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U.S. HOUSE OF REPRESENTATIVES

JOINT STATEMENT OF

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BEFORE

HOUSE ARMED SERVICES COMMITTEE

ON

OPERATIONAL CONTRACT SUPPORT

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Chairman McKeon, Ranking Member Smith, and members of the Committee, thank you for the opportunity to appear before you to discuss improvements we have made with respect to Operational Contract Support (OCS) management and oversight, and our way ahead. We would like to thank you and the Committee members for your continued support and interest in the Department of Defense's (DoD's) operational contract support programs and policy objectives. OCS entails planning for and managing the reality of contractors on the battlefield; we welcome the opportunity to talk to you about how we have addressed past shortfalls in this area and our plans for sustaining our accomplishments into the future.

**Background:**

Without dwelling on the past, it is important to recognize where we came from in order to appreciate the significant gains we have made. Because the actual operations in both Iraq and Afghanistan evolved beyond the basic assumption that they would be short conflicts, and ultimately transitioned into long term operations, we were unprepared for the resulting number of contractors required and were not resourced to manage them. Specifically, we started out with insufficient deployable contracting officers, untrained and untested contracting officer's representatives, and inadequate policy and doctrine to manage the "blended force" in a protracted joint engagement. We had no real jointness in the visibility and management of contingency contracting or true jointness in the contracting process.

Faced with the unprecedented scale of deployed contractors, the Office of the Secretary of Defense (OSD) and the Joint Staff embarked on an aggressive agenda to institutionalize and "operationalize" contract support. Tangible evidence of our commitment to continuous progress is found in the many improvements the Department has made in the management and oversight of OCS. The work of Congress and this committee has been invaluable to the Department's progress in OCS. Pursuant to Section 854 of the Fiscal Year (FY) 2007 National Defense Authorization Act (NDAA) (10 US Code 2333), the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) and the Service Acquisition Chiefs in consultation with the Chairman of the Joint Chiefs of Staff, designated senior leaders with the responsibility to administer

the joint policies for contingency contracting and to focus the OCS efforts. Additionally, the Office of the Deputy Assistant Secretary of Defense for Program Support (DASD(PS)) was created under the Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)) and the Joint Staff Director of Logistics was assigned responsibility as the Joint Staff focal point for OCS. Further, the Defense Procurement and Acquisition Policy (DPAP) Office was expanded to address the challenge of contracting in a contingency environment - an important subset of contract support integration.

In March 2010, the USD(AT&L) established the OCS Functional Capabilities Integration Board (FCIB) to address critical issues affecting support to current and future contingency operations. The FCIB is co-chaired by DASD(PS) and the Joint Staff Vice Director for Logistics to provide strategic leadership to the multiple stakeholders engaged in OCS. The FCIB also analyzes and implements the recommendations of various commissions and addresses the mandates of Congress.

We also developed a strategic framework to guide our consolidated efforts to address shortfalls in OCS across a broad number of fronts. This framework included the areas of organization; policy and doctrine; personnel; training and education; integrated planning; and contractor accountability and visibility. With a view of tackling immediate challenges in Iraq and Afghanistan and also mindful of the need to institutionalize OCS for future operations, we have made significant progress in those areas, as discussed below.

## **Organization**

The Department is focusing attention on OCS as a critical warfighting capability area and is improving its organizational structure to ensure contingency contracting operations and contractor management support our deployed warfighters and protect taxpayer resources. As a testament to the level of importance OCS has achieved within the Department, in January 2011, the Secretary of Defense published a memorandum titled “Strategic and Operational Planning for Operational Contract Support (OCS) and Workforce Mix” which assigned specific actions and responsibilities regarding force mix,

contract support integration, planning, and resourcing. Subsequently, the Chairman of the Joint Chiefs of Staff published a memorandum implementing the Secretary's guidance. As a follow on to these memoranda, we have developed the *Department of Defense Operational Contract Support Action Plan*, which is a fiscally informed strategic plan for OCS within the Department to guide capital planning and investment.

In terms of organizational changes, we have taken a number of specific actions at the OSD, Combatant Command (CCMD), and Service levels. In 2009, OSD established the Joint Contingency Acquisition Support Office (JCASO) to serve as an on-call joint enabling capability providing OCS coordination and integration during peacetime and contingency operations. Recent examples of JCASO missions include:

- Placing two OCS planners at each Geographic Combatant Command, U.S. Special Operations Command (USSOCOM), and one OCS planner at Joint Staff (J7) Joint and Coalition Warfighting to enable OCS planning;
- Facilitating U.S. Central Command's (USCENTCOM) theater engagement strategy in the South Caucasus and Central Asian States by assisting in the expansion of contract support in those countries, which enhances USCENTCOM's use of a Northern Distribution Network (NDN) to support Operation Enduring Freedom (OEF);
- Assisting the successful transition of contract support from DoD to the Department of State (DoS) in Iraq as part of the U.S. Forces-Iraq contract fusion cell on behalf of USCENTCOM;
- Co-Chairing the Afghanistan Contracting Transition Working Group (ACTW) along with the Department of State, Office of Logistics Management and/or the Office of Acquisition Management to help synchronize the effective transfer of contracted support efforts from DoD to DoS on behalf of USCENTCOM;
- Incorporating OCS into the operational training of the next forces into Afghanistan through participation in Exercise Unified Endeavor.

At the Combatant Command level, USCENTCOM established the Joint Theater Support Contracting Command to oversee theater support contracting in Iraq and

Afghanistan as a joint functional command directly reporting to USCENTCOM. Further, the senior contracting officer position in Afghanistan was elevated to the General Officer /Flag Officer level. Additionally, Task Force 2010 was established under U.S. Forces Afghanistan to help commanders better understand with whom they are doing business and to assist in ensuring that contracting dollars do not undermine the U.S. Government and international community's efforts in Afghanistan.

At the Service level, the Army has reorganized its contracting command structure to improve planning, training, equipping, and execution of OCS. The Army Contracting Command, established in 2008, now comprises a Mission Installation Contracting Command and an Expeditionary Contracting Command, as well as six major contracting centers. The Expeditionary Contracting Command serves as a deployable cadre of acquisition personnel.

The Defense Contract Management Agency (DCMA) currently provides contingency contract administration services (CCAS) as requested by the Geographic Combatant Commands including USCENTCOM's Joint Theater Support Contracting Command. This support includes management of the Army's Logistics Civil Augmentation and Air Force's Contract Augmentation Programs (LOGCAP/AFCAP), as well as contract oversight, property administration, and quality assurance support for other contracts that are consistent with DCMA's core competencies, as requested. Based on recommendations of the Gansler Commission Report and the Commission on Wartime Contracting, the Department continues to improve (CCAS) by implementing lessons learned in Iraq and Afghanistan.

Success in future contingencies will depend heavily on contracted support as part of the Total Force. As a result, the Joint Staff (J4) initiated the OCS Joint Concept as our future vision for the role of OCS and Joint Force 2020. It capitalizes on the current initiatives to institutionalize OCS and transform it to a capability appropriate for the future operating environment. The concept outlines a framework for integrating and synchronizing OCS capabilities across the range of military operations to increase the Joint Force Commander's freedom of action, while improving the responsiveness and

accountability of contracted support. The central idea of the OCS Joint Concept is to create unity of effort among all OCS organizations and functions. Effective OCS requires joint commanders and their staff – at all levels – to integrate OCS into their logistics, intelligence, plans, and operations functions. To ensure that operational contract support is contributing effectively, this concept proposes a DoD-wide framework that will integrate the contracting support capabilities of the Total Force, thereby improving the responsiveness and accountability of contingency contracting.

### **Policy and Doctrine**

Six years ago, DoD had immature policy and few procedures related to contractors on the battlefield and the joint community had yet to develop doctrine to govern contractor activities and performance in support of the Joint Force. Since then, we have made significant strides in integrating OCS into key governance documents including policy, regulation, and doctrine. In March of 2009, we published DoD Directive 3020.49, *Orchestrating, Synchronizing, and Integrating Program Management of Contingency Acquisition Planning and its Operational Execution*, establishing policy and assigning responsibility for OCS management.

To provide more detailed policy, a revised version of DoDI 3020.41, *Operational Contract Support*, was signed on December 20<sup>th</sup>, 2011. It has also been published as 32 Code of Federal Regulations (CFR) Part 158. This version contains significant changes to the previous instruction including: (1) incorporation of lessons learned from current operations; (2) requirements for the development of contractor oversight plans; (3) requirements for adequate military personnel necessary to execute contract oversight; and, (4) standards of medical care for deployed contractors. Further, it reiterates the importance of the use of a common database for the accountability and visibility of contractors supporting DoD contingency operations.

On October 17, 2008, the Joint Staff J-4 published Joint Publication 4-10, *Operational Contract Support*, to include doctrine for planning, conducting, and assessing OCS integration and contractor management functions in support of joint operations. This doctrine provides a common frame of reference across the military for OCS as a way of accomplishing military tasks. OCS includes multiple stakeholders,

including: the commands that are now incorporating contracted support into their logistics support plans; the units that develop requirements documents to augment their organic capabilities; the resource management and finance personnel that allocate and disburse funds; the contracting officers that award contracts and their representatives that oversee those contracts; and the contractors that perform the contracted effort. In light of lessons learned since its publication, Joint Publication 4-10 is in the process of being updated, and the next edition will be published next year. In addition, the Joint Requirements Oversight Council (JROC) approved the Operational Contract Support Integrated Capabilities Document and formally tracks progress of OCS integration into all relevant supporting documents.

With respect to our oversight of private security contractors (PSCs), we have made substantial progress. To ensure proper organization, registration, selection, regulation and training of PSCs, we have published DoD Instruction (DoDI) 3020.50, *Private Security Contractors (PSCs) Operating in Contingency Operations* to serve as guidance to the DoD and the associated Federal Regulation on PSCs (32 CFR Part 159) which applies to all US government PSCs in combat operations and other significant military operations.

Further, an internationally acceptable business and operations standard for security services is an essential tool to assure that PSCs can provide that protection consistently and dependably. Widespread use of common standards of operations and effective oversight can reduce the risk that inappropriate use of PSCs or misconduct on the part of some will endanger the important services they provide. Following direction from Congress, DoD facilitated the development of consensus-based performance standards for private security company operations and now requires conformance with those standards in all contracts for private security functions. These standards are consistent with U.S. law, the Laws of Armed Conflict, and various international initiatives such as the Montreux Document. They are recognized by the American National Standards Institute and are under review by other countries, which may lead to recognition as an international standard and demonstration of the United States' commitment and

leadership in this area. These standards are a vital contract management tool and will enhance the Department's capabilities in contract award and oversight. In addition to our policy and doctrine efforts, we continue to make required acquisition regulation changes to insure new requirements are included in contract instruments.

## **Personnel**

People are the key to our success, and the Department is directly addressing OCS personnel issues impacting operations in Iraq and Afghanistan. We are developing our acquisition workforce positions, strengthening the contracting workforce, and contributing to rebuilding DCMA and the Defense Contract Audit Agency (DCAA). DoD continues to increase the capacity of the acquisition workforce as part of a deliberate DoD-wide initiative to rebuild the acquisition workforce.

Our current military leadership levels also demonstrate significant progress. We have increased the pool of contracting General and Flag Officers to recognize the importance of contracting to operational success. Where, only four years ago there were none, today the Army now has five new General Officers in contracting positions. The Navy has three Flag Officers serving in contracting joint billets, and the Air Force has two general officers in contracting positions. We were able to achieve this success with help from Congress, which provided legislation in the FY 2009 NDAA to add 10 military General or Flag Officer billets for acquisition positions. The engagement of senior military leaders strengthens the management and oversight of our contracting workforce.

As noted above, joint contingency acquisition support office planners are embedded in the staffs of each geographic combatant command, USSOCOM and Joint Staff (J7) to perform OCS integration and synchronization. Updates to strategic planning guidance, policy, and joint doctrine demand an increased requirement for OCS planning, integration and synchronization at the strategic and operational levels of war. The Joint Staff (J4) is conducting a comprehensive review of current OCS manning at all combatant commands and their service components to determine the appropriate staffing at the strategic and operational levels to meet these new requirements.

## **Training and Education**

The Department has increased its training and education portfolio to properly prepare personnel for the reality of OCS, including contingency contracting. The training and education addresses a range of audiences, from commanders to acquisition professionals to subject-matter experts performing oversight. As a result of being designated a CJCS Special Area of Emphasis (SAE) for joint professional military education (JPME), OCS is now taught at Service and Joint professional military education institutions.

Recently, the Joint Staff (J-4) developed an OCS curriculum development guide which provides *specific* OCS learning objectives to facilitate more consistency in JPME. The guide will be distributed this fall to the PME institutions in conjunction with this year's SAE results to provide faculty a ready resource to further incorporate OCS into curricula. Additionally, the Joint Staff (J-4) is in the process of developing an OCS Learning Framework to build a holistic approach for OCS joint education, individual and collective training, exercises, and a feedback mechanism with codified processes and procedures for OCS lessons learned. The Defense Acquisition University (DAU) has seven contingency-related training offerings, primarily geared toward the acquisition profession. Further, the Army has added and improved multiple acquisition training courses. The Army developed an OCS Course in 2009 at the Army Logistics University (ALU), located at Fort Lee, Virginia. This course provides hands-on training on tactical-level OCS planning, requirements development, and contract management. To date, over 600 personnel from Army, Navy and the Marine Corps have graduated from this course. In February 2012, ODASD(PS) partnered with the Joint Staff (J-4, J-7) and the U.S. Army to transform the above course into the Department's first 2-week Joint OCS Course. This course will remain at the ALU and is tentatively scheduled for instruction in late FY13.

## **Integrated Planning**

Through strategic planning guidance, the Secretary of Defense and CJCS have directed the Department components to plan for OCS at the same level of fidelity as they plan for military forces. This is a fundamental change to the Joint Operational Planning

Process (JOPP). Combatant Commanders are now directed to consider and plan for contracted support in all phases across the spectrum of military operations. Further, strategic guidance has established minimum elements of OCS planning information to be included in operations and contingency plans. Additionally, the Joint Staff (J-4) is in the process of finalizing OCS planning instructions and templates for CJCS manuals to provide Combatant Commands and Service component staffs the minimum requirements for OCS in deliberate and crisis action planning.

### **Accountability and Visibility**

We have invested a significant amount of time and effort into improving the accountability and visibility of contractors supporting the U.S. government in contingency operations. A key aspect of this is our expanded use of the designated common database, the Synchronized Predeployment and Operational Tracker (SPOT). As recognized by the Government Accountability Office in its recent review of our annual joint (DoD/DoS/USAID) report on Contracting in Iraq and Afghanistan, the accuracy of data is much improved, in part due to a sustained effort to improve compliance. SPOT capability is continually evaluated to identify enhancements to improve functionality and ease user interface. SPOT is currently being used to account for US government contractor personnel in Iraq and Afghanistan and DoS continues to utilize SPOT as the primary automated program management tool as it assumes the lead for all US government contractors in Iraq. We continue to expand and improve its capabilities and today it has little resemblance to the very basic tool we developed years ago. Industry's involvement in the program helped mature it and it has now transitioned to a program of record and will continue to be improved.

### **The Future: Continuing to Mature OCS and Sustaining What We Have Accomplished**

As we have detailed, much has been accomplished, but we recognize there is still more to do; in addition to sustainment of previous accomplishments. We are developing programs to improve the requirements process, which will provide the information and attention necessary to build future operations plans (OPLANS) in a comprehensive fashion, including all elements of the Total Force. We will continue to develop the

expertise to apply the applicable program management skills to joint, inter-agency, and coalition contracting efforts to maximize effectiveness, avoid unnecessary duplication and to promote efficiency.

Our use of contractors to support operations is a current and future reality. The role of contracts and contractor support to the armed forces in peace and war has been accepted, and we must ensure we are doing everything we can to institutionalize responsibilities, policies, and procedures (to include planning, training, education, accountability, and reporting).

To sustain the advances we have made in institutionalizing OCS and act upon lessons learned, the Department must continue to: staff the relevant OSD and Joint Staff offices; sustain OCS capabilities in the Services; maintain funding for training; and support a lead Inspector General capability for designated contingencies. Sustaining the manpower and skills – in particular with respect to Contracting Officer and Contracting Officer's Representative and planners - will be a challenge against the backdrop of pressure on fiscal budgets, especially post drawdown. We must resist making disproportionate cuts to assets and resources associated with OCS as compared to other areas of the Department. Maintaining an appropriate workforce balance is critical to avoid losing the gains we've worked so hard to achieve and is essential in ensuring that we are best prepared for the next contingency.

We have worked hard to improve our oversight and management of this very critical area and have no intention of losing focus. We will continue to mature as we apply additional lessons learned from Afghanistan and other operations world-wide. We are grateful for the committee's continued interest and support in ensuring OCS remains a priority.