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CONTINGENCY CONTRACTING: IMPLEMENTING A CALL FOR URGENT REFORM

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
SECOND SESSION

HEARING HELD
APRIL 10, 2008

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[There were no Documents submitted.]

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[There were no Questions submitted during the hearing.]

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[There were no Questions submitted post hearing.]

CONTINGENCY CONTRACTING: IMPLEMENTING A CALL FOR URGENT REFORM

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, April 10, 2008.

The committee met, pursuant to call, at 10:06 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Ladies and gentlemen, we welcome you to today's hearing on Contingency Contracting: Implementing a Call for Urgent Reform.

We have with us today the top acquisition official of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Honorable John Young. We also have representing the Army the executive director of the new Army Contracting Command, Jeff Parsons. And we also have with us the distinguished former Under Secretary of Defense for Acquisition, Technology, and Logistics, Dr. Jacques Gansler, who chaired the Commission on Army Acquisition and Program Management for Expeditionary Operations. We thank you, and thank you for your long service, Dr. Gansler.

Let me begin by recognizing that we are here today to discuss serious problems with contracting and those problems are in part the result of actions taken by Congress and by our committee. In the late 1990's, we tried to cut the so-called "tooth to tail" ratio in the Department of Defense, and in so doing we pushed you to significantly reduce the size of the acquisition workforce.

It is now clear that, just as with the Army's combat force, the acquisition workforce was cut too much. When the wars in Afghanistan and Iraq began, the Army lacked the capacity to manage the explosion in contingency contracting. The result has been disturbing mismanagement of contracts, unprecedented waste, and high levels of outright fraud, which all of us deplore.

We here on this committee have been working to address these problems now for several years. In our fiscal year 2006 National Defense Authorization Act, we required the Department of Defense (DOD) to develop and implement a joint contingency contracting policy, and urged you to establish a contingency contracting corps. In our fiscal year 2007 bill, we established the Panel on Contracting Integrity and directed you to expand the joint policy to areas of requirements and program management.

In our fiscal year 2008 bill, with our Senate colleagues, we created an Acquisition Workforce Development Fund and we required you to work with the State Department and the United States Agency for International Development (USAID) to clarify interagency responsibilities for management of contractors and contracts. We also worked to address policies which have discouraged highly skilled civilians from deploying to combat theaters to assist our military personnel.

I want to thank Dr. Gansler for his commission's report. Dr. Gansler, your commission told the Army what it needed to hear. That contracting, which has always been a core function of the Army, but is especially critical in this era where contractors outnumber soldiers on the battlefield, is simply not being organized, manned, or resourced properly. Your report calls for a cultural shift in the Army. I agree with your assessment.

I give our former colleague Pete Geren a tremendous amount of credit for requesting your study. I believe, however, that it will also require great leadership on his part to achieve the cultural shift in the Army that is needed. Although he is not here with us today, Mr. Parsons, I hope you will take back this committee's continuing deep concern about getting contracting right.

The single most compelling area of your recommendations for me came in your focus on reestablishing general officers within the chain of command for contracting. We look forward to hearing from all of the witnesses about how the Department will make its decision about this critical issue and whether legislation is needed.

Let me also commend you, Dr. Gansler, for tackling the issue of contracting and the Department of Defense's interagency partners in your report. As I mentioned, we have required the Department of Defense, State, and USAID to address this issue in a memorandum of understanding that is due this summer, but I am also interested in your idea of an Integrated Expeditionary Command. I hope that all our witnesses will address the issue of how we manage contractors on the battlefield when those contractors work for and report to agencies across the Federal Government.

We look forward to your testimony, and I turn now to my friend and ranking member, Duncan Hunter.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. HUNTER. Thank you, Mr. Chairman, and thanks for calling this very timely hearing. Before we get started, I just wanted to recognize that we have a dear friend of mine, Vernon Oakley, who was with me in the Army in 1969 and 1970. He is with us today with a contingent of distinguished veterans from the Virginia and North Carolina area. I am sure glad that they had an opportunity to come in and to be with us today.

This is a very timely hearing. To our witnesses, we appreciate you being with us today. I am glad that we had a chance to schedule this hearing because I think it goes to the heart of the effectiveness and efficiency of our operations in Iraq and Afghanistan. I think that one of the best services we can provide our warfighters to improve their readiness today and to improve the way we fight

in the future, is to capture the lessons learned that we have learned about how to rapidly and ethically provide goods and services to our fighting men and women.

During every major conflict in our Nation's history, the United States has learned to rapidly procure the equipment and supplies needed by our warfighters. The price we pay for these lessons is heavy. It is often paid in the blood of our sons and daughters. Every time the conflict is over, the capabilities we have gained atrophy or are subsumed by the peacetime bureaucracy. We can't allow this to happen again. That is why I believe that effective contracting is at the very heart of our ability to effectively win wars and defend this Nation.

When the Gansler Commission's report was released last November, I have to admit that I read it with mixed emotions. First and foremost, I was pleased to see that an independent body validated many of my concerns and recommendations made by this committee. However, I continue to lament the circumstances that led Secretary Geren to authorize the commission and the time and money we have wasted getting there.

I also continue to fear that DOD will only take partial steps to implement Dr. Gansler's recommendations. In any major military operation, there will be individuals who see conflict as an opportunity for personal gain, rather than a call to duty. It is unfortunate, but it is expected to a certain degree. But gentlemen, I am afraid that inaction on the part of the Department has, in large measure, allowed corruption to take root where it otherwise would not.

In May, 2005, this committee voted to require the Secretary of Defense to establish a Contingency Contracting Corps. I can remember sitting down with our senior staff members and drafting that legislation. Let me read to you briefly from the report accompanying the fiscal year 2006 National Defense Authorization Act. "This corps would be directed by a senior commissioned officer with appropriate acquisition experience and qualifications who, when deployed, would report directly to the combatant commander in an area of operations requiring contingency contracting support. In addition, this section would attempt to leverage contingency contracting assets in both deployed and non-deployed locations to efficiently carry out the mission of the Contingency Contracting Corps.

"Training of the corps would take into account all relevant laws, regulations and policies related to contingency contracting and would be required even when the corps is not deployed. The committee intends that the commander of the Contingency Contracting Corps be appointed at a grade senior enough to interact effectively with a combatant commander. The committee believes that an office in the rank of lieutenant general or vice admiral for the Navy is appropriate for this responsibility. The committee intends that the Contingency Contracting Corps maintains a sufficient level of readiness in peacetime to be able to rapidly deploy to emergency contingency operations.

"The commander of the Contingency Contracting Corps should consider the development of a standardized contingency contracting handbook which summarizes all relevant laws, directives and regu-

lations related to contingency contracting to assist the day-to-day operations of the contingency contracting workforce.

"Finally, the committee urges that the Contingency Contracting Corps utilize an integrated contracting and financial management system to ensure that contracting operations are not hindered by technological limitations that can be easily avoidable through the use of readily available systems."

That is what we said in 2005. That sounds an awful lot like the recommendations of the Gansler Commission. But the Department fought it with everything that they had. They hated this idea of a contingency contracting corps, and when it came time to negotiate with the Senate, who had been scrubbed heavily by the Administration, we were forced to compromise on a joint policy on contingency contracting. In reading your testimony, I see that the development of that policy has paid dividends, or would have paid dividends. I have to wonder where we might be today if the Department had been more responsive, instead of defensive.

Forget about 2005. Where would we be today if the Department had at anytime in the intervening years implemented these changes on its own? All the same, "we told you so" is not particularly helpful in assisting you to move forward. We want you to be successful. I look forward to hearing more about the actions you have already taken and those that are in the works.

For example, I understand that the Army has created four contracting support brigades that will deploy during contingency operations, but right now each of these so-called "brigades" is staffed with only 19 officers and non-commissioned officers (NCOs). How is the Army planning to increase the size of these brigades, ensure that they train with operational forces, and maintain their contingency contracting competencies during peacetime?

I also understand that the Army plans to place a two-star in charge of the recently formed Army Contracting Command now led by Mr. Parsons. But if the Army has no general officers with experience in contracting, how does the Army plan to fill that bill in the near term?

I would also like to explore more fully with Dr. Gansler and Mr. Young the Commission's recommendations regarding the increase in the number of general officer billets and billets at the Defense Contract Management Agency.

Dr. Gansler, why do you believe that five Army and five joint general officer billets represent the right balance?

And Mr. Young, in your testimony you allude to alternative approaches to the 583 additional billets for the Defense Contract Management Agency (DCMA) that Dr. Gansler's commission recommended. Are you at liberty to expand upon that statement?

Finally, I will leave you with a parting recommendation. I know that the report required by last year's defense bill regarding the implementation of the Gansler Commission recommendations is due at the end of May. It was supposed to be due earlier, but the veto delay pushed the final due date to the right. Here is my recommendation. If you wait until the end of May to submit the report, it will be too late for us to assist you. If the Department needs legislative relief to fix these provisions and if you wait until the

end of May to tell us, it will be a sign to me that the Department is still not taking these matters seriously.

So please do everything in your power to do the right thing now and in time to allow us to assist you. It is unacceptable to punt to next year or to the next Administration. This committee will not allow that to happen on the backs of our Marines and soldiers.

So thanks to our witnesses. I appreciate your testimony today. One last point, we had in the mid-1990's after the Cold War, we had a Contracting Acquisition Corps, basically the shoppers for our military systems, a little in excess of 300,000 people—basically two U.S. Marine Corps's of shoppers, of acquisition personnel in the Pentagon bureaucracy.

Mr. Chairman, we cut that down to about one U.S. Marine Corps of acquisition personnel. I think that is plenty. And looking at the problems and the corruption that we saw in the contracting problems that have arisen in the last several years, and people for whom bribery became a way of life, those problems are not a function of too few people.

Putting more people into the acquisition corps overall in the huge peacetime bureaucracy that we have that does acquisition does not change the ethics of the few people that were in high-level positions who were United States military officers who bypassed and neglected all ethical standards in turning to basically a career of self-dealing which has brought such a tragedy to this country in those areas that you and I have been briefed on extensively.

So I don't think it is a matter of pumping in another Marine Corps-sized body of professional shoppers to do the acquisition for this country. I think it is a matter of having quality and capability, but also having a Contingency Contracting Corps which works closely with the combatant commanders in these warfighting theaters to get what we need to get to our troops quickly and efficiently, and in some cases to cut away bureaucracy. But in all of this, there is no substitute for the honest and ethical soldier. We need to make sure that we have only those people in those key positions.

So thank you, Mr. Chairman, for holding this hearing. It is very timely. I welcome our guests. They are very fine public servants and I look forward to their testimony.

The CHAIRMAN. I thank the gentleman. We will now to go to the witnesses.

Secretary Young, you are on.

STATEMENT OF HON. JOHN J. YOUNG, JR., UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS, DEPARTMENT OF DEFENSE

Secretary YOUNG. Chairman Skelton, thank you.

Ranking Member Hunter and distinguished members of the committee, thank you for the opportunity to appear before you today. The committee has rightly focused attention on the Department's contingency contracting capability, as well as the increasing role of contractors in our deployed forces operations. The Department is acting with deliberation and determination on the full spectrum of issues in this area.

I will comment briefly on the key issues seeking to move to the committee's questions. For a number of reasons, including the illegal actions of some people, the Secretary of the Army requested an independent review, and I believe the work done by Dr. Gansler and his team have been very helpful to the Defense Department.

With regard to the Gansler Commission, I directed the Deputy Under Secretary of Defense for Acquisition and Technology, Tim Finley, to lead a task force to address the Gansler Commission's recommendations related to the Office of the Secretary of Defense and to coordinate a comprehensive DOD response. This task force is actively addressing every recommendation. I would note the efforts of very experienced leaders on our team, Jay Assad and Dick Kinman, to work these issues through a set of subcommittees and work them with the services so that we have a joint response.

A number of efforts were already underway in the Department in advance of the commission report, such as the contingency contracting handbook, which we are using to train people. Similarly, a number of concerns have been raised regarding the use of personal security contractors in the Iraqi theater. I asked the Deputy Under Secretary of Defense for Logistics and Materiel Readiness, Jack Bell, to coordinate the Department's response to these issues.

The Department, as you know, has entered into a memorandum of agreement with the Department of State governing the coordination of personal security contractor (PSC) movements, and defining PSC activities and requirements. DOD has reinforced the training and certification requirements for these personnel and reiterated that they operate only in self-defense under the rules for the use of force.

With the help of Congress, the Defense Department is moving to enforce the Uniform Code of Military Justice and the Military Expeditionary Extraterritorial Jurisdiction Act, MEEJA, to improper actions by contractors. The Department still has many actions to undertake. Some actions, such as increasing the experience and skills of contracting officers and rebuilding the contingency contracting capacity in developing senior leaders, will require time.

I appreciate the Congress's attention to these issues and I would ask for your continued support of our efforts. I look forward to your questions.

[The prepared statement of Secretary Young can be found in the Appendix on page 37.]

The CHAIRMAN. Thank you so much, Secretary Young.

Now, the executive director, Army Contracting Command, Mr. Jeff Parsons. Mr. Parsons.

STATEMENT OF JEFFREY P. PARSONS, EXECUTIVE DIRECTOR, ARMY CONTRACTING COMMAND

Mr. PARSONS. Thank you, Chairman Skelton.

Representative Hunter, distinguished members of the Committee on the Armed Services, thank you for this opportunity to appear before you to discuss the Army's efforts to improve contracting operations in support of expeditionary operations.

Since our last report to you, and in keeping with the recommendations of the Gansler Commission, Secretary of the Army Pete Geren directed the realignment of the Army Contracting

Agency to the Army Materiel Command and the establishment of a two-star Army Contracting Command within the Army Materiel Command. We established the organization on March 13 as a provisional organization, pending approval of a concept plan that will formally authorize and resource this new command.

As the first executive director of the new Army Contracting Command, it is my job to oversee and implement improvements to contracting operations, especially in support of expeditionary operations. I have a written statement that I respectfully request be made part of the record for today's hearing.

The CHAIRMAN. Without objection.

Mr. PARSONS. I would like to take this opportunity to thank the committee members and committee leadership for your unwavering support to our men and women in uniform. Mr. Chairman, as you know, the Secretary of the Army created the Special Commission on Contracting led by Dr. Jack Gansler to look at the long-term strategic view of the Army's acquisition and contracting system in support of expeditionary operations.

The Army Contracting Task Force, which was co-chaired by Lieutenant General Thompson, the military deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology, and Ms. Kathryn Condon, the executive director of the commanding general of the Army Materiel Command, was formed to review current contracting operations and implement immediate corrective actions where necessary.

The Gansler Commission's four key recommendations for improvement are consistent with the Army Contracting Task Force findings. The Army is making steady progress in addressing the structural weaknesses and shortcomings identified, and we continue to work closely with the Office of the Secretary of Defense and our sister services on the way forward.

It is clear that achieving our objective will require resources, time and sustained leadership focus. My written statement outlines the major actions taken to date, which include accelerating plans to set up the contracting structure recommended by the commission and increasing the size of the contracting workforce.

As a result of ongoing operations in Southwest Asia, the Army has increased its focus on contingency contracting. Up until two years ago, we did not have a defined structure to support expeditionary operations or support a modular Army. We now have established a contingency contracting structure that consists of contingency contracting support brigades, contingency contracting battalions, and four-person contingency contracting teams.

We are beginning to fill with trained military contracting officers and noncommissioned officers the 4 brigades, 6 battalions, and 121 teams previously established. We will continue to expand the structure over the next few years by adding 3 new brigades, 5 battalions and 51 teams. This structure consists of active-duty personnel, reservists, and National Guard members.

The critically important issue is the size, structure and training of the military and civilian contracting workforce. The acquisition workforce has declined significantly in the last decade, while the workload and the number of dollars associated with that workload have increased significantly.

Furthermore, the Army has never fought an extended conflict that requires such reliance on contractor support deployed with our forces. We are addressing the need to expand, train, structure and empower our contracting and non-contracting personnel to support the full range of military operations.

We are developing a detailed contracting campaign plan to implement the necessary changes to contracting, incorporating improvements in doctrine, organization, training, leadership and materiel. This will require Army, the Office of the Secretary of Defense (OSD), the Administration and Congress working together to make the systemic fixes needed for contracting to be a significant core competency.

This concludes my opening remarks, Mr. Chairman. I look forward to your questions.

[The prepared statement of Mr. Parsons can be found in the Appendix on page 51.]

The CHAIRMAN. Thank you, Mr. Parsons.

Now, an old friend, Dr. Jack Gansler.

STATEMENT OF DR. JACQUES S. GANSLER, CHAIRMAN, ARMY COMMISSION ON ARMY ACQUISITION AND PROGRAM MANAGEMENT IN EXPEDITIONARY OPERATIONS

Dr. GANSLER. Thank you, Mr. Chairman.

I would like to very briefly summarize my prepared remarks, and I would request that the prepared statement be made part of the record.

The CHAIRMAN. Without objection.

Dr. GANSLER. Last summer, I was asked by the Secretary of the Army, Pete Geren, to convene an independent commission to assess the Army's capability in expeditionary contracting and program management. I was honored to chair the Commission on Army Acquisition and Program Management for Expeditionary Operations. I was joined by five very distinguished commissioners, people with unique insight and expertise in government acquisition, including program management and contracting.

Specifically, the commissioners included General David Maddox, General Leon Salomon, Rear Admiral David Oliver, and two very senior experienced Department of Defense civilians, David Berteau and George Singley. Our charter was forward looking. We were asked to recommend actions to ensure that the operational Army and the overall Department of Defense would be best positioned for future expeditionary operations, operations which will most likely be joint, multi-agency, political-military events.

Let me simply highlight for you the three most critical items requiring action by the Congress. First, increase general officer billets for the Army and for joint organizations in the contracting area back to the levels we suggested that existed in 1990. We believe there are appropriate actions in the other services as well.

Second, increase the number and the training of government contracting personnel, military and civilian, including those required for the increased role that is necessary in the Defense Contract Management Agency.

And third, increase incentives and awards for the civilian government contracting personnel who volunteer to go into dangerous ex-

peditionary operations. These benefits should be similar to the benefits received by their military and by their private sector counterparts.

I must emphasize that we found that the DOD has an extremely dedicated corps of contracting people. The problem is that they are understaffed, overworked, under-trained, under-supported, and most important, under-valued. The commission greatly appreciates the very strong support we have already received from the Congress, particularly from this committee as well.

The commission is also heartened by the strong support from the Department's leadership. Concurrent with the report's release, the commission briefed both the Secretary of Defense and the Secretary of the Army. Each indicated full support of the commission's report. And to ensure forward momentum, both the Army and the Office of the Secretary of Defense have established task forces for implementation. The Office of the Secretary of Defense task force includes the other services and relevant agencies.

These task forces are coordinated with each other and with the stakeholders, including the commission. We were briefed by the Army in January and expect another briefing in a few weeks. I personally met with the OSD leadership approximately once a month. The Army and OSD are working together to develop a scorecard to ensure changes have an enduring impact on expeditionary operations.

This scorecard will be used to continuously monitor and measure the improvements undertaken in response to the commission's recommendations. They have kept the commission apprised of progress and frequently solicit our feedback on implementation activities.

During these progress reviews, the commission has heard of some very noteworthy implementation actions already. For example, OSD has published an important tool, a joint handbook for contingency contracting, which didn't exist previously. Also, the Army has restructured its contracting organization per the commission recommendations.

The commissioners were delighted to participate in the February, 2008 ceremony to, I must point out provisionally, stand up the new Army Contracting Command. During our interactions with the Army and with OSD, we have heard that in all cases they are aiming to implement the intent of all the commission's recommendations. We look forward to working with them to ensure full and successful implementation.

In closing, as the Secretary of Defense noted in his response to our report, the problems the commission identified are not just confined to the U.S. Army. Many have been identified across the DOD, and in fact more broadly across the government. Independently, each of these problems is a daunting challenge. Together, they demand a significant cultural, structural and policy overhaul of the kind that requires a specific focus by senior leadership.

It is heartening that our commission's report has received as much positive attention as it has from the Congress, the Army and the Defense Department. We believe this issue is critical to America's future security, particularly to our warfighters, but also to our taxpayers. It deserves priority attention.

Thank you.

[The prepared statement of Dr. Gansler can be found in the Appendix on page 66.]

The CHAIRMAN. Dr. Gansler, thank you so much.

Secretary Young, let me ask you, if I may, the understanding that the Secretary's required reports will not be due until the end of May, which is in all probability past the markup time here in our committee. Can you tell us if you believe that any statutory relief is required in order to fully implement the fixes that are identified in the Gansler Commission report? In particular, do you believe that such relief is required in the area of assigning sufficient general officers to such contracting? That would be helpful.

Secretary YOUNG. We are taking a couple of steps. First and foremost, I would tell you activities in the Department require funding. The supplemental will include funds that lets the Defense Contract Management Agency hire additional people to immediately support operations, so the supplemental is critical to the Department in many ways. One small way is DCMA and its ability to add support as the commission called for in-theater.

Beyond that, the commission, as you know, made a number of legislative proposals. The Department is reviewing each of those and has indeed drafted potential legislative proposals that are being considered in the Federal Government for communication to the Congress. Some of those I think are obvious and what you would expect, and that is when we have a protest environment, we need expedited procedures to resolve protests so we can move forward.

We need relief in some areas, we believe, to assure contracting officers have the authority to buy goods and services in the country where the contingency operations are occurring. In some cases, consistent with my comment about DCMA, we need expedited hiring authority where we have shortages of skills in particular places.

And then with regard to civilians who volunteer and go to serve in these positions in-theater, there are commission recommendations that I think have merit with regard to letting them adjust their life insurance through the federal life insurance program, and possibly expanding on what the committee has already given us some relief on, and that is an annual pay cap so that they can be paid for the work they do.

The CHAIRMAN. It would help if you could get your recommendations to us I would hope before May 1. I know that is pushing a bit, but that would certainly help.

Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

Again, thank you, gentlemen.

Dr. Gansler, I am looking at the recommendations here. I think it is page 52 of the establishing an expeditionary contingency contracting command. It looks like a Xerox of what the committee wrote in 2005, does it not?

Dr. GANSLER. It certainly has the same intent, congressman.

Mr. HUNTER. What do you think, in your estimation, you know, one reason we put this thing in was not just to ensure the integrity of the system. Again, as you know, you have had the briefings on what occurred in Kuwait. There is no substitute for honesty. You

can't reform a dishonest system with more effective overlays and boxes and a change of command. There is no substitute for an honest officer and in some cases we did not have that.

But one reason that we put this section in and voted it out of this committee was to ensure also that we respond to combatant commanders for things that they need, which developed as a result of looking at the warfighting theaters in Iraq and Afghanistan and understanding that in many cases you had two U.S. Marine Corps and you had two U.S. Armies. You had the operators who were in-theater and who were out there in the battlefield everyday trying to win the war. And then you had the storekeepers, if you will, the producers of systems who have their own kingdom, their own issues, somewhat removed and disconnected from the battlefield commanders.

When we would go over on congressional delegations (CODELs) and we would say, what do you need, and we would see basic things that people needed, and we would get back here and we would review what had been the reaction and the response from the bureaucracy to the warfighters. It was in many cases a pretty tepid and a slow response. So the idea was we were going to hook things up.

We were going to have a Contingency Contracting Corps which worked quickly and under the direction of the combatant commanders in the theater. So when the combatant commander in the theater would say, I need more armor up here to protect my guys from being killed and having their legs blown off from roadside mines, he got reaction from the bureaucracy that was in the continental United States (CONUS).

That is why we put this language in, providing for the Contingency Contracting Corps. So I would hope that as we move this thing forward, that we move it forward with an eye not just to have a reform of these ethical lapses that we have had—and you really can't reform ethical lapses with structure; you have to reform it with people who will be honest—but that we would also look to the need to get equipment quickly to the battlefield.

That is really the idea that you would have in some cases a colonel in the combatant commands beseeching a two- or three-star general back here in CONUS in the bureaucracy to get a piece of equipment. And the response is often very lukewarm and not a response that really did justice to the warfighters. That is one reason we put this thing in here.

Did you look at that dimension—the idea of moving equipment quickly into the warfighter's hands, not just the ethical problems that we have seen in-theater?

Dr. GANSLER. Yes, Congressman. Let me definitely comment on that because that is a major issue—the response time. I would also highlight the fact that when we think about contracting, we need to think much more than just the person who writes the contract. This is the requirements process. You know, if a general says, I want this, has he defined it adequately in order to be able to buy it.

It also involves the program management. After the contract is signed, the management of it was very weak over there and that was part of the problem that caused some of the fraud and abuse,

because people weren't monitoring the contract after they were awarded.

But I strongly agree with you about the importance of the military leadership in this environment, this expeditionary environment, where people are literally shooting.

And that is why we do need these general officers for this expeditionary operation, who have the experience and who can be listened to by the top commanders. It is the combat commanders who aren't appreciating fully the value of the fact that more than half of their force are actually contractors and these people need to be a part of the culture, in effect, recognized as they go through their leadership training that they are going to be facing this in the future.

This is the typical environment we are going to have in the future, and that people need to be trained for that, and you need military leadership over there to do it. But you also need it as part of the overall institutional Army.

And that is the reason we argued so strongly for the general officers and for the joint operations.

As you pointed out, properly, this is going to be a joint activity. And since the command of this needs to be a joint command, the other services are going to have to step up to it.

Defense Contract Management Agency also used to have, in 1994, general officers. They have none now, either. The Army had five general officers in 1990, they have zero now with a contracting background.

This is what we want to fill that gap back in. The number of contracts, the number of actions. Certainly in an expeditionary operation, the difficulty, as you point out, the need for expeditious treatment, and the fact that it is an environment in which they need rapid response when they are being shot at.

That requires you to have people who are trained and experienced, not only in writing contracts, but in managing those contracts, you know.

Mr. HUNTER. Let me ask this question: When you have a warfighting environment, as you have in Iraq and Afghanistan, do you feel that there is a place for the combatant commander to be able to command the delivery of a system into the theater, rather than ask for it?

Dr. GANSLER. Well, in fact——

Mr. HUNTER. In other words, to command the development of a system?

Dr. GANSLER. One of the problems we have now is the lack of clarity in the chain of command for contractors. Do they report back through Rock Island? Do they report through someone out in the field who can actually say, "I need that now"?

Now, they can't say I need it now to violate the law. It has to be within the laws. But they need fast response, and they need people who are skilled and experienced in getting this.

And most of the time, by the way, this is services, not even equipment, so——

Mr. HUNTER. How about if you have a difference in judgment? Let's say you have a combatant commander, let's say you are General Petraeus, in-theater. Would you say I need a certain type of jammer immediately. And I have looked at them. Let's say he says

I have looked at this thing that the Brits have or that the Israelis have, or something that has been developed by this company. And I have looked at it and I have looked at this performance. That is what I need. I want them.

Should he be able to command the production of that system into his command, or should he simply be able to make a request that will be, then, evaluated and ruled on by a requirements counsel in CONUS, in the bureaucracy? What do you think?

Dr. GANSLER. Well, I think, first of all, he needs to do this through his organization. There are some legal people who are chartered to sign the contracts.

But I personally believe that he should have the ability for those fast responses, in an environment of wartime, to be able to not have to go back into the chain of command, not have to go through the regular requirements process or the budget process or the congressional approval process. He needs to be able to get that fast response. That is the reason most of the federal acquisition regulations have a little asterisk. It says in wartime, you can take some exceptions. That is what John Young just pointed out. They now have a manual that points out to train people.

Mr. HUNTER [continuing]. By this company. I have looked at it, and I have looked at this from the bureaucracy. What do you think?

Dr. GANSLER. Oh, I think in an environment of wartime to be able to not have to go back into the chain of command, not have to go through the regular requirements process or the budget process or the congressional approval process. He needs to be able to get that fast response. That is the reason most of the federal acquisition regulations have a little asterisk. It says in wartime, you can take some exceptions. That is what John Young just pointed out. They now have a manual that points out to train people.

Mr. HUNTER. Well, we have a manual that we gave you guys. It is one page and it is a law, and the law says this. And we wrote this thing several years ago to get the first portable jammer that we had ever had into theater. It is one page. It says the Secretary of Defense (SecDef) can say if he can certify that he is taking casualties on the battlefield and he needs a certain piece of equipment that will allay those casualties, he can order the production of that system and waive every acquisition regulation on the books in doing it. And he signs his name at the bottom of the page.

He has only done that twice. He did that with our jammer that this committee mandated, and we did that because there was no portable jammer for our dismounted troops. All these jammers, as you know, are pretty heavy. So we mandated and then put in money for the first 10,000—the first portable jammers we have ever had. We got them researched and developed (R&D'd), produced and delivered to the field in 70 days. But DOD has never used that particular provision since.

My question is a threshold, important question for us to decide. Should a combatant commander who is fighting a war be able to command the production system to give him something? Or should he simply be in a position to request it and have his request ruled on by the bureaucracy in the states? That is a threshold question we are going to have to decide.

We are entrusting these guys with the lives of our troops and making momentous decisions. I think that was manifest in the last couple of days with General Petraeus's testimony. Should a General Petraeus be able to command the production of an article and to have the system back here serve that production command? Or should they be autonomous in their own right and be able to rule on whether or not General Petraeus's request is a valid one, a reasonable one, and give what they think the requirement bodies here feel should be produced?

Where do you come down on that basic decision?

Dr. GANSLER. I think there should be standby legislation for the next expeditionary operation, as well as the current one, that allows them to do that. As you suggested, it may even be a foreign product that they have to buy. They could go through some of the other provisions. I think that they need to have the ability to get what they need when they need it, as long as it is within the law. So therefore, if there are any laws that prohibit them from doing it, those have to be in standby provision waived.

Mr. HUNTER. Okay. But you think the combatant commander should be able to command the production of an item?

Dr. GANSLER. Yes.

Mr. HUNTER. Okay. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

I thank the witnesses for joining us today.

Dr. Parsons, Dr. Gansler's November, 2007 report identified, "the Army acquisition workforce is not adequately staffed, trained, structured or empowered to meet the needs of the 21st century deployed warfighters," based on the fact that only 56 percent of the military officers and 53 percent of the civilians in the contracting career field are being certified for their current positions. I think what we have done in the past years is that we overwhelmed the system.

I can remember when I first came back in the 1980's and 1990's, when I came to Congress, it appeared that every military facility and even depots had a yard sale. You know, A–76 came in, and look what we have inside the depots. We will contract it out. But nothing was being done on the outside to bring jobs into the depots.

Now, I am a firm believer that contracting out, when it makes sense, it is good. But I think what we have done is that we have completely overwhelmed the system to where there is no accountability. All you have to do is go back and look at what is happening now.

But I appreciate what you all are doing. This is a good beginning, but I think that the system that we have in place is totally overwhelmed. By Dr. Gansler's report, we need to corral and bring it back to where we have a balance, and to where we do justice to the taxpayers.

What is the Army's plan—and I know, Mr. Parsons, that you touched on it—to address the current challenge to increase the workforce expertise in acquisition, technology and logistic programs? And how long do you think it will take to accomplish this

plan? At the same time, what is the plan to provide short-term oversight and protection for the taxpayers? I think this is very serious, but I am glad that something is being done now.

Mr. PARSONS. Congressman, we have been very active in increasing our training and preparation of our acquisition workforce, not just contracting, but across the board. Lieutenant General Thompson, who is the military deputy to the Army acquisition executive, is in charge of overseeing the acquisition corps and making sure they are trained.

Your point on their certification levels has been something that he has been focused on tremendously. He has issued guidance out to all the commanders to ensure that we are getting our acquisition workforce properly trained, specifically for the jobs that they are in.

The plan that we have put together to put together this Army Contracting Command really is a three-year plan that is going to require us to hire some additional people and bring on new military members. It is a very aggressive plan. We have training plans put in place to get them trained as quickly as we can. To be honest with you, part of that is they have to have the experience. You can send people to classrooms, but we have to get them into the workforce where they are actually doing the day-to-day contracting to get prepared for the future.

In regard to your remarks about the outsourcing, one of the other things the Army is doing right now is taking a very hard look through a total Army analysis on what portion of our work should be accomplished by soldiers; which could be accomplished by Department of Army civilians; and which should be done by contractors. So your point is a good one. The Army is taking a hard look at that as well.

Mr. ORTIZ. I know that today we are focusing on a small area, but what really concerns me is that when you have 140,000 troops fighting a war, but you have 200,000 contractors. I think that we need to do something to correct this. I know that we are paying out a lot of money, and maybe at the time it needs to be done. I am not pointing fingers at anybody. But I just can't imagine having 200,000 contractors out there and only 140,000 troops.

But that is a subject for another day. I just want to thank you for being with us today, and I appreciate your help.

I yield back my time.

Mr. PARSONS. Thank you.

The CHAIRMAN. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

There are two general contracting modes, and I am going to grossly oversimplify them for this discussion, that can be used in contracting. I have two questions relevant to that. Which one of these do we use and where? And have we done definitive studies to determine the efficacy of these two different modes of contracting?

One is to determine what you need, the performance characteristics of the platform you need. And then to design something which will provide you that performance, to then let the contract, and then to assign a number of people to watch every detail of the manufacturing process to make sure that they are doing it right.

The other mode of contracting is to determine what you would like your platform to do, to very carefully define the performance characteristics, and then to accept delivery of that after it meets these performance requirements.

As an example, I understand that the Israelis can buy a fighter plane much cheaper than we buy the fighter plane because we buy the fighter plane after it has been produced on an assembly line where we have a lot of people looking over the shoulders of those making it. That slows down the process and we pay twice for that. We pay the people looking over the shoulder and we pay the increased time it takes to build the plane because they are looking over the shoulder. The Israelis simply buy the plane if it flies.

Now, which of these contracting modes do we use and where? And have we done definitive studies to determine which of these modes is the more efficacious?

Secretary YOUNG. I guess that is my question. I am not sure either of those modes are black and white. I think people would characterize some of the comments you made about the first mode, to some of the older practices, there was a time, as Secretary Gates pointed out, when we had 24,000 people in the Defense Contract Management Agency. I don't know, but certainly then we had more people to go and monitor the production process and monitor contracts.

Today, they are at 9,000, and we are pulling people out of any of those monitoring jobs where possible to send them to Iraq to work on contingency contracting oversight. So I can't tell you that we are in that latter model. We do try to do adequate oversight. I would tell you many of the recent reports from U.S. Government Accountability Office (GAO) and other people characterize our oversight as deficient at this point in time. But we are doing what we think is responsible and what the Congress has asked us to do in monitoring the performance of contractors and asking them to meet specifications.

Mr. BARTLETT. Sometimes the size of our bureaucracy reminds me of a complaint that our founding fathers had against King George. I have no idea what he did, but their complaint was that he had established a multitude of new offices and sent hither swarms of officers to harass our people and eat out their substance. I thought that was a great definition of our regulatory agencies, and reasonably described the over-assignment of people to monitor what is going on.

Have we done definitive studies to determine which of these modes are more efficacious? And if we haven't, shouldn't we? Because these are two distinctly different modes. You are saying we have kind of an amalgamation now sometimes, but these are two distinctly different modes of procurement, two totally different philosophies. Which of these is the more efficacious philosophy?

Secretary YOUNG. There probably are definitive studies. I mean, things like performance-based logistics and performance-based contracting tend to resemble this latter model, where we set a standard and ask people to deliver to that. But I could cite for you examples where we have done that, and we now have issues where the Congress has cited and it has been reported and it is being investigated, where people didn't perform to those specifications.

I don't think the government is prepared to accept limited to no oversight over the process. The real question I think you are rightly asking is what is the right balance of oversight to get efficiency.

Mr. BARTLETT. How do we get there? Is it trial and error? Is there a program or procedure for getting there?

Secretary YOUNG. I think we are maturing and have a ways to go in looking through a lot of efforts of our training processes and deciding essentially what is the right size of a program office, what are the minimum functions they need, what skills do those people have to have. We are working very hard on determining the competency required in our acquisition workforce. I think that takes us several steps toward what you are talking about.

Mr. BARTLETT. Thank you very much, Mr. Chairman.

The CHAIRMAN. Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Dr. Gansler, I wanted to ask you—Mr. Hunter has obviously spent a lot of time working to understand these issues and has talked for some years now about the shoppers. I think that is a generic term for anyone involved in contractors. There is no military occupational specialty (MOS) for a shopper. I assume that most of the people we are talking about were formerly called the contracting office technical representative.

I need to be sure if we are talking about the same thing. Your report uses the word "understaffed" several times. You talk about the need for additional people. Are you and Mr. Hunter in conflict on this point? Is he saying we don't need more and you are saying we do need more?

Dr. GANSLER. I think we are probably using a different definition in the sense that the person who writes the contract is just one piece of a very extended process associated with contracting. I would argue that the program management people, for example, are not really shoppers. They are in a sense an oversight function, but a management function, really. I would argue that the people who end up testing the equipment—are they shoppers?

And the people most important—and this is what we were talking about earlier—the people who write the requirements, the combatant commanders. They are very much involved in the acquisition process. I wouldn't call them shoppers. They are people with the need.

So I think there is a different definition of the total scope. For example, the Defense Contract Management Agency people that John Young just talked about, those people are the ones who monitor the program after the contract is written. They try to check the performance. Now, they do some of that in the factory, but the biggest problem in Iraq and Afghanistan has been buying services, not buying products. They need somebody who can monitor those contracts afterwards.

In fact, one of the problems we found in Iraq and Kuwait was that there were no people there to close out contracts. That is a perfect invitation to fraud and abuse, if you can't close out. So there needed to be some people doing that. There were no people there who were doing pricing. A contractor said it was going to cost X. Okay, it is going to cost X. We need some government people

who can say, no, X isn't what it should be. It should be X minus Y.

So there is a whole spectrum here associated with the overall contracting process that I think we feel there were clearly inadequate numbers. But much more important was the training in terms of expeditionary operations—what you can do and can't do in an environment of an expeditionary operation. As Congressman Hunter pointed out, the combatant commander needs to be able to say, I need this, and I want to know how to expedite that process; I don't want to hold six months of writing the request; I don't want to hold six months for the competition.

Dr. SNYDER. Let me ask, in your study, you talked about staffing, the training, the needs in an expeditionary situation. Did you run into any situations or did your study encompass or discover any kind of coziness in the arrangements between the watchdogs and the people that are contracting with the government? Or did you not delve into that kind of thing?

Dr. GANSLER. No, we didn't find that at all. In fact, what we found was an inadequate number of the oversight program management people, and inadequately trained. They would walk up and say, you are now a contract monitor. They would say, well, what is that? That is not a proper training for those jobs, but there weren't enough people doing that, so they had to have somebody who was going to do it.

Dr. SNYDER. Mr. Parsons, maybe you are the person to ask. I want you to pretend that I am a builder and I am overseas right now in Kuwait or Iraq—say, in Iraq. We have an incident in which a mess hall and a water system is destroyed, and we need to get it back up right away. And you want to use an undefinitized contract action to get that thing moving.

Walk me through as somebody who may not have done one of those before. What is the process by which you are going to give me assurances that we are going to get this thing moving and built, and then how does it play on out from there?

Mr. PARSONS. To issue an undefinitized contract action?

Dr. SNYDER. Yes.

Mr. PARSONS. Sir, if there is an urgent need and there is money available, the contracting officers are trained to react to that as quickly as possible. They can either use an existing contract to place an order against. If there is not an existing contract, they can issue a letter contract. They have expedited procedures to do that, especially in a contingency environment today.

Dr. SNYDER. So as the builder, what will I get from this person?

Mr. PARSONS. What do you get for the purchase?

Dr. SNYDER. Yes, what will I get from this person? You are going to give me something. I assume you are going to give me something within 12 hours of the mess hall going down. You need the mess hall put back up. What will I get to get me going?

Mr. PARSONS. Sir, I guess I am not really following.

Dr. SNYDER. Well, you are not going to have time. I assume by the nature of these is you are not going to have time to lay out a 50-page contract describing this, with specs and everything. What am I going to get to get me going? I assume you are going to give

me some kind of letter. That is the nature of undefinitized contract action, is it not? What are you going to give me?

Mr. PARSONS. Sir, I would say that for the situation you are describing today, we have existing contracts for those dining halls, so it is a matter of just giving direction to the contractor to come in and effect the repairs and put in place whatever equipment may have been destroyed or hurt. And then issuing a change order or a direction to change the contract, they can act on that instantly and place money against it instantly, and then the contractor provides the——

Dr. SNYDER. I am out of time now, but you are using undefinitized contract actions (UCAs) in Iraq and Afghanistan, are you not?

Mr. PARSONS. Yes.

Dr. SNYDER. Yes. Well, we didn't get to how that was going to be.

Okay. Thank you.

The CHAIRMAN. Thank you.

Mr. Jones from North Carolina.

Mr. JONES. Mr. Chairman, thank you very much.

Gentlemen, thank you for being here today.

Secretary Young, I am going to write a letter to you regarding the Small Arms Program with the United States Army and the future of the program, and also the M4 carbine, what the future looks like for that weapon. So I am going to put that in writing to you and your staff, if you don't mind, instead of asking you those questions.

I want to go to the point that some of my colleagues have picked up. I will never forget as long as I live, in 2005 I was visiting Camp Lejeune, which is in my district. I don't remember, it might have been a sergeant major or master sergeant, whatever. They were showing me the new sports bar at Camp Lejeune, and we were there about five o'clock, and we were chatting at one of the stand-up bars. He had been to Iraq twice. He said to me, will we ever know how much money Halliburton has made off this war? That was three and a half years ago, and I still remember it like I can see him today as I am looking at you.

That goes to this point. I think what you gentlemen are bringing to the Congress today, and my many friends here on this dais who have been here longer than I in leadership, this to me is absolutely so critical not only to the warfighter, but to the taxpayer. You will never be perfect in contracts or in oversight, but the fact is that we do a better job, and that enhances the warfighter, but also helps the taxpayer.

One thing that Ms. Boyda said, and I am sorry she left, but she asked last week that doesn't specifically speak to your report, but I want to know if this came up in the discussion. She asked Mr. Bell a question about the mine resistant ambush protected (MRAP) vehicle, with the progress. He said, well, it is moving forward, and he said we have a little problem there and we have to buy a certain type of steel from a foreign country.

That is not your fault, but the fact is as we discuss how we are going to make contracting more efficient, and this country becomes more and more dependent on foreign governments to make equip-

ment, possibly one day to make weapons. I don't know. Maybe they are doing that now. But this is interrelated to what you are recommending.

Is there a concern from people at your level, and maybe you can do nothing about the economy of this country, and I know you can't, but the point is as we continue to become more and more of a service nation and the fact that certain types of steel has to be bought from foreign countries to help complete the MRAP vehicle, is a great concern to me as a citizen.

Does this indirectly—it is an issue that will be before the United States Army, the Department of Defense? Indirectly, it will relate to the contract because if they have to negotiate, or someone above them negotiate it, to buy products from foreign countries.

Secretary YOUNG. MRAP is a pretty special case, but it is a very good illustration of that in that we now have a fairly complex body of legislation. So some of the people don't get to manage programs right now. They have to find their way through all the rules, regulations and statutory limitations on trying to buy products. MRAP ran into exactly that. Luckily, within that maze, there was a waiver that let us buy some foreign steel.

As you know, MRAP has put a steel capacity demand on this nation that is unprecedented and that is going to go away in about six more months. So then you end up with another question, and that is, do we maintain that level of capacity and potentially not use it? And what will the taxpayer pay for that? That is another hard question.

In the alternative, another question that I feel enormous pressure from the Congress and my own enterprise, is to control the cost of weapons systems. There is no question that in many places, there is a premium for doing business where the business volume is small and companies don't want to go into that business space. So we try very hard to use U.S. companies. In some places, though, there are commodity products in our weapons systems that U.S. suppliers don't want to be in that business. So I can either pay them a lot to be in that business, increase the cost of weapons, and then I have a lot of questions about the cost of weapons. Or I rely on worldwide availability of some commodities.

So you have asked a very good question with a lot of different dimensions to it. The next piece of that answer is yes. As director of defense research and engineering (DDR&E), I tried to understand and update our critical technologies list so we at least understood what technologies were critical to this Nation and to our weapons systems, and we could make sure we had access, if not U.S. capability, in those critical technology areas. I think we require continued vigilance in that space.

Mr. JONES. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Jones.

I think we have time for Ms. Davis to make inquiry, and then we will break. We have a total of three votes—a 15-minute vote and two 5-minute votes.

Mrs. Davis.

Mrs. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman.

Thank you to all of you for being here.

I wonder if you could expand somewhat on the value culture, because basically in your remarks you say that none of this is going to work if we don't address that systemically. As I read it quickly, really you are referring to at least five billets, I think, within the Defense Management Agency. Can you give me more of a sense of that? Because what I am trying to understand is what are the obstacles to doing that? If we grab hold of that, what else do you have to clear away in order to have that kind of a culture change? Is it just having the billets there? How does that work?

And if I might just follow up with a totally different question. When I was in Iraq, I happened to sit with a colonel who was working on a water project in the Green Zone. He was furious about the way the contract had been let and the lack of use of local contractors, the dollars that had been wasted and literally thrown away in the Green Zone over that project. How does this solve his problem there? Is it related and how do we get at that?

Dr. GANSLER. Ultimately, it involves smart people who are buyers and managing their contracts and so forth. But it clearly does come down to the people and their stature and their value. That is where the culture part comes in. If the culture says that everyone in uniform must be somebody who is a tank commander, a fighter pilot, or ship-driver, rather than some people in senior positions in the military also taking care of things like contracting, then you have a real problem because it is not respected and it is not listened to. When you get into an environment in which you really need something badly, the people aren't there to do that job.

So these are people who are senior people in the military. That is the general officers we asked for. It is also some of the noncommissioned people who are trained in this field, and it is all the way up. It is a career path question in terms of culture. If there are no general officers, why, as a major, would you want to go into that career? You want to have a place you can get promoted to. So there is a culture that holds you back.

On the civilian side, these are all volunteers. If you don't get any benefits or rewards for going overseas and getting shot at, why would you want to do that when you can stay home with your family? So that is a challenge as well.

Mrs. DAVIS OF CALIFORNIA. Is there a different financial incentive that you are talking about? Clearly, it hasn't been valued, so that there has been no reason for people to do that. But on the other hand, is there something else, something more insidious that is at play that makes it difficult for people even to want to make that decision if the career path was there?

Dr. GANSLER. In the sense of the civilians, I think it does require some additional financial incentives because they see that their military counterparts and their contractor counterparts are getting benefits and they are not. In addition, at home their current boss says, we need you here; you can't go. Unless there are enough people to be able to fill those gaps, you will have no one back home doing the contracting work that should be done.

So there again needs to be a look at the total needs between expeditionary and at home. I think in general, the recognition of the problem which is now what we have because of all the fraud and

other things, now should get people's attention to the cultural change.

Fortunately, Secretary Geren has really placed a lot of emphasis on this now, and I think that Secretary Gates is placing emphasis on it. That is necessary, but not sufficient. The senior people in uniform also have to place emphasis on it. It has to be part of their training, part of their cultural indoctrination. That includes the recognition of the importance of these civilians who are taking part in this activity.

Mrs. DAVIS OF CALIFORNIA. You looked at the Army, but we are assuming this is DOD-wide. These are all the services. What in the way of jointness needs to happen so that this is spread throughout? Does every service need to take its own look at this issue? Or is it something that you think can actually take hold because one service perhaps is going to show the best practices and then the rest will follow suit?

Dr. GANSLER. We think it follows for the other services as well. We have heard that there are similar problems, but we didn't investigate those in depth. But clearly, the activities in the future will be joint, not only joint between various parts of the DOD, but joint with the State Department which has to be worked out as well.

Mrs. DAVIS OF CALIFORNIA. Right. Interagency reform.

Dr. GANSLER. Interagency is going to clearly be a major issue for the cultural change as well.

Mrs. DAVIS OF CALIFORNIA. Right. Thank you for your work.

Secretary YOUNG. Mr. Chairman, if I had a chance maybe when we come back, I would like to expand on that.

The CHAIRMAN. We have a moment right now. Go ahead.

Secretary YOUNG. Okay. As someone who has been in the building several years, I want to amplify what Jack said. You have to have senior flag officer positions to which people can aspire to and be promoted to and pursue those as career paths if you want to get people. Right now, the Army doesn't have contracting people at junior levels because there is no flag officer level to aspire to in the Army.

The Congress has laws about promotion rates in the acquisition workforce. You talk about the number of flag officers, but these issues are really one at a time. Incrementally, I have frequently seen us not promote one less acquisition person and one more line officer. And then I find myself being asked by the chiefs of the services to take line officers to run acquisition programs in areas where they don't have the skills for it.

Furthermore, those choices to take away those contracting billets and apply them into line officer functions creates more pressure not to promote contracting officers because now the demand is promote another line officer to fill that job, which is a job I just created by stealing the contracting billet.

We have to restore those billets. The service chiefs are going to have to acknowledge the need for these contracting skills, acknowledge the need for these contracting billets, and acknowledge the need to promote people in these positions.

Mrs. DAVIS OF CALIFORNIA. I appreciate that.

Can I just ask a quick question. I think what the public would get from some of this is that somewhere along the line, people are making a whole lot more money within their contracts because somehow there is not the oversight that has been built into what I would think would be the officer corps. Is that—?

Dr. GANSLER. I personally don't think that is the issue.

Mrs. DAVIS OF CALIFORNIA. Okay.

Dr. GANSLER. I think it is the warfighter is not getting what he needs. That is what is really critical. That is the perspective here. The contractors are trying to do their job under the contract and the government needs to supervise that. But the real problem is I really believe the warfighter has to be satisfied in their needs.

The CHAIRMAN. Thank you.

Mr. Young, let me ask you, are you recommending flag officer billets in addition to what we have?

Secretary YOUNG. I am not prepared to, and I don't think I have the authority to do that, sir.

The CHAIRMAN. No, I am asking you on a personal and professional level. You have the authority to answer my question.

Secretary YOUNG. There is no question we need to restore the joint billets. For two years now, we have needed a military officer to be the head of the Defense Contract Management Agency and haven't been able to get a qualified nominee. The services have to have promotion change, and then they have to have some robustness in that so that I can fill joint flag officer billets. I believe some of the billets that have been taken out of these positions need to be restored. If we cannot accomplish that, then we will have to put new flag officer billets into these positions.

The CHAIRMAN. That answered the question. Thank you.

We have three votes. We shall return and we appreciate your patience. Thank you.

[Recess.]

The CHAIRMAN. We have Mr. Johnson, Mr. Ellsworth when we come back, and hopefully we will have others join us.

Mr. Johnson is next on the list.

Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

I was just wondering if there is any—I mean, there has been a suggestion that the ability to authorize and appropriate expenditures should be shifted from Congress to a field commander. Is that a fair assessment of what we have been talking about this morning?

The CHAIRMAN. Excuse me. May I make a suggestion? Would you get just a little closer to the microphone?

Mr. JOHNSON. All right. Thank you.

The CHAIRMAN. Thank you.

Mr. JOHNSON. It just seems to me that that could be a constitutional issue. I don't know if anybody is prepared to answer that.

Dr. GANSLER. When I answered Congressman Hunter about the authority of the combatant commander to make a decision that he needed something, it was certainly intended that that be within the dollars available. Secretary Young pointed out, unless for example it was in the supplemental and those dollars were needed, then as

long as the dollars were available, then you could go get something that the combatant commander badly needs.

On the other hand, he needs to be able to say, I need this, rather than, I would like to have it and I wish I had the money. The money has to be there. You don't want to change that responsibility. But within the dollars available, then the combatant commanders need to be able to get what they need when they need it. They can do that through the acquisition capability of their organization. They don't do it themselves. They don't go out and buy something on the shelf like we might do at the supermarket. They say, I need a tent city or I need meals, or whatever, and then they go through their acquisition authorities, and with the dollars available, that was what we are talking about.

Mr. JOHNSON. So you are not advocating a change in the law in that regard?

Dr. GANSLER. No.

Mr. JOHNSON. Okay.

Secretary YOUNG. No, I am not. I would make clear, though that being able to do things is extremely contingent on the availability of funds to do it. In fact, in some places the Congress has helped. We could not have built MRAPs, for example, without extraordinary actions on the part of the Congress.

Another piece of this, though, is when we build our budget, it is a cumbersome process, and then we come and defend it before the Congress. So a lot of people do a lot of good work to build a budget that delivers a broad spectrum of capability for the Nation through the Defense Department. Those people rightly hold those dollars because it is their chance to deliver a high mobility multipurpose wheeled vehicle (HUMVEE) or their chance to deliver a ship.

When new requirements emerge, it is not as simple. As I tell people, every dollar in the Defense Department comes to a zip code. Going back and getting that mail, getting that dollar back to go do something that is very urgent in the field is tougher than it sounds. That is why it is critical where the Congress provides us some flexibility in funding that lets us respond to combatant commander demands, to be able to have those funds to do that.

Dr. GANSLER. To answer your point, the Congress officially authorized during the Balkans environment that there be a standby fund to be able to address exactly your problem. The Congress has also authorized that for USAID. They have not authorized that in the DOD activities even in Iraq today. As a result, there are significant inefficiencies associated with the flow of money. So there are some financial issues. I covered that in my statement.

Mr. JOHNSON. And once we are able to politically be more expedient in terms of the money, we still need the transformation of the Army's culture toward contracting to change. And we need a major systematic change in the way that the Army organizes, trains and equips for contracting.

How will the Army ensure that changes currently being considered achieve this sort of comprehensive cultural shift, rather than just resulting in a reversion to the norm when attention shifts from this issue?

Mr. PARSONS. I will go ahead and address that, congressman.

One of the things that we have done, and it gets to the point that Dr. Gansler made about making a career path for people who want to come into contracting in the military and have the ability to accelerate and get promoted, is we have now developed this structure that will allow us to bring officers and NCOs in at the five- or six-year point and give them a very deliberate career path.

For the officers, that could be leading a contingency contracting team. They could move up then to be a battalion commander or eventually a brigade commander. One of the commands that is now going to be part of the Army Contracting Command is a one-star expeditionary contracting command. So part of change in the culture of getting people who want to be professionals in the contracting career field is to provide that type of a career path.

The other thing that we are doing, too, gets to another point of the Gansler Commission report, is we need to make sure that the operational Army understands contracting. So we have expanded the amount of training that we are giving to non-acquisition-type people. So all new two-star general officers now have a block of construction on contracting and contractor management. We are starting to do that at the senior service colleges and the intermediate-level of education as well.

So those are some of the things that we are doing in the Army to try to change the culture so that people recognize the importance of contracting and contractor management, and also have a desire to be in this career field.

Secretary YOUNG. I would just add, I think your point is exactly right. It will require the leadership level. It can be worked from those levels and you do have to have a promotion path that brings people into that career field and trains them. For example, to the chairman's question, additional flag billets actually rewards the bad behavior where the Army took five contracting positions and put them somewhere else in the Army. Over time, that erosion cannot happen again.

If the Congress decides to give them five additional flags, the leadership from here forward—and there is no question in the current leadership with Secretary Geren has this view—but ensuing leadership has to keep those flag positions in place and not decide to go to a flavor-of-the-day command over on the line side and steal those flag officers.

Mr. JOHNSON. Thank you.

The CHAIRMAN. Dr. Gingrey.

Dr. GINGREY. Mr. Chairman, thank you.

I want to thank the witnesses. I have found this hearing particularly interesting, and I am encouraged by the testimony of each one of you.

Dr. Gansler, it sounds like the report that you were commissioned to provide by Secretary Geren is very similar, as the ranking member, Duncan Hunter, mentioned in regard to what we had in the authorization bill a couple of years ago. So I am pleased that we have said double-dittos here, as we definitely need to do.

Mr. Parsons, I think you just made some comments that I fully agree with in regard to the training—and Secretary Young also in regard to where you put these offices. You need a track that is a

real track, and not one that keeps shifting back and forth, so that there is a career path, as you point out, for this level of expertise.

So I am encouraged by all of that. When you are talking about in this op tempo that we are faced with now, with as much as $10 billion a month, obviously there are a lot of contracts. There are a lot of things that have to be done pretty quickly. I am not sure that I fully agree with Ranking Member Hunter in regard to a combatant commander being able to snap their fingers too quickly and getting something done. I think we have the Community Emergency Response Team (CERT) program for smaller things, and I think that works pretty well, but if you have a major acquisition certainly it needs to be vetted a bit. So although I am usually right in line with my former chairman and now ranking member, I will have a little caveat there and concern.

My question, and this will be directed mainly to you, Secretary Young, I have been pleased the chairman appointed me as the ranking member on a roles and missions ad hoc committee. We completed our report. It was a six-month study chaired by Jim Cooper, my colleague in the majority from Tennessee. We looked a lot, Mr. Secretary, at this jointness, not within the branches of the military, not Goldwater-Nichols, but maybe a next phase of that in the jointness interagency approach.

I think we probably need that in regard to this contracting. In fact, section H–61 of the National Defense Authorization Act of 2008 required DOD, the State Department and USAID to enter into a memorandum of understanding on contracting in Iraq and Afghanistan no later than July 1, 2008. The memorandum will clarify the roles and missions of these respective agencies in managing and overseeing contracts.

The question very specifically is what progress has been made on that memorandum of understanding, and how do you feel about the importance of this interagency jointness in regard to contracting?

Secretary YOUNG. I will try to be brief, and maybe I could reserve one second to comment on your other point. But my understanding is that the memorandum of understanding (MOU) is in draft and being coordinated. I believe it has become as or more important in the last months as we recognize the total importance of, one, agencies understanding what other agencies are doing in terms of contractors and with contractors, be they personal security or contractors performing war functions.

And then frankly, the theater continues to reemphasize all the way up to the combatant commanders the need for interagency cooperation to succeed in these phases of war activities where there is a combination of trying to restore peace and opportunity in the Nation and still warfare against contingency operations. You might not expect it, but it is very important for interagency cooperation of our whole national effort to achieve success there.

If I could use one second to comment about the other one, I agree with you very much, and I didn't speak earlier. The combatant commander, it is vitally important for them to say what they need, and sometimes point, but they do not have enough time to look at all the ways to solve their problems. If anything has come up short, we do need the acquisition team to act with urgency when they bring that to our attention. But we do have urgent operational

need statement processes that have done a lot of things for combatant commanders fairly quickly.

You never know whether one thing they see could be done much better. I do know if we buy something they want and it fails, the acquisition team is going to take the black eye for it. So I want to have one chance to make sure we meet their requirement and meet their need, not necessarily with the hardware, but if the hardware is right, we will go buy it.

Dr. GINGREY. Right indeed. And there is a fine line there, of course, as we all understand.

Mr. Chairman, thank you.

The CHAIRMAN. Thank you.

Mr. Ellsworth of Indiana.

Mr. ELLSWORTH. Thank you, Mr. Chairman.

And thank you, gentlemen, for being here. I appreciate what you are doing. I don't think a lot of people, and sometimes ourselves, understand the daunting task that you have in trying to equip our warfighters with everything like we talked about—food, weapons, equipment, toilet paper, toothpaste—the entire gamut of everything they need to do their job. We appreciate that.

I have to associate my comments with Mr. Jones earlier that we also, while everyone on this committee, Republicans and Democrats, want to do everything we can for the warfighter, that we have to also have that responsibility. Those soldiers' families are home paying taxes and want us to watch their dollars also.

Mr. Gansler, I would call attention to one of the things you said in your earlier statement that we have to give them incentives and rewards. On page three of your document, it talks about the problem is understaffed, overworked, under-trained, under-supported, and most importantly, under-valued.

I would like you to explore that a little further. Some of these contractors who do go south, are we making excuses for them? Isn't the carrot their salary, the contract and the profit they build into that contract themselves? I know that some of the contractors—and I remember when I was in government before I took this job, I lost two deputy sheriffs. I can remember the brochure offering $125,000 a year tax free, and they quit my department and went over and served in a security sense. So is that not the incentive and reward?

And going back to my former life, I always thought my deputies deserved more money and deserved a bigger salary, but county government didn't let me give them that. They knew that when they signed that contract coming in. They knew they were going to make this much and here was their insurance package and here was their benefit package and here was their pension and their dollars. I knew they deserved more money, but when they did mess up and steal or they took something they didn't deserve, then they either got fired and they got punished and some went to jail.

So my question would be, are we making excuses? I think this committee and this Congress should give you everything you need to do your job, but I don't also want to make excuses for those that head south, and out of greed steal from this government.

I guess my ultimate question is, how many are in jail? How many have we prosecuted and arrested? And I am not talking about the country-club jail. I am talking about the Gray Bar Motel,

and we backed the U-hauls up to their houses with their wife and kids there and took the proceeds like we did from drug dealers and take their drug proceeds. How many times have we put their pictures in the paper in their hometown newspaper and say, here is the guy that stole your tax dollars?

I appreciate what you are doing, and I don't know if there is an answer to this question, but I don't want to enable these folks and say it is our fault. We are all overworked, and I have a lot of people overworked. It didn't mean they stole and they had a right. It is like that old thing, well, it is a big company and they won't miss it. I think this is a huge task, but we have to keep in mind, we just have to give you the tools to do what is right and to catch the bad actors when they mess up. And then give them that punishment, give them the stick, not the carrot.

So if you want to respond, that is fine.

Dr. GANSLER. I would very much like to respond, because I do separate the illegal actions from what we requested for the volunteer government workers. I think on illegal actions, there is absolutely no basis for anything except putting them in jail. That is certainly the case in the civil world. It is the case here as well. That is why we have jails, and we certainly want to make sure that there are no illegal actions. Even one is bad. As you know, we have over 90 cases being looked at and trying to put them in jail is they deserve to go to jail.

The issue we are really talking about, however, are the civilian government employees who when they signed up, they signed up to work in Dayton, Ohio doing contracting, and now they are being asked to go over in a war zone, get shot at, not have their insurance covered, not given many major long-term health benefits, not given tax waivers, et cetera, and being told go over.

Those people are the ones that we feel deserve something for volunteering to go to something they hadn't signed up for originally. We think those provisions need to be considered. It is almost unethical that those people aren't being rewarded for what they are doing, which is volunteer to go into a war zone for the country's good and for the taxpayer's good. If they are overseeing a contract, that is for the taxpayer's good. The fact that you have people overseeing them is probably going to cut back on the amount of illegal actions.

Mr. ELLSWORTH. I couldn't agree more. I appreciate that clarification.

Mr. Chairman, I have no further questions. Thank you.

The CHAIRMAN. Thank you.

Mr. Spratt.

Mr. SPRATT. Thank you very much for your contribution and your effort. This has been done several times before, though. I am sure you found along the path you traveled many other instances where other commissions have tried to effect similar change and somehow or another it has not taken root and it really hasn't blossomed.

The last commission, as I recall, was the Packard commission.

Dr. GANSLER. I served on that.

Mr. SPRATT. You were on that commission?

Dr. GANSLER. Yes.

Mr. SPRATT. As I recall, Mr. Packard came to the conclusion that the easiest way to get good talent aboard was to go to the uniformed military services, that while there was good and commendable talent in the civilian ranks, you were more apt to find it in the military, and in the near-term to attract military officers into these procurement and acquisition and program management posts than go out and look for civilian talent.

That requires creating a procurement corps, as it were, that is a credible, attractive, appealing career path for military officers. Would you agree we simply don't have that today in any of the services—the Army or any of the other services?

Dr. GANSLER. Yes. In fact, that is particularly the point of the general officer positions, that if you are going to come in as a major, or you are going to come in as a captain, trying to decide on what my career is going to be in the Army. And if there is no potential to become a general, you are not going to stick in that if you are a top person. So we have to create that incentive.

I would argue it is not an either/or, though, between military and civilian. There are civilian roles in this case and there are military roles, but we need at the leadership, particularly in the expeditionary environment, senior military people.

Mr. SPRATT. Well, I had this experience when I was in the service and worked at the Pentagon some many years ago. An officer was created by McNamara through Robert Anthony, who was a professor of finance at Harvard Business School. He brought down from Harvard during Vietnam young men who needed a direct commission in Officer Candidate School (OCS) and things like that. He brought them down and set up the Operations Analysis Group. And in that group were guys like Hank Paulson and Steve Hadley. It attracted an unusually appealing group of very capable people, but it didn't retain them.

Nevertheless, they made a huge contribution while they were there. I thought then really the services and DOD together don't make a good case for the attractiveness of these jobs. If they gave these young bushy-tailed management ambitious types, very bright types, the opportunity, some would stay longer than two to three years. Some might even stay 20 years if rising to the top meant something other than being just a senior bureaucrat.

We simply have not been able to take that and institutionalize it for some reason. Is it because of the forces against that at the Pentagon? Or is it just difficult to do? Do you have an explanation for that?

Dr. GANSLER. That was the cultural change we talked about earlier, where the warfighters need to recognize the value of these people who are supporting them. Their career paths need to be equal. They need to be rewarded for the work they do, whether it is civilian or military.

Mr. SPRATT. They also want line management authority. They really want to be doing something. They don't want to just fill some administrative job doing ministerial things and carry out orders from below and shuffle papers. They want to make tough management decisions and have those decisions respected.

Dr. GANSLER. And they have to be respected as individuals, and that does require some senior positions, particularly on the military side.

Mr. SPRATT. One of the things that we picked up from previous inquiries here is that there needs to be some differential or merit pay to recognize talent and to recognize performance, to recognize thoroughness and effort and things like this. There needs to be at least a pay band. There was a China Lake experiment that is frequently referred to. We tried to codify that some years ago, and I think we lost the trail. We are as guilty as anybody else because from time to time, we come to this task and say, this needs addressing, this needs serious attention.

And then we do something. We pass a bill and we don't follow it up adequately to see that it is being carried out. To some extent, all we can do is jawbone the Defense Department anyway. If they are not inclined and are not structurally able to make the change, we kind of are left to our own frustrations here.

What did you find about differential pay? Do you think that is an essential part of the solution here?

Dr. GANSLER. You referred back to the Packard commission. We actually looked at the China Lake experiment at that time and recommended it. But Congress authorized me when I was Under Secretary to run an experiment with it.

Mr. SPRATT. I sponsored the legislation.

Dr. GANSLER. Exactly. Of the 90,000 people you approved, only 30,000 signed up. The unions fought it fiercely. My last year in office, I was sued for some people who didn't get their pay for living another year, instead of contributing.

John, you may want to comment on the current personnel system. It is trying to do that again, and I think it should be encouraged.

Secretary YOUNG. I would agree. It is critical, and we have tried very hard and been given the tools through the national security personnel system to discriminate in terms of performance and recognize it with financial rewards, as opposed to minor variations in pay that don't discriminate and reward people's performance. It is a very important tool for us going forward.

Mr. SPRATT. In connection with that pay, I think particularly with the government pension being an important part of the incentive for people to work in the Federal Government, there needs to be more portability, it seems to me, of pensions. That way, you can attract young people. They may give you five years. They may give you 10 years, but it will be 10 good years they will give you. And they are not going to do that unless they have something to show for that 10 years.

Most of them, unless they have something like a pension that they can pick up and take with them, roll it over or something along those lines, so that the pay package is an attractive pay package, not just in terms of current income, but pension income, too.

Secretary YOUNG. Mr. Chairman, could I add a comment, if you don't mind?

The CHAIRMAN. Yes.

Secretary YOUNG. I do think, since you raised the Packard commission, the trend, and certainly what I have experienced in the building, is where we are on the edge of eroding some of the capability of our acquisition workforce which the Congress has focused a lot of attention in. Those people, especially as the comments have arisen of late about the cost growth in programs and the movement of requirements, some of that—you know, it is not perfect—but some of that is tied to the fact that I need an acquisition program manager to do what you said: make tough decisions and take tough stands to defend the taxpayer's dollars.

He is often doing that with a requirements officer who is a very capable line officer, has a very good promotion potential to flag, and worried about if I say no to this requirement because I think it is a little excessive and it is definitely going to cost us a lot more tax money and it is going to break my budget, is that going to hurt me in that flag board when it comes up?

We have to continue to take care of those people and actually give them more responsibility and authority to be good stewards of the taxpayer's dollar, meet the warfighter's requirements, but as you know, the system has come to set those requirements bars excessively high and chase dollars. Sometimes we need to moderate that. That is another hearing discussion, but it is very important to talk about that issue the way you did.

The CHAIRMAN. I thank the gentleman.

What was the China Lake experiment?

Dr. GANSLER. It was basically trying to pay people for their performance, rather than for having lived another year.

The CHAIRMAN. Rather than what?

Dr. GANSLER. Rather than just living another year and having a temperature of 98.6 degrees. The whole idea was you will rate people on their current pay and their performance, and if their current pay is low relative to what they should be getting, then you give them a significant impact. If their pay is high and they are not performing, you don't give them a significant impact. So it is pay for performance, which is, as John said, basically what they are trying to now implement with the personnel system.

Secretary YOUNG. Mr. Chairman, I believe it also had another dimension of hiring. It was a demo program that included the dimension, too, of us being able to hire technical people who can command greater salaries out in industry—can we have different hiring processes and pay processes that will let us hire the best engineering talent, which isn't always the case today in the government.

The CHAIRMAN. Thank you.

One last question. Back in the 1990's, we passed the Defense Acquisition Workforce Improvement Act, which required workforce training to perform necessary duties. Should we revisit that act that we passed as it relates to contingency contracting?

Secretary YOUNG. I certainly would welcome comments from my colleagues. For my part, I would tell you I think the Act has been very effective. The training that we are putting in place has effectively trained people. We need to constantly improve that training. One of our bigger issues, and I regret that Congressman Hunter is not here, is the DOD budget is up 34 percent since 2001. The re-

search and development (R&D) budget is up 70 percent, and we have spent over $600 billion of supplemental money, without adding much in the way of workforce.

I think the Congress has a legitimate expectation that those monies will be carefully managed and overseen, not wastefully, but appropriately. I am going to have to add some people to the workforce in the right skill areas. In fact, the demands are greater than we see here, where industry increasingly offers us unrealistic programs. Then we have protests, as you are well aware. That puts greater burdens on the government team, and then now we need things to be interoperable because that brings great value to the joint warfighter.

Some of that integration has to occur on the government side to at least define it, because I can't tell——

The CHAIRMAN. Will you make formal recommendations along those lines?

Secretary YOUNG. Yes, sir.

The CHAIRMAN. I would appreciate it very much.

Any other questions? If not, I thank my colleagues and thank the witnesses. It has just been excellent.

[Whereupon, at 12:32 p.m., the committee was adjourned.]

A P P E N D I X

April 10, 2008

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

April 10, 2008

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE COMMITTEE
ON ARMED SERVICES

TESTIMONY OF

JOHN J. YOUNG

UNDER SECRETARY OF DEFENSE

(ACQUISITION, TECHNOLOGY & LOGISTICS)

BEFORE THE UNITED STATES HOUSE

COMMITTEE ON ARMED SERVICES

April 10, 2008

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HOUSE COMMITTEE
ON ARMED SERVICES

Chairman Skelton, Representative Hunter, and distinguished members of the Subcommittees, thank you for the opportunity to appear before you today to discuss contracting, management of contracting, particularly contingency contracting and the Gansler Commission report recommendations.

Vision

In addition to these important programs, I would also like to summarize my vision for Acquisition, Technology and Logistics, which is to drive the capability to defeat any adversary on any battlefield. I have focused my approach into four strategic thrust areas, each of which has a guiding principle, desired outcomes, and specific initiatives with metrics or steps against which we can measure progress. These four strategic thrust areas are:

- Define Effective and Affordable Tools for the Joint Warfighter
- Responsibly Spend Every Single Tax Dollar
- Take Care of Our People
- DoD Transformation Priorities

In identifying both the problems we face, and the solutions we are seeking, I am committed to transparency throughout the acquisition process. It is my belief that we need to be clear, concise, and open with regard to what the Department of Defense is seeking and the work it is completing. It is our responsibility as stewards of tax dollars to ensure complete openness, fairness, and objectivity in the acquisition process. I intend that we will be accountable to ensure the success of these initiatives.

I have charged the acquisition team to create an inspired, high-performing organization where:

- We expect each person must make a difference;
- We seek out new ideas and new ways of doing business;
- We constantly question requirements and how we meet them;
- We recognize that we are part of a larger neighborhood of stakeholders interested in successful outcomes at reasonable costs.

We live in an increasingly complex world. Our missions vary widely, so we need strategic resilience and depth; and must ensure our Nation has response options today and for the future with the appropriate capacity and capability to prevail at home and abroad.

I would like to highlight some specific initiatives that capture these philosophies and are fundamental to transforming the acquisition process and workforce. They are:

1) Program Manager Empowerment and Accountability

Program managers play a critical role in developing and fielding weapon systems. I have put in place a comprehensive strategy to address improving the performance of program managers. Key to this are program manager tenure agreements for ACAT I and II program. My expectation is that tenure agreements should correspond to a major milestone and last approximately 4 years. Another fundamental piece I have established is Program Management Agreements—a contract between the program manager and the acquisition and requirements/resource officials—to ensure a common basis for understanding and accountability; that plans are fully resourced and realistically

achievable; and that effective transparent communication takes place throughout the acquisition process.

2) Configuration Steering Boards (CSBs)

I have directed the Military Departments to establish CSBs. My intent is to provide the program manager a forum for socializing changes that improve affordability and executability. Boards will be in place for every current and future ACAT I program and will review all requirement changes and any significant technical configuration changes which potentially could result in cost and schedule changes. Boards are empowered to reject any changes and are expected to only approve those where the change is deemed critical, funds are identified, and schedule impacts are truly mitigated. I require every acquisition team member to fully engage the Planning, Programming, Budgeting, and Execution (PPBE) process thus creating an avenue for program managers to ensure they are funded to execute their responsibilities or alternately descope their programs to match reduced budget levels.

3) Defense Support Teams (DSTs)

To address the challenge of acquisition execution and assist both industry and DoD program managers, I have expanded the use of these teams who are made up of outside world-class technical experts to address our toughest program technical issues. I expect the teams to resolve emergent problems and help the Department successfully execute tough programs before problems develop.

4) Prototyping and Competition

I have issued policy requiring competitive, technically mature prototyping. My intent is to rectify problems of inadequate technology maturity and lack of understanding of the critical program development path. Prototyping employed at any level—component, subsystem, system—whatever provides the best value to the taxpayer.

5) *AT&L Notes*

I am writing weekly notes to the acquisition workforce. These notes share lessons learned and provide leadership guidance on expected procedures, processes and behaviors within the acquisition workforce. These notes provide a powerful training tool directly from me.

Gansler Commission Recommendations

I have increased the staffing within the Defense Procurement, Acquisition Policy, and Strategic Sourcing Directorate that is specifically dedicated to Contracting in Expeditionary Operations. This team is staffed with contracting personnel who have expeditionary deployment experience. In addition, I stood up the Task Force on Contracting and Contract Management in Expeditionary Operations to address the specific Commission recommendations and to integrate activities responding to the Commission's recommendations with the many other relevant activities already underway within the DoD. The Task Force is guided by senior leaders within the Acquisition, Technology and Logistics organization, including the Deputy Under Secretary (Acquisition and Technology), as well as the Director, Defense Procurement, Acquisition Policy, and Strategic Sourcing, and his Principle Deputy. These senior

leaders are working closely with the Deputy Under Secretary (Logistics and Materiel Readiness), and the Assistant Deputy Under Secretary of Defense (Program Support). In addition, senior members of these staffs have been detailed full time to support the Task Force management and progress.

Membership of this Task Force is cross cutting with representatives from all of the Services, the Defense Contract Management Agency (DCMA), the Joint Staff, the Joint Contingency Contracting cell for Iraq/Afghanistan and various elements of the Office of the Secretary of Defense. The Task Force meets weekly for progress tracking purposes, meets periodically with the Services and DCMA to ensure a coordinated and consistent Department approach, and meets about once a month with Dr. Gansler to discuss any points of clarification regarding the Commission's recommendations. Progress of the Task Force is of utmost importance to me.

The Task Force actions implement Section 849 of the Fiscal Year 2008 National Defense Authorization Act (FY 2008 NDAA), which directed the Secretary of Defense, in consultation with the Joint Chiefs of Staff, to evaluate the Commission's recommendations to determine the extent to which such recommendations are applicable to the other Armed Forces. In addition, section 849 requires the Secretary, not later than 120 days after enactment, to provide a report to the congressional defense committees indicating the conclusions of the evaluation and a description of the plans for implementing the Commission's recommendations for Armed Forces other than the Army. The evaluation required by section 849 is underway, and the report to the congressional committees is on schedule for submission by May 28, 2008.

The Commission provided 4 overarching recommendations, as follows:

(1) Increase the stature, quantity, and career development of military and civilian contracting personnel (especially for expeditionary operations);

(2) Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations;

(3) Provide training and tools for overall contracting activities in expeditionary operations; and

(4) Provide legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

Within these 4 overarching recommendations, the Commission provided 40 recommendations, of which 22 are directed to the Army, and you will hear from the Army representative about the Army response to those recommendations. Eighteen of the 40 recommendations are directed to the Department for consideration and implementation. I will focus on those 18 D0D-level recommendations.

1) Increase the stature, quantity, and career development of military and civilian contracting personnel (especially for expeditionary operations)

We have reviewed the civilian personnel directives that pertain to civilian personnel involvement in military operations, and have issued a memorandum dated February 12, 2008, entitled "Building Increased Civilian Deployment Capacity" to provide guidance and interim policy to promote opportunities for DoD civilians to contribute their talent to DoD's mission. This memorandum will be reflected in an

update to DoD Instruction 1400.32, "DoD Civilian workforce Contingency and Emergency Planning Guidelines and Procedures" by August, 2008.

With regard to increasing the number of contracting personnel, we are conducting a competency assessment for the entire DoD Contracting Career Field. We anticipate completion of the assessment this summer. Once we have completed the competency assessment, along with an analysis of our demographics and workload throughput, we will be in a position to provide the appropriate number of additional contracting personnel needed by the Department.

2) Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations

The Department is actively assessing and developing its position regarding the appropriate numbers of General and Flag Officers, and Senior Executive Service authorizations, for contracting positions. Our report to the congressional committees in response to section 849 of the FY 2008 NDAA will contain additional information on this subject.

The Commission recommended that the Defense Contract Management Agency (DCMA) should be responsible for all base, post, camp and station contracting, and that it should be resourced to accomplish that mission. The Task Force is developing alternative approaches to achieve the Commission's goal of enhanced post-award contract management during routine times as well as during times of contingency and war. The alternatives under consideration address the Department's concern that the Services need to be able to deploy in operations of all sizes; scalability of operations is

important, and that we train the way we fight. Through monthly discussions with Dr. Gansler, we believe he agrees we are on a path to achieving the Commission's intent. In our assessments of the future role and structure of the Defense Contract Management Agency (DCMA), we are striving to ensure the most efficient, effective contract management support for future contingencies. The Task Force believes the Department should be positioned to be able to respond to the full range of contingencies from those requiring very little contracted effort to those requiring a great deal. We must have scalable processes. The Army and Marine Corps are in the process of developing the changes they believe will enable this approach.

Other Contracting Efforts Under Way

Today, we have issues in service contract administration, and we are working to correct them in our Improvement Plan for Contract Management in response to the GAO High Risk Series. In addition, the subcommittees on Contracting Integrity in a Contingent Environment and on Contract Surveillance, established under the section 813 Panel on Contracting Integrity, have identified their initial actions for 2008 and are on track to accomplish them. These actions include enhanced training as well as leveraging best practices and lessons learned. In addition, we have already incorporated into the Joint Contingency Contracting Handbook guidance on how to run and transition a contracting office in a contingent environment. A newer subcommittee on Procurement Fraud Indicators is assessing the need for a Procurement Fraud Indicators handbook for acquisition personnel similar to the Inspector General Procurement Fraud Indicators handbook for auditors; reviewing best practices from existing training courses to

determine the potential for a training module for insertion into DAU training; and pursuing the feasibility of developing a database of procurement fraud indicators available on an acquisition website. We are ensuring that we enhance our overall contract management capabilities, as well as our ability to step up to the contract management needs of contingency environments.

In addition, the Department is considering the most effective approach to achieve an integrated, joint approach to contract and program management support for future contingencies. This effort was already underway in response to section 854 of the Fiscal Year 2007 NDAA. The preliminary concept of a Joint Contingency Contracting Support Office (JCCSO) was previously reported to Congress last year in an interim report required by section 854. This initiative responds to congressional mandates for the development of capabilities for requirements definition, contingency program management, and contingency contract support. Our goal is to achieve the integration and synchronization of contract support across Combatant Commands and United States Government Agencies to support effective program management, and to consolidate and incorporate lessons learned.

3) Provide training and tools for overall contracting activities in expeditionary operations

We have made significant progress with *training and tools for overall contracting activities* as follows:

1. The Defense Acquisition University (DAU) has redesigned the contingency contracting curriculum to improve training supporting journeyman level

contingency contracting operations. This will enable experienced contingency contracting officers to be deployable worldwide and be effective immediately upon arrival to support the mission. The redesigned curriculum is synchronized with the Joint Contingency Contract Handbook. It includes interactive simulations, hands-on practical work, and robust capstone projects; we emphasize cultural awareness and ethics training; and bring in subject matter experts to provide their perspective on contracting in theater.

2. DAU is redesigning its Contingency Contracting Community of Practice web-portal. The redesign will streamline the collection and analysis of after-action reports.

3. DAU is also developing an advanced Contingency Contracting Course. This course will provide "just in time" training to senior level contracting personnel deploying to a management position.

DAU has collaborated closely with all the Services to standardize the required training a contingency contracting officer must complete to become fully qualified/certified. This will help ensure commanders in the field get fully trained contingency contracting officers who understand the joint environment. The Army has determined the majority of their additional training requirements will be provided by the U.S. Army Logistics Management College located in Fort Lee, Virginia, and Huntsville, Alabama.

As contractors on the battlefield are a reality for future expeditionary operations, operators outside the acquisition community must be trained on the role and importance

of contracting, Contracting Officer's Representatives (CORs) and contractors in expeditionary operations.

As a result of the FY 2007 NDAA, DoD assessed non-contracting officer training courses and existing training curriculum at DoD and Service schools at all levels (basic, intermediate, and senior). Based on this assessment, the Department is developing a broad program of instruction for operational military leaders, both officer and enlisted, across all grades, on management of contractors deploying with forces.

In addition, we are developing Programs of Instruction on contingency acquisition for our Military Departments' Staff Colleges and Senior Military Service and Joint Staff Schools to train, more formally, our senior planners and leaders on roles and responsibilities of planning and managing contracts and contractor personnel in forward areas. This training will focus all leaders on determining requirements, translating those requirements into Statements of Work and then overseeing work.

In a parallel effort, the Army has instituted junior officer training in the proper use of contractors who accompany the force in support of Army contingency operations. This training covers the role of contractors in support of Army contingency operations, describes how contractors are integrated into Army operations, and explains user responsibilities for requesting and overseeing contract support. Thus, through this emphasis on oversight in training, both military leaders and junior officers will be educated on the important role of contracting, Contracting Officers, and CORs.

4) Provide legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations

The Commission recommended legislation to make medals available for civilians who support expeditionary operations. Without needing legislation, the Department has created two new medals for civilian contributions to the Global War on Terror. One was established after September 11, 2001, and the other is so new that it was awarded for the first time on February 26, 2008.

The Commission recommended establishing an Expeditionary Contracting Manual to support the expedited processes and tempo necessary for procuring the support needed by our warfighters in the theater of operations. The Department has developed and distributed thousands of copies of the Joint Contingency Contracting Handbook. Feedback from deployed users has been outstanding – we receive requests for more every day! The handbook provides a consolidated source of information for our contingency contracting officers, and provides the essential information, tools, and training to meet the challenges they will face, regardless of mission or environment.

This February, DAU delivered its first course to incorporate the handbook into formal training, and the feedback received from the students indicates it was an overwhelming success!

In addition, the Department has developed a draft Expeditionary Contracting Policy, which provides the foundation for the Joint handbook. This draft policy is in coordination with all relevant stakeholders, and is expected to be published in May 2008.

- The Commission recommended an adequately resourced contingency operation transfer fund. The Department is supportive of transfer accounts and has proposed funds for them in the past. However, the Department is also

aware of Congressional oversight concerns that have precluded the funding of these accounts in the past. The Commission also recommended that the Department ensure that policy and practice support intelligent funding apportionment for expeditionary operations. The next update of the Joint Contingency Contracting Handbook will clarify the pertinent guidance.

The Department is working with other agencies on legislative proposals that address the Commission's recommendations to support and facilitate civilian contracting personnel participation in expeditionary operations, and to pre-position waivers to allow for rapid, local buying in support of expeditionary operations.

I again thank the committees for their time in allowing me to present the Department's positions on these important programs as well as my vision for acquisition, technology and logistics.

RECORD VERSION

STATEMENT BY

MR. JEFFREY P. PARSONS
EXECUTIVE DIRECTOR
ARMY CONTRACTING COMMAND (PROVISIONAL)
U.S. ARMY MATERIEL COMMAND

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

ON

ARMY CONTRACTING IN IRAQ AND AFGHANISTAN

SECOND SESSION, 110TH CONGRESS

APRIL 10, 2008

NOT FOR PUBLICATION
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COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

Introduction

Thank you for this opportunity to report to you again on the U.S. Army's comprehensive, ongoing efforts to ensure policies and procedures are in place for all joint, expeditionary contracting operations in Iraq, Afghanistan, and Kuwait, and to better prepare the Army for acquisition and logistical support of future combat operations. In this statement, we address the (1) work of the Army Contracting Task Force; (2) the steps that the Army is taking to implement the recommendations of the Commission on Army Acquisition and Program Management in Expeditionary Operations, which released its final report, "Urgent Reform Required: Army Expeditionary Contracting," on October 31, 2007; and (3) the steps that the Army is taking to implement relevant requirements of the National Defense Authorization Act for Fiscal Year 2008, including the acquisition workforce requirements in Sections 807 and 852 of that Act.

We are grateful for the wisdom, guidance, and strong support that you and other Members of Congress have shown for our efforts. Our goal is to be good stewards of the resources provided by Congress and to free human and financial resources for higher priority operational needs.

As background, Secretary of the Army Pete Geren chartered the Commission on Army Acquisition and Program Management in Expeditionary Operations chaired by Dr. Jacques Gansler, the former Under Secretary of Defense for Acquisition, Technology and Logistics. The Gansler Commission provided an independent, long-term, strategic assessment of the Army's

acquisition and contracting system – and its ability to support expeditionary operations and sustained high operational demand in an era of persistent conflict. To complement the work of the Commission, the Army Contracting Task Force was established to review current contracting operations and take immediate action where appropriate. The recommendations of the Commission were consistent with the findings of the Task Force. We are currently addressing structural weaknesses and shortcomings identified, with a view to improving both current and future expeditionary contracting operations. We are committed to finishing the development and then implementing an Army-wide contracting campaign plan to improve doctrine, organization, training, leadership, materiel, personnel, and facilities. Achieving this objective will require resources, time, and sustained leadership focus. The contracting campaign plan will continue the initiatives already underway in the Army.

Since our last report to you, Secretary Geren has directed the realignment of the U.S. Army Contracting Agency (ACA) to the U.S. Army Materiel Command (AMC) and the establishment of the U.S. Army Contracting Command (ACC) (Provisional) under AMC. The ACC (Provisional) stand-up ceremony on March 13, 2008 is in keeping with the Gansler Commission's second recommendation – to restructure Army contracting organizations and restore responsibility to better facilitate contracting and contract management in expeditionary and U.S.-based operations. The ACC is a two-star level command with two one-star level subordinate commands – an Expeditionary Contracting Command and an Installation Contracting Command.

Before I continue, I would also like to publicly thank Deputy Secretary of Defense Gordon England for presenting on February 26, 2008, the first Armed Forces Civilian Service Medals (AFCSM) for service in Iraq. As a result of the Gansler Commission's recommendations on contracting effectiveness, the Department of Defense (DoD) reviewed its regulations/policy with regard to the AFCSM and agreed to make this honor available for DoD civilians involved in direct support of expeditionary operations. This was a policy change and no legislation was required.

Gansler Commission Implementation Update

The Commission made four overarching recommendations to ensure the success of future expeditionary operations: (1) increase the stature, quantity, and career development of military and civilian contracting personnel, particularly for expeditionary operations; (2) restructure organization and restore responsibility to facilitate contracting and contract management; (3) provide training and tools for overall contracting activities in expeditionary operations; and (4) obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

Secretary Geren directed the establishment of an Army Contracting Campaign Plan under the Acting Under Secretary of the Army to ensure that the Gansler Commission's findings and recommendations are implemented as

quickly as possible without the loss of any momentum. We are making steady progress in this area.

With regard to the first recommendation to increase the stature, quantity, and career development of the Army's contracting personnel, we have a number of initiatives underway. We now have a contingency contracting structure that consists of Contracting Support Brigades, Contingency Contracting Battalions, and four-person Contingency Contracting Teams. Each Contracting Support Brigade is commanded by a Colonel who assists the Army Service Component Commander (ASCC), a three-star commander, in their contracting support – by planning and coordinating contracting operations in a theater. These brigades oversee Contingency Contracting Battalions and teams – Active, Reserve, and National Guard – in executing the ASCC's contracting support plan. The contracting brigades, battalions, and teams are being activated and will eventually total seven brigades, 11 battalions, 18 senior contingency contracting teams, and 153 contingency contracting teams. These brigades, battalions, and teams will coordinate and integrate their plans with Army Field Support Brigades. These two new brigade designs support the Army modular force in the development of a single, fully integrated planning cell to provide quick response, command, and control of acquisition, logistics, and technology activities needed to support and enable the full spectrum of operations.

The Army plans to grow our military contracting structure in the Active force as well as our civilian contracting workforce. We realize the need for members of the military to begin their acquisition careers earlier. Plans are

underway to move the accession point for military officers two to three years earlier, immediately following their Branch qualification at the Captain level (normally at the four to five year mark in their development). For Non-Commissioned Officers, the accession point will occur upon achieving the rank of Staff Sergeant. We have implemented a policy stating that military members will not deploy during their first year in contracting. This will help ensure the requisite training is accomplished prior to deploying on an expeditionary contracting mission. Lastly, the Army is formally interviewing units as they return from theater to capture "expeditionary contracting" lessons learned and incorporate the findings into doctrine, training guides, and user handbooks.

With regard to the second recommendation to restructure organization and restore responsibility, as stated in the introduction, we established the ACC on March 13, 2008. This new command will leverage contracting assets across AMC and will better prepare us to support expeditionary operations. The one-star Expeditionary Contracting Command will be a deployable Headquarters, enabling the proper oversight and structure for extended conflicts. In addition, regarding the recommendation to establish a Chief of Contracting for the U.S. Army Corps of Engineers (USACE) headed by a one-star and supported by a deputy from the Senior Executive Service, the USACE is developing a concept plan, and we are working with them to complete, publish, and implement this plan.

Concerning recommendation three to provide training and tools, the Army is assessing opportunities to improve contingency contracting training at our

Combined Training Centers. In addition, we are expanding the mission of the Battle Command Training Program by including acquisition professionals to train brigade, division, and corps organizations. We are also evaluating ways to incorporate contractor training into all military exercises. At present, 12 professional military education courses have new or enhanced operational contract support subject matter, and we have put in place an intensive training and management program for our Contracting Office Representatives (CORs). In addition, all Army CORs must complete the Defense Acquisition University's on-line continuous learning module, "*COR with a Mission Focus*," prior to appointment. For example, since October 1, 2007, over 200 CORs have been trained in Kuwait to manage contracts in support of Kuwait operations. All contracts awarded now by the Kuwait Contracting Office have a trained COR performing surveillance.

To improve our contingency contracting training and doctrine, we have taken several actions. We are taking a set of concrete steps which include: (1) working with the Joint community on the final draft of Joint Publication 4-10, *Operational Contract Support*; (2) distributing the recently released *Joint Contingency Contracting Handbook*; (3) developing Field Manual 4-10, *Commanders Guide to Contracting and Contractor Management* and Field Manual Interim 4-93.42, *Contract Support Brigade*; (4) accelerating efforts to enhance leader education in contracting and contractor management; (5) re-examining the training curriculum and timing for all newly accessed acquisition officers and civilians; and (6) re-examining the accession point for

contracting officers and non-commissioned officers into the Army Acquisition Corps. In addition, we are evaluating solutions to develop and field a *Virtual Contracting Enterprise* to provide electronic, web-based tools to enable total visibility and analysis of the full scope of our entire contracting mission.

The Department is actively assessing and developing its position regarding the appropriate numbers of General and Flag Officers and Senior Executive Service authorizations for contracting positions. Our report to the congressional committees in response to section 849 of the Fiscal Year 2008 (FY2008) National Defense Authorization Act (NDAA) will contain additional information on this subject.

As the Department reviews the Commission's recommendations and appropriate implementation actions we are assessing the possibility of recommending specific supportive legislative actions. As required by section 849 of the FY2008 NDAA, we will submit a report to the congressional defense committees with the results of our assessments by May 28, 2008, and will provide additional information at that time.

Army Contracting Task Force Update

The Task Force was directed to implement reforms and corrections immediately to correct deficiencies specifically identified in Kuwait, which have already resulted in significant improvements in contracting operations. Several new leaders are now in place, along with new internal control processes for effective checks and balances.

A systematic review of Kuwait contract files from Fiscal Year 2003 to Fiscal Year 2006 was directed to identify issues that weren't already being addressed by an ongoing investigation by either the U.S. Army Audit Agency (AAA) or the U.S. Army Criminal Investigation Command (CID). A 10-person military team deployed to Kuwait and completed a review of 339 contracts under $25,000. The team found poor contract documentation, referred several contracts to AAA and CID for additional analysis, and documented "lessons learned" for future expeditionary contracting support.

The review of contracting actions over $25,000 is almost complete at the U.S. Army Tank-automotive and Armaments Command (TACOM) Life Cycle Management Command (LCMC) in Warren, Michigan. Roughly 90 boxes of contract files were sent there from Kuwait. The review of 319 contracts is complete. Several of these contracts have been referred to AAA and CID for further analysis. The team specifically recommended improvements in the areas of source selection procedures, lease versus buy analyses, performance based contracting, and contract review processes. The TACOM team is also reviewing financial data to ensure appropriate disbursements and accounting of payments.

Work continues with the orderly transfer of existing and future major contract actions from Kuwait to the U.S. Army Sustainment Command (ASC) at Rock Island, Illinois, a subordinate command under AMC. ASC established a dedicated 12-member team, supported by legal professionals, charged to assist in resolving a number of claim actions, definitizing unpriced actions, and negotiating new contracts for requirements in ways that will result in significant

cost avoidance or savings. The leasing of non-tactical vehicles in support of Kuwait operations was renegotiated with an estimated savings of $36.6 million over a three-year period.

Several other initiatives designed to enhance contracting support for contingency operations are underway. The Army established a team to examine our contingency contracting force design and determined the need to add three additional contracting support brigades, five additional contingency contracting battalions, three additional senior contingency contracting teams, and 48 additional contingency contracting teams. These were included in the totals on page four.

The Army Contracting Task Force final report was completed on March 17, 2008, and has been presented to the Secretary of the Army. The details in the report will be included in the Section 849 of the FY2008 NDAA report to Congress.

Acquisition Workforce

I would like to discuss the steps the Army is taking to implement Sections 807 and 852 of the FY2008 NDAA, and briefly highlight Section 851. The Army has implemented a contractor inventory system as referenced in Section 807. In 2002, the DoD Business Initiative Council approved the Army as the DoD pilot to test a contractor manpower and cost reporting process, designed to provide better visibility over the labor and costs associated with the contract workforce and the missions supported by that workforce. The Contractor

Manpower Reporting system was implemented in March 2005. With this process already in place, we will work closely with DoD to define, refine, and implement the contractor inventory requirements of Section 807.

The Army is actively engaged in helping to shape DoD's response to the FY2008 NDAA, Section 851 which requires a separate section on the Defense acquisition workforce in the DoD Human Capital Strategic Plan. This plan is directly linked to implementation of FY2008 NDAA Section 852. In supporting this effort, the Army is taking aggressive action to review its existing workforce development programs and define opportunities to improve the Army's acquisition workforce. Section 852 requires that DoD address acquisition workforce needs in three separate areas: recruitment, training, and retention.

A joint acquisition workforce group composed of the military services and defense agencies have identified approximately 90 proposals that have been merged into 20 enterprise initiatives. These joint meetings have facilitated the prioritization and funding strategy in order to determine best value investment for the DoD acquisition workforce. Although some of the initiatives represent Service-specific programs, pilots, or opportunities, the proposed initiatives in many cases represent best practices from among the Services and those that have potential for enterprise across DoD. The details and merits of these and other initiatives will be presented to the Service Acquisition Executives over the next few weeks as we move to final recommendations and decisions on how best to execute the Defense Acquisition Workforce Development Fund.

I will share with you some examples of proposed initiatives from these categories. With regard to recruitment, DoD and the Services all recognize the need to refresh acquisition workforce talent by bringing new hires on board at both the intern and more senior expert level. The Army supports Section 852 initiatives to launch a recruitment outreach program for DoD acquisition positions in order to attract new personnel, especially those with technical degrees such as science, technology, engineering, and mathematics. The timely and appropriate training of the acquisition workforce is essential and helps retain a trained and learning workforce. We also support initiatives to increase training capacity and improved methods of training delivery through the use of state-of-the-art learning technologies such as e-learning advancements, simulations, or gaming. A need for enhanced technical and professional training for CORs has been identified by DoD and others. The resultant initiative calls for the development and execution of a robust COR Performance Qualification Program. These expanded training initiatives will ensure that all DoD CORs are provided consistent, timely, and relevant training. Other Section 852 initiatives will leverage capabilities to improve workforce information and analyses to enable more effective workforce planning and skills gap assessments. This will help ensure that the acquisition workforce has the documented and appropriate skills and capabilities to effectively support our current and future acquisition mission, including contingency operations.

Over the next few weeks, we will jointly discuss and analyze all Section 852 initiatives to determine the best enterprise solutions for our recruitment,

training, and retention challenges. This has been a very robust process, and when the funding is provided, DoD and the Services will be poised to implement the highest priority solutions in a way that optimizes DoD results. The Army appreciates the opportunities that Section 852 will provide our workforce. These programs will help ensure a well-trained and educated workforce, focused on providing the Soldier with world-class capabilities.

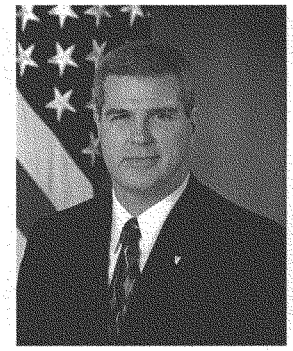
Conclusion

As stewards of American taxpayers' dollars, the Army is improving its structure and capacity to manage contracts to better support expeditionary operations and improve overall contractor performance.

Expeditionary military operations in Iraq and Afghanistan have placed extraordinary demands on our contracting system and the people who make it work. As stated before, the vast majority of our military and civilian contracting personnel perform well in tough, austere conditions. We know that the success of our warfighters and those who lead them is linked directly to the success of our contracting workforce, and we are working hard to ensure that contracting is a core competency within the Army. We are also working hard to change the culture in the Army to one that recognizes the critical and complex role of contracting as a core competency. The Army's focus on contracting is not just for contracting professionals. Warfighters set requirements and help manage contract execution, and they must be totally involved in their part of the contracting process.

The commitment of our contracting professionals and to our contracting professionals must be 100 percent. They must stay focused on supporting the warfighter, and inspire the confidence of the American people. This will not be easy; it will take time, but getting it done is essential. We cannot and will not fail – our warfighters and our taxpayers deserve no less.

MR. JEFFREY P. PARSONS
Executive Director
U.S. Army Contracting Command (Provisional)
Fort Belvoir, Virginia



Mr. Jeffrey P. Parsons is the Executive Director of the U.S. Army Contracting Command, a new Major Subordinate Command of the U.S. Army Materiel Command (AMC). The Command provides global contracting support to the operational Army across the full spectrum of military operations and in garrison. Mr. Parsons commands over 5,590 military and civilian personnel at 342 locations worldwide who award and manage over 270,000 contractual actions valued at more than $80 Billion per fiscal year. He exercises command and procurement authority over two subordinate commands, the Installation Contracting Command and the Expeditionary Contracting Command, and also leads the AMC Acquisition Centers who support AMC's other Major Subordinate Commands and Life Cycle Management Commands. Mr. Parsons was appointed to the Senior Executive Service on December 15, 2003.

Prior to assuming his current position, Mr. Parsons served as the Director of Contracting, Office of Command Contracting, Headquarters, U.S. Army Materiel Command, Fort Belvoir, Virginia. Responsibilities from the Office of Command Contracting transitioned into the Army Contracting Command. Mr. Parsons continues to serve as the Principal Advisor to the Commanding General of AMC and his staff on all contracting matters and as the AMC Career Program Manager for the Contracting and Acquisition Career Program, with responsibility for the recruitment, training, education, and professional development of the civilian and military contracting professionals who are part of the acquisition workforce.

Prior to his appointment to the Senior Executive Service, Mr. Parsons was the Director of Contracting, Headquarters, U.S. Air Force Materiel Command, Wright-Patterson Air Force Base, Ohio, where he retired from active duty as an Air Force Colonel after 26 years of service. He was responsible for developing and implementing contracting policies and processes to annually acquire $34 billion in research and development, production, test, and logistics support for Air Force weapon systems. He was directly responsible for the training, organizing, and equipping of more than 3,000 contracting professionals.

Mr. Parsons' contracting career began in 1977 as a base procurement officer supporting the 90th Strategic Missile Wing at F. E. Warren Air Force Base, Wyoming. He held a variety of positions as a contracting officer with a wide range of experience touching on all aspects of systems, logistics, and operational contracting. He was the Director of Contracting for a multi-billion dollar classified satellite program operated by the National Reconnaissance Office and served twice as a plant commander in the Defense Contract Management Agency. Mr. Parsons also held several key staff positions at Headquarters, U.S. Air Force, the Air Force Secretariat, and with the Office of the Secretary of Defense, in which he was responsible for the development, implementation, and management of integrated, coordinated, and uniform policies and programs to govern DoD procurement world-wide.

Mr. Parsons received his Bachelor's Degree in Psychology from St. Joseph's University, Philadelphia, Pennsylvania, and holds two masters degrees – one in Administration with a concentration in Procurement and Contracting from George Washington University, Washington, DC, and the other in National Resource Strategy from the National Defense University. He is a graduate of the Industrial College of the Armed Forces and the Defense Systems Management College Executive Program Management Course. Mr. Parsons holds the Acquisition Professional Development Program's highest certifications in contracting and program management. He also is a Certified Professional Contracts Manager, National Contract Management Association.

STATEMENT BY

THE HONORABLE JACQUES S. GANSLER, PH.D.*
CHAIRMAN, COMMISSION ON ARMY ACQUISITION AND PROGRAM MANAGEMENT IN EXPEDITIONARY OPERATIONS
AND
PROFESSOR AND ROGER C. LIPITZ CHAIR
CENTER FOR PUBLIC POLICY AND PRIVATE ENTERPRISE
SCHOOL OF PUBLIC POLICY
UNIVERSITY OF MARYLAND

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

URGENT REFORM REQUIRED: ARMY EXPEDITIONARY CONTRACTING
THE REPORT OF THE COMMISSION ON
ARMY ACQUISITION AND PROGRAM MANAGEMENT
IN EXPEDITIONARY OPERATIONS

APRIL 10, 2008

NOT FOR PUBLICATION
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BY THE COMMITTEE
ON ARMED SERVICES

*Dr. Gansler served as Under Secretary of Defense (Acquisition, Technology, and Logistics) from 1997 to 2001

The Secretary of the Army established an independent "Commission on Army Acquisition and Program Management in Expeditionary Operations" to review the lessons learned in recent operations; and to provide forward-looking recommendations to ensure that future military operations achieve greater effectiveness, efficiency, and transparency. I was honored to chair the Commission. I was joined by five distinguished Commissioners with expertise and insight into government acquisition, including program management and contracting. The Commissioners included General (Ret.) David Maddox, who represented the Army's operational community; General (Ret.) Leon Salomon, who represented the Army's acquisition community; Rear Admiral (Ret.) David Oliver, who provided alternate Service representation and recent experience in Iraq, through his service with the Coalition Provisional Authority, and then two very senior, experienced Department of Defense civilians in David Berteau and George Singley.

At the Secretary's direction, we conducted our efforts within a compressed 45-day timeframe, indicative of immediate challenges facing the Army. Our focus was on how to prevent any shortcomings in Army acquisition and program management in expeditionary operations for the next time. Our charter was forward-looking: we were tasked to ensure that, institutionally, the Army is best positioned for future operations—which will be expeditionary, joint, and likely to be multi-agency political/military events.

At the outset, it is important to note that other, concurrent activities were underway, focusing on different aspects of today's challenges. Lieutenant General Ross Thompson and Ms. Kathryn Condon were co-chairing the Army Contracting Task Force that was looking at the current fraud issues. Separately, the Department of Defense Inspector General, Lieutenant General (Ret.) Claude Kicklighter, was looking at equipment accountability issues. And, outside of DoD, Ambassador Kennedy of the State Department had an effort underway to examine private security contracts. Thus, current fraud, equipment accountability, and private security contracts were not within the purview of this Commission.

To address our forward-looking tasking, in September and October 2007, the Commission engaged officials within all of the relevant communities through 122 interviews. The individuals we heard from represented a wide range of stakeholders, from senior military leadership, to field operators, to audit personnel, to contractor-support personnel, and so forth. We spoke to people both state-side and deployed. Our discussions with personnel inside the

continental U.S.—or CONUS—were important, especially since we defined "expeditionary" as not only *outside* of CONUS but also emergency conditions *within* CONUS (like a Katrina incident); given that there are very great similarities in terms of the responsiveness to both situations. We also heard from people currently deployed in Iraq, Afghanistan, and Kuwait. Given the compact schedule, the Southwest Asia interviews were conducted by video teleconference. We separately interviewed the commander of the Joint Contracting Command-Iraq/Afghanistan, then the next level of military leadership, and then the worker level; all in the absence of their supervisors, so that we were able to get an objective, independent assessment.

Despite the broad spectrum represented by our interviews, we received almost universal agreement on what the issues are; what changes are required; and the absolute need for change. As a result, the Commission crafted a broad-based strategy for addressing shortcomings; which we published in an independent report dated October 31, 2007; and titled *Urgent Reform Required: Army Expeditionary Contracting*. I would request that the Executive Summary from that report be included in the record of today's proceedings. I appreciate this Committee's invitation to highlight some key findings and recommendations from that report.

Our key findings include the observation that the Army—and, more broadly, DoD—does not have a problem with a single organization or a group of individuals; rather, the Army and DoD are faced with a systemic challenge in executing expeditionary operations, both from an operational and an institutional vantage point. The "Operational Army" is expeditionary and on a war footing. Yet, it has not fully recognized the impact of the large number of contractors involved in expeditionary operations and on their potential impact to mission success. In fact, today, with approximately 160,000 to 190,000 contractors in the Iraq/Afghanistan/Kuwait zone, they represent approximately 50 percent of the "total force." Additionally, critical segments of the "Institutional Army"—which supports the "Operational Army"—have not adapted in order to provide responsive acquisitions and sustainment for expeditionary operations. Some specific examples where shortcomings exist include:

- Financial management – On the LOGCAP program in a one-year period, there were 141 incremental funding contract modifications. That means that the contract had to be modified 141 times, just because the approved money was not being adequately released (by OMB, OSD Comptroller, and/or Army Comptroller). This is inconsistent

with war-time needs. We have to be able to provide the money in a timely fashion, in order to run expeditionary operations effectively and efficiently.

- Civilian personnel – Our Government civil servants do not qualify for favored income tax benefits (comparable to military personnel and contractors in the same situation) when deployed in support of expeditionary operations; and do not have the benefit of long-term medical coverage for injuries sustained in-theater. Nor is their life insurance coverage extended for "acts of war;" yet they are asked to "volunteer" to go into the war zone.
- Military personnel –There are no longer any Army General Officer positions for career contracting professionals. In 1990, there were five. So there is little incentive to pursue this career field. Yet, for expeditionary operations, we need contracting people in uniform in this critical area to be leading in the war zone.
- Contracting and contract management – The contracting process is very complicated and involves multiple stakeholders. This is not simply signing a piece of paper to create a contract. The process ranges from defining requirements all the way through the 70-plus steps of post-award contract management, to ensure mission accomplishment. When done properly these important functions ensure efficient use of our tax dollars and control waste, fraud, and abuse, but we found they were often not done; and, when done at all, it was a "pick-up game."

Contracting should be a core capability of the Army, but it currently is treated as an operational and institutional side issue.

We found that the DoD has an extremely dedicated corps of contracting people. The problem is they are understaffed, overworked, under-trained, under-supported, and, I would argue, most importantly, under-valued. Some data points illustrate the current challenges:

- Only 3 percent or so of Army contracting personnel are active duty military. Many more trained and experienced military personnel (officers and non-commissioned officers) are required in an expeditionary environment.
- The DoD Authorization Act for Fiscal Year 1996 required DoD to reduce its acquisition workforce by 25 percent by the end of Fiscal Year 2000. After those reductions, the Department has not increased the acquisition workforce, even though the budget has gone up dramatically since 9/11/01. In fact, despite about a seven-fold

workload increase, and the greater complexity of contracting in this intense environment, the civilian and military contracting workforce has been declining; and of those remaining, only 56 percent of the military officers and 53 percent of the civilians in the contracting career field are certified for their current positions.

Based on the valuable lessons learned, the Commission developed recommendations that address the gravity of the situation, and the urgent need for reform. In short, the Commission identified four key elements to future success:

1. Contracting personnel—increase the stature, quantity, and career development of contracting personnel, military and civilian (especially for expeditionary operations);
2. Organization and responsibility—restructure the Army contracting organization and restore its overall responsibility to facilitate high-quality contracting and contract management in both expeditionary and peacetime operations;
3. Training and tools—provide training and tools for overall contracting activities in expeditionary operations; and
4. Legislative, regulatory, and policy—obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

Our report covers the details of the first three areas, so today I would like to focus on the fourth category, and ask for Congressional assistance with the legislative aspects of the Commission's recommendations.

First, we recommend that Congress authorize General Officer billets for Army contracting and Joint contracting. Specifically, this Commission recommends that five new Army General Officers, as well as one Senior Executive Service billet, be established and "fenced," for the Secretary to assign to meet this urgent need. And five additional joint General or Flag billets be established, including a three-Star for the expanded scope of the Defense Contract Management Agency (which we strongly recommend), and with Service "back-fill" authorizations for the joint positions. These military officer billets should not be created at the expense of existing civilian Senior Executive Service contracting authorizations in the Army workforce. These must be maintained.

In the past decade and a half, we have witnessed the elimination of General Officers in the contracting field. As I noted, in 1990, there were five Army General Officers. Some started as two-Star positions, were reduced to one-Star, and then all five were eliminated. In the Joint

commands, all four contracting Flag and General Officer positions have similarly disappeared. Today, all that remains is one temporary position: the Joint Contracting Command-Iraq/Afghanistan, which, at the time of the report, was being filled by an Air Force officer. The Commission believes this backslide needs to be remedied. We must at least get back to where we were in 1990.

General Officers must lead an Army transformation to make contracting an Army core competence. The Army needs General Officers who know contracting and can serve as functional advocates for expeditionary operations; and to avoid the problems that are now being experienced in Iraq, Afghanistan, and Kuwait. These General Officers, who must be permanently assigned to contracting, will initiate and sustain improvement to Army acquisition, grow future leaders, and support leadership efforts. Our report identifies the specific positions the required General Officers would fill, as well as the organizational changes required to achieve the desired transformation in Army and Joint contracting.

Second, the Commission recommends an increase in Army contracting personnel authorizations by 1,983. That includes increasing Army military by 400 and civilian by 1,000, as well as providing 583 billets, military and civilian, for Army support to DCMA. The Army contracting personnel total increase is not that significant, relative to the total people currently in the Army contracting career field, even including the DCMA fill-in.

In 1990, the Army had approximately 10,000 people in contracting. This was reduced to approximately 5,500, where it has largely remained; while the dollar value of Army contracts has increased 331 percent, and the number of Army contract actions increased 654 percent (from approximately 52,900 to 398,700 between 1992 and 2006).

The Army is the DoD "Executive Agent" for contracting in Iraq and Afghanistan, but is unable to fill military or civilian contracting billets, in either quantity or qualifications. There are far too few Army contracting personnel in-theater to meet their commitments. Congress must help the Army meet its commitment to support the troops on future expeditionary missions by authorizing additional Army contracting personnel.

To meet the critical need for contract post-award management, the Commission recommends that DCMA become DoD's "worldwide, contract management center of excellence." To do this, DCMA needs additional resources. The House Appropriations Committee has acknowledged the need for more DCMA personnel by recently saying, "It is

clear that DoD currently lacks the means to provide proper oversight of its service contracts, in part because of an insufficient number of contract oversight personnel." The Commission believes 583 DCMA billets are needed for Army support alone. Of course, if DCMA does not perform worldwide contract management for DoD, the Services are going to have to fulfill this responsibility, and will need to be resourced for it.

Third, the Commission recommends Congressional action to improve incentives for Army civilian contracting personnel who volunteer to deploy for expeditionary contracting. Right now, they are undervalued—in compensation; education and training; career opportunities; and other occupational incentives. As a result, many approved contracting positions go unfilled, especially in-theater. The DoD owes this dedicated core of civilian patriots its appreciation and better treatment. Congress can help address this problem by providing government civilians tax-free status when deployed (like their military and contractor counterparts), and long-term medical care and life insurance for in-theater injury or death. Our deployed military are tax free from the moment they hit the ground and have long-term medical coverage and life insurance for any injuries or death sustained while deployed. Yet comparable tax benefits are not accorded to deployed government civilians. If DoD is to incentivize its civilian workforce to deploy to what can be extreme and hostile work environments, they must be afforded tax treatment and benefits coverage comparable to that of the military. In addition, Congress should provide "stand-by" removal of the pay cap for deployed civilians, for any future expedition. Although this has been done for Iraq, it is specific to the current engagement and not available for the next time.

Fourth, the Commission recommends that Congress enable funding flexibility through an adequately resourced "contingency operations transfer fund." This would be a Defense transfer fund without "color of money" or fiscal year limitations, with the DoD responsible for providing Congress with insight via reporting on expenditures and savings. This recommendation is based on the Balkans' "Overseas Contingency Operations Transfer Fund," which was approved by Congress, and which currently exists for AID. However, right now, such a fund does not exist for Iraq, and we believe that not only should it be created for Iraq, but also for any future expeditionary operations, on a legislative "stand-by" basis.

Fifth, and finally, we recommend that Congress provide "stand-by" legislation to waive small business and U. S. labor provisions, Buy American, Berry Amendment, Specialty Metals and other such provisions to allow rapid, local buying, if required, in expeditionary operations. In

Iraq, a "Buy America" waiver exists, but again this is specific to the current operation and therefore not available to any future expedition.

The preceding are just some highlights of the many recommendations contained in the report, but which are particularly relevant for today's purposes because they require Congressional action. In addition, the report includes 40 specific recommended actions for the Secretary of the Army and the Secretary of Defense (see attached). The Commission has briefed both Secretaries, concurrent with the report's publication and release. Both Secretaries indicated that they fully support the Committee's report and have begun to move out quickly on its recommendations. But they need Congressional help on key aspects of the report, which I have highlighted here today.

Additionally, Chairman Skelton released a statement on November 1 saying that "Congress will seriously consider the Commission's recommendations, particularly those that require legislative action." And, during a prior hearing before the Senate Armed Services Committee, the chairman of the Readiness and Management Support Subcommittee stated "These recommendations have my full support."

The Commission greatly appreciates the strong support we have received from the Congress. Already, the National Defense Authorization Act for Fiscal Year 2008 included a requirement in Section 849 for the Secretary of the Army and the Secretary of Defense to evaluate the Commission's recommendations and develop a report to Congress. Like you, the Commission looks forward to the results of this analysis, which are expected to be provided in late May.

The Commission is also heartened by the strong support from the Department's leadership. As I noted, both the Secretary of Defense and the Secretary of the Army indicated full support of the Commission's report. To ensure forward momentum, the Army and the Office of the Secretary of Defense have established task forces for implementation. The Army task force is led by MG George Harris of the Army Contracting Campaign Plan. The OSD task force, which includes all of the Services and Agencies, is led by Mr. Shay Assad, Director, Defense Procurement, Acquisition Policy, and Strategic Sourcing, who reports to Dr. James Finley, Deputy Under Secretary of Defense (Acquisition and Technology). These task forces are coordinating with each other and stakeholders, including the Commission. We were briefed by the Army in January and expect another briefing this month. I have personally met with OSD

leadership approximately every 3 weeks. The Army and OSD are working together to develop a metric scorecard to ensure changes have an enduring impact on expeditionary operations. This scorecard will be used to continually monitor and measure the improvements undertaken in response to the Commission's recommendations. They have kept the Commission apprised of progress and frequently solicit our feedback on implementation activities.

During these progress reviews, the Commission has heard of some noteworthy implementation actions. For example, OSD has published an important tool, a Joint Handbook for Contingency Contracting. Also, the Army has restructured its contracting organization per the Commission recommendations. The Commissioners were delighted to participate in the February 2008 ceremony to (provisionally) stand up the new Army Contracting Command. During our interactions with the Army and OSD, we have heard that, in all cases, they are aiming to implement the intent of all the Commission's recommendations. We look forward to working with them to assure full and successful implementation.

As the Secretary of Defense noted, in his response to our report, the problems the Commission identified are not just confined to the U.S. Army; many have been identified across the DoD, and, more broadly, across the government. Independently, each of these problems is a daunting challenge; together, they demand a significant cultural, structural, and policy overhaul of the kind that requires a specific, urgent, and continuing focus by senior leadership. It is heartening that our Commission's report has received as much positive attention as it has from Congress, the Army, and the Defense Department. This issue is critical to America's future security. Our warfighters, and our taxpayers, deserve its priority attention.

Given the importance and urgency of these actions in support of our troops, the Commission is hopeful that Congress will consider some out-of-cycle action to address the recommendations I have outlined today.

In closing, I would like to observe that too often it takes a crisis to bring about major change. We believe the Iraq/Kuwait/Afghanistan contracting problems have created such a crisis! Changes are urgently required in the area of DoD contracting – especially directed to future expeditionary operations. It is up to the Military and Secretariat leadership (both in the Army and the overall DoD) to bring about the needed changes. And they cannot make many of the necessary improvements without Congressional assistance.

I hope you will agree, and provide that needed support. Our troops deserve it.

This concludes my prepared statement.

Urgent Reform Required:
Army Expeditionary Contracting

Report of the "Commission on Army Acquisition and Program Management in Expeditionary Operations"

Electronic copies of this report can be found at:
http://www.army.mil/docs/
Gansler_Commission_Report_Final_071031.pdf

I. Executive Summary

The acquisition failures in expeditionary operations require a systemic fix of the Army acquisition system.

The Secretary of the Army established an independent Commission on Army Acquisition and Program Management in Expeditionary Operations to review the lessons learned in recent operations and provide forward-looking recommendations to ensure that future military operations achieve greater effectiveness, efficiency, and transparency.[1] The Commission assessed process (including internal controls), personnel, organization, training, policy and regulation, as well as explored legislative solutions, to ensure that the Army is properly equipped for future expeditionary operations.[2]

The "Operational Army"[3] is expeditionary and on a war footing, but does not yet fully recognize the impact of contractors in expeditionary operations and on mission success, as evidenced by poor requirements definition.

The Commission found that the following critical segments of the "Institutional Army"[4] have not adapted in order to enable responsive acquisitions and sustainment for expeditionary operations. Specifically:

- Financial management
- Civilian and military personnel
- Contracting and contract management
- Training and education
- Doctrine, regulations, and processes

These key failures encumber the Army acquisition system's performance and have significantly contributed to the waste, fraud, and abuse in-theater by Army personnel.

The Commission found that:

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[1] The Commission charter is available at Appendix B.

[2] The term "expeditionary" includes both OCONUS and domestic emergency operations. The Commission believes the term "expeditionary"—rather than "contingency"—is a broader term that better encompasses any future national defense and national security missions. The Commission therefore uses this term throughout the report.

[3] The Operational Army consists of numbered armies, corps, divisions, brigades, and battalions that conduct full spectrum operations around the world.

[4] The Institutional Army supports the Operational Army. Institutional organizations provide the infrastructure necessary to raise, train, equip, deploy, and ensure the readiness of all Army forces.

- The expeditionary environment requires more trained and experienced military officers and non-commissioned officers (NCOs). Yet, only 3 percent of Army contracting personnel are active duty military and there are no longer any Army contracting career General Officer (GO) positions.

- The Army's acquisition workforce is not adequately staffed, trained, structured, or empowered to meet the Army needs of the 21st Century deployed warfighters. Only 56 percent of the military officers and 53 percent of the civilians in the contracting career field are certified for their current positions.

- Notwithstanding a seven-fold workload increase and greater complexity of contracting, the Institutional Army is not supporting this key capability.

- Notwithstanding there being almost as many contractor personnel in the Kuwait/Iraq/Afghanistan Theater as there are U.S. military, the Operational Army does not yet recognize the impact of contracting and contractors in expeditionary operations and on mission success.

- What should be a core competence—contracting (from requirements definition, through contract management, to contract closeout)—is treated as an operational and institutional side issue.

UNANIMOUS ACCORD: ACQUISITION FAILURES IN EXPEDITIONARY OPERATIONS URGENTLY REQUIRE A SYSTEMIC FIX OF ARMY CONTRACTING

The Commission heard testimony from more than 100 individuals who are well experienced in the challenges of Army acquisition in expeditionary operations, primarily in Kuwait, Iraq, and Afghanistan. The most notable characteristic of the testimony is a nearly unanimous perception of the current problems, their gravity, and the urgent need for reform. The people in the field understand the issues and identified the necessary solutions, and the Commission recommendations reflect these valuable lessons learned.

"There are things Commanders in the field see as problems that people in DC don't think are problems–we should listen to the Commanders.
This problem is pervasive DoD-wide, because workload continues to go up while contracting and acquisition assets go down–there is a cost to these trends that is paid in risk, and we don't realize how big the bill is until there's a scandal.
The civilian personnel system does not serve an expeditionary force well–the system needs to provide superior short-term and career incentives to civilians who stay close to the combat mission.
Until you put Generals back in charge of contracting, the career field will continue to get no respect or resources."
(G.O., speaking of his experience of contracting in Iraq)

History shows that whatever threats the Army next faces will be different from the last, but they are likely to be expeditionary and likely to involve high numbers of contractor personnel. At the same time, operating the most potent military force of all time carries with it the burden that nothing is as simple as it once was. Our Armed Forces have been stretched thin. Technology has changed. All of our Military Services now use contractors to provide essential services. What has not changed is that contracting with taxpayer's funds is an inherently governmental function, and the military commander needs competent professional advice in the exercise of the expeditionary contracting mission.

Therefore, timely and efficient contracting for materiel, supplies, and services in support of expeditionary operations, and the subsequent management of those contracts, are and will be a key component of our achieving success in future military operations. Contracting is the nexus between our warfighters' requirements and the contractors that fulfill those requirements—whether for food service, interpreters, communications operations, equipment repair, new or modified equipment, or other supplies and services indispensable to warfighting operations. In support of critical military operations, contractor personnel must provide timely services and equipment to the warfighter; and the Army contracting community must acquire those services and equipment effectively, efficiently, and legally; while operating in a dangerous, fast-paced environment. Over half of the personnel currently in Iraq and Afghanistan are contract employees. This puts Army contracting (writing, negotiating, monitoring, and achieving accountability and enforcement of the contracts), along with modern (information-based) logistics support, squarely at the forefront of our challenges in supporting expeditionary operations. It also invokes command-level issues: Commanders must have timely situational awareness of contracts and contractor personnel and assets on the battlefield, to properly plan, synchronize operations, and manage the supply chain.

The Army currently lacks the leadership and personnel (military and civilian) to provide sufficient contracting support to either expeditionary or peacetime operations. The Army's difficulty in adjusting to the singular problems of Kuwait, Iraq, and Afghanistan is in large part due to the fact that there are no Generals assigned to contracting responsibilities. This is a decade-old blight: the cutbacks began in 1991, and no General Officers have held an Army

contracting position since 1998.[5] In a military environment (especially in an expeditionary environment), the number and level of the Generals associated with a discipline reflects its importance. A General is held accountable for his or her leadership. Today, the Secretary of the Army cannot replace a General and obtain a new start for Army contracting—the Army has no Generals doing contracting.

Army contracting personnel face over a 600 percent increase in workload, while performing more complex actions than ever before (for sophisticated services and buying systems-of-systems). Yet, the number of Army civilian and military in the contracting workforce is stagnant or declining.[6] Experienced military contracting personnel are essential for the success of expeditionary operations. Uniformed contracting experts provide the Army with professionals who have served in combat branches and easily understand the Army organizational structure. However, only three percent of Army contracting personnel are military.[7] The number and expertise of the military contracting professionals must be significantly increased in order to fill this void.

Experienced civilian contracting personnel are also essential for expeditionary operations. Any corrective actions addressing the shortage of military personnel must also address civilian personnel.[8] The Commission found Army civil servants to be an extremely dedicated and competent group; however, they are currently being managed by personnel policies that are both out-of-date and irrelevant to the Army mission and challenges of today, especially those of expeditionary operations.

The Army is the DoD "Executive Agent" for contracting in Iraq and Afghanistan, but is unable to fill military or civilian contracting billets, in either quantity or qualification. Although providing contracting support to the Army and Marine Corps is not an Air Force mission, an Air Force Major General currently is in command of the Joint Contracting Command–Iraq/Afghanistan (JCC-I/A). The Air Force also provides over 67 percent of the JCC-I/A contracting resources supporting the ground forces, and is handling most of the complex contract actions such as reconstruction operations.

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[5] In fact, the Commission learned that field-grade officers with contracting backgrounds pursue program management positions within the Program Executive Office (PEO), where general officer positions exist. Although both contracting and program management are under the "acquisition" career field, they are distinct professions, each needing competent professionals and officers.

[6] Indicative of the lack of transparency and responsibility for the contracting enterprise, this Commission was unable to get consistent data on the Army contracting career field (military and civilian).

[7] In contrast, 37 percent of the Air Force contracting workforce is military.

[8] Using skilled civil servants to perform inherently governmental contracting functions frees up uniformed personnel to address increasing warfighting, training, and technology demands.

FOUR KEY IMPROVEMENTS ARE NEEDED

Although this report suggests a significant number of recommended changes to improve Army acquisition and program management in expeditionary operations (as detailed in Section IV of this report), the Commission makes four overarching recommendations to ensure the success of future expeditionary operations:

1. Increase the stature, quantity, and career development of military and civilian contracting personnel (especially for expeditionary operations).
2. Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations.
3. Provide training and tools for overall contracting activities in expeditionary operations.
4. Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

OVERCOMING THE BARRIERS EXPERIENCED BY IN-THEATER WORKFORCE

The span of the challenges are highlighted in the following summary of what the "boots on the ground" contracting personnel and their commanders in Iraq, Afghanistan, and Kuwait told the Commission.

Contracting Personnel

- *Army contracting personnel need military leadership in the form of General Officer positions.* It is unlikely that an Army contracting corps with an adequate number of General Officers would have been so ill-equipped to serve the Operational Army in expeditionary operations. These flag officers would have been "at the table" planning and supporting the operation. Another benefit of having contracting General Officer positions is the increased attractiveness of the contracting corps as a career profession to quality officers that aspire to General Officer rank.
- *Army military contracting personnel, both officers and non-commissioned officers, need to start their contracting career much earlier than they currently do.* While the strength of company-level operational experience is seen as a significant strength of Army military contracting personnel (which is appreciated by both their civilian personnel and Air Force counterparts), entering the contracting field as a field-grade officer or high-ranked NCO with low-level contracting skills and experience does a terrible disservice to our military contracting personnel.

> ***"I am assigned to a field grade command with lieutenant qualifications."***
> (Army contracting field grade officer, regarding his first acquisition assignment)

- *Expeditionary contracting should never be a first assignment.* Contracting personnel sent into a theater of operations need to be highly skilled, adequately trained, and prepared for the challenging, fast-paced demands of expeditionary operations. As the commander of JCC-I/A stated, "This is the Super Bowl, not a scrimmage."

> ***"You don't teach someone to swim by throwing him in the water. Similarly, you shouldn't teach someone contracting skills by throwing him unprepared into a contingency contracting assignment."***
> (Army General Officer)

Organization and Responsibility

- *The Army should not separate a contracting corps from weapons systems or base operations contracting.* Expeditionary contracting is not a specialized business; it is the same business operating at a mission-critical tempo—which requires greater experience, skill, and judgment. Contracting professionals benefit from broad exposure to non-expeditionary assignments. Expeditionary contracting personnel need the training, knowledge, and experience necessary to know how to best support the warfighter while operating within the bounds of sound and legal business judgment; and under the "special provisions" allowable under the Federal Acquisition Regulation for such expedited needs.

> ***"You can't think outside the box if you don't know what's inside the box."***
> (Army General Officer)

- *Contracting personnel need an effective "customer" interface* that performs the type of function an acquisition management staff officer performs. Specifically, the Operational Army must be positioned to translate requirements into statements of work that quickly and seamlessly can be placed on contract.

- *Contracting personnel supporting expeditionary operations need to be on the ground in-theater* where they can interface and interact with their customer: the warfighter. Reach-back to CONUS has not worked well due to the absence of timely interface with the warfighter and the different operations tempo experienced in-theater, where business is conducted 70 to 80 hours a week at a bare minimum, not just during standard CONUS business hours (which, of course, are often in significantly different time zones). The Commission does not consider it responsive if the expeditionary personnel have to deal with a CONUS-based Duty Officer who takes an off-hours request and forwards it to those responsible for acting on the request the next duty day.

> ***"In-theater, we had lots of people in Washington telling us the rules, but having little sense of urgency."***
> (Former Army Contracting Official)

Training and Tools

- *Expeditionary forces need information technology and eBusiness tools.* Expeditionary contracting personnel feel that they are years behind other OCONUS locations with technology, yet they are working in an environment where the operations tempo demands the support of automated tools. Contract writing systems are insufficient and not standardized, negatively impacting the ability to accomplish the mission. Information systems to track contractor personnel, assets, and performance are critical but lacking. Commanders need a common, relevant picture of contractors in the battle space, for operational planning, logistics planning, and situational awareness. Simple eBusiness tools for sample documents, such as statements of work, and rules for application are needed on line and on compact disc. This needs to be user-friendly, similar to commercially available tax software.

- *The Army needs to capture contracting lessons learned from Operation Iraqi Freedom and Operation Enduring Freedom and inculcate them into the military leadership schools and the Center for Army Lessons Learned (CALL).* The Army needs to train operational commanders on the important role contracting plays, as well as their responsibilities in the process. Further, the role and importance of contractors in expeditionary operations should be part of the curricula at command schools (e.g., the War College, CGSC, Sergeant Majors Academy,) and courses for Officers (e.g., Officer Advanced Course), Warrant Officers, and NCOs. Finally, the Army needs to recognize that, in order to operate in a streamlined, agile expeditionary environment, it must, by necessity, rely on contractors to provide combat service support. This means command and control is different. For example, commanders complain about a lack of knowledge of who is in their battle space—they know who military personnel and units are, what their mission is and where they are, but the same is not true for the contractor personnel.

Legislative, Regulatory, and Policy Assistance

- *In-theater contracting personnel have a need for an Expeditionary Contracting Manual.* Contracting is a rules-based process and profession, and contracting personnel need a clearly articulated, and pre-positioned, packaged set of acquisition rules that can immediately be referenced and applied to meet the exceptional contracting requirements of expeditionary operations and they must be pre-trained on the use of these "special provisions." The Commission heard deployed contracting professionals testify on the need for an Expeditionary Contracting Manual that is focused on the expedited processes and flexibilities necessary for procuring the support needed by our warfighters in an expeditionary operation.

- *The Army must provide incentives for civilian contracting personnel* to ensure that the Army can tap into its largest population of contracting expertise. The Army also needs to

be honest and upfront with them about the assignment and conditions and treat them with respect equal to the military personnel.

> ***"We are deploying civilians to the theater based on rules established 30 to 40 years ago."***
> (Army SES)

- *Civil servants need personnel policies that support the roles they may be tasked to serve when the U.S. is engaged in expeditionary military operations.* The Army should do a complete personnel policy review to identify changes necessary to support, properly incentivize, discipline, and provide for its civilian personnel who may be engaged in expeditionary military operations. This includes those personnel who are sent to the theater of operations—including civilian Army contracting professionals—as well as those who fill the void created by personnel deploying to theater.

INSTITUTIONAL ISSUES THAT MUST BE ADDRESSED

Those charged with getting the job done have provided valuable insight into the doctrine, policies, tools, and resources needed for success. Clearly, the Army must address the repeated and alarming testimony that detailed the failure of the institution (both the Institutional Army and the Department of Defense) to anticipate, plan for, adapt, and adjust acquisition and program management to the needs of the Operational Army as it has been transformed, since the end of the Cold War, into an expeditionary force. The Institutional Army has not adjusted to the challenges of providing timely, efficient, and effective contracting support to the force in Operation Iraqi Freedom (more than half of which is contractor personnel). Essentially, the Army sent a skeleton contracting force into theater without the tools or resources necessary to adequately support our warfighters. The personnel placed in that untenable position focused on getting the job done, as best they could under the circumstances—where support is needed in a matter of hours, or, at best, days. They used their knowledge, skill, limited resources, and extraordinary dedication to get contracts awarded. Alarmingly, most of the institutional deficiencies remain four-and-a-half-years after the world's best Army rolled triumphantly into Baghdad.

> ***"The contracting professionals who rose to the occasion in Iraq and Afghanistan deserve a medal. If, during the next expeditionary operation, we face the same institutional mistakes that put them in such a position, someone should be shot."***
> (General Officer speaking of his experience of contracting in Iraq)

The Army must fix the cause of such failures, and the symptoms will subside. The cause is a culture that does not sufficiently value or recognize the importance of contracting, contract management, and contractors in expeditionary operations. Without the necessary contracting leadership, the necessary change cannot be achieved.

The Army Must Transform the Army's Culture with Regard to Contracting

The Commission believes that the Army contracting community has reached a "tipping point" that requires extraordinary action. Perhaps most notable was a question that the Commission repeatedly asked the experts, "Who in the Army is responsible for the situation we are in today?" In reply, the Commission repeatedly heard that there are no General Officers responsible for Army contracting—responsibility was diffused among many organizations, both within CONUS and in the field.

The Commission believes that the identified problems will not be solved by accomplishing any list of corrective actions, no matter how thoughtful, thorough, and extensive the list, unless this is also accompanied by a significant change in the organization of the Army with regard to the contracting community, and the acquisition community within which the contracting function lies.

In fact, while this Commission, other commissions, task forces, and auditors look at the current contracting issues and bring fresh eyes to the problems, the Commission believes that all attempted remedies will be temporary unless the Army returns to basic organizational and Army leadership principles.

Despite the increasing importance of the acquisition process to the Army's performance, the Army apparently has not valued the skill and experience required to perform those processes. Numerous attempts over the last 20 years, both legislative and organizational, to modify that value culture have not succeeded. Despite the outstanding professionalism and talent that is resident at every level of the Army, without significant systemic change, the Army acquisition processes can be expected to inevitably return to below-mediocrity.

General Officers Must Lead the Transformation to Make Contracting an Army Core Competence

To initiate and sustain improvement to Army acquisition, grow future leaders, and support leadership efforts, the Army must designate an appropriate number of General Officers (and Senior Executive Service personnel) who will be permanently assigned to contracting.

In the 1990s there were five Army slots and four joint slots available for General Officers in key contracting and contract management positions. Today, there are no Army slots and only one joint slot (which is currently being filled by an Air Force two-Star officer from the contracting career field). Over this period, the Army Competition Advocate has been decreased from a two-Star billet to a colonel, while the Defense Contract Management Agency has been changed from a joint two-Star billet to a civilian executive.

In order to provide for increased and prolonged professionalism and problem-solving in the military environment; in order to recognize the increased complexity and cost of modern military products and services; and in order to prevent the suboptimal migration of senior military billet assets from the acquisition corps to the operating forces: Congress should authorize these General Officer and SES billets and specifically assign them to the Secretary of the Army, so that the Secretary may ensure they are assigned only to acquisition and contracting billets. These General Officer and SES billets will, through normal Army staffing assignment policy, also drive the assignment of the necessary officers, enlisted personnel, and civil servants who should populate this critical area. This Commission recommends that five new General Officers, and one SES billet, be established for the Secretary to assign to meet this urgent need, and five more joint General or Flag billets be established, including a three-Star for the Defense Contract Management Agency.

ARMY OPERATIONAL LEADERSHIP MUST UNDERSTAND THE TRANSFORMATION

The necessary transformation must be Army-wide. Thus, not only must the acquisition community have leadership—in the form of General Officers—to lead the change, it must grow future leaders and support for leadership efforts, and have sufficient numbers of military and civilian professionals to carry out the changes. In addition, those operators outside the acquisition community must be trained on the role and importance of contracting and contractors in expeditionary operations. This Commission recommends that all leadership courses address the significance of contracting and contractors and that combat exercises include contracting events.

A Single Army Contracting Command Must Establish Contracting as a Core Competence

Under the current organization, none of the contracting commands have responsibility to synchronize all aspects of contracting below the Army Secretariat level. This adversely affects those within the profession and outside the profession. Within the contracting profession, no single advocate for a "cradle to grave" career plan for excellence exists. Outside the profession, commanders and contractors have to deal with multiple heads of contracting activities (HCAs) and principal assistants responsible for contracting (PARCs). These multiple interactions can result in varying policy interpretations and poor operations. These effects are compounded in the expeditionary environment, with its heightened contracting workload, complexity, and tempo.

This Commission recommends a single Army Contracting Command, reporting to the Commanding General of Army Materiel Command, be established and charged with developing a relevant and ready expeditionary contracting capability. The Commander of the Army Contracting Command would have directive authority over all Army contracting capabilities and provide a single focal point for status and readiness of the Army-wide contracting workforce.

A General Officer Must Be Accountable for Post-Award Contract Management

Another major area of concern to the Commission is the failure of both the Army and Defense organizations to perform a mission that is critical to operational success in-theater, and where the Army was, and clearly still is, failing: post-award contract management. Contract management is an essential contracting function to ensure mission accomplishment, and it is an important control to minimize fraud, waste, and abuse.

As stated above, the few contracting resources available in-theater are dedicated to the timely award of contracts. However, in the area of contract management, because of staffing constraints, even the JCC-I/A must engage in a dangerous game of risk management. Contract management for low-risk contracts is forsaken in favor of managing high-risk contracts. JCC-I/A is relying on the "squeaky wheel" method, rather than a proactive method of contract management. For high-risk items (e.g., mission-critical concrete barriers), JCC-I/A devotes the resources to perform proactive contract management. Another important aspect of contract management—contract close-out—is simply not being accomplished. Only about 5 percent of the completed contracts in Iraq are being closed out.

Contract management is the function of the Defense Contract Management Agency (DCMA). However, DCMA is focused on the management of weapons systems contracts (as is the majority of the acquisition community). Although DCMA has DoD's resident expertise in contract management, having absorbed all the Military Services professional contract managers when it was established, it is neither staffed nor resourced to provide operational contract management for the types of contracting efforts supporting expeditionary operations—base, post, camp, and station contracts. DCMA has not been engaged in managing contracts in-theater, except in a limited capacity (managing contracts that were awarded outside the theater of operations such as LOGCAP). Its role and staffing should be expanded and DCMA should be responsible for <u>all</u> post-award contract management for expeditionary operations. As a Combat Support Agency, DCMA, with its increased responsibility, should be led by a three-Star General or Flag Officer, as is the Defense Intelligence Agency and Defense Logistics Agency (DLA).[9] The individual selected and assigned must have extensive acquisition/contract management expertise.

[9] When DCMA's predecessor organization, the Defense Contract Management Command, was under DLA it was led by a two-Star general officer. It is now led by an SES.

SUCCESS MUST BE MEASURED

The Commission recommends a Secretary of the Army chartered Special Task Force be established and tasked to plan for, and achieve, the needed transformation with the proper sense of urgency. The Commission believes that key recommendations should be implemented within six months.

Within 30 days, the task force should develop an ambitious plan for implementing the Commission's recommendations, and provide that plan to the Commission for review. The transition plan—which should identify the sequence in which the projects will be accomplished and describe key aspects of each project—will help the Army bridge the gap between where its acquisition system is today and where it should be in the future. The plan must address all four major improvement areas: contracting personnel; organization and responsibility; training and tools; and legislative, regulatory, and policy assistance. The numerous projects to be included in the transition plan vary in complexity and are interrelated. Therefore, the Army should treat the plan as a program, operating with a consistent approach. One of the initial steps must be to appoint a Special Task Force Leader to develop program goals, objectives, and an integrated master plan for implementation. The program goals and objectives should be reviewed by the Commission. The implementation plan should include periodic coordination with this Commission. At a minimum, the Commission will measure success quarterly by reviewing program reports, with an annual program review.

Summary of Commission's 40 Highest-Level Recommendations

Overarching Recommendation: Implement the Commission's Recommendations Rapidly and Measure Success
(See report pages 12 and 47)

Army

1) **A.1** Charter a Special Task Force to plan for, & achieve, the needed transformation with proper urgency

- A 1 1 Appoint a Special Task Force Leader
- A 1 2 Develop a time-phased master plan within 30 days & provide it to the Commission

2) A.2 Implement key recommendations within 6 months and all recommendations within a year

3) A.3 Review progress periodically with the Commission (quarterly reports and annual program review)

Recommendation 1: Increase the Stature, Quantity, and Career Development of the Army's Contracting Personnel

Congress.

4) **1.1** Authorize 10 additional General Officers for contracting positions

5) **1.2** Maintain existing civilian SES contracting authorizations, plus 1 new SES

Department of Defense:

6) **1.15** Assign DCMA the role of all base, post, camp, and station contract management

7) **1.16** Adequately resource DCMA for this expanded role, and have the required training

8) **1.17** Require a complete review and rewrite (as necessary) of each applicable personnel directive impacting civilian personnel involvement in military operations

Recommendation 1: Increase the Stature, Quantity, and Career Development of the Army's Contracting Personnel (*CONTINUED*)

Army

9) 1 3 Establish "contract planning" (requirements definition) positions

10) **1.4** Establish a separate Army Contracting Promotion board

11) **1.5** Fence the 5 Army General Officer billets to SECAR

12) 1.6 Establish a MG Deputy for Contracting and Director of the Army Contracting Corps

13) 1.7 Increase the number of military (by 400) and civilian (by 1,000) in the Army contracting workforce.

14) 1.8 Ensure that Army military contracting personnel, start their contracting career earlier

15) **1.9** Capture expeditionary contracting lessons learned, incorporate them into systemic forums, and provide feedback to the force

16) 1.10 Establish a separate, centrally managed Contracting Corps

17) **1.11** Establish a skill identifier and manage military contracting personnel

18) **1.12** Adequately fund contracting career planning programs, education & training, and internships

19) 1.13 Ensure that expeditionary contracting deployment is not a first assignment

20) **1.14** Change environment to foster civilian personnel participation in expeditionary operations

Recommendation 2: Restructure Organization and Restore Responsibility to Facilitate Contracting and Contract Management

Army

21) 2 1 Establish a MG Deputy for Contracting and Director of the Contracting Corps and realign the current Deputy Assistant Secretary for Policy as a direct report

22) 2.2 Establish an Army Contracting Command, commanded by a MG, and realign the current Deputy for Contracting, AMC, as a direct report

23) 2.3 Establish an Expeditionary Contracting Command, commanded by a BG, under the ACC, and create a new SES position as a direct report.

24) **2.4** Establish an Installation Contracting Command, commanded by a BG, under the ACC, and realign the current Directing, US Army Contracting Agency, as a direct report

25) **2.5** Establish a chief of contracting for the Army Corps of Engineers, headed by a BG, and supported by a SES deputy

Department of Defense

26) **2.6** Create an Integrated Expeditionary Command in-theater for each major operation

27) **2.7** Make one executive reporting directly to the USD(AT&L) responsible and accountable for DoD contracting

28) **2.8** Redefine DCMA's scope

Recommendation 3: Provide Training and Tools for Overall Contracting Activities in Expeditionary Operations

Army

29) 3 1 Train as we fight: Adapt training exercises to stress rapid acquisition, logistics, and contracting in expeditionary operations; include contracting operations and planning requirements in all military exercises

30) 3.2 Develop and field the contract tools needed for the expeditionary forces (e.g., sample contracts)

Department of Defense.

31) **3.3** Focus DAU to train and educate the civilian and military acquisition, logistics, and contracting workforce for expeditionary operations

32) **3.4** Provide DAU the necessary resources for the through-put it will experience to accommodate the Army's migration to emphasizing Level 1 certification earlier in careers

33) **3.5** Provide training to Contracting Officer's Representatives in each Service, prior to any military operation

Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness

Congress

34) **4.1** Increase General Officer billets for Contracting and Joint Contracting (with "fencing" for contracting professionals)

35) **4.2** Increase contracting personnel (Army military by 400, Army civilian by 1,000, and 583 to fill DCMA billets for Army support)

36) **4.3** Legislate to provide incentives for civilian contracting personnel to "pre-volunteer" for expeditionary operations

- **4.3.1** Eliminate the pay cap
- **4.3.2** Establish tax-free status
- **4.3.3** Make medals available
- **4.3.4** Assure life-insurance and long-term medical coverage

37) **4.4** Legislate to pre-position funding flexibility through an adequately resourced contingency operations transfer fund

38) **4.5** Legislate to pre-position waivers of small business and US labor provisions, Buy American, Berry Amendment, Specialty Metals to allow rapid, local buying for expeditionary operations

Department of Defense:

39) **4.6** Establish an Expeditionary Contracting Manual

40) **4.7** Ensure policy and practice support intelligent funding apportionment for expeditionary operations

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