



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

30 JUL 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMMANDER, U.S. SPECIAL OPERATIONS COMMAND

SUBJECT: Configuration Steering Boards

In a number of programs, the Department of Defense has experienced significant growth over the original estimates in the development and procurement cost of weapon systems. These cost increases are detrimental to the Warfighter and the taxpayer. The result is generally later delivery of capability and a reduction in the quantity purchased. Further, to pay the cost increases, the Department is generally forced to reduce a number of other development and procurement programs, correspondingly increasing the unit cost of these systems and delaying their delivery.

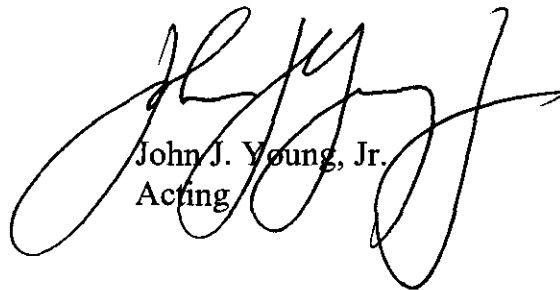
As one measure to avoid cost increases in major defense acquisition programs, the Military Departments will establish Configuration Steering Boards (CSBs) for every current and future ACAT I program in development. It is a repeatedly recognized best practice, highlighted in reviews such as the Packard Commission report, that managers must seek to diligently control requirements and technical authority adjustments. In general, the CSBs will be chaired by the Service Acquisition Executive. The CSBs will consist of broad membership, including senior representatives from the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics and the Joint Staff. The CSBs will review all requirements changes and any significant technical configuration changes which have the potential to result in cost and schedule impacts to the program. Such changes will generally be rejected, deferring them to future blocks or increments. Changes may not be approved unless funds are identified and schedule impacts mitigated.

Program managers will work on a roughly annual basis to identify a set of descoping options that reduce program cost or moderate requirements. These descoping options will be presented to the CSB. The CSB will recommend which of these options should be implemented to reduce the cost to the Department of Defense and the taxpayer and to provide a reserve against emergent technical risks. Final decisions on descoping option implementation will be coordinated with the Joint Staff and the appropriate Military Department officials responsible for the requirements.



The Defense Department's fundamental goal is to develop and procure systems at or below the approved current baseline cost estimate. The acquisition policy will be to adjust technical content and requirements to deliver as much as possible of the planned capability within the budgeted cost. It is important that all expected increases in program costs be budgeted at the absolute earliest opportunity. Unless budget adjustments are made in a timely fashion, the DoD policy will be to immediately adjust the program scope and content to match the existing budget.

The Service Acquisition Executives will report within 60 days on the formation of CSBs and the schedule for initial meetings.



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