



UNDER SECRETARY OF THE AIR FORCE
WASHINGTON, DC



March 14, 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (ACQUISITION,
TECHNOLOGY AND LOGISTICS)
UNDER SECRETARY OF DEFENSE (INTELLIGENCE)
ASSISTANT SECRETARY OF DEFENSE (NETWORKS AND
INFORMATION INTEGRATION)
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION

SUBJECT: "Back to Basics" and Implementing a Block Approach for Space Acquisition

National Security Space (NSS) systems have a long history of outstanding performance and these systems are crucial to protecting our national interests. A "mission success" approach to the timely and cost-effective fielding of NSS capabilities is essential to supporting the warfighter and ensuring our national security. In order to improve our focus and ensure we can deliver what we promise--when promised, I am advocating a "Back to Basics" philosophy. The foundation of this disciplined acquisition approach is an experienced, high quality, technically educated, government workforce actively engaged in all aspects of the enterprise.

The "Basics" we need to focus on include: clear and achievable Requirements; disciplined Systems Engineering; effective Management; and appropriate Resources. To that end, we need to continue to work, in both the planning and execution phases, to stabilize and align requirements and resources, reinforce systems engineering principles, and improve our management processes, to include risk assessments and mitigation.

A Block Approach is the cornerstone to improving our space acquisition processes. This approach is based on an incremental delivery strategy--more rapidly providing initial capability--based on proven technologies--while concurrently investing in science and technology (S&T) and technology development to support later blocks. In this way, risk is strategically apportioned across blocks based on technical maturity and fiscal constraints.

The specific number and timing of blocks, the definitions of Initial and Full Operational Capability (IOC and FOC), and the level of capability delivered in each block will vary by program. These details must be coordinated with the user and presented to the Milestone Decision Authority (MDA) for approval via each program's acquisition strategy. An Acquisition Program Baseline must be developed and approved for each block.

Elements for specific blocks include:

Capability. A program's acquisition strategy will describe incremental delivery plans. Incremental capabilities will be outlined along with a roadmap describing progression to FOC. Capabilities should be assessed in terms of deliverables required by the warfighter. The capabilities to be delivered in each block will be based on user agreement, technology maturity, program risk, fiscal constraints and need date.

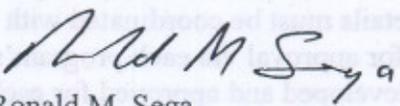
Delivery. A Block Approach places a strong emphasis on delivering an initial capability faster. Delivery timelines should be based on a Time Certain Development principle that establishes a specific time frame in which a specific block of capability will be fielded, starting at Key Decision Point - B (KDP-B). Every effort will be made to stabilize requirements and budget for individual blocks to support delivery timelines. Some new requirements and advanced technologies may be deferred to future blocks to support delivery timelines. Mission success, warfighter needs, and the timely addition of value-added capability for each block will drive these decisions.

Technology Development. The acquisition strategy should identify critical technologies and present a technology development roadmap that aligns with the proposed block delivery plan. A four-staged technology development construct (Science and Technology, Technology Development, Systems Development, and System Production) should be employed with renewed emphasis on the transition between Technology Development and Systems Development to ensure mature technologies (Technology Readiness Level 6) are available by KDP-B to support the fielding of incremental value-added capabilities. The 2006 National Defense Authorization Act now requires the Milestone Decision Authority (MDA) to certify at KDP-B that program technologies have been "demonstrated in a relevant environment."

Risk. Program risks must be identified early and updated often. An assessment of overall risk, an apportionment plan distributing risk across blocks, and increased attention on risk management and mitigation plans are key components of an acquisition strategy.

Budget. A reliable budget starts with a reliable cost estimate. Program estimates should be based on an 80% confidence level by KDP-B. We will work to align program blocks with fiscal realities with this 80% objective in mind.

Effective immediately, all space program acquisition strategies will baseline a Block Approach unless the program shows this strategy is inappropriate. Additionally, Independent Program Assessments will evaluate not only the program being executed, but also the end-to-end capability being delivered. This approach will make the delivery of space system capabilities to the battlefield more predictable. We must refocus our efforts to deploy systems that respond to warfighter requirements in a responsible, timely, and cost-effective manner.


Ronald M. Segal
DoD Executive Agent for Space