

# **“Priorities and Acquisition”**

Remarks by

## **Under Secretary of Defense (AT&L)**

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(Opening Salutations)

I’m very pleased to be addressing you once again. Many of you will perhaps recall our meeting one year ago. It took place only a couple of months after the attacks. At that time the atmosphere within the defense department was one of busy anticipation. We did not know exactly what the future held, but we were certain that there would be accelerations in operations, logistics, acquisition, transformation, and research and development.

All of those accelerations have come to pass – some with greater velocity than others; Some with higher urgency than others. But the promise of increased pacing has come to pass for just about all of us.

Your work as program managers has never been more important or anticipated. I have heard it said that only God can forgive Osama bin Laden and his fellow terrorists, but it is the job of our military to arrange the face-to-face meetings.

Today is the 284th anniversary of the violent death of a violent man – the foremost terrorist of his age: The pirate Edward Teach, also known as “Black Beard.”

On this day in 1718, Teach was cornered aboard his ship, the Adventure, in the Outer Banks of Carolina. His pursuer was a young Royal Navy Lieutenant who, in a

dramatic hand-to-hand fight, cut off Black Beard's head with a cutlass. His headless body was thrown overboard and legend has it that before it sank, it swam around the ship several times.

This is vaguely familiar. Every time we receive another questionable audio tape from bin Laden, it is as if he has taken another lap around the ship.

But in this new age of effects based operations, having his head on a pike is not intrinsically important. Our troops are arranging the face-to-face meetings on a daily basis. Your job is to give them the tools to do that. And you have done that very well.

Last year, I told you about the five goals that comprise my agenda as head of defense acquisition. I also told you about some of the things we intended to do over the subsequent year to realize those goals.

This year, I would like to update you on the progress we have made on those original objectives, and let you know about five additional priorities that the secretary and I believe will best serve the needs of our country and the defense department in the months to come.

This summer Secretary Rumsfeld asked me to outline my top priorities for the next eighteen months. I did so and he approved them. Let me give you a quick overview of what those priorities are.

The first priority is to continue the progress we have made with my original five goals. As you know, those goals are to:

- Improve the credibility and effectiveness of the acquisition and logistics support process;
- To revitalize the quality and morale of the AT&L workforce;
- To improve the health of the defense industrial base;
- To rationalize the weapon systems and infrastructure with our defense strategy;
- And to initiate high leverage technologies to create the warfighting capabilities and strategies of the future.

Discussing in detail the progress we have made on each of those goals would be a speech in itself.

Nonetheless, the accomplishments of our acquisition workforce have been remarkable and I cannot proceed without at least a cursory rundown of some of our more important ones.

We have revitalized the Defense Acquisition Board, replacing the assistant secretaries for acquisition from each military service with the service secretaries themselves. This change better reflects the breadth of issues we face in acquisition

matters. It has brought some welcome stability to many programs, while reducing the decision time.

And it brings to bear all the resources of each Military Department. We have mandated evolutionary, spiral development of weapons systems. This will enable us to field capable equipment more rapidly at lower cost and less risk.

We are ensuring that programs are properly priced by, among other things, utilizing DoD's Cost Analysis Improvement Group's cost estimates in most cases.

We have put in place procedures to make sure interoperability is properly considered, and done so earlier in a program's life.

We have consolidated and dramatically improved our acquisition education.

This was vital if we are to exercise the innovative and progressive management of our technology and systems development efforts. I hope this seminar will help us further develop the education concepts we need for the future.

We have finally established parity between the acquisitions of equipment and the acquisitions of services in the review process.

We have implemented "Technology Readiness Assessments" to determine when a program is ready to proceed to the next step in its development.

We have contributed to the health of the defense industrial base by facilitating additional profitability among contractors.

We have restored the role of science and technology to our national defenses by setting the goal that three percent of the DoD budget be reserved for science and technology. We are now very close to that figure, and will continue to push for the entire three percent. We are also exploiting the enormous potential of Advanced Concept Technology Demonstrations. I'll have more to say on the role of technology in a moment.

We are by no means finished with these original five goals, and we will continue to push for the accomplishment of each one. We have a strong momentum going and we have no intention of squandering it.

Our second priority for the next eighteen months is to "Re-engineer" the office of Acquisition, Technology and Logistics. Over the years we have accumulated many "management" functions that are inappropriate for an office that should concentrate instead on policy and oversight.

We are going to eliminate marginal activities and transfer certain functions that can be better accomplished elsewhere.

This is consistent with the Secretary's direction to reduce the size of the Office of the Secretary of Defense and to focus our efforts on Excellence in Acquisition.

Something else that was directed by the Secretary is the war on bureaucracy.

The day before last year's attacks, he announced his determination to rationalize the DoD's dependence on bureaucracy, much of which is self-defeating in its outcome and mind-boggling in its execution. One of the engines of that effort within AT&L is the cancellation of the current DoD 5000.

In his memo dated October 30th, Deputy Secretary Wolfowitz was clear. He said that the objective of this action is to, "...create an acquisition policy environment that fosters efficiency, flexibility, creativity, and innovation."

This is consistent with one of the President's guiding management principles – what he calls the "Freedom to Manage." From my perspective, that principle represents a welcome breath of fresh air.

I am a big believer in the dangers of micromanagement. It is often said that if you want to develop leadership, initiative and versatility among subordinates, assign them an objective, then avoid micromanaging their execution. The authors of the current DoD5000 series obviously did not follow this guidance.

Whatever replaces the 5000 will be much less prescriptive, and will allow managers more discretion. It will foster initiative, speed and efficiency. We hope to reduce the 250 pages of directive, with forty pages of guidance.

Many before me, many before the secretary, have given lip service to the notion that our people are our greatest strength. When the new guidance is in place, we will have acted on that belief by taking the shackles off of the talent, capability and creativity that I am looking at today.

Third, we are going to develop an "Acquisition Excellence" Plan for All Major Weapon Systems. The objectives here are three-fold: We intend to reduce acquisition cycle time, minimize program risks, enhance stability, and keep costs under control.

The importance of this goal is self evident when you consider the significance of some of the programs we have under way.

We have to keep the Joint Strike Fighter on track.

We must implement a deployment plan for missile defense;

We must decide the architecture for the Army's Future Combat System;

We must establish a development plan for the Navy's DD-X program and the resulting family of ships;  
We need to develop a balanced program for "information dominance" to include a new wideband communications system;  
We must rationalize the next generation of platforms for the new "strategic forces posture" that will result from the Nuclear Posture Review;  
We need to complete the roadmap for Unmanned Aerial Vehicles and Unmanned Combat Aerial Vehicles;  
and we need to complete the plan for the development and production of new precision munitions.

As my fourth priority, we will complete our plans for what we call the "Future Logistics Enterprise". I'm sure you have all heard the old saying that in discussions of war amateurs debate strategy, while professionals debate logistics. The objective of the Future Logistics Enterprise reflects that adage. Simply put, it is to transform our capabilities to project power and sustain the Joint Warfighter.

It establishes a clear vision by which our logistics will better support our operational requirements.

It will enable us to project and sustain our forces anywhere on the globe through end-to-end customer service and enterprise integration.

The Future Logistics Enterprise effort is divided among three areas: Weapon system support, Customer support, and Enterprise support. Progress has been made in all these areas, but the task is still in the early stages.

We must continue to push for the completion of a shared data environment and a new "Demand Management System" to reduce customer wait time, maximize customer satisfaction, reduce costs, and minimize inventories of supplies. We must also determine the proper organizational structure to implement the new logistics enterprise.

I told you a moment ago that I would return to the subject of technology. Our fifth priority is to accelerate the Flow of Technology to the Warfighter.

Let me read a quote to you from the noted British military historian and analyst, John Keegan:

"The brief Afghan campaign revealed that terrorists are as dependent as regular armies on bases and training facilities, on regular lines of supply and on infusions of manpower to replace casualties."

Clearly, terrorists have vulnerabilities just like any other human organization, and technology, though unable to exploit all of them, is certainly playing a dominant role in this war. In fact, if ever there was a techno-centric war, this one is surely it.

Already we have exploited our advantages in airlift, space dominance, communications, UAVs, precision guided munitions, and sensor technology to name just a few.

And we have uncovered a need to further develop bandwidth technology, unmanned combat air vehicles, information technology, interoperability and system of systems capabilities.

Our experiences this past year have underlined the need for vibrant and robust research. We have restored DARPA to the high risk, high payoff focus that characterized it years ago. We intend to keep that momentum going through commitment and money.

Quality R&D is not cheap, but it is worth every penny. Every unmanned aircraft shot down, every bullet deflected by advanced body armor, represents a visit not paid to a spouse or parent by a military chaplain.

But current, or mature, technologies have also proven to have great utility when used in creative ways. And that could almost serve as the definition of Advanced Concept Technology Demonstrations. We intend to expand these demonstrations to take advantage of some of the valuable technologies already out there.

Clearly, the events of one year ago have had an effect on the course this office has steered. Our war footing has presented us with both challenges and opportunities. Yes, our work-load has increased. Yes, DoD's priorities have changed, and must remain flexible.

And yes, this war has elevated the need for the transformation of our defenses. That is most welcome. If you were here last year, you may recall a prediction I made. I stated that this war will either provide a springboard to transformation, or it will sanction the status quo. I also expressed my determination that history not record the latter option.

One year later, I am pleased to report that we are well on our way to recasting our military into a force that is truly prepared for the challenges of the 21st century.

Now is the time to recommit ourselves to maintaining this momentum. We must keep pushing for capabilities that are lighter, faster, and more interoperable. We must continue to exploit our clear advantages in information technology and space dominance.

If we do so, we will be leveraging our forces with the greatest advantage that free nations possess over the tyrants who currently oppose us:

I'm talking about our traditions of free inquiry, vibrant debate, the scientific method, unfettered research, and capitalist production.

To say that this current war is one of liberty against oppression is not empty platitude. The benefits of the former over the limitations of the latter have always served us well, and will not fail us now.

Thank you.