The Revolution In Business Affairs — The Need To Act NOW

Remarks By The Honorable Jacques S. Gansler, Under Secretary of Defense (Acquisition and Technology)

The following speech was given by Dr. Gansler to the Association of the U.S. Army, Falls Church, Va., Sept. 2, 1998.

M1A1 Abrams Tank

Events of the past few weeks have made it abundantly clear that the future is now. During my nearly 10 months as Under Secretary of Defense, I have warned frequently that achieving the Revolution In Military Affairs and the Revolution in Business Affairs – tandem strategies to maintain our military superiority into the next decade – are urgent and absolutely essential if we are to withstand the variety of asymmetrical threats we face as we enter the 21st century. Unfortunately, those threats are with us now.

Blueprint for Survival

The recent bombings in Kenya and Tanzania only serve to underscore the fact that the threat is real and that there is an urgent need to move the DoD more rapidly toward the dual strategies embodied in the Revolution in Military Affairs and the Revolution in Business Affairs. These are not simply slogans, but a fundamental blueprint for survival that, if successful, can ensure the nation's military superiority well into the 21st century, against any adversary, and under any of a multitude of potential combat scenarios: information warfare, urban combat, chemical/biological attack, terrorism, or nuclear attack by a rogue nation against our homeland or our allies. The issue is clear: If we are not successful, if we do not transform the way we fight, the weapons we use, and the way we acquire those weapons, our security is threatened. Clearly, we have no choice.

M2A2 Bradley Fighting Vehicle

DoD Photos

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> **"FOR THE PRESENT, WE MUST STILL INVEST HEAVILY IN UPGRADING CURRENT SYSTEMS SUCH AS THE ABRAMS TANK, THE BRADLEY FIGHTING VEHICLE, AND OUR AGING FLEET OF HELICOPTERS, AND PROVIDE THEM WITH THE MEANS TO TAKE ADVANTAGE OF THE MODERN 'DIGITAL BATTLEFIELD.'"**

SH-60B BACKHAWK HELICOPTER

Obviously, this transformation will not be an easy one. Mao Tse-tung once said that "Revolution is not a dinner party." What he intended by this remark, was to explain away the destruction and carnage associated with the defeat of the Kuomintang in China in the late 40s. Our Revolutions in Military Affairs and Business Affairs have certainly been less bloody – but (as Machievelli warned us) making change in government is extremely difficult and often receives little support, since there are many who stand [for not having] the status quo upset, and few who are willing to fight for the required changes.

Nonetheless, an objective assessment can see that the world of the U.S. military-industrial complex is significantly different today, in many ways, from what it was just five years ago. Acquisition reform has had a major impact on the way we do business; the defense industry has been transformed; and multi-Service jointness is now a major consideration (from weapons planning through military exercises). I am proud of the acquisition workforce at the Department that is working to transform our military capability, modernize our weapons systems, improve performance, cut costs, reduce the workforce, and lower cycle times.

"Robbing Peter to Pay Paul"

While I agree with Mao that getting to this point has not been a "dinner party," the effort so far has been relatively cohesive. I think that the reason for this is that everyone, from Secretary Cohen, General Shelton, and General Reimer, down to our combat personnel in the field, to the welder on the production floor, and to the acquisition people in our buying commands, all agreed that we had to change. Yet the pace and the direction are far from agreed upon.

The dilemma we face right now involves competing – and seemingly unlimited – demands for limited resources. We simply cannot afford all that we would like to do – and, on our present path, even all that we *must* do. With fixed total resources, we have resorted to "Robbing Peter To Pay Paul"; taking from future investments in modernization to maintain current readiness. Yet, we know we *must* develop the *new* systems needed to meet the challenges of early 21st century warfare; and to modernize our *current* equipment in order to maintain our military superiority in the face of the growing technological advances of our potential adversaries – often equipped with systems purchased off the world's commercial or military markets – and their increasing use of asymmetrical warfare.

Countering Asymmetrical Threats

While modernizing, we must simultaneously shift our focus from the traditional weapons platforms (ships, planes, and tanks) to weapons that will counter future asymmetric threats – such as defenses against biological warfare, information warfare, and ballistic missiles. On the offensive side, we must increase our funding on enhanced and secure C^3I and long-range, all-weather precision weapons – implementing the full capability of "reconnaissance/strike warfare."

Interoperability

Additionally, since the most likely combat scenarios for the United States involve *coalition* conflict, on a global scale, we must ensure that the equipment we use is not only interoperable among our Services, but is also interoperable with that of our allies. With the speed of change of technology, and the disparity in defense budgets, this is an increasingly difficult challenge to overcome, but one that is absolutely essential if we are to retain worldwide battlefield dominance.

Globalization

This brings up the issue of the future defense-industrial base. Here, we continue to have the same objectives we have always had – namely, increased efficiency while maintaining competition (both horizontally and vertically). However, we are also faced with the reality of an increasingly global industrial base, and we must take full advantage of it; and yet we must maintain the required control over our advanced-technology classified systems. We realize that globalization increases the risks involved in transfer of militarily significant technology. To eliminate such risks, we must ensure that adequate controls are in place to eliminate the transfer of technology from our allies to third parties (and even to their own commercial firms).

Operating With Legacy Systems for the Foreseeable Future

Finally, we must face the reality that, for the next few years, the vast majority of the systems we will use are those that are already deployed. Yet, because we stopped modernizing over the last decade – when our procurement account dropped by more than 70 percent – we now are spending billions, for example, to maintain an aging fleet of aircraft. By next year, the average age of that fleet will be over 20 years. Flying-hour costs for that aging fleet have risen almost 70 percent during the past four years, and maintenance costs are skyrocketing. Worse still, the age and deteriorating state of these systems are having an effect on readiness. They demand more and more dollars to keep them going.

We know that we must operate, in the near future, with many of these legacy systems as the basis of our force structure. We cannot simply discard them. It is too expensive and impractical, given our current budget constraints. Thus, for the present, we must still invest heavily in upgrading current systems such as the Abrams Tank, the Bradley fighting vehicle, and our aging fleet of helicopters, and provide them with the means to take advantage of the modern "digital battlefield." All this we plan to do. But ask anyone in the Army and he or she will tell you that the time is fast approaching when the Army must focus on building the new rather than "jerry-rigging" the old.

Trapped in a Death Spiral

Unfortunately, we are trapped in a "death spiral." The requirement to maintain our aging equipment is costing us much more each year: in repair costs, down time, and maintenance tempo. But we must keep this equipment in repair to maintain readiness. It drains our resources – resources we should be applying to modernization of the traditional systems and development and deployment of the new systems. So, we stretch out our replacement schedules to ridiculous lengths and reduce the quantities of the new equipment we purchase – raising their costs and still further delaying modernization.

Compounding the problem is the increased operational tempo required by our worldwide role as the sole remaining superpower, which more rapidly wears out the old equipment.

If this were not bad enough, we must also deal with the uncertainty of unanticipated crises, such as the Y2K computer problem, which – in a flat-budget environment – further drain funds from modernization.

To break out of this cycle will be extremely difficult. It will require significant cultural change, a sense of urgency, and implementation of difficult decisions. It will not be enough simply to accept the notion of the *need* for a Revolution in Military Affairs and the *need* for a Revolution in Business Affairs. Actions *now* are essential for our security in the 21st century. It is the urgency to act now that is not universally accepted – by many in the Congress, the military, and the defense industry.

I do not expect it to happen overnight. As Thomas Jefferson said: "It takes time to persuade men to do even what is for their own good." But, if we do not begin to break out of the "death spiral" soon, it will be impossible to do so later.

The required actions are – I admit – both unpopular and extremely difficult. But, I believe, we have no choice. You, of course, know what they are; but let me tick off a few:

- Additional base closures.
- Termination of a number of traditional weapon systems now in acquisition in order to fund the required newer systems.
- Drastic improvement in cycle times (from 18-year developments toward 18 months; and from 40 days for spares order-to-receipt time to four days).
- Competitive sourcing of all but inherently governmental functions; and a rapid reduction in the civilian and military workforce made possible by the increased use of competitive market forces.
- A significant increase in investments for reliability enhancements on currently deployed systems.
- Widespread and full implementation of the "acquisition reforms" initiated over the last few years, including cost as a military requirement and elimination of the current barriers to civil/military industrial integration (such as the government's specialized accounting and auditing systems).
- Full and rapid transformation of the complete DoD logistics system into a much more responsive, significantly lower-cost system.
- Last, but most important, a full and rapid transformation of our military tactics, doctrine, and structure to actually realize the strategy of the Chairman's "Joint Vision 2010."

Information Dominance Means Digitization Now

Achieving these reforms will enable us to cut support and infrastructure and re-allocate these resources to top-priority modernization programs, like "digitization." This overall acquisition program will exploit state-of-the-art communications, sensors, space-based reconnaissance, and computing systems to integrate battle command from the squad to the corps level; provide a relevant common picture of the battlespace at *each* level of command – not just at

the headquarters level or higher; improve joint and multi-national interoperability in combined operations; provide more timely and tailored logistics packages to the field; and enable smaller units to become more lethal and survivable.

We expect to digitize our first Army division within two years; our first corps by the end of 2004; and the whole Army by 2010. One of my major concerns, as I have said, is to assure that we have adequate funding for such programs. If anything, I would like to see us moving even faster in our digitization effort. I believe that information dominance – and the information security that must go with it – are top-priority items for defense funding.

Digitization demonstrates how close we are to a whole new way of warfighting. If we are able to "see, prioritize, assign, precisely kill, and assess" on the battlespace, our joint combat forces will be able to improve their awareness, cut down on response time, and make critical decisions that will increase combat power and effectively dominate any adversary. Simply put, we are trying to remove from the battlespace as much of the "fog and the friction"– the uncertainty and unpredictability – that we can.

Throughout history, gathering, exploiting, and protecting information have been critical elements in achieving military superiority. These essential elements of information awareness will not change. What has changed and will change further are the amount and quality of the information we gather, the speed with which we gather and disseminate it, and how we use it. Most important, perhaps, is the technology we use, particularly, and our ability to adjust our doctrine, tactics, and training to take advantage of it.

Fastest, Strongest, Best in the World

Our unquestioned technological superiority on the battlespace today must be enhanced, extended, and applied in order to enable us to *retain* overall superiority in the future. Our equipment must be the best possible. Our troops must be trained to use it; and our forces must be able to project our power on a global arena. Only if we do that can we achieve our required future security objectives. In this way, in the early 21st century, the Army After Next will continue to be the fastest, the strongest, and the best in the world. I have full confidence that we [can] and will be successful.

DSMC Hosts Noted Author as Guest Lecturer

Recently, as a guest lecturer for the Intermediate Test and Evaluation Course (ITEC), retired Air Force Col. Jim Burton recounted lessons learned and experiences during the 1980s' establishment of the Congressionally created Joint Live Fire Office. In his book, *The Pentagon Wars*, Burton defined his testing theory and detailed what he firmly believed should be examined on any system that carried personnel.

Burton consistently advocated live fire testing for vulnerability of our own platforms as well as those of the former Soviet Union. His position on live fire testing, at times placed him at odds with Program Office personnel during the course of his military career.

When the movie rights for his book were purchased by HBO, he did not have literary control over the movie's format or script. "However," he stated, "by communicating with HBO the serious nature of the subject, I was able to obtain a better balance between the serious aspects of the story and the HBO injection of humor."

Pictured from left: Darryl Cureton; Peggy Mattei; Burton; Ricky Irvin; Jay Gould, Professor of Systems Engineering Management, DSMC. Cureton, Mattei, and Irvin were recent students in the Intermediate Test and Evaluation Course.

Photo by Richard Mattox