

Introducing the panel, Soloway stated that CMI has already happened but has yet to be realized. "Will we [DoD] be able to take advantage of it?" he asked.

Ingersoll said that he also looks at CMI as a reality but noted three strategic focus areas for industry and DoD.

- Optimization of CMI – Asset allocation and various resources can be better integrated. Ingersoll also encouraged further integration of processes and practices, but said, "Commercial isn't always better," using DoD's Earned Value Management concept as an example.
- Globalization – Both industry and DoD will continue to "go global."
- E-Commerce – Business-to-business interchanges will become the norm.

Foley said there has been a great deal of success in CMI, but there will always be a difference between commercial and government sales. He said performance-based and price-based acquisition strategies will contribute to greater CMI. Barriers to CMI, he said, are Federal

Acquisition Regulation Part 12 fixed price requirements, lack of multi-year contracts, Wall Street's concern with the defense industry's health, remaining complexities in contract administration, and competition for the best of the workforce with dot.coms.

Andrulis also saw some barriers to full CMI, including unrealistic cost estimates and technological expectations. To counteract that, she suggested shifting project time frames from five or more years to the industry standard of 18 months to three years and rewarding companies that meet or exceed performance and delivery time frames. Andrulis also discussed DoD's increasing "efficiency and effectiveness" metric that, in her view, inherently favors large business over small business.

Carnes also said that CMI is imperative because commercial R&D investment far outpaces DoD's. Impediments on CMI he discussed were restrictions on corporate intellectual property rights when engaged in government work, cost-based pricing, and difficulties in over-

sight and contract negotiation due to regulation. All of these factors, Carnes said, turn companies away from government work because the return on resources is less than in commercial work.

Carnes discussed a commercial agreements prototype for R&D contracting being conducted at the Defense Advanced Research Projects Agency (DARPA). The DARPA prototype features payable milestones and allows contractors to retain intellectual property rights for commercial use. Carnes said the biggest benefit of the prototype is that it has no cost-reimbursable contracts, which reduce audit needs and system infrastructures.

While CMI and other aspects of commerciality in DoD acquisition are new and being improved, one thing is certain: Commerciality is the future, and the future is in process.

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