



Acquisition Excellence Delivered to the Point of the Spear

*Dr. Ashton B. Carter
Under Secretary of Defense for Acquisition,
Technology and Logistics*

Dr. Ashton B. Carter has been serving as under secretary of defense for acquisition, technology and logistics (AT&L) since April 27, 2009. His tenure has been marked by a distinct focus on supporting the warfighter as directly and immediately as possible; handling increasingly challenging logistics issues and the complex integration of science and technology; maintaining a top-quality acquisition workforce; and, above all, maintaining a laser focus on improving the value received for every dollar spent. This interview will provide some insight leading to the precedent-setting announcement by Carter on June 28, 2010, now referred to as the “Carter mandate for better buying power.” Then-Defense Acquisition University President Frank Anderson sat down with the under secretary in April to discuss his outlook for the defense acquisition workforce and his priorities and vision for the future.

Q
You've been in your position as the under secretary of defense for acquisition, technology and logistics for almost a year now. Can you discuss your general perceptions of how things are going?

A
It is a wonderful organization filled with an enormous number of highly dedicated people. It is a pleasure to be part of the AT&L team. I would say that the top priority for me in AT&L is one that I was given by the secretary of defense [Robert Gates] back on Jan. 5, 2009, when he offered me this job. He said, "AT&L has a tremendous number of things to do, a huge portfolio, but I've noticed the troops are at war and the Pentagon is not, including AT&L." He said that he wanted to make sure that AT&L, in addition to doing all the other things we do in this fabulous organization, is very attentive to supporting the warfighter. I've been very diligent, as have all of the staff, in pursuing that guidance from Secretary Gates.

Q
An emphasis on the current war has been a theme of yours from day one. You have placed great emphasis on getting the right balance. Would you expand on that a little bit?

A
There are several different dimensions to it. The first, of course, is responsive acquisition—making sure that we can turn inside the loop of real-world unfolding events; not just have programs that are on the 10- and 15-year program of records schedule, but have those that are on the 10-month or 10-week response schedule. We've had a lot of success in that area in a wide range of fields: vehicles, ISR [intelligence, surveillance, and reconnaissance], counter-IEDs [improvised explosive devices], and so forth.

Another big area, tremendously important, that AT&L is involved with is the management of contractors on the battlefield. I don't think most of our citizens know this, but most of our workforce know that for every soldier we field today, at least one contractor is also engaged in the same theater in necessary support functions to the warfighter. Managing that effort means trying to strike a balance between being efficient and responsive to the contingencies of war on the one hand, and on the other hand, being good stewards of the taxpayers' money. Striking that balance is the second important thing.

A third is logistics. There are logistics wars right now. In Iraq, it is getting stuff out on a prescribed timetable established by the president in circumstances in which hostilities are still ongoing. In Afghanistan, it is getting the surge and all the rotations into Afghanistan this summer, and also all the things that might have gone into Afghanistan in the past few years had Afghanistan been the central priority. Now Afghanistan is the main effort, as Gen. [David H.] Petraeus [commander, U.S. Central Command, at the time of this interview] says, so there is a tremendous amount of capability, personnel, and construction and so forth that needs to go on in Afghanistan. And Afghanistan is just about the most demanding logistics environment you can possibly imagine. We don't have many months to do it, and people involved in this are just amazing, starting with our own people here in the Pentagon; though of course, the real action is done in the field.

A last area that has been of particular concern to me, and that the secretary has given us some responsibility for, is the counter-IED fight—equipment, training, and so forth. Those are all the areas of the current war that AT&L is involved in, and I think it is something new for our organization to be that involved. The secretary wants it, and the country needs it.



The acquisition executive always has to be looking to joint acquisition and the acquisition of inherently joint capabilities.

Q You mentioned the counter-IED fight. I know that you are co-chairing a group looking at initiatives and things that can be done now. Would you expand on some of the things that are coming out of this review? How are we looking to defeat IEDs?

A The IED problem, first of all, can't be disentangled from the war as a whole. IEDs are obviously a threat to life and limb. Also, unless we defeat the IED, we can't pursue the COIN [counterinsurgency] objectives because if the troops and—above all—the civilians can't be out and about amongst the people, the whole strategy doesn't work.

Countering the IED is essential to retaining the support of the Afghans, of the coalition partners, and of the American people. It is a central part of the overall objective in the CSIG [Counter-IED Senior Integration Group] that the secretary set up to coordinate and accelerate our near-term efforts. We have been focused on such things as widening

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the delivery pipe for MRAPs [mine resistant ambush protected vehicles] so that we can get the MRAPs that we are producing here in the United States in the hands of soldiers as quickly as possible. We are getting more of the coveted ISR, particularly full-motion video, that is so helpful and comforting to people conducting operations, and we are doing that with fixed-wing aircraft, traditional unmanned aerial systems, tethered aerostats, and other elevated line-of-sight systems and trying to push them into country as quickly as possible.

The other thing we are working on is the unique problems associated with homemade explosives based upon the use of fertilizers like ammonium nitrate. That turns out to be not just an Afghanistan problem but one that leaks into Pakistan and other nearby countries. It is not purely a military problem, but a diplomatic and economic problem as well.

Wherever the counter-IED fight takes us, we are going. And it is not just the equipment; it is the training. It is critical that the people who are going into Afghanistan in the next few months have specialized training in counter-IED and that they have the equipment and the expertise required to defeat this threat.

Q During my interview with Gen. Petraeus in September 2009, the general had high praise for you as the under secretary, and he really complimented you for your aggressive move to get things in theater. He thought that was a reflection of your leadership. Would you share a little bit regarding your emphasis on the need to provide timely support to the warfighter in theater?

A He is the customer. He is the boss, as far as I am concerned. He says jump, we should say how high. Gen. Petraeus, Gen. [Raymond T.] Odierno [commanding general, U.S. Forces-Iraq], and their staffs—they are the people out there at the point of the spear. What we try to do in all of our war support efforts is to listen very carefully to what they want. They sometimes don't have the time to tell us what to do, so we have to figure that out. They sometimes don't have the means to tell us exactly what they want. We need to understand their situation well enough to serve them.

I always say to the people in theater, you call the meeting when you want; we are not going to call it on Washington time and make you stay up at night; you make us get up early in the morning. It is all about you.

Q We've talked about warfighter support. I'd like to move to science and technology, another area upon which you have placed great emphasis. Can you share with us the important role of S&T, especially in terms of innovation for the acquisition community?

A Science and technology has been one of the strong areas of advantage for the United States in waging war. Our people are our best asset; after that is science and technology. And over many decades, that has been a distinctive enabler for the American way of waging war. It is our responsibility in AT&L—namely the "T" part of AT&L—to make sure we hand off to our successors and their successors in the decades ahead the technologies that will make our military superior. We have to do that in a changing technological environment. It used to be, 50 years ago, that most technologies of military importance originated in the military technology base. We

sponsored them, we gave birth to them. Today, many important technologies are developed outside the Department of Defense's walls, and we need to be able to reach out and get them. The other thing that is true is that 50 years ago, most important technological advances were made within the United States. Now there is a global technology base of importance. We have an excellent leader in Zachary Lemnios [director, Defense Research and Engineering] and his great organization. It remains of central importance for the future of the Department of Defense.

Q In our staff meetings, you have pushed for holding contractors and acquisition teams accountable for positive results. Given the environment we are in and the tradeoffs that teams have to make, how do we keep the right balance between accountability and delivering products on time?

A Acquisition excellence is a big theme, not only for Secretary Gates, but for President Obama also. He has emphasized the need to change the way we do business and get better value for the taxpayers. As Secretary Gates says, there is no silver bullet in doing that. It begins with good people in our acquisition workforce and then daily diligence. It is true that in some cases, we are not getting the value that the taxpayers deserve. In some cases, the programs need to be reviewed, and all issues associated with them surfaced and dealt with.

I believe in very vigorous "digging into" each of our programs. It is not a matter of making a perfect system and jumping

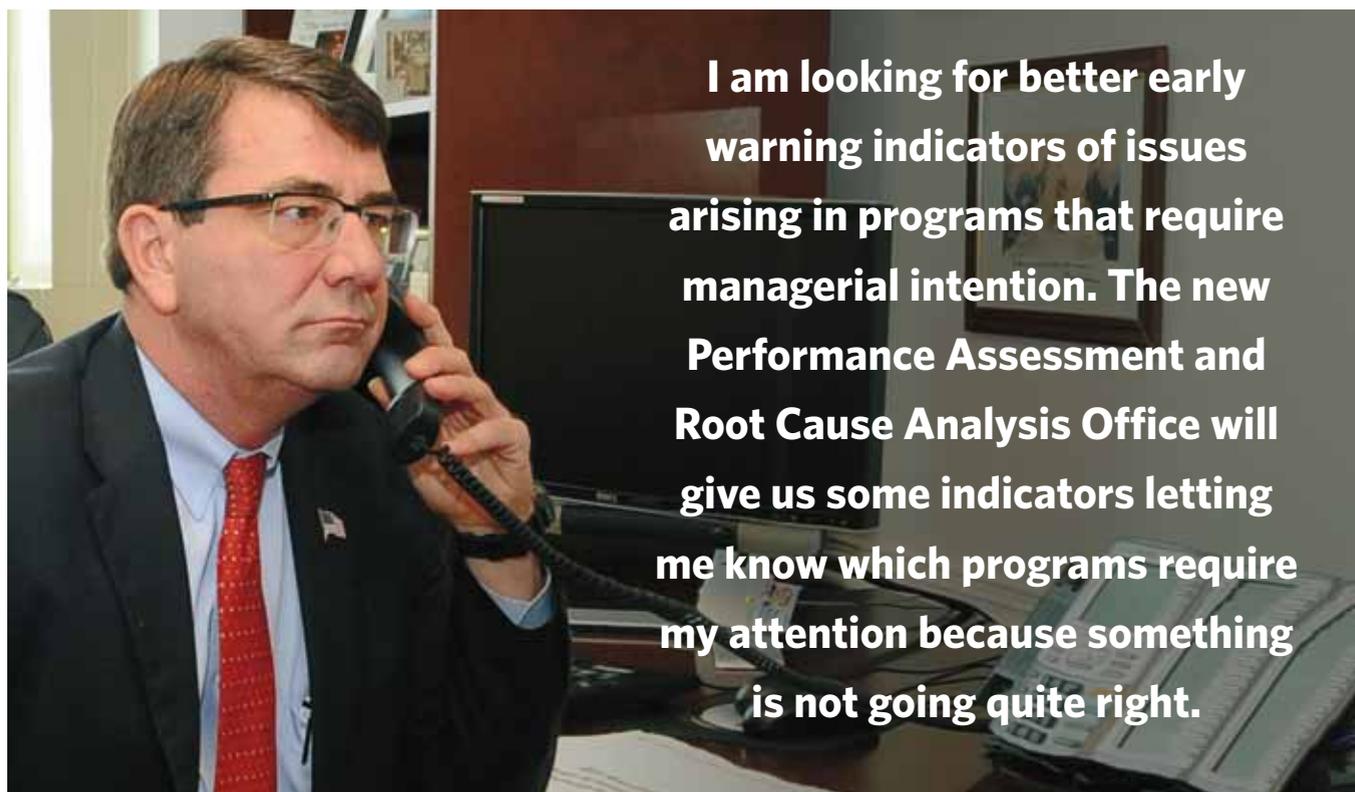
through hoops or fitting into boxes. Each program is different and distinctive. I likewise expect that our acquisition officials all the way down the chain are doing the same thing: being disciplined; being rigorous; being open when things are not going well; and confronting things as they arise, as things do in any program.

Q One of acquisition's challenges is having the resources we need to acquire all of the equipment we feel is important. That obviously drives tradeoffs. Do you have any thoughts to share relative to the trades we need to make to provide the right national security formula?

A I don't expect the investment part of the defense budget to go down, but it is not going to be growing the double-digit way it has over the last decade and the way we've become used to. We are going to have to manage more rigorously, and there are two senses in which that needs to be done.

The first: program by program, contract by contract, facility by facility, driving down costs and making sure we are getting the best value for the taxpayer. I can tell you in many cases, in many contracts, we are not yet there. We can do a lot better in getting more value for the taxpayer.

The second is something that Secretary Gates has emphasized very strongly, and that is having the discipline to stop doing things that aren't working: programs that aren't performing; programs whose time has passed—ones that may



have seemed like a good idea when they were started but we now realize are not needed; or programs that we have enough of and we don't need to buy any more. This is very difficult discipline, and we need to recognize that spending more than we need or buying something that is no longer required is taking away from our ability to buy the things that we *do* need. Within that sense, it will always be a zero-sum game, and we have to show that kind of discipline. Secretary Gates has shown the strength and courage to do that when it is warranted. He has given every indication that he will continue, and it is the right thing to do for the taxpayer and the warfighter.

Q *A theme of acquisition reform has been the idea of improving what and how we buy. Can you comment a little on this?*

A Again, there is no substitute for program-by-program discipline. We are, however—and some of this comes out of the Weapon Systems Acquisition Reform Act passed last year unanimously by both houses of Congress—making some specific innovations that go beyond the improvement of the workforce and the instilling of discipline, which are the two key things.

But the Weapon Systems Acquisition Reform Act made a few recommendations to us. I'll just give you one example of that, and that was the use of independent cost estimates. We've had an example of the use of independent cost estimates in our largest program, the Joint Strike Fighter program, the last four or five months; and we used it in the way it should be used—namely, to challenge the program office's and the contractor's view of the status of the program with an independent set of eyes. At that point, the managers—the secretary and I—can compare the independent estimate to the program office estimate. In this case, they were dramatically different. We asked what accounted for the difference. By focusing on those discrepancies, we could see the parts of the program that weren't quite focused and needed to be managed differently. We will be able to restructure the Joint Strike Fighter program as a result of that independent cost estimate and then lay out a budget for the restructured program that was the first look neither of the independent cost estimators nor of the program offices; it was something in between. Now we are managing that independent cost estimate.

Q *From listening to your comments, it can be assumed you have a positive view of acquisition reform initiatives that are ongoing. Have you started to evolve a set of metrics for how you will assess programs?*

A That is a very important thing because there are so many programs that I can't do for each and every one of them what I did for the Joint Strike Fighter program—which is spend day after day and weekends delving into every detail. That was an important thing to do because of the significance of the Joint Strike Fighter program. I also wanted to set an example of how I thought program review should be conducted. But I can't review every program at that level of depth.

Therefore, I am looking for better early warning indicators of issues arising in programs that require managerial intervention. The new Performance Assessment and Root Cause Analysis Office, which grew out of the Weapon Systems Acquisition Reform Act, will give us some indicators letting me know which programs require my attention because something is not going quite right. What I don't want to do is have to wait until they hit serious trouble, for example, by having a Nunn-McCurdy breach. When Nunn-McCurdy breaches come along, the program has generally either gotten so far off the rails that it is very difficult to get it back on track, or the Nunn-McCurdy bell has rung for some other reason—for example, the unit cost has gone up because the number of units we are buying has gone down. Nunn-McCurdy comes along too late and has a high false-alarm rate. I am looking for indicators and metrics that direct managerial attention early and don't have the high false-alarm rate.



Q *You spoke of the Weapon Systems Acquisition Reform Act. One part of that is an emphasis on people, which is another priority area in which you have invested time. Most people hear about the 20,000 people that we're hiring. Your emphasis has been that size is one factor; your drive has been quality of people. Can you talk about that?*

A Quantity is important, but quality is paramount. Of all our programs in AT&L, the most important is to increase the competence, quality, and performance of the acquisition workforce. That matters more than any organizational reform. There are several different dimensions to this.

One is making sure that as we add civilians to the workforce, they are in the skill sets we most lack, and that the people we are hiring are highly competent. I must say that so far, this has been the case, but we need to keep pushing as the years go by and we hire more people.

Second, I have been pressing the Services to pay attention—more attention than they have in recent decades—to the uniformed acquisition workforce, as it is critically important that there be a core within each Service so that junior officers with acquisition acumen can aspire to promotion.

Last, we have to look outside government to our supporting institutions. We have an acquisition support structure in industry, but we have a unique and uniquely valuable structure in the FFRDCs [*Federally Funded Research and Development Centers*] and UARCs [*University-Affiliated Research Centers*]. These are immensely valuable institutions, and I am looking for ways to support and strengthen them.

The quality of people is the most important variable we can change to alter acquisition outcomes.

Q *Most of the people know that you conduct reviews to look at programs, but a lot of people don't know that you have also set up a structure to review people. You've talked about this being a program, and you have set up systematic reviews where everyone comes together to go through all of the details. Will you talk a little bit about your focus on engaging all of the senior leadership?*

A We had a meeting just last week, where we gathered all the Services and field agencies that are doing in-sourcing and new hiring and asked them exactly what specialties they are seeking; why; how many in each category; and how they are going about ensuring that not only do they have quantitative targets, but that they have the quality also. There is no alternative to going through those organizations

one by one and those personnel categories one by one. As I said, it is our most important program.

Q *Do you have any other thoughts or themes that you would like to share with the community?*

A There are several frontiers out there for us in the acquisition community.

One is sustainment. There are a lot of dollars in sustainment. We all talk about the need to pay attention to how much it is going to cost to sustain a weapons system that we are acquiring, but I think we really need to make good on that determination, and we need to also look at the current sustainment costs we are paying for programs that we've bought in the past. There is a lot of money there that I believe we can manage better.

Second, when people talk about acquisition, they tend to talk about the acquisition of weapons systems, but the other half of the money we spend in the department is on services. How well are doing in services? How good is our performance in acquiring services?

A third frontier is, of course, information technology—again, something you have to buy differently from the way you buy traditional weapon systems.

The last I'll mention is an issue that has been with us since Goldwater-Nichols [*the Department of Defense Reorganization Act of 1986*] and remains with us and will continue as long as we have the structure we have, which is that we fight jointly but we still acquire separately. Any system will have its seams. That is the seam in our system. The acquisition executive always has to be looking to joint acquisition and the acquisition of inherently joint capabilities like ISR, because if we don't pay attention to filling those seams, they will spread, and there will be important deficiencies.

I also want to express my appreciation to the readers of *Defense AT&L* and everyone in the acquisition workforce. It becomes very apparent when we are trying to hire people into the acquisition workforce that we have one great trump card that no other employer has. We don't always pay as well, we don't always have the benefits of other employers, but we have the mission of patriotism and duty. I want to thank those in AT&L who have answered the call already, and that is my great hope for ensuring that tomorrow's acquisition workforce is even better.

Q *Dr. Carter, thank you very much for taking the time to share with this magazine your thoughts for the acquisition community.*