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BY THE HOUSE COMMITTEE
ON ARMED SERVICES

STATEMENT OF

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BEFORE THE
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ACQUISITION REFORM PANEL

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Chairman Andrews, Representative Conaway, and Members of the Panel,

Thank you for the opportunity to appear before you today to discuss rapid acquisition.

Early challenges in Operation Iraqi Freedom demonstrated to the Department the importance of identifying emerging requirements that may not have been anticipated and the imperative of rapidly responding to such urgent warfighting needs. The JRAC was established in September 2004 by the Deputy Secretary of Defense in recognition of the challenges associated with timely solutions to the urgent operational needs of our war fighters. JRAC serves as the single point of contact and as the Combatant Commander's advocate on the OSD staff for facilitating and tracking the resolution of immediate warfighting needs submitted as a Joint Urgent Operational Need (JUON)[1].

JRAC, however, does not oversee all of the rapid acquisition processes within the Department. Appropriately, under their Title 10 responsibilities, the Service components have established processes to facilitate timely response to service identified needs[2]. While the Army alone has handled over 7,000 such operational needs statements, all Services have responded to urgent operational needs through their service specific rapid acquisition processes.

In cases where a Combatant Commander identifies the need as joint, the COCOM certifies the requirement as a joint need and forwards it to the Chairman, Joint Chiefs of Staff for validation as a Joint Urgent Operational Need. To date there have been 223 such needs validated by the Joint Staff. These JOUNS represent capabilities ranging from Mine Resistant, Ambush Protected (MRAP) vehicles, to Explosive Ordnance Disposal (EOD) robots, to Intelligence Surveillance and Reconnaissance (ISR) sensors and platforms. Of the 223 validated JUONs, all but 59 have been fully resolved. 45 of the remaining 59 have been mitigated through the

[1] Joint Urgent Operational Needs (JUON) – a COCOM-certified and prioritized urgent operational need, outside DoD 5000/Military processes, requiring a Doctrine, Operations, Training, Materiel, Leadership, Personnel and/or Facilities solution, that, if left unfulfilled, will seriously endanger personnel and/or pose a major threat to ongoing operations.

[2] U.S. Army, *Material Development*, Army Regulation 71-9, April 30, 1997; U.S. Navy, *Dept of the Navy Urgent Needs Process*, SECNAVNOTE 5000, March 12, 2009; USMC, *Marine Corps Expeditionary Force Development System*, MCO 3900.15B, March 10, 2008; USAF, *Rapid Response Process*, USAF instruction 63-114, June 12 2008; USSOCOM, *Special operations Forces Capabilities and Development System*, USSOCOM Directive 71-4 (draft) June 2009.

provision of some level of initial operating capability. Solutions for the 14 remaining JUONS are actively under development.

The Department has had many successes in providing new capabilities quickly. Through the establishment of various "task forces" or other bodies we have focused the Department's priorities on winning the current fight. The Mine Resistant, Ambush Protected (MRAP) Task Force focused the Department's resources on a new tactical vehicle program that was able to rapidly produce vehicles from different vendors and deploy thousands of vehicles in less than one year. As successful as this program has been in Iraq, we realized that the primitive road networks in Afghanistan made our current configuration of MRAPs unsuitable for much of Afghanistan's terrain. The Secretary's MRAP Task Force and the MRAP Joint Program Office took on the challenge by taking two actions. The first was to re-direct several hundred of the smaller, more maneuverable MRAP variants to Afghanistan and pursue suspension upgrades of those vehicles to make them more useful in the challenging terrain. The second part of the plan was to develop a new configuration specifically for Afghanistan. In response to a Joint Urgent Operational Need request in November 2008, a contract was awarded on June 30, 2009 for production of up to 10,000 MRAP – All Terrain Vehicles (M-ATVs). The current requirement is for 6,644 M-ATVs. By the end of this September, over 5,000 will be on contract, over 200 vehicles will be produced and the first fully integrated vehicles will be enroute to Afghanistan. The Commander of Marine Corps Systems Command, Brigadier General Mike Brogan, will address the MRAP more fully. With similar success, the Joint IED Defeat Organization (JIEDDO) rapidly develops and fields capabilities to defeat the most ubiquitous enemy weapon on the battlefield, the improvised explosive device. The ISR Task Force focuses attention and resources on the sensors and platforms needed to ensure full situational awareness on the battlefield. Many other organizations, including JRAC, were stood up by OSD and the Services to ensure responsiveness to the Commander's current needs.

Although the topic of today's panel is rapid acquisition, one cannot look at the acquisition process in isolation. The ability to provide any capability, rapid or deliberate, involves four main components: identifying your capability needs; assessing those needs and developing a

solution; providing adequate and timely resources to allow you to execute and field that solution; and establishing an enduring logistics capability to keep the capability in the inventory. Interestingly, all of our successes at rapidly fielding capability (including JIEDDO[3]) have used documented acquisition processes, guided by the 5000 series and the DFAR, to execute their programs. What these rapid processes have done however, is to provide a means of quickly prioritizing and quantifying requirements and of ensuring that the resources are available to enable rapid fielding of capabilities inside of the Department's Planning Programming, Budgeting and Execution System (PPBES) cycle.

A July 2009 congressionally-directed study by the Defense Science Board Task Force on Fulfillment of Urgent Operational Needs concluded that existing institutions and procedures are incapable of meeting the Department's need for rapid and agile acquisition in time of war. Consequently, the study recommended two separate acquisition structures: one for "deliberate" acquisitions, and one for "rapid" acquisitions. While the Department continues to review the recommendations of that study, the risk of accepting two distinct structures is a failure to accept that all acquisitions, wartime and peacetime, need to become more agile and responsive in order to keep pace with accelerating development cycles enabled through global access to information and incorporation of commercial technology, especially information and communications systems, in any potential adversary's arsenal. To prepare the Department for the agile threats we must surely anticipate in the future, we need to make our "deliberate" processes much more relevant to the current fight and capable of responding to urgent needs.

The foundation upon which we accelerate the application of new technologies to the current fight is a robust research and development structure. Under the leadership of the Under Secretary of Defense (Acquisition, Technology and Logistics) Dr. Ash Carter, and his Director of Defense Research and Engineering, Mr. Zach Lemnios, we have restructured the Directorate of Defense Research and Engineering to emphasize the rapid fielding of new technologies, while continuing the invaluable work of discovering and expanding the science for future capabilities.

[3] For the majority of its projects, JIEDDO does not execute its own acquisition efforts. It provides funds and sponsors projects that are generally executed by existing service program managers or labs, to include the non-traditional Army Rapid Equipping Force (REF).

It's not enough to simply respond to new threats. We need to anticipate those threats before they become disruptive to our strategy and tactics. To that end, we have focused our research arm on anticipating emerging threats in Afghanistan and charged them with ensuring the technology needed to counter these threats is mature before the threat materializes in a disruptive way.

Within the Director of Defense Research and Engineering organization, we consolidated hitherto disparate functions and created a new Rapid Fielding Office charged with discovering the best and most relevant technologies from the commercial and public sector and, when appropriate, facilitating their rapid fielding to theater. This new office is working to better integrate the science and technology with demonstration and prototype efforts throughout the Department and to focus those efforts on supporting the current fight. Among the Rapid Fielding office's current efforts is a demonstration of alternative persistent ground surveillance systems that are both less expensive and more rapidly fieldable than those that are currently deployed. We are continuing to expedite and facilitate a new tactical communication capability to provide reliable communications to remote users in the rugged terrain of Afghanistan. The Distributed Tactical Communication System leverages an existing commercial satellite-based system modified for netted operation and uses a handset developed by the Department. It is a solution for on-the-move, over the horizon expeditionary tactical communications in the mountains of Afghanistan. The success of the operational demonstration of this capability in Afghanistan has resulted in a request to rapidly field handsets to an additional 4,000+ users.

The Rapid Fielding Office has also taken over responsibility for the Department's Joint Rapid Acquisition Cell (JRAC), to ensure better synergy between the requirements, acquisition and research communities. Since this transition, the JRAC has reviewed all of the outstanding needs that have been identified by the Combatant Commander and worked with the Joint Staff, the Military Services, JIEDDO and the COCOM to prioritize the needs and ensure the adequate application of resources. This review led to a $624M reprogramming request for urgently needed force protection capabilities that was subsequently approved by the House and Senate committees and is being transferred to the Army for execution.

While the Department has had many successes in rapidly delivering capabilities to the field, there are still challenges to overcome. As I indicated earlier, the most difficult challenge in "rapid acquisition" is not acquisition, but rather prioritizing your needs and quickly identifying the resources needed to execute a solution. Congress cannot help us with prioritizing our warfighting needs, but Congress can help to facilitate funding those needs more rapidly. Identification of the resources to enable execution is the responsibility of the executing component but, except for JIEDDO, identifying new funding in the year of execution is challenging. Since the exhaustion of the Iraqi Freedom Fund (IFF)[4] the Department has had no appropriation, except for counter-IED, dedicated to support unanticipated rapid acquisition efforts in the year of execution. The FY10 budget submission included $79.3M base budget request for a Rapid Acquisition Fund (RAF). Going into conference for the FY10 defense appropriation, the HAC approved $40M of the request in the Rapid Acquisition Fund, but moved it from the base budget to funding for Overseas Contingency Operations (OCO). The SAC approved $79.3M in RDT&E Air Force for the Battlefield Airborne Communications Node (BACN), instead of in the RAF. Currently, there are no funds in the FY10 base budget under consideration for a rapid acquisition fund.

Congress has provided some relief and flexibility to the Department in the form of Rapid Acquisition Authority[5], initially provided for in the National Defense Authorization Act for Fiscal Year 2003. Through this authority, the Secretary of Defense can waive laws, policies, directives and regulations dealing with testing and procurement, short of criminal statute, to acquire critical equipment identified by a delegated Rapid Acquisition Authority. There are some limits to this authority, however. It can only be executed to procure equipment, not services. It is limited to $100M per fiscal year. Furthermore, Rapid Acquisition Authority can be invoked only after a death has occurred, an ill- advised limitation when the objective is to

[4] From FY 2005 through FY 2008 (between May 2005 and Aug 2008), $442.5M was made available from FY2005, FY2006, and FY2007 Iraqi Freedom Fund appropriations to support Joint Urgent Operational Needs (JUONs).

[5] Rapid Acquisition Authority – Established in the Bob Stump National Defense Act for Fiscal Year 2003, as amended by the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. Promulgated by SecDef Memo dated 25 January 2005 titled: Fiscal Year 2005 Rapid Acquisition Authority.

anticipate urgent needs in order to avoid casualties and ensure mission success. For those reasons, Rapid Acquisition Authority has only been invoked four times since its authorization.

Thank you again for the opportunity to speak with you today. I believe the Department has embraced the lessons learned early in Operation Iraqi Freedom and is on the path to more responsive and agile acquisition focused on winning the current fight. I look forward to your questions.