition strategy and approach that is designed to identify the end-state requirements, which are not known at program initiation. Requirements, budget and test regime are refined through demonstration and risk management.

17.) How should the Department ensure that the incremental or phased acquisition programs have appropriate baselines against which to measure performance?

Answer: Each program being executed under an incremental or phased acquisition approach must still have clear requirements and metrics for each phase or increment. There are two key elements of success. First, the requirements of the initial increments must be commensurate with the budget, schedule and technology available to the program. Second, the Department must be able to adjust the requirements, shifting some requirements to later phases or increments, in order to ensure execution within budget and schedule.

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's principal conclusion has been that private sector programs are more successful, in large part because they consistently require a high level of maturity for new technologies before such technologies are incorporated into product development programs. The Department has responded to these findings by adopting technological maturity goals in its acquisition policies.

18.) 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?

Answer: I believe it is absolutely necessary for the Department to appropriately mature technologies before they are incorporated into product development programs. Experience demonstrates that programs built on mature technologies are much more likely to meet cost, schedule, and functional objectives. DoD R&D funds are an important, and often the primary, method for maturing technologies.

19.) What steps 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?

Answer: Ensuring incorporation of mature technologies (e.g., TRL 6 at MS B, TRL 7 at MS C) into Major Defense Acquisition programs requires a sustained approach that engages early with the program's capabilities development and stays engaged through system design and development. During my tenure as DDR&E, I have strongly encouraged the Department's S&T staff to work closely with major acquisition programs well before Milestone decision points to ensure that technology immaturity issues are identified, and that technology maturation plans are developed. If confirmed, I would continue this practice through technology readiness assessments and quick-look technology maturity evaluations to ensure that key components and technologies satisfy technological maturity goals. If confirmed, I expect to work to ensure that appropriate investments are made to mature technology to support each stage of development.

20.) What steps 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?

Answer: The Defense Department must adequately fund technology maturation for the technologies necessary for our military systems. The Department has many opportunities to leverage the research investments of other Federal agencies and the commercial sector (including international developments) to advance technological maturity. However, the final result must be proven, appropriate stages of technical maturity for advancement to the next stages of development.

21.) 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?

Answer: TRLs have proven to be a very effective tool for focusing Department attention and effort on technology maturation, and if confirmed, I will continue to use them. MRLs are an emerging tool to support acquisition decision making that shows promise. The DDR&E team has worked with industry to develop MRLs that are reconciled with TRLs and to provide a common framework for assessing and managing manufacturing risk from technology development through each step of acquisition.

The Committee has proposed various changes to DOD acquisition procedures that are included in title VIII of S. 1547, the National Defense Authorization Act for Fiscal Year 2008. Sections 801 through 805 would address major defense acquisition programs.

22.) What is your opinion about whether these provisions, if enacted, would help the Department reform how it buys its largest and most expensive weapons systems?

Answer: If confirmed, I will review each of the sections addressing changes for multi-year procurement, Milestone B certification, DoD organization and structure, investment strategy and report on total ownership cost.

23.) Which of these provisions, if any, do you have concerns about and why?

Answer: Consistent with the Statement of Administration Policy regarding S. 1547, I am concerned that section 801(a) would define "substantial savings" for multiyear contracts. This definition would unnecessarily limit the contracting options available for large programs where significant taxpayer dollars could be saved.

Defense Acquisition Reform Initiatives

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

24.) If confirmed, to what extent would you support and continue implementation of the defense acquisition reform initiatives forth in that report?

Answer: In general, I support the majority of the acquisition reform initiatives identified in the Report. If confirmed, I will support the implementation activities which are already underway and evaluate additional ways and means to improve the effectiveness and efficiency of the system.

25.) In particular, please discuss your views about the following:

Portfolio Management

Answer: In general, I would support the Capability Portfolio Management Initiative pilot that provides a common framework recognizing federated ownership. It facilitates strategic choices and improves the ability to make capability trade-offs. Successful experiments in portfolio management are impacting strategic portfolios, weapon systems, and weapon sustainment choices.

Tri-Chair Concept Decision

Answer: In general, I believe forums like the Tri-Chair and processes like Concept Decision are very useful for the alignment of the acquisition, requirements and resource teams in pursuit of a common capability goal. I used similar tools and processes during my tenure in the Navy in order to achieve alignment on a number of major acquisition programs. If confirmed, I will review this initiative and the associated pilots for any additional support or direction needed.

Time-Defined Acquisitions

Answer: In general, I support the Time-Defined Acquisition (TDA) initiative which is designed to make schedule a key performance parameter. The TDA approach seeks to prescribe a fixed time for capability delivery and to use schedule to drive the program’s focus, plans and technology choices. If confirmed, I will review this initiative for any additional support or direction needed.

Investment Balance Reviews

Answer: In general, I support the Investment Balance Reviews (IBR) initiative that provides the Defense Acquisition Executive with the opportunity to make course corrections during the life cycle of the portfolio of capabilities, systems and programs. If confirmed, I will review this initiative for any additional support or direction needed.

Risk-Based Source Selection

Answer: In general, I support this initiative to provide an informed basis for assessing industry proposals, quantifying the risk in terms of cost and time, and providing the basis for more informed discussions with the offerers. If confirmed, I will review this initiative for any additional support or direction needed.

Acquisition of Services Policy

Answer: In general, I support the initiative on Acquisition of Services which is designed to reduce cycle time, increase competition and provide better value for the Department. If confirmed, I will review this initiative for any additional support or direction needed.

Systems Engineering Excellence

Answer: In general, I support this initiative which is designed to strengthen our Systems and Software Engineering acquisition policy and practices with a goal of world class performance for the Department. If confirmed, I will review this initiative for any additional support or direction needed.

Award Fee and Incentive Policy

Answer: During my tenure as the Navy Acquisition Executive, I issued three memorandums providing policy and guidance on the use of profit, incentives and award fees. These memoranda specifically pushed for greater use of objective criteria for awarding fees, aligning the payment of fees to measurable steps on the critical path through development, and tailoring the profile for the award of fees to stages of progress in development. I strongly believe the Defense Department must continue to use fees as a vital tool in managing acquisition programs and incentivizing performance. If confirmed, I expect to continue to push for progress in the careful and judicious use of profit and fees.

Open, Transparent and Common Shared Data Resources with Defense Acquisition Management Information Retrieval (DAMIR)

Answer: The Department needs better information tools for use in managing its portfolio of programs and in monitoring progress in program execution. The DAMIR system represents an effort to fill some of these gaps. If confirmed, I will review this initiative for any additional support or direction needed.

Restructured Defense Acquisition Executive Summary Reviews

Answer: The DAES reviews provide a forum for OSD to work with the Services and Agencies to evaluate progress in program execution. Recent adjustments in the DAES review process have sought to improve the quality of information and to focus on the key metrics which provide insight into program execution. These steps are useful, and the

Department should continue to make every effort to ensure program execution is carefully measured and monitored to provide early signals of the need to take action and make adjustments which can improve the probability of successful program execution. In general, I support this initiative which is designed to improve decision making, communication, trust and integrity between OSD, the Joint Staff and the Services. If confirmed, I will review this initiative for any additional support or direction.

Policy on Excessive Pass-Through Charges

Answer: If confirmed, I will review the interim policy issued April 26, 2007 as well as public comments in preparation for finalization of a responsive policy.

26.) 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?

Answer: I am aware that the second Defense Acquisition Transformation Report was recently submitted. The Report has identified additional initiatives that are considered productive. If confirmed, I will study all of the acquisition reform initiatives to determine additional ways and means to improve the effectiveness and efficiency of the system.

Weapons Systems Affordability

The investment budget for weapon systems has grown substantially over the past few years to \$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.

27.) 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?

Answer: Current investment budget projections for major systems do suggest these programs are affordable under current topline estimates and assumptions as well as given continuing support from the Congress for costs in other areas. However, the Defense Department must execute these programs within budget and avoid incurring cost growth. As you know, the Department has been emphasizing funding programs to more realistic estimates. This is a practice I intend to continue, if confirmed.

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

Answer: If confirmed, I will carefully assess the impact of any proposal to reduce purchases of major systems because of affordability and utilize the assessment in making final recommendations.

29.) If confirmed, how do you plan to address this issue and guard against the potential impact of weapon systems cost growth?

Answer: The Department must ensure that only those technologies and capabilities that are technologically mature are included in new systems. If confirmed, I intend to emphasize realistic cost estimates and funding profiles. If confirmed, I will also work to ensure that program requirements are well understood at program initiation and are stabilized as much as possible over the long term to guard against "requirement creep."

Lead Systems Integrator

For the Future Combat Systems program and several other major defense acquisition programs, the Department has hired a lead system integrator to set requirements, evaluate proposals, and determine which systems will be incorporated into future weapon systems.

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

Answer: I believe the acquisition team should keep every single management tool available in our toolbox, and the acquisition team should make judicious choices about the use of these tools. In general, I think the Department should use care in choosing an LSI strategy and should have very specific reasons for selecting a lead systems integrator approach. Use of a Lead System Integrator (LSI) for a major system acquisition is in some ways similar to hiring a prime contractor to develop a materiel solution to satisfy the government's need, which we strive to state in terms of performance requirements. An LSI generally performs comparable roles and responsibilities to a prime contractor. An LSI is subject to the same safeguards that apply to all federal contractors, as defined by the standard clauses that are included in our contracts.

31.) 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?

Answer: The rules regarding the performance of inherently governmental functions do not vary. The Government retains responsibility for the execution of the program; makes all requirements, budgeting and policy decisions; and performs source selections at the prime level.

32.) If confirmed, what steps would you take to ensure that lead system integrators do not misuse their access to sensitive and proprietary information of the Department of Defense and other defense contractors?

Answer: The Department has contract terms, backed up by law and regulation, that govern what a prime contractor can do with information gained in the performance of a contract. Likewise, the subcontract arrangement established between the prime and subcontractor contains provisions that protect the subcontractor's information from misuse. If confirmed, I will review these issues as necessary and determine whether additional steps need to be taken.

33.) If confirmed, what steps would you take to ensure that lead system integrators do not unnecessarily limit competition in a manner that would disadvantage the government or potential competitors in the private sector?

Answer: This is a concern that arises in many programs as the defense industrial base becomes more concentrated. It is not an issue particular to contracts using a Lead System Integrator. If confirmed, I will review these issues as necessary and determine whether additional steps need to be taken.

Multiyear Procurements

Providing a stable funding profile for defense programs is absolutely essential to effective program management and performance, for both DOD and the defense industry. One already tested means of increasing program funding stability is the use of multiyear contracts. At the same time, however, multiyear procurements tie up DOD funds over long periods of time, making it difficult for the Department to reallocate funds if they are needed to meet higher priority defense needs.

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

Answer: In general, I strongly favor multiyear procurement strategies. Frequently, 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 following criteria should be considered in deciding whether a program should be considered for multiyear application: savings when compared to the annual contracting methods; validity and stability of the mission need; stability of the funding; stability of the configuration; associated technical risks; degree of confidence in estimates of both contract costs and anticipated savings; and promotion of national security.

35.) 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?

Answer: I favor placing no threshold on the level of cost savings that constitutes "substantial savings." What is best for the taxpayer is to preserve flexibility for the Department to maximize savings through the use of multiyear contracts. Placing a

threshold on “substantial savings” would unnecessarily limit the contracting options available for large programs where significant taxpayer dollars could be saved.

36.) 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?

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

37.) How would you analyze and evaluate proposals for multiyear procurement for such programs?

Answer: The Department would need to examine all risk factors in conjunction with the potential for cost savings to determine if multiyear procurement would be appropriate for a program with an unsatisfactory history. If confirmed, I will analyze and evaluate proposals for multiyear procurements in accordance with all statutory and regulatory requirements.

38.) If confirmed, what criteria would you apply in determining whether procuring such a system under a multiyear contract, is appropriate and should be proposed to Congress?

Answer: If confirmed, the primary criteria I would seek to apply in deciding the appropriateness of the use of a multiyear contract is the potential for achieving cost savings for the Department and the taxpayer and the potential for successful industry execution. The determination of savings is clearly dependent on supporting criteria such as the stability of the budget, the stability of the requirement, the accuracy and validity of cost estimates, and the ability of the contractor to perform.

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

Answer: Given careful screening of programs prior to awarding the multiyear contract, there should be very limited and unusual circumstances that would result in the breaking (i.e., cancellation) of a multiyear contract. If confirmed, the particular circumstances of any given break for a multiyear procurement would be addressed on a case by case basis.

40.) If confirmed, how will you treat proposals to renegotiate multiyear procurements?

Answer: If confirmed, I would treat proposals to renegotiate multiyear procurements very cautiously.

Leasing

Over the last several years, there has been much debate concerning the leasing of capital equipment to be used by the military services. Advocates of leasing capital equipment have argued that leases can enable the Department to obtain new equipment without significant up-front funding. Opponents of such leases have argued that this approach shifts today's budget problems to future generations, limiting the flexibility of future leaders to address emerging national security issues.

41.) What are your views on leasing of capital equipment, and when, if ever, do you consider such leasing to be a viable mechanism for providing capabilities to the Department?

Answer: In general, I believe the acquisition team should keep every single management tool available in our toolbox, and the acquisition team should make judicious choices about the use of these tools. I consider leasing of capital equipment to be a viable mechanism for providing capabilities to the Department in a limited number of circumstances. In general, I believe that a lease should be cost effective for the Defense Department unless there are additional, compelling reasons for use of a lease. Leases are rarely suitable for the acquisition of major military systems and should not be used just to avoid up-front investment costs.

The Air Force proposal in 2001 to lease 100 tanker aircraft was severely criticized by a series of independent reviewers – including the Congressional Budget Office, the Congressional Research Service, the National Defense University, the Government Accountability Office, and the Department of Defense Inspector General – before it was finally cancelled.

42.) What do you believe were the major problems with the tanker lease proposal?

Answer: The proposal has been critiqued by a series of independent reviewers – including the Congressional Budget Office, the Congressional Research Service, the National Defense University, the Government Accountability Office, and the Department of Defense Inspector General. The reviews generally suggested there was a lack of transparency and accountability within the Department. If confirmed, I will continue to work to ensure that the lessons learned are incorporated into the training, education, and business processes of the Department.

As an observer of the tanker lease proposal, I was concerned about two significant issues. First, I believe the proposal needed a high quality, accurate cost analysis to inform the deliberations. A proposal of this scope may have also merited a concurrent, independent

cost analysis. The cost and a number of other factors should have been weighed and debated in a more transparent process. Second, I believe the Air Force had not carefully assessed the Service's ability to purchase the tankers at the end of the lease within their projected budgets beyond the Future Years Defense Program (FYDP). A second lease would have been costly to the taxpayer. Alternately, it would also have been very expensive to slow or break other acquisition programs in order to budget for the buyout of the lease just beyond the FYDP.

43.) What lessons do you believe the Department of Defense should learn from the failed effort to lease tanker aircraft?

Answer: The undertaking of an acquisition program of such a magnitude needs to be fully transparent and consider the concerns of all the stakeholders. Also, as is the case in virtually every acquisition program, the Defense Department needed to fully understand the life cycle cost issues, including buyout of the lease, and realistically assess the affordability of the program within the reasonable projections of the long term budget.

Tanker Recapitalization

Before the final KC-X Request for Proposals (RFP) was disseminated, the Air Force briefed Congress on the benefits to the Department of continuous competition over the life of the KC-X program, particularly in view of the fact that modernizing the tanker fleet is projected to take several decades. The assertion was made that, consistent with experience, competition would provide the best product for the Department at the best price.

44.) What are your views on whether the current acquisition strategy supporting the KC-X tanker program should have the benefit of competition beyond the first 80 aircraft?

Answer: If confirmed, I will carefully review the KC-X tanker program acquisition strategy. While it is possible the program could benefit from competition beyond the initial procurement, I think there would have to be clear and compelling potential for cost savings for the taxpayers that would offset the potential cost increases of a new competition, an additional non-recurring investment for development, and a life cycle premium for different type model series aircraft. The additional costs may be offset by the potential benefits of competition as well as allowing the insertion of beneficial new technology to the fleet. Frankly, it would be very difficult to accurately assess all of these factors today, thus I believe that it is premature to make this decision at this point in time.

45.) Do you agree or disagree with the findings of the Inspector General's report?

Answer: I understand that the DOD Inspector General report on the Air Force KC-X Aerial Refueling Tanker Aircraft Program of May 30, 2007, found that the Air Force did

not include in the KC-X acquisition strategy a requirement to obtain accurate, complete, and current cost and pricing data to determine the reasonableness of the contractor's proposed price for the noncompetitive portion of the KC-X aircraft acquisition. I also understand that the Air Force concurred with the finding and will update the acquisition strategy for the Milestone B decision, anticipated by the end of 2007. If confirmed, I will further review the IG report as appropriate.

46.) What actions would you take if confirmed, to ensure that the appropriate level of oversight will be possible and will occur on the KC-X program?

Answer: As an Acquisition Category (ACAT) 1D program, the milestone decision authority for KC-X is the Defense Acquisition Executive (DAE), USD(AT&L). As you are aware, the Defense Acquisition System includes a robust senior level review process to advise the DAE in his oversight of program planning and execution. If confirmed, I will exercise all appropriate and necessary oversight of this program, and the Department will manage the program with transparency and openness.

Unsolicited C-17 Globemaster Procurement Proposal

In March 2007, the contractor supplying the C-17 aircraft directed its long-lead suppliers for that aircraft to cease work on parts which were not already under contract. The contractor subsequently instructed its suppliers to resume work on providing parts for 10 new C-17s beyond the number already on order with the Air Force and its international customers. In a statement issued on June 19, 2007, the contractor explained its action citing "increased bipartisan congressional support" and "increasing signs that the U.S. Air Force has requirements for 30 additional C-17s." The contractor reportedly told these suppliers that it would "commit [its] resources to provide long-lead funding for the C-17s to be delivered after mid-2009" and that this "action will protect the option in the months ahead for the cost-effective acquisition of C-17s in FY '08."

47.) What is your view of the responsibility (if any) that the Government bears when a contractor decides to build a product on speculation that the Government might decide to buy it in the future?

Answer: The government bears no responsibility and should not encourage such an action.

48.) Do you believe that the Government's responsibility for such a decision changes if Government officials encourage the contractor to do so? In your view, would such communications by a Government official be appropriate?

Answer: The government should not encourage such an action, and it would be inappropriate to have any such communications other than via formal contracting actions.

49.) Are you aware of any such communications in this case?

Answer: No, I am not aware of any such communications.

50.) What are your views, if any, on whether the Air Force should purchase additional C-17s that are not reflected in the Future Years Defense Plan or the Air Force's Unfunded Priority List?

Answer: Force structure decisions should be based on military judgment and sound planning and analysis regarding the future needs for joint warfighting.

51.) If the Air Force were to pursue such purchases, what are your views on how they should be funded? Do you believe that any such funding should come from within the Air Force budget?

Answer: Any such purchase should be programmed and budgeted via the Planning, Programming, Budgeting and Execution system [PPBES]

Lead Ship Funding

In recent years, the Department of Defense has shifted its policy for funding the construction of first ships of a class. While the Department previously funded such vessels in Shipbuilding and Conversion, Navy (SCN), they are now funded in Research and Development (R&D) accounts. This change was implemented to provide additional management flexibility, but it has also resulted in reduced visibility over cost, schedule, and performance. For example, the scope of problems with the Littoral Combat Ship (LCS) was identified by the Navy only months before available funds were exhausted.

52.) Do you believe that funding the construction of first ships of a class in R&D accounts is in the best interest of the Department of Defense? If so, why?

Answer: As the Navy acquisition executive, I believed strongly in funding the lead ship of a class with RDT&E funds. It is difficult, if not impossible, to accurately predict the exact cost of a lead ship of a class. When cost growth develops, the mechanisms in place between the Congress and the Pentagon for adjusting to unexpected cost increases can often result in further delays and therefore even more cost increases. Indeed, the Ship Cost Adjustment process, and the restriction to use funds in the year of appropriation for paying ship cost increases is extremely cumbersome and difficult. This process frankly encourages poor management choices and late recognition of the need for funds. It was my expectation that the Defense Department would make budget adjustments for the lead ship, if necessary, in the annual RDT&E budget. Those budgets would be fully visible to the Congress and subject to the Congress' authorization and appropriation oversight. Congress would actually have far greater visibility and oversight into our management of the lead ship. There is absolutely no reason for there to be less visibility into the cost of a lead ship funded in the RDT&E account. I am committed to ensuring

the Defense Department and the Congress have full visibility into the cost of our platforms. The Department always maintains an estimate at completion for the cost of a ship regardless of the type of funds used. The alternative is to budget a best estimate for a challenging lead ship and wait several years to determine whether the large block of single year funds has been sufficient. Indeed, I worry that the early phase decisions in a construction program lasting several years are not adequately cost constrained because of the availability of a large block of single year funds provided to cover the entire cost of the lead ship. I believe the annual appropriation of R&D funds would actually put greater pressure on the acquisition team and industry to make careful decisions about managing funds at each step of the lead ship construction process.

53.) What steps, if any, do you believe the Department and the Congress should take to address the lack of visibility that can result from funding first ships of a class in R&D accounts?

Answer: I do not agree that funding the lead ship of a class results in a lack of visibility into the cost of a ship. The visibility into the cost of the lead ship is no better if the lead ship is authorized and appropriated one single year block of funds for the entire cost of the lead ship to spend over several years in procurement. Indeed, the Congress has been concerned in the past to learn years later of the need for funds to complete the construction of previously authorized and appropriated lead ships. Funding lead ships in RDT&E actually provides the Congress far greater visibility into the cost and progress on a lead ship. The Defense Department will provide Congress an estimate of the total cost of the lead ship and indicate the annual increments in the RDT&E accounts. The Congress will get an annual update on the projected cost to complete the lead ship and will have the opportunity to review and approve every cost increase and adjustment. Indeed, the Congress will have insight into possible cost growth far earlier than a traditional lead ship procurement process where the total initial cost estimate for the ship is almost spent, at taxpayer expense, and the Defense Department and Congress are faced with new bills and a significant sunk cost.

54.) What is your opinion on the use of fixed-price contracts for lead ships?

Answer: The value and risk associated with using fixed-price contracts for lead ships must be assessed in conjunction with the technological challenges associated with each ship program. I support Congress' approach as set forth in section 818 of the National Defense Authorization Act for FY 07, which directed the Milestone Decision Authority to select the appropriate type of contract, after reviewing the complexity and technological risk associated with the program.

Littoral Combat Ship

Secretary Winter recently cancelled the contract for one of the vessels in the Littoral Combat Ship (LCS) program as a result of the Navy's inability to bring costs under control in that program. According to the Office of the Inspector

General of the Navy, one of the contributing factors in the poor cost performance on that program may have been the inexperience and lack of qualifications of the Navy Program Manager.

55.) What lessons should be learned from the problems experienced to date with the LCS procurement?

Answer: I have not reviewed the Littoral Combat Ship program in adequate detail to determine the lessons learned. However, based on some cursory reviews, I believe there are some initial lessons. First, every program requires a valid and effective earned value management system in order to provide industry and the government with an accurate, measurable sense of progress. This was a serious deficiency for the LCS program. Second, acquisition program management is a contact sport, and new ways of doing business require even greater diligence and management attention. The Defense Department has constantly learned that controlling requirements adjustments requires constant attention and discipline. LCS affirmed that there is another level of requirements, government technical authority, which requires determined management and discipline. To be certain, industry must perform, and it is not clear that the level of industry performance on LCS was adequate. However, the government has a responsibility to operate in a manner that can help enable success and in a manner that is consistent with industry planning expectations. The interpretation of technical authority and the translation of those changes into performance made LCS delivery to budget impossible for both government and industry.

56.) If confirmed, how would you expect to apply those "lessons learned" in overseeing the management of both the LCS and other major defense acquisition programs?

Answer: If confirmed, I will continue the Defense Department's efforts to ensure that acquisition programs have management baselines which can be tracked with an earned value management system. If confirmed, I will also continue to evaluate appropriate additional steps that should be taken to provide effective oversight of major defense acquisition programs.

57.) As the Assistant Secretary of the Navy for Research, Development, and Acquisition at the time, what was your role in selecting the former LCS Program Manager and in approving his qualifications for that position?

Answer: My recollection is that I approved the assignment of the former LCS program manager for the position with reservations. During my tenure as ASN (RDA), I generally sought to avoid approving waivers and to reject officers for key acquisition positions unless those officers met the acquisition experience and training criteria for those positions. The military personnel detailing system generally put forward one or more candidates, for assignment to open positions. In this case, the military personnel system felt strongly that an experienced operational officer with strong leadership skills should manage the LCS program, despite his limited acquisition experience. The military

personnel system also felt that strong PEO oversight and supporting acquisition talent would fill any gaps. There are many instances where I rejected personnel because of the lack of acquisition experience and training. In this case, I regrettably did not reject this assignment, acknowledging strong views from the military personnel system.

58.) What steps need to be taken, in your view, to ensure that officers selected for program management positions have sufficient training and qualification to succeed?

Answer: We have a very capable work force from which to select our prospective program managers. I would emphasize career management including selection, training, tenure and mentoring of program managers. Succession planning and a rigorous selection process are key tools for obtaining capable military and civilian program managers. As part of their career development process, officers seeking to manage programs must pursue the training necessary to be certified and have significant experience in acquisition management. I think the Department should only in the rarest cases, if ever, assign an officer without requisite acquisition credentials and experience to a program management or program executive officer position.

Software Development

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.

59.) What is the status of DOD's efforts to improve software development in major weapon systems?

Answer: I understand that the Department has established a Directorate for Systems and Software Engineering focused on improving software assurance. The Directorate supports acquisition success through software policy, guidance and best practices, reinforced through program reviews; improves the state of practices for software engineering; provides leadership and advocacy through outreach initiatives; and fosters software resources to meet DoD needs. If confirmed, I will evaluate as appropriate the Defense Department's progress and plans in this area.

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

Answer: If confirmed, I would generally initiate an internal and/or independent executive review of the major systems which have experienced software delays and cost overruns.

Analysis of Alternatives

When a required capability is defined, one method to ensure that capability is provided in the most cost-effective manner is through the conduct of an analysis of alternatives. This analysis not only helps to present alternatives, but also assists in the determination of key performance parameters and the threshold and objective values of these parameters.

61.) Under what circumstances, if any, do you believe it is appropriate for the Department to proceed with the acquisition of a major system without first conducting an Analysis of Alternatives?

Answer: I do not believe it is appropriate for the Department to proceed with the acquisition of a major ACAT I level system without first conducting an Analysis of Alternatives. I do believe there are opportunities to improve the process by making AOA's tailored, more timely and appropriately scoped.

62.) If confirmed, what will be your position on conducting analyses of alternatives for the programs for which you will be the Milestone Decision Authority?

Answer: If confirmed, I will generally expect that an appropriate Analysis of Alternatives will be conducted before any program for which I am the MDA can proceed into development.

Rapid Acquisition

Section 811 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 gave the Secretary of Defense new authority to waive certain statutes and regulations where necessary to acquire equipment that is urgently needed to avoid combat fatalities.

63.) What plans do you have, if confirmed, to use the rapid acquisition authority provided by section 811?

Answer: If confirmed, I would support the Secretary's use of the Rapid Acquisition Authority when it becomes necessary to waive certain statutes and regulations that inhibit our ability to rapidly acquire equipment that is urgently needed to avoid combat fatalities.

64.) Do you believe that the Department has the authority and flexibility it needs to acquire products needed to avoid combat fatalities? If not, what additional authority or flexibility do you believe is needed?

Answer: The Department has significant authority and flexibility to meet urgent operational needs, and the Rapid Acquisition Authority granted by Congress further complements that authority and flexibility. I believe the Department must continue its

efforts to respond more quickly and effectively to resolve urgent operational needs for our forces in the field.

If confirmed, I will evaluate the need for additional changes as these needs are identified, and I will make appropriate recommendations.

65.) When the Department acquires equipment under section 811 or other authority without first undertaking full operational testing and evaluation, what steps do you believe the Department should take to ensure the long-term effectiveness and sustainability of the equipment?

Answer: I believe the Department takes appropriate steps when it acquires equipment under section 811 or other authority. There is prudent risk management to ensure that our forces receive equipment that is appropriately safe, interoperable, suitable and effective for its intended purpose. When the solutions to immediate warfighter needs transition to programs of record, steps are taken to continue to verify their long-term effectiveness and to ensure adequate sustainment and training plans for the equipment are developed.

Services Contracting

Over the past decade, there has been a dramatic increase in the volume of services purchased by the Department of Defense. 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. While DOD has initiated efforts to establish a management structure and leverage its purchasing power, we understand such efforts remain in various stages of implementation.

66.) What is the status of these efforts, and do you believe the Department is providing appropriate stewardship over service contracts?

Answer: The Defense Department has a number of efforts underway in an effort to improve management of service contracts. If confirmed, I will review our progress and plans for these initiatives as necessary.

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

Answer: If confirmed, I would support near-term efforts to conduct spend analyses to develop a better understanding of how the Defense Department buys services.

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

Answer: If confirmed, I will review the Department’s initiatives and plans to manage this set of issues to ensure that we are making the necessary progress in providing oversight and management of the Department’s acquisitions of services.

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.

69.) What is the status of the Department’s efforts to increase the use of PBSC in its service contracts?

Answer: I do not have direct experience in this area. However, I would be pleased to work with the Congress on this issue, if confirmed.

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

Answer: If confirmed, this is an issue which I would have to review in detail in order to be able to make recommendations to the Committee.

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 management. 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.

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

Answer: If confirmed, I would continue the efforts outlined in the January 1, 2005 policy on the "Proper Use of Non-DoD Contracts." Adequate data must be obtained so that DoD and the assisting agencies know which DoD activities are utilizing non-DoD contracts to meet their needs and to specifically identify what the assisting agencies are acquiring on our behalf. The Department should continue the coordination between OSD and the assisting agencies (i.e., GSA, Interior, Treasury, and NASA). The Defense Department should also seek to understand the driving forces behind these activities, including the possibility that the Defense Department is not adequately manned to independently execute and manage these efforts.

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

Answer: Given what I know today, I believe the authority and regulations are sufficient in terms of accountability. If confirmed, I will review and evaluate these issues as necessary.

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

Answer: The primary responsibility for ensuring work is within the scope of a contract rests with the contracting officer.

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

Answer: I believe the Defense Department should seek to understand the driving forces behind these activities, including the possibility that the Defense Department is not adequately manned to independently execute and manage these efforts. I believe the Department may determine that there are areas where staffing is inadequate.

"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.

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

Answer: International sales, purchases, and licensed production ensure U.S. warfighters have access to the best technology in the world. International participation also promotes international defense cooperation, contributes to operational interoperability, and promotes cost savings. These arrangements rationalize the defense equipment supplier base to achieve the greatest efficiency in equipping our collective forces.

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

Answer: In certain instances involving national security and the preservation of a key defense technology or production capability, domestic source restrictions may be necessary. The Department has (and has exercised) the authority to “self-impose” such domestic source restrictions using the authority of 10 U.S.C. 2304(c)(3). These restrictions then are included in the Defense Federal Acquisition Regulation Supplement.

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.

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

Answer: I understand that the Defense Department has established an interagency team composed of the Departments of Defense, Labor, Commerce, and State and the U.S. Trade Representative whose charter is to consult with other nations about limiting the adverse effects of offsets. I think the team should continue its work. If confirmed, I would review many proposed actions to ensure they will not harm the economy, defense industrial base, defense production, or defense preparedness.

Specialty Metals

Section 842 of the John Warner National Defense Authorization Act for Fiscal Year 2007 recodified the specialty metals provision of the Berry Amendment in section 2533b of title 10, United States Code. On January 17, 2007, the Director of Defense Procurement and Acquisition Policy issued a memorandum implementing the non-availability exception in section 2533b. The January 17, 2007, memorandum states: “Several factors can and should be taken into consideration in making a determination that compliant specialty metal is not available. Are compliant parts, assemblies or components available in the required form as and when needed? What are the costs and time delays if requalification of certain parts of the system is required? What will be the impact on the program’s delivery schedule, program costs, and mission needs?”

78.) Do you believe that section 2533b provides the Department the flexibility that it needs to ensure that it can purchase weapon systems and parts in a timely manner for the national defense?

Answer: It is my understanding that the provision permits the Department to utilize a non-availability exception when the Department is not able to access compliant suppliers. If confirmed, I will review this provision for a more complete understanding of flexibility for assurance of our weapon system purchases.

79.) Do you believe that the steps taken by the Department to implement section 2533b have been consistent with the requirements of that provision?

Answer: If confirmed, I will complete any necessary reviews of the steps taken to ensure the consistent implementation of the provision.

80.) If confirmed, what additional steps, if any, would you plan to take to ensure that section 2533b is implemented in a manner that is consistent with the interests of the Department of Defense?

Answer: The Department of Defense has established a Strategic Materials Protection Board, in accordance with Section 843 of Public Law 109-364. If confirmed, I will become the Chairman of that Board. If confirmed, I will seek to ensure that the Board examines national security and domestic availability issues associated with specialty metals and other strategic materials critical to national security.

81.) What changes, if any, would you recommend be made to section 2533b?

Answer: If confirmed, I will complete appropriate reviews of the implementation of section 2533b and make any necessary change recommendations.

On July 2, 2007, the Department of Defense proposed to amend the Defense Federal Acquisition Regulation Supplement to waive application of section 2533b to commercially available off-the-shelf (COTS) items. The Federal Register Notice states: "Exercise of this statutory COTS waiver is critical to DOD's access to the commercial marketplace."

82.) Do you support the Department's decision to exercise this exemption authority?

Answer: In general, the acquisition of COTS products is one way to consider cost, schedule and performance alternatives. If confirmed, I will review the Department's decision as appropriate.

83.) What is your understanding of the extent to which COTS items are embedded in major weapon systems purchased by the Department of Defense?

Answer: To my knowledge, the Department has conducted no definitive studies on the extent to which COTS items are embedded in major weapons systems. If confirmed, it may be appropriate to ask major weapon system programs to review the extent of COTS item usage in military systems.

84.) Do you believe that the Department of Defense has sufficient market power to persuade producers of COTS items to alter their commercial supply chains to comply with the requirements of section 2533b?

Answer: When the Department is not the predominant buyer, it has limited leverage in those markets. There is little incentive for commercial companies to modify their procedures to meet the peculiar requirements of the Department, particularly if the Department is a small player in the market and changes would affect the firm's competitiveness.

85.) Do you believe that it would be in the Department's interest to do so?

Answer: In general, it is in the Departments best interest to get the best value. If confirmed, I will review this area as appropriate.

The Defense Industrial Base

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

Answer: I believe the U.S. defense industry is a market leader and innovator for products and services. Nevertheless, there are and will always be challenges the Department must address. If confirmed, I would work within the Department and with Congress to address them.

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

Answer: There should be no blanket policy of encouraging or discouraging further consolidation or divestiture. Each proposed transaction must be evaluated on a case-by-case basis in the context of the individual market, the changing dynamics of that market, and the need to preserve competition. Generally, I am concerned about consolidation trends which have had an adverse impact on competition opportunities for the Defense Department.

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

Answer: In general, I am not opposed to foreign investment in the United States, provided there are checks and balances to protect our national security.

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

Answer: The Department should continue to take actions and make decisions that strengthen that portion of the industrial base that supports defense. The Department also should continue to focus its acquisition strategies, both for development and production, in a manner that encourages true competition and drives innovation - seeking to draw non-traditional suppliers into the defense enterprise.

Role of the Undersecretary of Defense for Acquisition, Technology and Logistics

Concerns have been expressed that over time the purview of the office of the USD (ATL) has been diminished. The Department has established a separate set of regulations for the acquisition of space systems. The Missile Defense Agency has the primary role for missile defense systems and has established its own acquisition approach for these systems. Air Force acquisition scandals and the use of Other Transaction Authority on the Future Combat Systems program have raised questions as to the effectiveness of oversight provided by the USD(ATL).

90.) Do you believe that the USD(ATL) has the authority necessary to provide effective oversight over major acquisition programs of the military departments and defense agencies?

Answer: At this point, I believe the USD(AT&L) has the authority needed to execute the responsibilities of the position. Those responsibilities include oversight of both Missile Defense and Space Systems acquired by the Department of Defense. I believe that it is important for the USD(AT&L) to fully exercise those authorities working in partnership with the Services and Agencies.

91.) Do you believe that the USD(ATL) should have additional authority to reverse acquisition decisions of the military departments, where the USD(ATL) believes it is necessary to do so in the public interest?

Answer: At this point, I do not believe additional authority is required. The USD(AT&L) reviews ACAT 1 programs and has the ability to assume cognizance over any other acquisition program in the department in which the USD (AT&L) has a "special interest." I do believe that the offices in USD(AT&L) need transparency and visibility into all Service and Agency acquisition efforts. There may be cases where the management team in USD(AT&L) should use available authorities to ensure both public interest as well as greater jointness and interoperability.

92.) In your view, should the Service Acquisition Executives report directly to the USD(ATL)?

Answer: The current arrangement properly recognizes the responsibility of the Secretary of each Military Department for all affairs of that Department, including supplying and equipping, and it facilitates a strong tie between the SAEs and the other Military Department leadership, including those developing capability needs. The USD (AT&L) currently has adequate authority to provide guidance and direction to the SAEs through the Military Department Secretaries. However, if confirmed, I would review what changes, if any, are appropriate to improve oversight and communication.

93.) Do you believe that the service chiefs should play a role in the acquisition chain of command?

Answer: 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. I do not believe service chiefs should play a formal role in the acquisition chain of command.

94.) What role should USD (AT&L) perform in the oversight and acquisition of joint programs, the acquisition of space systems, and missile defense systems?

Answer: The USD(AT&L) has cognizance over the entire acquisition process including the oversight and acquisition of joint, space and missile defense systems. I believe this broad, corporate oversight role is vital and should be maintained and fully exercised.

Acquisition Workforce

Over the last decade, 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. Additionally, more than half of DOD's current workforce will be eligible for early or regular retirement in the next 5 years. While DOD has started the process of planning its long-term workforce needs, GAO reports that the Department does not yet have a comprehensive strategic workforce plan needed to guide its efforts.

95.) 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?

Answer: In general, some of the most pressing critical skills needed for future success are program management, systems engineering, cost estimating, logistics, contracting, and test and evaluation. I believe that meeting warfighter needs demands continued leveraging of technology, and this means we need a strong science and technology component of the acquisition workforce. If confirmed, I will support initiatives to increase funding for workforce recruiting, development and retention initiatives to ensure

we have the right skills and capabilities. If confirmed, I would hope to take steps to improve the speed, agility and flexibility of DoD's processes for recruiting and hiring these critical members of the workforce.

96.) 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?

Answer: I believe that a comprehensive human capital strategic plan is a useful tool for guiding development of the acquisition, technology and logistics workforce. I understand that the Under Secretary for Defense, Personnel and Readiness, is leading department-wide efforts to ensure comprehensive human capital planning. I will work closely with his staff, the Services and the Congress to successfully implement responsive workforce initiatives. I believe successful execution of this plan will require process improvements which allow DoD to effectively compete for human capital.

97.) Do you believe that DOD's workforce is large enough to perform the tasks assigned to it? Do you support Congressionally-mandated cuts to the acquisition workforce, and do you think further cuts are necessary?

Answer: I am not aware of any legislation pending which would reduce the acquisition workforce. The appropriate size of the acquisition workforce is a very important issue that I will engage in partnership with the Services to ensure we have the workforce size, capability and capacity to meet critically important acquisition needs. If confirmed, I look forward to working with the committee on this challenge.

98.) Has the Department had difficulty in attracting and retaining new staff to come into the acquisition workforce? If so, what steps do you think are necessary to attract talented new hires?

Answer: During the past five years, data suggests that the Department has experienced both success and challenges in attracting and retaining acquisition workforce members. If confirmed, I will review the steps being taken and provide guidance for continued improvement to address this important area.

99.) 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?

Answer: I do have concerns about our human capital in the acquisition workforce and am keenly aware of challenges having to do with technical expertise from my role as the DDR&E and Chief Technology Officer of the Department. If confirmed, I will place a high priority on efforts to attract, develop, and retain expertise in the technical and managerial fields. Technical and managerial expertise provided by the private sector has been, and I believe will continue to be, an important contribution to national security. If

confirmed, I intend to ensure there is an appropriate balance of skills suited to the circumstances and activities to be performed.

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

Answer: The assignment period for program managers and program executive officers must facilitate both continuity and individual accountability. On May 25, 2007, the Under Secretary of Defense for Acquisition, Technology, and Logistics issued a memorandum that expanded on existing policy. The memo emphasized the statutory requirement (10 U.S.C. 1734) for the Component Acquisition Executive (CAE) to ensure a written tenure agreement is prepared when a program manager is assigned to an Acquisition Category I or II program and highlighted that the tenure period for program managers of major defense programs shall correspond to the major milestone closest to four years or as tailored by the CAE based on unique program requirements, such as significant milestones, events or efforts. If confirmed, I would monitor implementation of these tenure requirements to ensure continuity in major acquisition programs. I believe that these tenure requirements are very important, and the tenure requirements should be honored with only extremely rare exceptions.

Logistics and Support

The Department is increasingly relying on civilian contractors in combat areas for maintenance and support functions.

101.) How do you view this trend? Do you believe that the Department has drawn a clear and appropriate line between functions that should be performed by DOD personnel and functions that may be performed by contractors in a combat area?

Answer: The US Armed Forces have always been supported by civilian contractors, whether at peace or war. The post cold war force reduction of military forces, the “peace dividend,” is the driving force for where we are today. In order to maintain desired combat capability, clearly an “inherently governmental mission,” in the smaller force, the Department reduced the military logistical support force structure. Contract capabilities fill the void and provide support which can be drawn upon only as needed to perform functions that must be accomplished to support the military forces. DOD has, consistent with available resources, their allocation, and mission requirements, defined those roles which remain inherently governmental in nature. For example, only military forces may operate offensively under rules of engagement. Security contractors are only permitted to operate defensively and must conform to a separate set of instructions, the Rules on the Use of Force. I believe this is an important topic in the context of modern warfare, and if confirmed, I will examine these issues carefully.

Transforming supply chain management will require not only process improvements but major investments in technology and equipment ranging from the use of passive Radio Frequency Identification (RFID) tags to improve asset visibility to procuring more trucks to improve theater distribution.

102.) What steps do you believe are necessary to improve the management of DOD's supply chain?

Answer: DoD Logistics is a complex business supporting all aspects of the Department's supply chain. I understand that there are a number of focused efforts underway to strengthen the effectiveness of joint logistics and sustainment performance:

- Integrating life cycle management principles into acquisition and sustainment programs to provide better life cycle reliability and materiel readiness for our weapons systems and equipment.
- Implementing programs to strengthen Supply Chain Operations to include initiatives under the leadership of our designated Distribution Process Owner, the United States Transportation Command; as well as Continuous Process Improvements such as the joint regional inventory management initiative; and technology improvements, such use of Radio Frequency Identification (RFID) technology.

If confirmed, I intend to continue these efforts and seek to continue the trend of improved performance.

Science and Technology

103.) 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?

Answer: Over the past two years, I have had the honor of being the Director of Defense Research and Engineering, the Department's Chief Technology Officer. In that role, I have been the spokesman for value of the Department's science and technology program. I believe science and technology is a vital element for modernizing and transforming the capabilities of the military forces. Through new capabilities brought about by the S&T program, we should enhance the nation's capability to confront irregular, catastrophic, traditional, and disruptive threats. This past year, the DDR&E team brought forward a number of new programs specifically focused on enhancing our capabilities in these new threat areas. For instance, we are establishing a biometrics program to identify people; we are establishing a program to tag, track, and locate objects of interest; we established a program in human, social, cultural and behavioral modeling, among others. Each should deliver a capability to confront new world threats.

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

Answer: Long term research has been, and will continue to be, very important to maintaining a supply of new capabilities to our warfighters. Any funding targets or goals should be balanced against other department goals, so I can't give an absolute funding target for long term research. As DDR&E, I strive to maintain and grow the basic research investment of the Department to provide new opportunities. If confirmed, maintaining and strengthening long term research would be a goal.

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

Answer: Under my direction, DoD has begun the assembly of a science and engineering investment database. A comprehensive database is the initial, key step to providing transparency across all organizations in the S&T enterprise and will form the baseline for future discussions. The database should give us a better picture of our enterprise investment in basic research and the ability to review and evaluate the degree of investment concentration in specific fields or technologies. By its very nature, the output of basic research is difficult to track. In general, basic research output can be measured in at least three areas: (1) New knowledge--publications in reference journals, (2) Intellectual capital -- students supported, degrees awarded, (3) Tech transitions -- new knowledge (scientific findings) picked up in technology and development programs by the Services and industry. One overarching goal is to ensure organizations funded by DoD and the broader research community possess an understanding of our missions and their technological areas of need. However, I believe we must move beyond these traditional measures and identify relevant metrics to ensure adequate investment in basic research.

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

Answer: During my tenure as the DDR&E, we instituted a new process, which we call Reliance 21, to improve the coordination between the Military Services and departments. This new process was developed with the S&T executives of all the components. The Defense Department's S&T stakeholders instituted this change to improve the coordination and collaboration among the components. The Reliance 21 process will improve coordination, but we need to let the process mature before we determine if it is sufficient. The DDR&E team has also instituted a detailed database to catalogue and make available details on the S&T program across the department—again, this is a work in progress, but highlights that I believe the enterprise has an opportunity to more efficiently and effectively coordinate S&T projects and investments.

The Director of Defense Research and Engineering has been designated as the Chief Technology Officer of the Department of Defense.

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

Answer: I believe the Chief Technology Officer should provide the Secretary of Defense, Deputy Secretary and Under Secretary for Acquisition, Technology and Logistics advice on the "State of the Art" in militarily relevant technologies and oversee the planning execution of a balanced, coordinated and proactive Defense Department science and technology program.

DARPA

108.) In your view, does the Director of the Defense Advanced Research Projects Agency (DARPA) report to the Director of Defense Research and Engineering?

Answer: Organizationally, the Director of DARPA reports to the Director of Defense Research and Engineering (DDR&E). I believe it is essential for the Director of DARPA to report to the DDR&E in order to permit the DDR&E to meet his or her responsibilities as the Chief Technology Officer.

109.) In your view, has the authority provided by section 1101 of the National Defense Authorization Act for Fiscal Year 1999 been used appropriately and effectively by DARPA to attract and retain a highly qualified technical workforce?

Answer: DARPA's implementation of the section 1101 authority has been an unqualified success. In fact, the Department modeled the Highly Qualified Expert program based on DARPA's authority and its success with it. DARPA has been able to attract and retain highly qualified technical experts for limited term appointments. The ability to hire these technical experts on limited terms, expeditiously and more comparably and competitively with industry standards, that continues to make this program successful. For example, under this authority, DARPA has been able to make an employment offer and have the program manager report for duty in as few as 6 working days. It would be helpful to be able to exercise these authorities more broadly throughout the Defense Department.

110.) Do you see the need for any changes in section 1101?

Answer: I understand that DARPA's management of 1101 program has gone very well over the years. I am not aware of any need for changes at this time.

111.) In your view, does DARPA's current program strike an appropriate balance between investments in near-term technology programs that are directly tied to current battlefield needs and investments in longer-term research efforts that seek to develop future capabilities? Should DARPA be focused principally on longer terms threats and capabilities?

Answer: DARPA remains a vital element of the overall DoD research and engineering program, and the Department's overall modernization and transformation efforts. I do not believe that DARPA should be exclusively focused on longer term threats and capabilities. Technology development and maturation follows different models, some of which are integrated from far term to near term to fielding prototypes. It is reasonable for DARPA to be engaged in technologies at different levels of maturity. I believe the hallmark of DARPA should continue to be a focus on higher risk activity.

Technology Transition

The Department's efforts to quickly transition technologies to the warfighter have yielded important results in the last few years. Challenges remain to institutionalizing the transition of new technologies into existing programs of record and major weapons systems and platforms.

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

Answer: The primary challenge that impedes technology transition is the lack of early and frequent interaction between the S&T and acquisition communities in an effort to create windows of opportunity for insertion of mature technology and to support proper and timely budgeting. Our current budget processes limit our flexibility to reallocate funds, posing another impediment to the Department's opportunity to exploit and transition new technology. Finally, the growing aversion to risk in programs generates another impediment to technology transition. The Military Departments and Agencies have made improvements in early planning and investing for technology transition, accelerating the movement of capabilities to the warfighter, and initiating mechanisms for bridge funding. The Department, needs to develop effective, strategic approaches to technology transition, particularly for uniquely joint and transformational capabilities.

Additionally, taking advantage of the plethora of worldwide innovation to achieve superiority and affordability is at odds with the linear, deliberate nature of traditional military acquisitions. Our programmatic, budgeting and contracting practices often deter involvement of non-traditional businesses. I believe the Department should develop and implement a number of initiatives to improve outreach to, and participation by, these innovative, non-traditional suppliers.

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

Answer: As DDR&E, I have personally worked to advocate the transition of Advanced Concept Technology Demonstrations (ACTD's) and other science and technology programs. I have also initiated process changes to enhance transition efforts. Further, I assigned the Assistant Deputy Under Secretary of Defense for Innovation and Technology Transition to assume the role of an advocate in a leadership position who is "driving transition every day." If confirmed, I will continue to support the acquisition team and all viable initiatives to improve the Defense Department's access to, and adoption of, the best technology solutions from all sources.

114.) What can be done from a budget, policy, and organizational standpoint to facilitate the transition of technologies from science and technology programs into acquisition programs?

Answer: From a budget perspective, I believe it is important for the Defense Department to have science and technology funds which are generally available and can be flexibly used to transition successful technology developments. A breakthrough technology development can languish for 12-18 months waiting for the budget process to provide funds which support final development and utilization in a military system.

From a policy perspective, I believe the Defense Department should return to some of the practices which were historically effective. Greater utilization of prototypes offers the opportunity to mature technology, demonstrate the technology's potential to acquisition and operational personnel, enhance the management and systems engineering skills of our work force, and allow a lower risk System Design and Development (SDD) phase. Most importantly, such prototyping efforts would provide a useful tool for attracting scientist and engineers into the defense acquisition workforce and for inspiring our nation's young people to pursue careers in science and engineering.

I am not aware of significant organizational issues or impediments at this time.

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

Answer: DoD S&T organizations are very capable of maturing technologies. However, as has been noted for many years, there is sometimes a "valley of death" between technology development efforts and acquisition program receptors. Throughout DoD, there are many efforts to bridge this valley of death. I believe it is important to encourage such efforts.

Section 2359a(c) of title 10, United States Code, requires the USD(ATL) to carry out an initiative to facilitate the rapid transition of new technologies from science and technology programs into acquisition programs and to designate a senior official of the Department to manage this initiative.

116.) If confirmed, would you expect to appoint a single technology transition advocate who would be responsible for promoting technology transition throughout the Department?

Answer: As DDR&E, I have asked the Assistant Deputy Under Secretary of Defense for Innovation and Technology Transition (ADUSD (I&TT)) to lead efforts to drive technology transition every day. If confirmed, I will carefully evaluate additional opportunities and initiatives that can support the transition of technology to the warfighter.

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.

117.) 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?

Answer: In general, I believe an independent Director of Operational Test and Evaluation is critical to ensuring the Department's acquisition programs are realistically and adequately tested in their intended operational environment. If confirmed, I will seek the advice of the DOT&E on testing and evaluation issues.

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

Answer: In general, I believe contractors are an important and integral part of the test and evaluation process during system development. If confirmed, I will evaluate this area and expect to place greater emphasis on coordinating and integrating Contractor Test, Developmental Test, and Operational Test and Evaluation.

119.) What is the impact of rapid fielding requirements on the standard testing process?

Answer: Rapid fielding requirements place greater stress on the entire acquisition team, including the test and evaluation community. Traditional test and evaluation processes and procedures may not be adequately responsive for rapid fielding efforts. My limited experience suggests that the test and evaluation teams have worked very hard and made necessary adjustments. I would cite the MRAP program as a good example. If confirmed, I will work with all stakeholders to ensure testing processes appropriately support rapid fielding without delaying our response to these urgent requirements.

120.) If confirmed, how will you work to ensure that all equipment and technology that is deployed to warfighters is subject to appropriate operational testing?

Answer: If confirmed, I will work closely with DOT&E on testing and evaluation issues.

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

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

Answer: If confirmed, I will review the provisions and implementation status as necessary to determine any corrections needed.

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

Answer: If confirmed, I will review this area as necessary to consider any additional steps to be taken to improve the management.

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.

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

Answer: I do believe there are concerns regarding the complexity, range requirements, test equipment, and cost associated with systems of systems testing. I understand that the Defense Department has developed a Joint Test Roadmap which outlines an approach to link geographically distributed test facilities, laboratories and ranges to create more realistic test environments. If confirmed, I will work with all members of the acquisition and testing teams to ensure the Defense Department addresses these issues and to act on any valid recommendations.

Joint Improvised Explosive Device Defeat Office (JIEDDO)

124.) What recommendations, if any, do you have for improving the way in which JIEDDO is developing and transitioning IED defeat technologies?

Answer: I believe the key challenge confronting JIEDDO in the development and transition of technology is the institutional and budget issues which arise when an activity

is predominantly and robustly funded by Supplemental funds. Transitioning JIEDDO programs to Service and Agency programs of record without clarity about the point of transition from supplemental to Service or Agency budget funds probably presents the greatest challenge. I understand that JIEDDO is developing a detailed approach to transition JIEDDO sponsored IED Defeat technologies to programs of record. The JIEDDO approach addresses budgetary, oversight and long term sustainment issues.

As DDR&E, I have taken steps to include JIEDDO in the Defense Science and Technology Advisory Group (DSTAG) in an effort to create a common knowledge about technology efforts on IED defeat programs and to maintain a dialogue about responsibility and coordination on these efforts. I would advocate continuation of JIEDDO discussions in the DSTAG forum if confirmed.

125.) Based on your observations as Director, Defense Research and Engineering (DDRE), do you feel that the USD(ATL) has the appropriate level of oversight and authority over critical JIEDDO technology development and acquisition programs?

Answer: USD (AT&L) is closely linked to JIEDDO with representatives participating in weekly resource and technology meetings chaired by the JIEDDO. AT&L is also a member of the steering group that provides oversight of major counter IED initiatives.

126.) In your view, is JIEDDO sufficiently aware of the science and technology efforts of the Department and the services so that promising technologies are rapidly identified and applied to the threat of Improvised Explosive Devices (IEDs)?

Answer: Through a series of meetings that occurred earlier this year, JIEDDO provided to DDR&E an extensive overview of their entire science and technology program plus other focus areas including threats and current projects. These discussions included counter IED programs and focus areas to better defeat the medium and long term IED threat. Since these meetings, I have taken steps to include JIEDDO in the Defense Science and Technology Advisory Group (DSTAG) in an effort to create a common knowledge about technology efforts on IED defeat programs and to maintain a dialogue about responsibility and coordination on these efforts. JIEDDO has full access to the science and technology programs and initiatives of the Department's RDT&E organization including those of the Services, DARPA and Defense agencies.

Ballistic Missile Defense

Section 234 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 requires operationally realistic testing of each block of the Ballistic Missile Defense System (BMDS).

127.) Do you believe that in order to perform its intended function successfully the BMDS, including each of its elements, needs to be operationally effective?

Answer: Clearly, each element of the BMDS system and the overall system must be operationally effective in order to successfully perform the intended function.

128.) Do you believe that the United States should deploy missile defense systems without regard to whether they are operationally effective?

Answer: I do not believe that the United States should deploy missile defense systems without regard to whether they are operationally effective.

129.) Do you believe that operationally realistic testing is necessary to demonstrate and determine the operational capabilities and limits of the BMDS and to improve its operational capability?

Answer: I do believe that operationally realistic testing is necessary to delivering and maturing an effective BMDS system.

130.) If confirmed, what steps, if any, would you take to ensure that the BMDS, and each of its elements, undergoes operationally realistic testing?

Answer: I understand that the Missile Defense Agency presently is executing a plan to expand the use of a Development/Operational Testing approach that allows the US Strategic Command warfighter community (which represents all Combatant Commanders) and all the Service Operational Test Agencies to be an integral part of the test program. If confirmed, I would support this plan, and I would need to review these plans and the proposed test activities to determine whether additional steps are necessary or appropriate.

All Major Defense Acquisition Programs (MDAPs) are required to complete initial operational test and evaluation before going beyond low-rate initial production (LRIP). BMDS has not yet undergone initial operational test and evaluation.

131.) Do you believe that independent operational test and evaluation of the BMDS, and each of its elements, is necessary to ensure that the system and its elements are operationally effective and suitable for combat?

Answer: I understand that the Missile Defense Agency currently conducts independent evaluations which have been and will continue to be a foundation of the MDA test program. I also understand that MDA seeks to include all service Operational Test Agencies, military utility assessment teams, and independent review teams in nearly all

BMDS test events. I would have to review MDA test plans in greater detail in order to provide a personal perspective.

132.) At what point, if any, do you believe independent test and evaluation of the BMDS, and each of its elements, should take place?

Answer: I understand that it is MDA's policy to integrate independent test and evaluation into their test program early which gives them the ability to deliver capabilities and reduce cycle time, as promised. Since the BMDS is a complex and integrated system on a revolutionary scale, it seems appropriate to give full consideration to each individual element. MDA is working closely with DOT&E and the Services Operational Test Organization to accomplish independent test and evaluation for the BMDS and each independent element. I would have to review MDA test plans in greater detail in order to provide a personal perspective.

133.) 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?

Answer: If confirmed, I will work with DOT&E to see what testing is planned and discuss any shortcomings identified by DOT&E. In some cases, such as theater assets, individual elements may add independent capabilities outside of the BMDS as a whole. In those cases, some degree of independent testing may be appropriate.

Congress has previously authorized the Secretary of Defense to use funds authorized and appropriated for research, development, test, and evaluation (RDT&E) for the Missile Defense Agency for the fielding of ballistic missile defense capabilities.

134.) Are you aware of any other major defense acquisition programs on which the Department of Defense is authorized to use RDT&E funds to field operational systems?

Answer: Satellites and their ground control systems such as SBIRS, NPOESS and AEHF provide recent examples of DoD using RDT&E in Major Defense Acquisition Programs to field initial operational capabilities. I am also aware of the funding of the first two LCS ships using RDT&E funds.

135.) What, in your view, would be the positive and negative implications of requiring the Missile Defense Agency to budget RDT&E funds for RDT&E purposes, procurement funds for procurement purposes, operation and maintenance funds for operation and maintenance purposes, and military construction funds for military construction purposes?

Answer: Some have argued that improved transparency, accountability, and oversight would result from this budgeting requirement. However, the MDA organization believes they have had a successful track record of delivering capabilities quickly because the agency was granted the flexibility to use RDT&E funds for procurement, O&M, and construction activities.

Section 223 of the John Warner National Defense Authorization Act for Fiscal Year 2007 establishes that “it is the policy of the United States that the Department of Defense accord a priority within the missile defense program to the development, testing, fielding and improvement of effective near-term missile defense capabilities, including the ground-based midcourse defense system, the Aegis ballistic missile defense system, the Patriot PAC-3 system, the Terminal High Altitude Area Defense system, and the sensors necessary to support such systems.”

136.) If confirmed, what steps would you take to ensure that the Department complies with this policy requirement in its acquisition of missile defense capabilities?

Answer: The MDA organization believes that the Department is currently in compliance with this policy requirement. If confirmed, I am prepared to review in detail any Committee concerns regarding compliance with this policy. If confirmed, I will also support continuation of this policy in large part through my chairmanship of the recently established Missile Defense Executive Board, which provides oversight of MDA’s integrated requirements, acquisition, and budgeting processes.

On January 2, 2002, the Secretary of Defense set forth guidance and priorities for the Missile Defense Program. The Secretary directed that Ballistic Missile Defense (BMD) elements enter the formal DOD acquisition cycle at Milestone C, concurrent with transfer of service procurement responsibility, with the USD(AT&L) overseeing all service missile defense procurement activity.

137.) In your view, what principles should be applied in determining what BMD elements enter the DOD acquisition cycle at Milestone C?

Answer: When a BMDS element is ready for transfer, the normal procedure would be for USD(AT&L) to establish product teams to support a Milestone C decision by the Defense Acquisition Board. Elements that have reached Milestone C will be subject to legal requirements under title 10 in accordance with the terms of the applicable statutes.

After these elements have entered Milestone C, to what extent should they be subject to legal requirements under title 10, United States Code, associated with programs entering the Defense Acquisition System, e.g., 10 U.S.C. §§ 2341, 2366, 2399, and 2433 - 2435?

Low-rate initial production (LRIP) rates for traditional acquisition programs are established at Milestone B, but because the BMDS and its elements have not followed DOD’s milestone process, no LRIP quantities have been established.

138.) In your view, how will those quantities be determined for those BMD elements entering Milestone C, pursuant to the Secretary's guidance?

Answer: A reasonable and likely course of action would be for low rate initial production (LRIP) rates for any BMD components that may in the future be reviewed at a Milestone C to be established by test requirements and quantities necessary to ramp up to full rate production. If confirmed, I would have to review the specific details of each program in order to establish my views on these issues.

Nuclear Weapons Council

If confirmed as USD(ATL), you will chair the Nuclear Weapons Council (NWC).

139.) In your view, what are, or should be, the highest priorities of the NWC?

Answer: The NWC's highest priority should be to insure that the nation's current and future nuclear deterrent forces remain safe and effective.

140.) What improvements, if any, do you believe should be made to the operations of the NWC?

Answer: I would not suggest any immediate changes to the operations of the NWC at this time. If confirmed, I look forward to working with the members of the Council, Department of Energy, Joint Staff, OSD(Policy), and STRATCOM to identify any appropriate improvements.

Chemical Weapons Convention

There are significant problems with the management and implementation of the DOD chemical weapons demilitarization program. Congress has become increasingly concerned that the Department does not appear to be on track to eliminate its chemical weapons in accordance with the Chemical Weapons Convention timelines.

141.) What steps is the Department taking to ensure that the U.S. remains in compliance with its Treaty obligations for chemical weapons destruction?

Answer: I understand that current estimates indicate that the United States will not meet the Chemical Weapons Convention's destruction deadline of April 29, 2012. The Department will continue to examine ways to accelerate chemical weapons destruction,

while insuring the continued safety and security of the workers, communities and the environment.

142.) Do you agree that the United States should make every effort to meet its treaty commitments, including its obligations under the Chemical Weapons Convention?

Answer: Yes.

143.) If confirmed, what steps would you take to move this effort forward?

Answer: If confirmed, I would seek to ensure that:

1. Appropriate resources are applied;
2. Contract incentives are implemented; and
3. Alternative approaches for the destruction of chemical weapons are implemented where safe and affordable.

Chief Management Officer

The Comptroller General has strongly recommended that the Department of Defense establish a new position of Chief Management Officer to address the many “high-risk” problems with the Department’s systems and processes. Earlier this year, the Institute for Defense Analysis recommended that the Deputy Secretary of Defense be designated as the Department’s Chief Management Officer, and that he have a full-time deputy, at a high level within the Department, to assist in that effort.

144.) What is your view of the recommendations of the Comptroller General and the Institute for Defense Analysis regarding a Chief Management Officer for the Department of Defense?

Answer: I concur with the Deputy Secretary of Defense’s two previous statements to Congress about the creation of a Chief Management Officer. Those statements are a May 11, 2007 letter to the House and Senate Armed Services Committees and June 26, 2007 testimony before the House Armed Services Committee.

- The business functions of the Department can not be managed separately from its operational matters. A single full-scope Deputy Secretary is the best way to ensure that the Department’s business mission is aligned and integrated to support the Department’s warfighting mission.
- I believe that new legislation regarding a Chief Management Officer would impede rather than enhance organizational effectiveness because an organization the size of the Department needs to have a high degree of management flexibility.
- The key management issue to be addressed in the Department is not the organizational structure as per se – rather, it is how to ensure integration among otherwise diverse operations. If confirmed, I will work toward that end.

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.

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

Answer: Yes.

146.) 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)?

Answer: Yes.

147.) 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?

Answer: Yes.

148.) 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?

Answer: Yes, within the limits of my authority.