

# Global Cooperation

## From Idea to Reality

*Kenneth J. Krieg*

*Common Defense and Defense Cooperation are terms that have taken on new impetus and emphasis since 9/11. Military self sufficiency is no longer sustainable for the armed forces of any one nation—economically, technologically, or militarily.*

*The United States is increasingly operating side by side with its allies and global defense industries, forming vital international partnerships with the goal of jointly developing future defense capabilities that will lead to increased international security. Coalition forces across the globe must have the best equipment available, and it must be interoperable to the greatest possible extent. Our nation's armed forces and*

*those of its allies must be flexible and deployable at ever shorter notice. This in turn requires planning, training, and speed of decision making.*

*ComDef 2005, which represents the nation's 23rd annual conference on international defense cooperation, has been addressing these and other common issues relating to international defense cooperation since 1987. In his first public forum since his appointment as under secretary of defense (acquisition, technology and logistics), Kenneth J. Krieg accepted the invitation of Al Volkman, director, international cooperation, OUSD(AT&L), to speak at this year's event, held on Sept. 7 at the National Press Club in Washington, D.C.*

*He chose for his topic "Global Cooperation: From Idea to Reality."*

*Krieg's address ranged from Hurricane Katrina support to outlining his basic philosophy and the principles that will form the framework of everything he will do as he continues to lead defense acquisition and business transformation within the Department of Defense.*

*Defense AT&L is pleased to present our readers his remarks in their entirety, representing for most of us a first glimpse into the programs and priorities of our new leader.*

—Collie J. Johnson  
Editor-in-Chief

**I**t's an honor to be here today to kick off *COMDEF 2005*. As the under secretary of defense for acquisition, technology and logistics, I thought it was important to speak to you at the beginning of Al's [Volkman, director of international cooperation] New Year, because our future—and by that, I mean, our collective futures—depend on international cooperation.

No nation—not even the United States which is built upon the idea of independence and the freedom to self-rule—can stand alone in the Global War on Terror. Despite our bold and decisive approach, America and her leaders—and more important, her citizens—understand the need for international cooperation.

We live in a global economy fueled by easy global interaction. We are challenged by forces that act without regard to borders. So we must work with our friends and allies around the world to address these challenges.

With that in mind, we very much appreciate the help we have received from all of our friends and allies in the Global War on Terror. We also appreciate those of you who worked side-by-side with us during the tsunami in Southeast Asia, and those of you who are now supporting us as we clean up in the aftermath of Hurricane Katrina.

This notion of international cooperation is what has brought me here today—the importance of teamwork on a global scale. I see *COMDEF 2005* as the perfect place to address our international partners and the Americans who work with you. We need to work together to push our partnerships to the next level in this new era.

As the world is changing and the challenges to free and open societies are changing, we must be willing to think anew about how we work with friends and allies.

Therefore, I am going to discuss not only what some of our international goals are, but also describe to you our basic philosophy at the Department of Defense—specifically my philosophy as I take on this role in acquisition, technology, and logistics—and the framework we are using to reach those goals.

I'm pleased that other key members of my leadership team are here with you and participating today. Al Volkman is a co-chair of today's event. Later today, Gary Powell will discuss new ideas in industrial policy. You will also hear from Dr. Charlie Holland and Dr. Michael Francis who will share their insights into the importance of Science and Technology. And Robert Bruce will moderate the panel on the Realities of Cooperation.

## What We Are Facing—America's Vision

Let me begin by setting the stage for the 21st century and America's vision of what we are facing, not just as a nation, but as a partner in this new reality.

As Secretary Rumsfeld so aptly put it:

Today we confront an enemy unburdened by bureaucracy or regulation—or any legal, moral, or structural constraints. The enemy is not easily described. It is not a nation, not a religion, nor even one particular organization. Rather it is a shifting network of violent and fanatical adherents to violent extremist ideologies—a movement that uses terrorism as the weapon of choice. ... They strike with little or no warning, where least expected—on Spanish railways or Indonesian discos.

I would add to that quote, “in the metro systems of London and the various other places they've hit.”

That perfectly describes the challenges we are facing now in providing our forces with the right capabilities. Yet the military establishments in virtually all of our countries—in fact, our entire governments—were built around the idea that our enemies are nation states that attack much more predictably than the terrorists we fight today. Therefore, we have had to make substantial changes in the way we do business—and that includes more collaboration with friends and allies.

But as Jonathan [Hoyle, minister for defense materiel for the British Embassy] noted, this is not easy. Change never is.

For one thing, each of our nations has competing budget priorities. At the same time, each of us has military and industrial cultures that are rightfully proud of their accomplishments in the past. This pride can provide strong foundations upon which to build for the future. But in an era of tightening resources, they can also limit our will and ability to address this changing world in the smartest way.

To complicate matters further, this new order is one of varying coalitions and partnerships, depending on the threat we face. And with each coalition, we all face a variety of countries whose citizens speak different languages and have different cultures that they bring to the challenge.

With this as the backdrop, we can see clearly that it is not just our warfighters who must be more agile than ever before. We must all be more agile.

To achieve the necessary agility, our warfighters need to have a requirements community that realistically balances risks and opportunities today and into the future.



**“... Joint and interoperable programs are smart things to do. If America is going to be successful, we not only have to be responsive, accountable, and smart, but we have to do it with our allies and partners in mind.”**

They also need an acquisition community that can create complex portfolios and make hard decisions. And their research and technology community must be able to identify and pursue the concepts that will bring competitive advantages in the coming decades. Finally, their logistics community needs to be as agile as the warfighters it supports.

Therefore, we must be creative in the way we research new products, the way we acquire new products, and in the way we deliver and sustain those products and capabilities. We must also look at the industrial base as, just that—“the” industrial base. We must scour the world for the best-performing and affordable products and services that come from reliable sources.

We are already doing much of this to some extent. However, every day we find another way to improve how we

do business. And as we at the Department of Defense's Office of Acquisition, Technology and Logistics go through this process of change, we ask ourselves how does this impact our Number One customer—the warfighter? And not only the warfighter of today, but also the warfighter of tomorrow.

### AT&L Basic Philosophy

My basic philosophy for my job in AT&L starts with viewing our customers' expectations. And these customers are demanding—or at least they should be—and they expect us to prepare and provide the capabilities they will need to defend America and its interests.

Secondly, as a member of Secretary Rumsfeld's staff, I must also provide timely information, insight, and support to help the secretary better manage the department, and provide his advice to the president.

The Joint Strike Fighter, a next-generation, supersonic stealth fighter, is designed to replace aging fighter aircraft in the United States and United Kingdom, including the A-10, F-14, F-16, F/A-18 and Harrier. Specific JSF versions are being tailored for the U.S. Air Force, Navy, Marine Corps, and Royal Air Force/Royal Navy. Other allied nations also have signaled their interest in the aircraft. Photo courtesy Lockheed Martin.

Lastly, those of us in AT&L have a responsibility to the American people, particularly as taxpayers, to wisely invest their hard-earned money in the nation's common defense. Because the American people are clearly represented by the Congress of the United States, we must make sure that the members are well informed of our efforts.

In serving all of these stakeholders, we must first define performance and make decisions using facts; second, align authority with responsibility and assign accountability for success; third, balance the risks and costs of our various choices; and fourth, build business processes that have both agile performance and strong oversight.

To succeed, we must rely on people working together in complex processes. Therefore, we need to build the capacity of our workforce. We must help them to develop professionally so we can continue to serve our customer even better tomorrow, than we do today. And lastly, we must attract the next generation of talent to these endeavors.

While performing all of these duties within this framework, we must exercise discipline in our processes and oversight so that we can avoid major surprises. Above all, we must demand the highest integrity, and work in an atmosphere of transparency.

### New Defense Business Practices to Meet Challenges of Increasing Globalization

I wanted to provide that basic philosophy to give the framework for everything I do in AT&L. As we incorporate these basic principles into our daily routine, we are also mindful of how business at the Department of Defense is changing. And it is changing very rapidly.

The international component of our business has grown dramatically, and continues to expand throughout our organization. Everything we do at the Department, we do



with an eye toward jointness and interoperability. Slowly, but surely, we are getting our hands around all that this implies in the modern world.

As we move forward toward this new future of increasing globalization, the department is evolving a set of new Defense Business Practices to reflect the changing times.

Therefore, we are reviewing our business practices in five broad business areas. Those areas are (1) the supply chain; (2) medical readiness and performance; (3) acquisition—and by that, I mean, not just “how do you procure,” but go all the way back to requirements, and the management of demand and supply, and then tying it to logistics over time, in other words, “life cycle management”;

(4) strategic process integration, which is the bureaucratic way of saying we want to tie planning to resource allocation and execution management; then finally, (5) corporate governance within the modern world. And that is corporate governance within the department, not in the corporate world.

And as we review these five areas, we are applying three overarching guidelines that I'd like to share with you. I will use some examples to illustrate how each of these guidelines is already at work, so you can better understand what is directing our business decisions.

First, we must be responsive to our stakeholders—customers, decision makers, and taxpayers. Second, we must empower accountability. And third, we must work smarter, not necessarily just harder.

It's as much about changing the way we think and what we do as it is about changing what we buy.

With that in mind, I'm going to share with you some of those principles and describe how we are using them in the international community today.

### Being Responsive to Stakeholders

In regard to being responsive to our stakeholders, we must do what we can to ensure that our money is spent wisely, getting both effectiveness and efficiency. One example of how we are achieving this is through Performance-Based Logistics.

By one set of calculations, America's military spends roughly \$80 billion per year on supply chain activity. By anyone's calculation, that is a significant sum. So, how do we assure best value given that investment?

One answer is Performance-Based Logistics. When Performance-Based Logistics, or PBL, is done right, it focuses energy on the necessary outputs and can provide both effectiveness and efficiency.

Industry has done a great job of implementing PBL and delivering results on the battlefield. Systems such as Stryker, Super Hornet, C-17, and J-STARS have all demonstrated historically high mission availability rates in both Operations Iraqi Freedom and Enduring Freedom. Based on those results, we are working with our international partners and allies to investigate the use of PBL on future multi-national systems such as Joint Strike Fighter.

Performance-Based Logistics helps us to work more efficiently, and to also gather the data and facts we need to measure success and uncover roadblocks to our outcome goals. Even more important, we are able to factually report those successes to our stakeholders and work together to remove those roadblocks.

### Empowered Accountability

Responding to stakeholders using this important data brings me to the next overarching guideline in our department's review—and that is "empowered accountability."

What this means is that choices and decisions need to be made based on facts, not feelings or impressions; and those choices should be made at appropriate levels. But it requires data, arrayed as useful information, to support knowledge first, and then understanding to meet that challenge.

One way we are achieving this is through Unique Identification, or UID, and its companion technology, Radio Frequency Identification, or RFID. When arrayed through



MEADS, a 21st century air and missile defense system under development by Germany, Italy, and the United States, includes a lightweight launcher, 360-degree fire control and surveillance radars, and plug-and-fight battle management command and control abilities not found in current systems. With its enhanced mobility and advanced technologies, MEADS will offer warfighters significant improvements over existing systems.

Image courtesy Lockheed Martin.

widely available information systems and networks, users are able to track consumption of a product in both rate and quantity, as well as track maintenance and repairs, thus providing the facts needed to make the right decisions, at the right time, at the right level.

In 2004, NATO launched an RFID cargo-tracking pilot program with Savi Technology to track multinational consignments from Europe to Afghanistan. The NATO pilot project included bar coding, passive and active RFID tags, and Global Positioning System technology.

We are working with not only our NATO allies, but also with other partners to develop and implement this technology. To shape this technology's success, we must work together to create international standards as we go along, rather than adapting later to previously established standards.

### **Work Smarter, Not Just Harder**

As we gather the detailed information that UID, RFID, and other technologies allow, we not only empower accountability and create the database of information to be more responsive to stakeholders, it also enables us to work smarter, not just harder, which is our third and final overarching guideline.

In an era where people are already working hard, the idea of working smarter is the key to future success. And one of the smartest things we can do is to leverage the skills, talents, and military investments of this nation, our allies, and coalition partners.

Joint partnerships, like the JSF and MEADS [*Medium Extended Air Defense System*], are two very good examples. Working with our international partners to pool our research and development investments to decrease individual costs, and then buying together in quantities that bring down price is a very good business concept.

In fact, in 2004 the United States and our partners combined, contributed more than \$750 million to these kinds of joint partnerships. Yet we all received the benefit of the total investment. Another key benefit is that joint partnerships also have built-in warfighter interoperability and supportability in the back end of the program.

What this also tells us is that joint and interoperable programs are smart things to do. If America is going to be successful, we not only have to be responsive, accountable, and smart, but we have to do it with our allies and partners in mind.

### **Together, We Can Make This Happen**

In closing, I'd like to say the changes necessary to make us successful are many, but I am confident that our department has the resolve to see them through. Broadly



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together, we can make this happen. I look forward to working with those of you in the audience representing your countries, as well as with those of you here from the U.S. government agencies, industry, and the Department of Defense.

I appreciate your attention this morning. I look forward to strong results from this conference. And thank you for all you do for our warfighters.