



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

FEB 20 2007

Lawrence P. Farrell, Jr.
President and Chief Executive Officer
National Defense Industrial Association
2111 Wilson Boulevard, Suite 400
Arlington, VA 22201-3061

Dear General Farrell:

In August 1999, the Department of Defense (DoD) adopted the 32 guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, *Earned Value Management Systems* (ANSI/EIA-748) for use on defense acquisition programs. Since that time, both the industry and government program management communities have identified the need for additional insight into the intent of the guidelines in ANSI/EIA-748.

Consequently, in November 2006 the National Defense Industrial Association (NDIA) published the *Earned Value Management Systems Intent Guide*. The Intent Guide, which was developed by a joint industry/government team led by members of the Program Management Systems Committee (PMSC), is expected to be useful to both industry and the government for determining and documenting how their earned value management systems comply with the guidelines in ANSI/EIA-748.

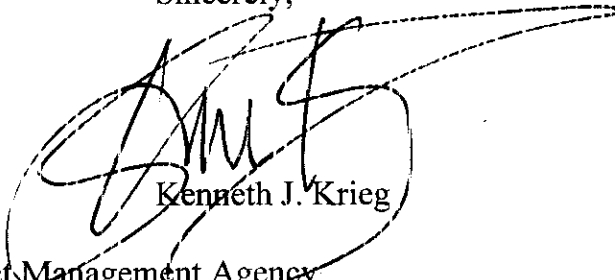
After much work on behalf of all participants, I am pleased to recognize the NDIA Intent Guide as an important reference for interpreting the intent of the guidelines. In cases where we believe there needs to be a more robust interpretation of the guidelines, commensurate with programmatic size, complexity, and risk, the Department will address those requirements using appropriate contractual means. In addition, the Department will retain its responsibility to adjudicate questions concerning guideline intent and application.

Improvements to the Intent Guide will continue to be both desirable and necessary to further the objective of universally understood guidelines for integrated project management using earned value. The Department welcomes the opportunity to work with all interested parties to refine the Guide. Please coordinate future changes with me and the Director of the Defense Contract Management Agency, so that DoD can continue to recognize the Intent Guide.



I view the Intent Guide as a major step forward in our efforts to improve the management of defense programs. Please extend my thanks to the PMSC for its diligence in bringing the Intent Guide to fruition. We will all benefit from this significant accomplishment.

Sincerely,



Kenneth J. Krieg

cc: Director, Defense Contract Management Agency