

ADVANCE QUESTIONS
SUBMITTED BY SENATOR WARNER FOR
MR. DAHLBERG
NOMINEE TO BE UNDER SECRETARY OF THE ARMY

Defense Reforms

More than a decade has past since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms.

Do you support full implementation of these defense reforms?

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 was the most sweeping legislation related to DoD reform since the National Security Act of 1947. I fully support implementation of the reforms as laid out in the Act.

What is your view of the extent to which these defense reforms have been implemented?

It has been fourteen years since the Goldwater-Nichols Department of Defense Reorganization Act was passed. From what I have learned to date, the reforms called for and envisioned appear to have been implemented successfully and to have achieved good results.

What do you consider to be the most important aspects of these defense reforms?

The most important aspects of these reforms have been strengthening civilian control, strengthening the operational chain of command, and enhancing the overall effectiveness of military operations. In my view, one of the more important goals of this landmark legislation that is sometimes overlooked has been the reaffirmation of the importance of strong civilian control. Ever since George Washington's famous speech to deflate the Newburgh Conspiracy in 1783, the principle of civilian control of our military establishment has been one of the hallmarks of our republic and has contributed mightily to the confidence American citizens have in their government. It is a principle that serves us well.

The goals of Congress in enacting these defense reforms, as reflected in section 3 of the Goldwater-Nichols Department of Defense Reorganization Act, can be summarized as strengthening civilian control; improving military advice; placing clear responsibility on the combatant commanders for the accomplishment of their missions; ensuring the authority of the

combatant commanders is commensurate with their responsibility; increasing attention to the formulation of strategy and to contingency planning; providing for more efficient use of defense resources; and enhancing the effectiveness of military operations and improving the management and administration of the Department of Defense.

Do you agree with these goals?

I agree completely with the goals as outlined in section 3 of the Goldwater-Nichols Department of Defense Reorganization Act.

Duties

Section 3015 of title 10, United States Code, provides that the Under Secretary of the Army performs such duties and exercises such powers as the Secretary of the Army may prescribe.

Assuming that you are confirmed, what duties do you expect that Secretary Caldera will prescribe for you?

The Under Secretary serves as the Secretary's principal civilian assistant and advisor on key Army issues. I anticipate the Secretary will review the current assignment of functions, responsibilities, and duties within the Army Secretariat and determine the capacities in which I could most appropriately support his efforts to ensure that the Department of the Army is efficiently administered in accordance with the policies promulgated by the Secretary of Defense. If confirmed, it will be my duty and privilege to carry out the responsibilities assigned to me to the best of my ability.

Relationships

In carrying out the duties of the Under Secretary of the Army, what would be your relationship with the following offices:

Assistant Secretary of the Army for Financial Management and Comptroller

The Assistant Secretary of the Army for Financial Management and Comptroller oversees the financial management activities and operations of the Department of the Army, including the preparation of budget estimates and the supervision of financial management systems. If confirmed, I will establish and maintain a close, professional relationship with the Assistant Secretary to accomplish the day-to-day financial management of the Army and meet the Department's long range financial planning requirements.

Assistant Secretary of the Army for Manpower and Reserve Affairs

Section 3016(b)(2) of title 10, United States Code, provides that the Assistant Secretary of the Army for Manpower and Reserve Affairs is responsible for the overall supervision of manpower and reserve component affairs of the Department of the Army. Those responsibilities include the Army organization and force structure; readiness, mobilization, and deactivation; National Guard and Army Reserve policy; training and education; recruiting; compensation; and morale, welfare, and recreation. If confirmed, I will establish and maintain a close, professional relationship with the Assistant Secretary to address the issues facing the Army today in maintaining a strong and highly trained force of active and reserve components and Army civilians.

Assistant Secretary of the Army for Installations, Logistics, and Environment

The Assistant Secretary of the Army for Installations and Environment has the principal responsibility for all Department of the Army matters related to installations, the environment, safety, and occupational health. If confirmed, I will establish and maintain a close, professional relationship with the Assistant Secretary to assist in improving the quality of the Army's base infrastructure, and faithfully executing the Army's environmental, safety, and occupational health programs.

Assistant Secretary of the Army for Research, Development and Acquisition

The Assistant Secretary of the Army for Acquisition, Logistics, and Technology serves, when delegated, as the Army Acquisition Executive, the Senior Procurement Executive, the Science Advisor to the Secretary, and the senior research and development official for the Army. If confirmed, I will establish and maintain a close, professional relationship with the Assistant Secretary to facilitate the execution of the acquisition and logistics management functions within the Department of the Army.

Assistant Secretary of the Army for Civil Works

Section 3016(b)(3) of title 10, United States Code, provides that the Assistant Secretary for Civil Works has the principal responsibility for overall supervision of the functions of the Department of the Army relating to programs for conservation and development of the national water resources, including flood control, navigation, shore protection, and related purposes. If confirmed, I will establish and maintain a close working relationship with the Assistant Secretary to help ensure that the Civil Works Program is executed efficiently and effectively.

General Counsel

The General Counsel is the chief legal officer of the Department of the Army. His duties include coordinating legal and policy advice to all members of the Department regarding matters of interest to the Secretariat, as well as determining the position of the Army on any legal question or procedure other than military justice matters assigned to The Judge Advocate General. If confirmed, I will establish and maintain a close, professional relationship with the General Counsel to assist him in the performance of these important duties.

Chief of Staff, Army

Section 3033 of title 10, United States Code, provides that the Chief of Staff, subject to the authority, direction, and control of the Secretary, presides over the Army Staff, transmits the plans and recommendations of the Army Staff to the Secretary, advises the Secretary with regard to those plans and recommendations, and after approval of the plans or recommendations by the Secretary, acts as the agent of the Secretary in carrying them into effect. As authorized by the Secretary, the Chief of Staff also exercises supervision over all elements of the Department of the Army other than the Secretariat. If confirmed, I will establish and maintain a close, professional relationship with the Chief of Staff to assist him in accomplishing these important duties and to ensure that the Army Secretariat and the Army Staff work together efficiently as one team to accomplish the missions entrusted to the Army.

Vice Chief of Staff, Army

Section 3034 of title 10, United States Code, provides that the Vice Chief of Staff has such authority and duties with respect to the Department of the Army as the Chief of Staff, with the approval of the Secretary, may delegate to or prescribe for him. The Vice Chief of Staff is responsible for the supervision of the Army Staff. The Vice Chief of Staff and the Under Secretary often share responsibilities on boards, committees, and in other forums. If confirmed, I will establish and maintain a close, personal relationship with the Vice Chief of Staff based on full and frequent consultation to ensure that together the Army Staff and Secretariat serve the Chief of Staff and the Secretary in the most competent, efficient, and unified manner.

the Under Secretaries in the Navy and the Air Force

As with the Under Secretary of the Army, the Under Secretaries of the Navy and the Air Force perform such duties and exercise such powers as the Secretary of the Military Department prescribes for them. If confirmed, I will establish and maintain a close, personal relationship with the Under Secretaries of the Navy and Air Force to foster better interservice cooperation and to assist the Secretary

in improving the capability of the Army, Navy, Air Force, and Marines to operate in the joint environment.

the Under Secretaries of Defense

The Under Secretaries of Defense have functional responsibilities that, from time to time, require the issuance of guidance and, in the case of the Under Secretary for Acquisition and Technology, direction to the Military Departments. If confirmed, I will establish and maintain close, professional relationships with each of the Under Secretaries to ensure that there are clear lines of communication between the Department of the Army and the Office of the Secretary of Defense and to assist the Secretary in ensuring that the Army is administered in accordance with guidance promulgated by the Office of the Secretary of Defense.

soldiers and their families

Taking care of our soldiers and their families is a top priority of the Secretary of the Army. I strongly share this commitment. It is critical to recruiting, retention, the accomplishment of operational missions, and is simply the right thing to do. If confirmed, I would plan to enter into a continuing dialog with soldiers and their families at all levels to better understand their concerns and better target Army resources to meet those concerns. I would expect this effort to center on health care and housing issues, and actions to ensure that the Army becomes an employer of choice in this highly competitive world.

Military Housing Privatization Initiative

The Military Housing Privatization Initiative was enacted to provide a means for solving the military services' housing crisis. Although the Department had great expectations for this program, the progress to date has not lived up to these expectations. Since the Army has the most critical housing problem, it has the most to gain from the initiative. Despite the need, the Army has awarded only one privatization contract.

What are your views of the housing privatization initiative and how the Army has implemented the program?

In my view, the overall condition of Army family housing is deplorable. Although the Army and the Department of Defense were slow in implementing the 1996 privatization authorities (due to the many legal and policy complexities involved), I am now hopeful that this effort has moved off of ground zero and that we will see some positive results in the near future. I am given to understand that as many as 78% of all Army family housing units require major repair, replacement or renovation. Given the overwhelming nature of the problem, it would be

irresponsible of us not to take advantage fully of all reasonable means to deal with this problem. The Army must use a combination of traditional Military Construction projects, increases in the Basic Allowance for Housing, and the 1996 Military Housing Privatization Initiative legislation to reduce significantly the overwhelming number of units that must be upgraded.

Although the Privatization Initiative provides the means to assist in resolving the Army's housing problem, the final solution to the problem must be a combination of privatization and military family housing construction.

Will you ensure that the Army follows this dual track program toward resolving its housing program?

If confirmed, I assure you that I will strongly support a combination of traditional Military Construction projects, increases in Basic Allowance for Housing (BAH), and the privatization authorities provided by the 1996 MHPI legislation to maximize our resources to provide adequate housing for our soldiers and their families.

Army of the Future

The Secretary of the Army and the Chief of Staff have announced their Vision and transformation initiative for the Army.

If confirmed as the Under Secretary of the Army, what role will you have in implementing the Vision?

As former Deputy Secretary Hamre said so pointedly last September, "If the Army only holds onto nostalgic versions of the grand past, it is going to atrophy and die." Taking on this challenge at a time when we are enjoying one of the longest periods of peace and prosperity in our history will be very difficult. America simply has not been very good at making great leaps in military strategy and organization during peacetime. I have nothing but admiration for Secretary Caldera, General Shinseki, and Secretary Cohen for showing the leadership to take on the mission of transforming the Army at this time. It holds promise to be one of the most significant changes of direction for the Army in the last century.

If confirmed, I will be the Secretary's principal civilian assistant and advisor. I will support the implementation of the Vision announced by the Secretary and General Shinseki as I perform those duties assigned to me by the Secretary.

Among the challenges facing the Army's leadership is the high OPTEMPO as a result of the peacekeeping operations in Bosnia, Kosovo and other regions of the globe. One of the solutions that has been offered to reduce the impact of the high OPTEMPO on the personnel is to increase the Army's end strength.

What are your views on the need to increase the size of the Army?

The Army is analyzing its endstrength requirements. The Secretary and Chief of Staff have announced initiatives to fill divisions and armored cavalry regiments to their authorized strength in this fiscal year, and then to do the same for the rest of the Army's operational and institutional organizations by the end of FY2003. This will be a major challenge. Once this initiative is well underway and the Army's analysis is complete, the endstrength issue can be better addressed.

Deserter Discharges

In October, the Chairman and Ranking Member of the Personnel Subcommittee of the Senate Committee on Armed Services asked the Army to look into reports that it had an unacceptable backlog of administrative discharges of deserters who had returned to military control and were awaiting final processing of their discharges. In December, the Army confirmed that it had almost 2800 (2792) former deserters on excess leave pending discharge, and that it could take up to 9 months to complete discharge requirements. The Army reported that it was reviewing its desertion policies and procedures, which it expected to complete in January 2000. We have not yet been informed of the results of this review.

If you are confirmed, what actions will you take to ensure that the Army reduces to a reasonable time the separation of deserters who have returned to military control?

It is my understanding that the Army will attack this issue in two ways. First, in nearly all cases, deserters will be returned to their parent units, rather than kept at the personnel control facilities (PCF), for disposition. This should streamline the administrative processing of these cases. Second, I understand a team of personnel specialists will travel to the PCF to assist in reducing the backlog of cases. If confirmed, I will monitor the progress of this effort.

Vision Funding

It appears that the crux of the problem for the Army is that it trails the other services badly in terms of share of the DoD modernization

budget—15.8% Vs 35.1% for the Navy/Marine Corps and 34.6% for the Air Force.

What is your view of this problem and what will you do to affect the prospects for a realignment of future Army budgets to support transformation?

Like its counterparts, the Army must compete within OSD and the Administration to add new systems and resources. This Committee is fully aware of the fierce competition among the many legitimate needs across all services, and how difficult these resource allocation decisions can be. In my view, the best way for the Army to make its case for more resources is the old fashioned way, to fully explain to Congress and to the Administration how its many worthy programs are vital to meeting the requirements articulated in the National Military Strategy. I think that case is excellent, and if confirmed, I would expect to spend a great deal of time articulating it.

Assuming that this imbalance is not corrected and that the Army will have to live within its currently projected funding line, what are your views on what the Army should do?

The Army's transformation is justified and needed. The threats we face and the military capabilities we require are constantly changing and we must adapt lest we relearn some painful lessons of the past. I believe that an Army that stands still in this respect is in fact losing ground – I know that this Committee agrees that we cannot become complacent and rest on Cold War strategy, doctrine, tactics and equipment. So the first and highest priority for the Army must be to fully justify the transformation plan to the satisfaction of Congress and the public, and then fight hard for the resources to implement it. If the Army can successfully articulate and justify the objectives and program plan of the transformation, I believe it will compete favorably for the necessary resources. Failure to fund the transformation adequately will lead to delay and increasing risk in the execution of the National Military Strategy.

Army modernization efforts now must focus on a broader range of challenges including legacy force shortfalls, emerging interim force requirements, and ultimate objective force research and development activities. The Army will have to address all these challenges with fewer and fewer resources as rising operations and maintenance costs are consuming your budget authority. In fact, in order to fund the transformation initiative in fiscal year 2001, the Army actually had to terminate seven programs and restructure several others.

How do you think the Army should balance all of its modernization requirements?

I believe the Army must transform to meet the evolving, and ever changing ground force needs of the United States. The Army's modernization plan is inextricably tied to its transformation. It appears to be a well integrated plan that includes making light forces more lethal, increasing strategic responsiveness, recapitalizing and improving the operational performance of legacy forces, and divesting / restructuring to generate funds. It also includes investments in science and technology to develop the technologies needed for the Objective Force, and in improving the capability and mobility of today's light forces in the form of an Interim Brigade Combat Team. It cannot and should not be broken apart in my view. This plan has the support of the Secretary and the Administration, and I hope that Congress will agree with it as well once this committee and the other committees of jurisdiction complete their careful analysis and review. It appears to be adequately funded for FY 2001 (including identified unfunded requirements). The outyear resource requirements will be a challenge.

It is certainly my hope that the merits of this effort will justify providing additional resources in future years. If not, the Army will have to make hard choices. The Army leadership has said it will be prepared to make those decisions in a balanced way that protects the overall effort if necessary. The price for this will be increased risk for those light forces that cannot be transformed as quickly as planned.

S&T Funding of the Objective Force.

The priority and the essence of the transformation is in the technology and the organizational designs of the objective force the Army is hoping to begin fielding around 2012. The Army has increased Science and Technology funding by 8% (\$307 million) over the FYDP to mature high risk/high payoff technologies for the objective force, but that amount is somewhat miniscule compared to the \$1-\$1.5 billion required for each interim brigade.

If you agree with the ultimate goal of the transformation initiative, do you think it would make more sense, particularly with apparent funding constraints, to focus limited resources more on objective force requirements?

I agree with and support the ultimate goal of the Army transformation – the creation of an Objective Force that is strategically responsive and able to win our Nation's wars decisively, across all spectrums of conflict. However, the Army must continue to balance the resources allocated for the Objective Force with those needed to fight the Nation's wars today and in the near future, until the Objective Force can be developed. I believe there is a need to improve the

effectiveness of our light combat forces in the near future, and this is an important part of the overall transformation plan. I am given to understand that the FY01 funding request for the Objective Force, including the unfunded requirement supported by the Army, is adequate to allow for the development and maturation of the science and technology required to provide the Objective Force. If confirmed, I would expect to carefully review the adequacy of the S&T multi-year funding plan.

Near-term investments in science and technology will be critical to achieving the goals in the Army's Transformation Strategy.

What is your view on the extent to which the Army is structuring its S&T investment priorities to fully support the technology requirements of the Transformation?

A well-structured S&T program that is highly focused on the transformation is essential to the Army's future. It is my understanding that the Army leadership had identified some structural weaknesses in this area and has refocused the FY 01 science and technology program to concentrate almost totally on the development of technologies necessary to build the Objective Force. I think this restructuring was necessary and I applaud it. I am told that now about 95% of the Army's science and technology portfolio directly supports programs needed to develop Objective Force technologies. Over 30% of the S&T investment is directed toward the Future Combat Systems, the cornerstone of the Objective Force. The remaining investment is divided among the following areas (in order of investment): C4ISR, Basic Research, Medical Research, Rotorcraft Technologies, Lethality, Future Warrior, Personnel Technologies, Classified programs, Survivability, Advanced Simulation, and Logistics Reduction.

Interim Force or Peacekeeping Force

The realities of U.S. involvement in overseas peacekeeping operations suggest that our nation will continue to be actively engaged in these activities for the foreseeable future. Statements made about the interim force suggest that this force is a "full spectrum capable force" optimized for peacekeeping. Critics have suggested that the Army is focusing almost exclusively on creating peacekeeping forces.

What is your view of the role that the interim brigades will play in meeting the range of challenges the Army will face?

The fundamental mission of the United States Army is to fight and win this nation's next war. The Interim Brigade should and will be designed to improve

the Army's ability to meet this mission in the near term. The Interim Brigade will be a rapidly deployable combat brigade task force -- a full spectrum force. It will deploy with Division and/or Corps command, control, communications, computer, intelligence, surveillance, and reconnaissance assets.

I believe it is very important to emphasize that the Interim Brigade will not be designed only to improve performance in smaller scale Stability and Support Operations. The Interim Brigade also will play an important role in Major Theater Wars, such as what we must always be prepared to face in the Korean theater. It is expected that, with augmentation, it will fight as part of a Division. In this role, it could conduct supporting attacks, fight as one of the brigades in the Division's Main Attack, or serve in the reserve. It could also conduct economy of force, reconnaissance, screening, and limited guarding actions.

Evaluation, Analysis and Experimentation

General Shinseki has made it very clear that the process he has initiated is a transformation process and not an experiment. This Committee places great emphasis on experimentation as a means to collect information necessary to guide future decisions on technology, equipment, tactics, techniques and procedures. The Committee believes that the Army may be able to field the proposed interim brigades in such a manner as to provide an immediate operational capability while at the same time conduct operational demonstrations designed to provide insights needed to steer the Army through the transformation process.

Recognizing the sensitivities that might exist with calling the interim force an "experimental" force, which we are not suggesting, do you agree that it is possible to provide an operationally capable force while at the same time using this force to conduct a series of operational demonstrations and experiments?

If not, please explain.

The Interim Force is being designed as an operational force, but I would expect the force to continually experiment. I think back to the 11th Air Assault Division at Ft. Benning in 1963-64, which I am told was both an operational force but very much an experimental force. Vertical envelopment was a truly revolutionary concept and was proven in combat. As in any new force, I would expect that the Interim Force will continually evolve as we learn to employ it and to fight it.

S&T Goals

The Strom Thurmond National Defense Authorization Bill for Fiscal Year 1999 established the goal of increasing the budget for the defense science and technology program by at least 2% over inflation for each of the Fiscal Years 2000 to 2008.

What is your assessment of the Army's efforts to achieve this goal or otherwise ensure that the Department's science and technology program is funded at the level necessary to meet the warfighters' needs in the next generation?

The two-percent target is a laudable goal and one that I fully support. A well designed S&T program benefits not only the Army, but also the entire nation. However, as in the case of any complex organization, trade-offs and judgements must be made. I believe the needs of soldiers in the O&M and military construction accounts must have a high budgetary priority, and it would appear that the Army budget reflects that priority. I understand that the Army's FY 01 S&T budget keeps pace with inflation over the FYDP. It is my hope that this can be improved in the coming years.

Army Laboratories

The Army laboratories are facing a future of continued reductions in research and support personnel. This trend, if unchecked, could result in a loss of "critical mass" in research efforts across a number of areas critical to future Army programs.

What is your view of these trends?

It is my understanding that Army Laboratory staffing levels have mirrored the overall downsizing trend of the total Army, which began circa 1990. Although this presents challenges to maintaining a skilled workforce, the Army is exploiting initiatives such as the Personnel Demonstration and Congressionally directed Pilot Labs to enhance recruitment and retention. Given the anticipated increased stability in RDT&E budgets spurred by the Strom Thurmond National Defense Authorization Act, and alternative workforce strategies (e.g., increased contracting for selected functions), I would expect improvement in this situation.

Do you believe that there is a reasonable prospect of bringing the Army RDT&E organizations to a stable, steady state level in the foreseeable future?

Yes. It is my understanding that RDT&E organizations have taken advantage of personnel management initiatives to develop more flexible approaches to

workforce management, including contracting of selected functions. Given these alternative approaches and increasing stability in funding for RDT&E, the Army tells me they expect to reach a steady state workforce within the foreseeable future -- hopefully by the end of this FYDP.

Chemical Agents and Munitions Destruction

Section 1521(f) of title 50, United States Code, states that funds for destruction of the existing stockpile of lethal chemical agents and munitions shall not be included in the budget accounts for any military department. Despite this statute and repeated legislative direction from the defense authorizing committees, Chemical Agents and Munitions Destruction (CAMD) Program funding continues to be requested by the Administration within Army funding lines.

If confirmed, what steps will you take to ensure that future funding for the CAMD program not be requested within Army funding lines?

My understanding is that Program Budget Decision (PBD) No. 299, December 1, 1997, devolved all funding for the Chemical Demilitarization Program from the Department of Defense to the Department of the Army. Defense Reform Initiative Directive (DRID) No. 28, February 12, 1998, transferred the chemical weapons demilitarization functions of the Under Secretary of Defense (Acquisition & Technology) to the Secretary of the Army, per PBD 299. The Department of the Army is following OSD guidance in executing the Chemical Demilitarization Program. However, if I am confirmed, I will look further into this issue and report back to you.

Acquisition Reform

What do you consider to be the most serious problems in the management of the acquisition functions in the Department of the Army?

I see three major challenges that are interwoven – (1) accelerating the historically slow pace of development and acquisition of Army programs; (2) setting clearer priorities and goals for the timely completion of acquisition programs; and (3) finding additional resources to adequately finance high priority development and acquisition programs. I see progress in all of these areas coinciding with the development of the transformation initiative, but attention should continue to be given to these areas.

Also, it is important is to continue the ongoing effort to aggressively streamline and improve business operations and practices to bring them more in line with

commercial business practices. The greater use of commercial buying practices is key to improving Army acquisitions. Another important part of this is to find better ways to empower Army acquisition and logistics professionals to continuously look for and adopt smarter ways of doing business.

Acquisition reforms mandated by Congress have been critical to this entire effort in my view. Much has been accomplished, including minimizing the use of military specifications, adopting commercial and performance standards, shifting from lowest priced source selections to "best value" procurements, and adopting the teamwork philosophy of Integrated Product Teams. Despite this progress, there is still more to be done.

What are the most important management actions you would take to address these problems?

I believe the introduction of commercial practices and components in defense acquisition not only save money, but it is essential to getting modern information technology into our weapon systems. Information technology is at the very core of the transformation strategy and the Army must find ways to take advantage of the lightning speed by which our private sector is moving forward in this area. Also, in this age of mergers, consolidations, and downsizing, we must ensure that contractor performance is a substantial factor in contract administration and source selection and find better ways to encourage contractor innovation.

Paperless contracting is also an area that shows promise as a way to save money and improve efficiency. I believe initiatives are ongoing in all phases of the contracting process -- starting with requirements generation, to solicitation, to contract award, to contract closeout. These are important initiatives.

We must also continue to pursue ways of using information technologies to improve our logistics systems. I understand a series of promising ongoing initiatives have already shown some good results in streamlined Army logistics systems by reducing the quantities of supplies maintained in stockpiles around the world. Information technology makes this possible by providing global visibility of logistics materiel and the software necessary to manage transactions involving that materiel.

Last but certainly not least, acquisition and logistics professionals must be highly skilled, thoroughly trained experts who take pride in their jobs and are committed to doing their best.

Do you see a need for additional acquisition reform legislation at this time? If so, what specific legislative measures do you believe are needed?

I have been advised that the following new legislation proposals have been advanced:

- a. Amend the Defense Acquisition Workforce Improvement Act to increase the education requirements for entrance into the contracting career field. Presently, the law (DAWIA) requires that an entry level contract specialist have only 24 college credit hours within seven business-oriented academic curricula. In addition, there is presently no higher-level education requirement to qualify as a Contracting Officer. It is proposed that this be raised to require candidates, both at the entry level and for Contracting Officer positions, to possess a bachelor's degree, preferably from one of those seven business-related curricula. Raising this standard should help to assure that the Army contracting workforce possesses the basic knowledge to undertake their expanding role as business agents and risk managers for the government.
- b. Make permanent the five-year test authority that allows the use of Simplified Acquisition Procedures in competitive acquisitions of commercial items up to a threshold of \$5 million. This authority is said to be proving itself useful in shortening procurement lead times and in spurring acceptance of the use of commercial items. (The test program for the Simplified Acquisition Procedures was extended until January 1, 2002, by the National Defense Appropriations Act for FY2000.)
- c. Raise re-programming thresholds for investment appropriations to provide greater flexibility to Army acquisition officials and to keep up with the impacts of inflation.
- d. Authorize contract incentives that enable industry to share in savings achieved through privatization. Provide the authority for meaningful contract incentives that will encourage contractors to both identify potential savings and enable them to share those savings with the government. With the proper authority, it is thought that it may be possible to create contract incentives that enable contractors to recommend meaningful streamlining to logistics support operations.

If confirmed, what do you see as the most important steps that you can take to continue the implementation of acquisition reform and make sure that the reform process continues?

From my present job, it appears that the Army, just as the other Services, is largely occupied with implementation to realize the full benefits of acquisition reform. While this is key, I believe that we must also be sensitive to the dynamic nature of the environment in which we operate. In today's fast changing world,

those who stand still will be left behind. I think it important to seek out additional ways to improve Army strategies and processes.

Real reform in the acquisition of weapons and major systems has taken place in recent years -- reform made possible by this Committee's leadership and by a partnership for reform that includes the Congress, the Department, and the industrial sector. This reform must continue to spread to all other areas and become part of the way everyone does business. Areas of potential improvement include: better inventory management; an increase in the use of commercial practices and distribution systems to satisfy materiel requirements; more competitive sourcing of current in-house work; and greatly expanded purchase of common-use, commercially-available items. A key part of this must be training the Army's workforce in new ways of doing business. We must continue to review our statutory framework to ensure it allows our acquisition workforce to pursue innovation and implement new commercial practices as they develop.

What steps will you take to ensure that the added flexibility and discretion provided by acquisition reform is responsibly exercised and that acquisition reform is not undermined by procurement scandals like the spare parts problems of the early 1980's?

I am told that the spare parts problems of the 1980's were, in part, a result of the acquisition and logistics communities not working together on sustainment issues. The Army recently merged the acquisition and logistics functions together on the Army Secretariat staff to improve the focus on life cycle management and total ownership cost reduction. This should focus high level managerial oversight under one official and provide direct lines of accountability. As a taxpayer and as a congressional staff member overseeing budgetary matters, I have been outraged by some of the abuses that have come to light in the past. If confirmed, I would make it crystal clear to the Army executives I work with that as far as I am concerned, there will be a zero tolerance attitude towards any type of abuse in this area.

What is your assessment of the effectiveness of the laws and regulations governing audit, inspection, and oversight functions with respect to the acquisition process?

It is my sense that current laws and regulations are adequate and encompass necessary functional areas. The oversight functions are particularly good as they provide flexibility for a number of agencies that perform diverse functions. As we continue to streamline our acquisition process we must also evaluate the applicable laws and regulations that govern the acquisition process ensuring that the laws are in sync with each other.

What is your view of the relationship between these laws and regulations and the goals of regulatory streamlining and facilitating the acquisition of commercial products?

The laws form the foundation or govern the means in which the goals of acquiring commercial products are developed. In my view, as long as the laws are properly structured and clearly define or outline criteria and processes, we can successfully continue the goal of making greater use of commercial products and procedures. I believe it is also important to emphasize that as Congress enacts new or modified processes for acquiring commercial products more quickly and at the same time reducing acquisition life cycle development time, the review of current laws and regulations must be a constant, ongoing effort.

Do you anticipate the need for additional changes in legislative or regulatory authority, and if so, what changes?

I understand that the Army has identified four areas that might be reviewed to ensure the statutory framework allows our acquisition workforce to pursue innovation and implement new commercial practices as they develop.

1. Amend the Defense Acquisition Workforce Improvement Act to increase the education requirements for entrance into the contracting career field.
2. Make permanent the five-year test authority that allows the use of Simplified Acquisition Procedures in competitive acquisitions of commercial items up to a threshold of \$5 million.
3. Raise re-programming thresholds for investment appropriations to provide greater flexibility to Army acquisition officials and to keep up with the impacts of inflation.
4. Authorize contract incentives that enable industry to share in savings achieved through privatization.

Given the continuing consolidation of the defense industry, what measures, if any, do you believe that the Congress should take to preserve viable competition in the defense industry for Department of the Army programs?

If confirmed, I plan to closely review the Army's proposals in this area. At present, I am unaware of any additional major improvements that are under consideration at this time.

An issue in acquisition reform that has yet to be addressed is major program funding stability.

What is your view of this problem?

This of course is a major concern throughout the government, not just the Army or the Department of Defense. I think it is clear that the Army has had a major challenge over the last ten years to manage its share of the post-Cold War military drawdown. It has been a period of turbulence. Over the last ten years, the Army informs me that:

- Army buying power decreased by 37% from FY89-FY99
- Army modernization funding has decreased by nearly 41% since FY1989
- The Army, in FY00, will spend about \$5000 less per soldier for modernization than it did in FY89

It now appears that a modicum of budgetary stability has been achieved as the post-Cold War drawdown is completed and that modest funding increases can be programmed. I understand the Army has also taken some internal steps toward stabilizing funding for its most critical modernization and transformation programs. The Army's leadership has also terminated some programs and restructured others. These actions have enabled the Army to recoup some money in FY00, FY01 and the out-years to help fund transformation requirements. Along with these actions, the Army must sustain selected recapitalization of legacy systems and fielding efforts for systems already programmed to ensure that the Army retains combat overmatch throughout the transformation.

What initiatives do you intend to promote to ensure greater stability in the funding of major Army programs?

The General Transfer Authority has been recommended to me. This FY01 legislative proposal would authorize the Secretary of Defense to provide for more timely correction of acquisition funding problems that occur during program execution. This additional flexibility would be primarily used during the transition phase of an acquisition program from development (EMD) to production/procurement.

Multiple Year Procurement is another important stabilizer. It not only serves to lower the unit costs of items to be procured, but also makes it more difficult to disrupt the planned funding of a program.

What is your view of the role that realistic testing should play in the acquisition process prior to any decision to enter into high-rate production?

Realistic testing prior to any decision to enter into high-rate production is absolutely essential in the acquisition process. Title 10 USCS (Subtitle A, Part I, Chapter 4, paragraph 139) emphasizes realism, defining the term “operational test and evaluation” to mean “the field test, under realistic combat conditions, of any item of (or key component of) weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users; and the evaluation of the results of such tests.” Experience has proven the value of realistic testing. Problems such as the uncontrolled turret movement of the M1A2, vortex interactions in the case of C-17 aircraft spacing, and target discernment in the case of Joint STARS Common Ground Station come to mind.

Is there potential for savings in both time and money by making greater use of simulation?

Yes, in my view there is potential to save quite a bit of time and money by using models and simulations. There is also potential for cost avoidance by discovering a design flaw in simulations and correcting those flaws before a system has gone into production. Program managers are using modeling and simulation today due to the technological complexity of their systems, and the complexity of their systems operating in a joint system of systems environment. Program managers cannot afford to develop their programs any other way.

But I don't think simulation is a panacea. Simulations improve overall knowledge and predictability at a very reasonable cost, but experience shows that they can't predict with absolute certainty all of the scenarios and conditions that might exist. There I still a need for live article testing

What is your assessment of the value of cooperative research, development, and production programs with our allies?

Cooperative research, development, and production programs with allies can be valuable in ensuring that our soldiers have the best available technology at the lowest cost, and that our soldiers are interoperable in the field with our allies. The value of cooperative developments may be limited, however, where there is a risk of technologies being released to third party adversaries to US interests. It has been my observation that cooperative research and development is more readily conducted than production, because each nation tends to preserve on-shore production capabilities to meet national security and domestic labor market needs. Notwithstanding the challenges of international cooperation, its value is has been demonstrated many times.

What are the primary obstacles to more effective cooperation in this area? How do you intend to overcome them?

I understand that one primary obstacle has been the inability to harmonize requirements early in program development. Another has been ensuring program priority and stability: international programs are especially vulnerable to early termination due to resource demands and changing national priorities.

I believe the Administration has worked hard to broaden understanding of the value of international programs. In addition, I understand the Department has undertaken program-specific efforts to coordinate common requirements early and alleviate barriers to cooperation through coordination with Congress and appropriate foreign leadership elements.

The downsizing of the acquisition workforce across the services is beginning to raise a number of serious issues for the future management of an educated, professional, and demographically balanced workforce.

Given that the acquisition workforce has been cut in half and a further 25% of the workforce will be retiring in the next five years, what is your assessment of the state of the acquisition workforce in the Army?

The raw statistics would indicate there is reason for concern. I have been informed that during the period 1989-1999, the Army acquisition workforce (AAW) faced seven major force reduction initiatives, resulting in a 58% decrease in the total AAW. This coincided with the 30% decline in the RDA budget during the same period. For the future, while the RDA budget for 1999-2005 is planned to increase by 35%, the AAW faces additional reductions of up to 33% of current strength. Serious consideration must be given to reversing this trend.

I believe there may be reason for hope here. The AAW offers exceptional opportunities for training, education, and professional experience. This level of opportunity is unequalled in the federal government and highly competitive with private sector offerings. Through effective communication of these opportunities to current and prospective members, the AAW should be able to attract and retain professionals of the highest possible quality.

What are the greatest challenges that you see in effectively managing this workforce?

I believe it would be appropriate to consider ways to increase accessions in both civilian and military components of the AAW. Retention efforts should also be given priority consideration. To promote retention, it may be appropriate to review opportunities to partner with industry in creating entirely new career models or perhaps even combining government and private sector assignments

within an individual's career path may produce a "win-win" situation for both government and industry.

The DOD Inspector General has recently identified some serious problems with how the Department contracts for services.

What is your response to the DOD IG's report and what will you do to improve the situation?

I have not had the opportunity to review this report. I understand the Army management has agreed with some recommendations and disagreed with others. If confirmed, I will carefully review these recommendations.

Major Challenges

In your view, what are the major challenges confronting the next Under Secretary of the Army?

My views on the major challenges that will confront me are in line with those of Secretary Caldera and Army Chief of Staff, General Shinseki. They have identified (1) people -- particularly recruiting, retention, health care and housing issues; (2) modernization and transformation -- particularly justifying the transformation plan to Congress and to the public and adequately resourcing this plan; and (3) preserving military readiness.

If confirmed, what plans do you have for addressing these challenges?

To meet these challenges, Secretary Caldera and General Shinseki have closely worked together to ensure that people, readiness, and modernization are appropriately resourced. Also, as you know, the Army leadership has embarked on a major initiative to transform the Army into a strategically responsive force that is dominant across the full spectrum of operations. If confirmed, I believe my major challenge will be to assist in providing executive level management and leadership in the Department for this very important initiative.

Most Serious Problems

What do you consider to be the most serious problems in the performance of the functions of Under Secretary of the Army?

I have met with various individuals who have been very helpful in assisting me in understanding and appreciating the functions of the Under Secretary of the Army in Headquarters, Department of the Army. As I understand the functions, I have not identified any serious problems with regard to the performance of the

functions of the Under Secretary of the Army. Moreover, from what I have observed, my predecessor seems not to have encountered any functional difficulties.

What management actions and time lines would you establish to address these problems?

Having not identified any serious problems in the performance of the functions of Under Secretary of the Army, I have no specific management actions and time lines to address such problems. However, if confirmed, as a guiding principle my goal would be to perform the functions of the position in a spirit of cooperation. I am confident that this approach will be successful as I work to resource the soldiers and families of the United States Army.

Qualifications

If confirmed, you will be entering this important position at a time of concern about force levels and readiness of our forces.

What background and experience do you have that you believe qualifies you for this position?

I have served the Congress for nearly 20 years as a committee staff member for the House Appropriations Committee. During this tenure, I have been privileged to be a part of many decisions allocating resources to nearly all programs, projects and activities of the Department of Defense and related intelligence agencies. I have worked with members and staff of both parties and both houses of Congress, members of the White House and OMB staffs going back to the Reagan administration, members of the press, and senior members of the Defense Department for many years. I believe I have a high level of understanding of how resource decisions are made, the policy framework that buttresses these decisions, and how the program priorities of different defense programs stack up to one another. As part of my job, I have also been able to travel extensively to many troubled areas around the world and have been part of high level consultations with US and foreign military leaders, soldiers, diplomats, and foreign leaders. I have seen US policy in action in places such as Korea, Bosnia, Kuwait, Saudi Arabia, Kosovo, Colombia, Haiti, Russia, India, Israel, Jordan, Pakistan, China, Japan and other places. I believe I have an understanding of what our soldiers think and feel in the field that may provide helpful insights for this position. Last, I have served in the early 1990's as part of a full Committee staff team that was responsible for managing a staff of over 100 professional committee staff members assigned to 13 different appropriations subcommittees.

Do you believe that there are any steps that you need to take to enhance your expertise to perform the duties of the Under Secretary of the Army?

I believe that no one enters jobs such as this who are completely qualified. I intend to work hard to expand my knowledge in all areas, especially in the area of acquisition reform and military doctrine and strategy.

Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Yes.

Do you agree, when asked, to give your personal views, even if those views differ from the Administration in power?

Yes.

Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Secretary of the Army?

Yes.

Do you agree to ensure that testimony, briefings and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Yes.