



**HOUSE ARMED SERVICES SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES
CURT WELDON, PENNSYLVANIA
CHAIRMAN**

PRESS RELEASE

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Opening Statement of Chairman Curt Weldon

Supporting Our Troops – Better Solutions that Reduce Cost and Improve Capability

WASHINGTON, D.C. – This afternoon, the Tactical Air and Land and Projection Forces Subcommittees meet in joint session. We will receive testimony from the leaders of several small to medium-sized U.S. companies that use leading edge technologies to develop better solutions to reduce cost and improve performance of systems to address a variety of defense modernization needs. The work of these companies will demonstrate to the Members of the subcommittees that small businesses are producing vital defense products rapidly, at potentially lower costs, and in some cases providing new capabilities. As I stated last year, “in the new defense era, it has become imperative that small, innovative companies be afforded adequate opportunity to make their creative solutions available through the defense acquisition system.”

We continue to make the point that the Department of Defense needs to broaden its supplier base. When developing and procuring new systems, a concerted effort needs to be made to consider all possible qualified suppliers. Otherwise, the acquisition system seems to be predisposed to the bureaucratic inclination of going to the same source for a given item, as it has in the past. In many instances, that may be the correct choice, but it should be a conscious decision and not be done solely because it is easier or because that is what was done last time. There needs to be a willingness on the part of acquisition personnel to not automatically go to sources it knows and has worked with, solely due to momentum or familiarity with the people involved.

The trade media has indicated that the new Deputy Secretary of Defense is initiating yet another review of the acquisition system. This may be necessary, but I am not sure that before we declare the current acquisition system brain dead and develop a new system that we make sure we have given the current system a chance. We have a way of doing studies, changing the names for the same process, and congratulating ourselves that the mission has been accomplished.

If we are to make progress in fielding capable, affordable systems, the Office of the Secretary of Defense first needs to ensure that realistic system requirements are established. Next, the Department needs to encourage the entire U.S. industrial base to participate in the process. Finally, the Department needs to follow its own acquisition directives. If that is done, we would at least know whether the process works or not. The current DOD directives require stable

requirements, mature technologies, and independent cost estimates before programs enter into Systems Development and Demonstration -- SDD -- the final and most expensive phase of development before procurement. More often than not, programs are allowed to enter SDD without complying with existing directives -- without having stable requirements, with immature technologies, and without costs having been properly evaluated. And the results have been and are predictable -- schedule slips and major cost increases. So, let's try using the system before we condemn it as fatally flawed. I share the concern of those who criticize the current acquisition system for taking too long to produce the systems required. However, for those instances when rapid acquisition is required for wartime needs, there is a provision in the law that now allows for that, thanks to this Committee.

We must get the process right, but equally important, we have to get the people right. Without the right leadership, attitude, and management skills, the process doesn't matter.

We continue to experience situations that illustrate less than adequate leadership and an inclination for people to do things the way they have always done them. Earlier in the year there was an example of armor for vehicles getting expedited to the Iraq theater only because of this Committee's involvement. There was another example that the Committee highlighted last week of it taking four months for a vehicle armoring program to be initiated in the Iraq theater, when the armor required had already been in the theater the entire four months. In that instance, only the armor needed to have been shipped to the users for installation. Neither of these cases illustrate a failure in the acquisition system, but they do illustrate a failure of leadership.

In another recent case, the committee became involved in expediting the acquisition of improvised explosive device jammers to Iraq. Initially, the committee advised the military service involved that the service's preferred supplier's 13 month schedule was unacceptable and it could be done in 60 days. The committee was told that that was impossible. At the committee's repeated urging, the military service acquisition personnel proved that it was possible. The IED jammers are now under contract -- with a non traditional defense supplier, with a commitment to deliver in 60 days. And by the way, the company involved has made it a mission, not just another contract, because the people working there know that lives are potentially on the line. They seem to get it. The nation is at war. They have posters all over the company showing how well they are doing at meeting the delivery date for the jammers. They are excited about the opportunity to serve.

One final example that illustrates how far we have to go in solving the acquisition leadership issue: A defense contractor recently told me the story of his visit with one of the military service's acquisition executives. The contractor had recommended to the acquisition executive that he take advantage of an industry consolidation between two other companies that might make it possible for the service affected to purchase the technical data package for a major defense program, thereby allowing the service involved to compete the program in future buys. To the visiting contractor's surprise, the service acquisition executive involved indicated he didn't want competition -- that competition caused him more work. The acquisition executive indicated he didn't want to consider purchase of the technical data package because a monopoly was better -- it made it easier for him because he didn't have to go to all the trouble of competing the program. When I first heard that, I didn't believe it either.

Before proceeding, I'd like to make one other point. Tactical vehicle armoring continues to gain media attention. This past weekend there was another major article that highlighted Pentagon shortcomings in the timely provision of armored vehicles to Iraq. This Committee has been in the forefront of encouraging the Pentagon to take more aggressive action to get tactical vehicles in Iraq

and Afghanistan properly armored. The Air and Land Forces Subcommittee has had hearings on this issue. Chairman Hunter has held full Committee hearings on the issue and will hold another hearing or briefing on July 21st. I commend him for his leadership in this area and encourage him to continue holding such hearings.

Vehicle acquisition is another area where the Pentagon acquisition community has not distinguished itself. As an acquisition issue it is perplexing to me that given the comparative size of our R&D budget, that most of the vehicles that stand-out as the better performers in terms of capability and survivability were designed in other countries -- the Buffalo, the Cougar, the Stryker combat vehicle, and the Rhino Runner. There are other mission systems where it seems that other countries are considerably more productive in getting more for their R&D investment.

This gets back to why we feel a hearing like this is important. We are not condemning the whole acquisition system. There are many service acquisition people that view what they do as a mission and not just a job. They get it. What they do affects people lives. We will continue to do what we can to fix the acquisition process where necessary, while encouraging the acquisition community to consider all qualified companies, not just the traditional suppliers, when developing and procuring new systems.

Our witnesses today will demonstrate that small companies are often capable of producing leading-edge technologies that offer great advantages for defense programs.

Each of you that has come here to testify has had experiences relating to the problem of dealing with the acquisition system. We look forward to a discussion of your technologies and your suggestions that might make it simpler for non-traditional defense suppliers to work with the Department of Defense.

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