
The Battle over How to Save Defense Acquisition

ANDREW HUNTER

AS EXPECTED, 2015 PROVED TO BE A BIG YEAR FOR DEFENSE ACQUISITION. Yes, the Marine Corps version of the F-35 Joint Strike Fighter achieved initial operational capability, the Navy laid the keel for the its newest aircraft carrier, the USS John F. Kennedy, the Air Force awarded a contract to build the first new bomber in 30 years, and the Army awarded a contract for its next tactical vehicle, the Joint Light Tactical Vehicle (JLTV).

What made 2015 a big year for acquisition, however, was not just this new hardware but some new software—namely, the flurry of statutory changes and new provisions included in the FY16 National Defense Authorization Act (NDAA). Taken together, these legislative changes represent the largest single package of acquisition legislation since the landmark Federal Acquisition Streamlining Act of 1994.

The legislation in the FY16 NDAA provides for more involvement in acquisition by the service chiefs, more acquisition authority for service civilian executives, investments in the acquisition workforce, a slew of changes to streamline previous laws, as well as mandating the creation of alternative acquisition pathways and authorities.

At the same time that Congress was taking its hammer and wrench to the acquisition system, DoD began implementing the third iteration of its Better Buying Power Initiative, focused on sustaining U.S. technical dominance by better sharing of information between DoD and industry, encouraging use of commercial technologies, and outreach to Silicon Valley.

After a busy 2015, what does all of this activity suggest will happen in the world of acquisition in 2016?

To accurately assess the impact of acquisition changes for 2016, it is important to begin at the beginning. Is the system broken? What problems are Congress and DoD trying to solve?

Some stakeholders, notably Senate Armed Services Committee Chairman John McCain, see the acquisition system as fundamentally broken and cite as their main evidence programs like the Army's Future Combat System, the Marine Corps' Expeditionary Fighting Vehicle, and the Air Force's Expeditionary Combat Support System. These programs expended billions of dollars while ultimately providing no capability because they were terminated short of production and deployment. This perspective of the acquisition system focuses on cost growth and terminated programs as the central problem in acquisition.

Others, including many acquisition officials in DoD, see the acquisition system as fundamentally sound, albeit in need of improvement. They cite as their evidence the success of systems like the F-35 and the Aegis Combat System in international competitions

While these two points of view disagree on the fundamental success or failure of the current system, and place their focus on different challenges within the acquisition system, they are not fundamentally at odds with one another when it comes to solutions. They can come together in their desire for an acquisition system that is more responsive to war-fighter needs by delivering needed capability that is timely and affordable.

The area where this outcome has been most closely realized in the last 10 years is arguably in the rapid acquisition of equipment for U.S. forces operating in Iraq and Afghanistan. While both sides of the debate see this effort as a success, the two sides draw contrasting lessons.

Critics of the system note that rapid acquisition required the creation of new organizations like the Army's Rapid Equipping Force, the Joint Improvised Explosive Device Defeat Organization, the Mine-Resistant Ambush Protected (MRAP) vehicle Task Force, and the Intelligence, Surveillance, and Reconnaissance Task Force, all of which utilized new authorities to field equipment responsive to war-fighter needs. They argue that success in acquisition requires operating outside the system.

Some stakeholders see the acquisition system as fundamentally broken.

as evidence that the acquisition system continues to produce superior technology at prices that, while often higher than those of other nations' systems, nonetheless are competitive in the marketplace. These officials focus on maintaining the United States' technological edge and getting more value and productivity out of the acquisition system.

System supporters note that these new organizations often functioned as a thin overlay to traditional program and contracting offices in the acquisition system that actually acquired the new systems and did the grunt work of contracting and fielding them using existing regulations and with very little need to resort to extraordinary authorities. They argue that



rapid acquisition actually happened within the current system, and that the main contributions brought by the new organizations was access to flexible funding and attention from senior decisionmakers.

While the success of rapid acquisition hasn't settled the debate about whether the acquisition system is broken or sound, it does point toward ways to improve the system going forward, namely the importance of reliable and flexible funding sources and ways to rapidly resolve bureaucratic disputes over competing priorities by obtaining timely decisions from senior leadership.

So what is the prospect for progress on these issues going into 2016? It is important to remember that although the FY16 NDAA calls for extensive changes to acquisition statutes, it is far less clear that these changes will result in meaningful operational change in the acquisition system. Will the service chiefs use their new authority to engage with the acquisition system and add financial flexibility to the process? Will the implementation of changes to milestone decision

authority improve the ability to resolve bureaucratic disputes over priorities? Will new acquisition pathways and authorities be implemented in a meaningful way, and if so will they support more responsive acquisition, function only at the margins, or unintentionally short circuit and damage development?

The history of acquisition reform is littered with examples of policy changes and authorities that were either never implemented, or were implemented but had effects dramatically different from those intended.

On the whole, there is significant basis for optimism on the likelihood of progress in 2016. Both DoD and Congress currently have strong leadership in place that are unusually aware of and focused on these issues. If these leaders work together, good things will happen. Nevertheless, the passage of legislation in 2015 is much more the end of the beginning than the beginning of the end. The year 2016 could very well tell us whether the sun is rising or setting on the acquisition system. □