



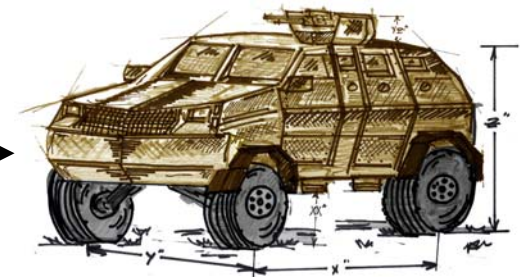
Tactical Wheeled Vehicles Conference

TWV: During and Post OIF

February 4, 2008

Anthony J. Melita

**OUSD (Acquisition, Technology & Logistics)
Deputy Director, Portfolio Systems Acquisition,
Land Warfare and Munitions**



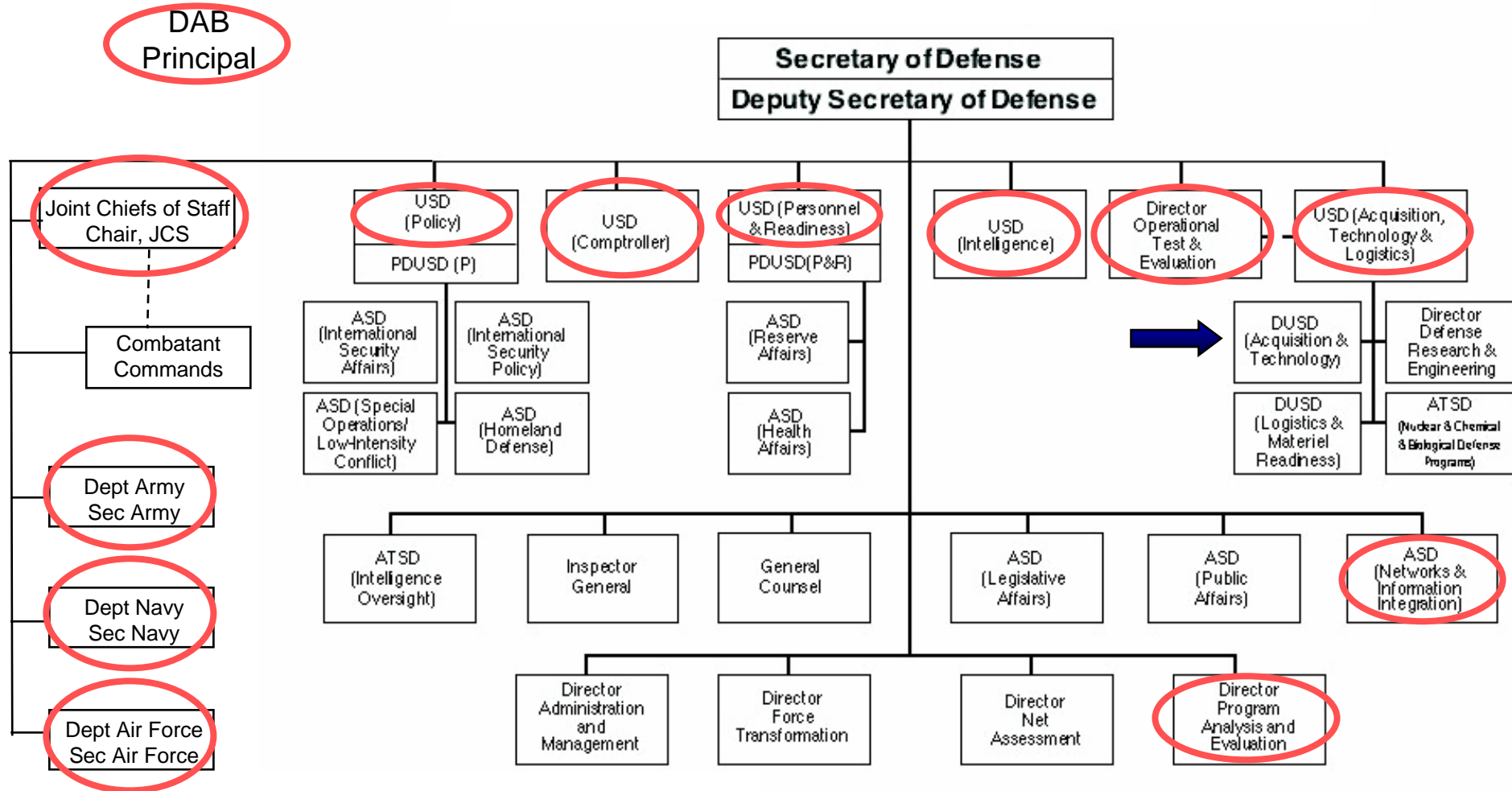


Agenda

- **The SECDEF Acquisition Organization**
- **AT&L Goals and Initiatives**
- **Budget Trends**



Department of Defense





DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION & TECHNOLOGY)

DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION & TECHNOLOGY)

Honorable DR. JAMES I. FINLEY

DUSD (INDUSTRIAL POLICY)

Mr. Bill Greenwalt

DIR, SMALL BUSINESS
PROGRAM

Mr. Anthony Martoccia

DIR, DEFENSE PROCUREMENT
& ACQUISITION POLICY

Mr. Shay Assad

DIR, PORTFOLIO SYSTEMS
ACQUISITION

Mr. David G. Ahern

DIR, SYSTEMS & SOFTWARE
ENGINEERING

Mr. Mark D. Schaeffer

PRESIDENT
DEFENSE ACQUISITION UNIVERSITY

Mr. Frank Anderson, Jr.

DIR, DEFENSE CONTRACT
MANAGEMENT AGENCY

Mr. Keith Ernst*

DIR, JOINT ADVANCED
CONCEPTS

Mr. James "Raleigh" Durham

Air

Land

Naval

Treaty
Compl.

Strategic

* Acting

Guiding Principles



The AT&L Team must **INNOVATE AND COLLABORATE** to deliver **EFFECTIVE, AFFORDABLE** tools for the joint warfighter.

- Understand the warfighter's operational concepts and needs
- Engage all stakeholders in collaborative discussions of the war fighting capability, cost, and timeline for all options before spending tax dollars
- Coordinate and evaluate requirements, remaining constantly conscious of technology, cost, schedule, jointness and interoperability imperatives
- Prioritize joint solutions which guarantee interoperability, increase quantities, lower unit cost, and decrease support costs
- Consider all solutions – high tech to simple, COTS to military, US to international
- Invest in programs that can transition and meet critical warfighter needs
- Use all sources of information – combat experience, intelligence, commercial marketplace, and our technology – to inform our choices and to minimize the probability of technology surprise from adversaries



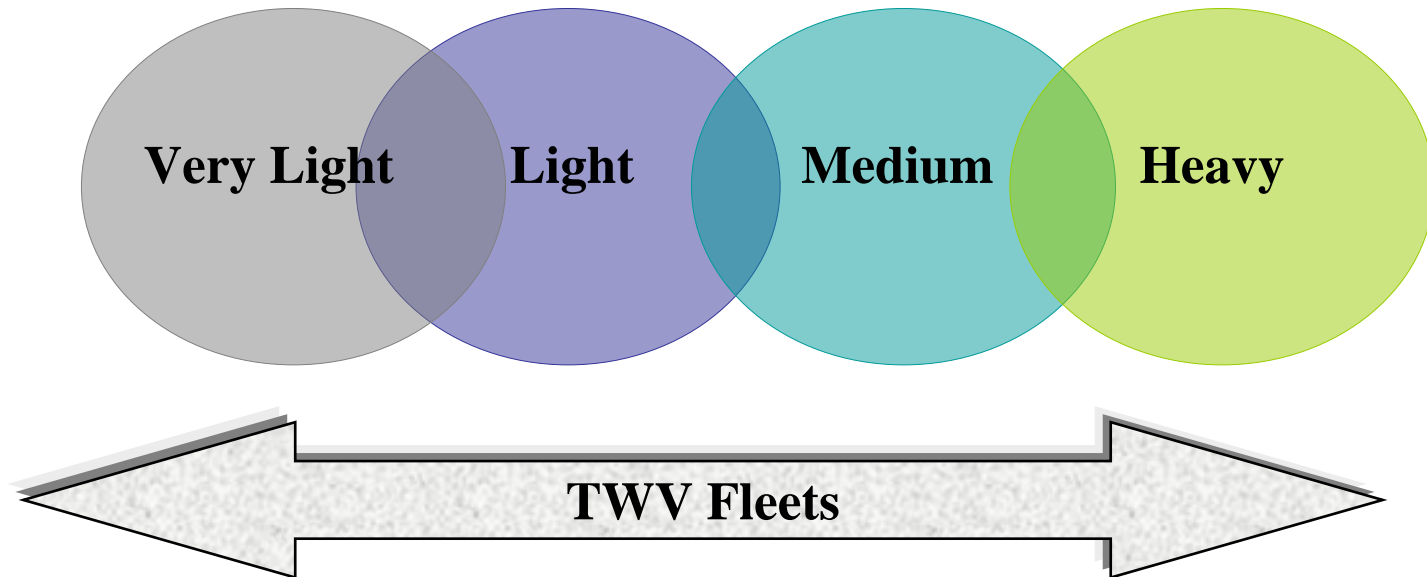


Tactical Wheeled Vehicles Acquisition Challenges

- The battlefield varies and threats continue to evolve.
- Our ability to meet growing requirements (payload, protection, mobility, supportability) given varied missions, constraints, and priorities
- Quantities of wheeled vehicles needed to deliver capability



Our Big Picture: During and Post OIF



Acquire and deliver the mobility capabilities needed to support the full range of strategic operations as part of the Department's evolving global defense posture.



AT&L Goals and Initiatives

- Prototyping and Competition
- Configuration Steering Boards
- Earned Value Management Systems (EVMS)
- Fully Burdened Cost of Fuel

AT&L wants to drive decisions that yield resilient capabilities at the lowest cost.



Prototyping and Competition

- Too many programs initiated with inadequate technology maturity and knowledge of technical risk.
- All pending and future programs will provide for two or more competing teams producing prototypes of key system elements.
 - Reduce Technical Risk
 - Validate designs and cost estimates
 - Evaluate manufacturing processes
 - Refine requirements

All Acq Strategies requiring AT&L approval must include technical, mature prototyping through MS B.



Configuration Steering Boards

- Tool to control development and procurement cost growth due to requirements and technical configuration changes.
- Chaired by SAE's, the CSBs will review changes that have the potential to result in cost and schedule impacts to the program.
- Annually, PMs will identify descoping options that reduce cost or moderate requirements.
 - CSB will recommend which of these options should be implemented to reduce cost to the DoD and taxpayers.

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.



EVMS

- An EVMS based, System Engineering led plan is one of the key indicators of success.
 - Sound cost and resource estimating
 - Integrated Master Plan and Schedule
 - Technical Performance Measures
 - Risk Management

Lessons learned from Nunn-McCurdy “class of 2007” is that failure in the above were common symptoms of a troubled program.



Fully Burdened Cost of Fuel

Today's Top 10 Battlefield Fuel Users

SWA scenario using current Equipment Usage Profile data

Of the top 10 Army battlefield fuel users, only #5 and #10 are combat platforms

1. Truck Tractor: Line Haul C/S 50000 GVWR 6X4 M915
2. Helicopter Utility: UH-60L
3. Truck Tractor: MTV W/E
4. Truck Tractor: Heavy Equipment Transporter (HET)
5. **Tank Combat Full Tracked: 120MM Gun M1A2**
6. Helicopter Cargo Transport: CH-47D
7. Decontaminating Apparatus: PWR DRVN LT WT
8. Truck Utility: Cargo/Troop Carrier 1 1/4 Ton 4X4 W/E (HMMWV)
9. Water Heater: Mounted Ration
10. **Helicopter: Attack AH-64D**

Shooter

Shooter



Fully Burdened Cost of Fuel

FBCF is the commodity price plus the total life-cycle cost of all people and assets required to move and protect fuel from the point of sale to the end user.



FBCF is a decision tool for giving delivered fuel due consideration in the operational and risk tradespace



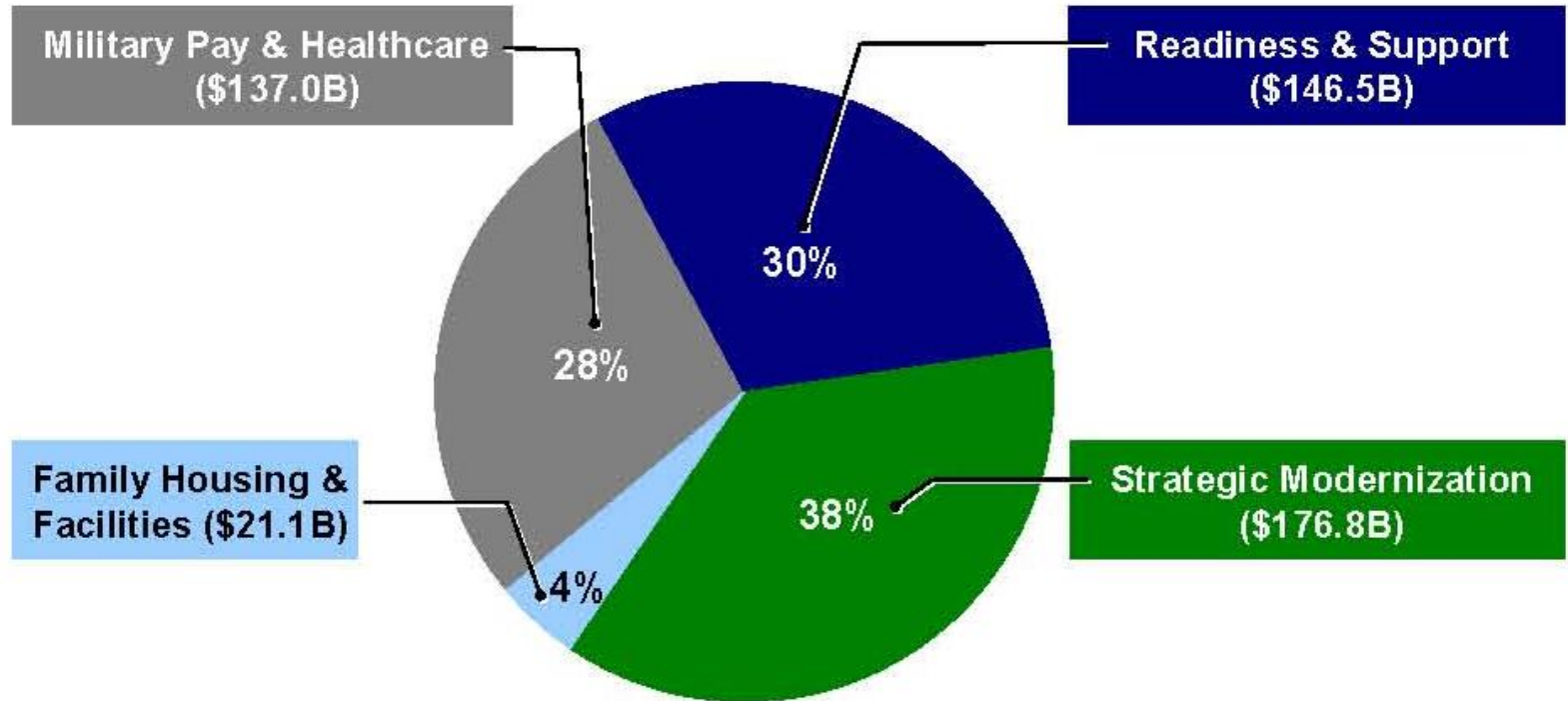
How do we tackle FBCF?

- **Develop a DoD-wide Strategic Plan – based on recent DSB report**
- **Revisit fuel / fuel logistics assumptions in our analysis and budgeting efforts**
- **Use more realistic planning factors in DoD business processes**



Budget Trends

The FY 2008 President's Budget for Defense: \$481.4B



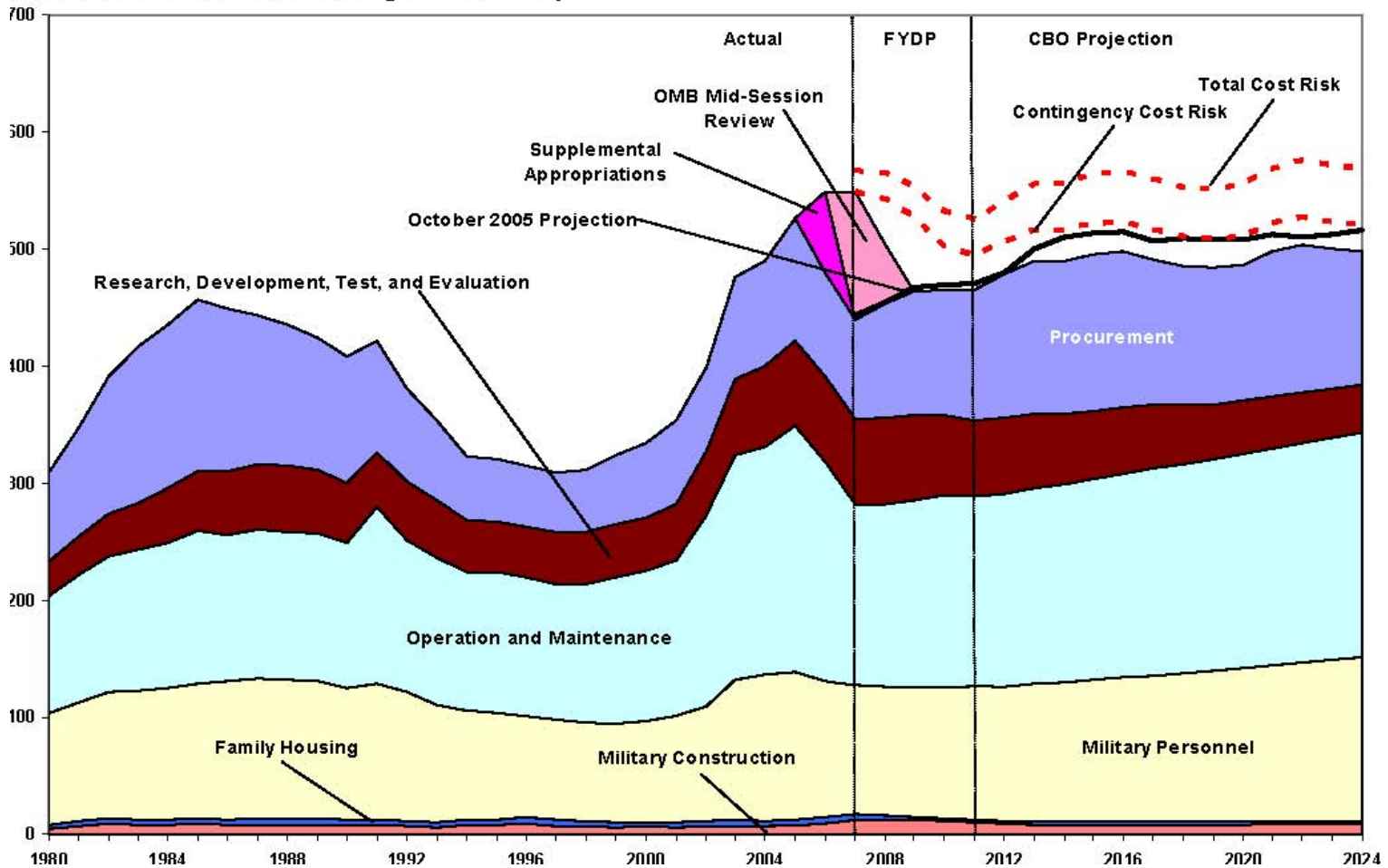


Budget Trends- Where are we headed?

Figure 1-1 Updated

Past and Projected Spending for Defense

(Billions of 2007 Dollars of Total Obligational Authority)



Source: Congressional Budget Office



The Future Outlook

- As post OIF/OEF Budgets decline, vehicle programs will be competing with other DoD priorities.

- Tradeoffs and Assessments between

FCS	JLTV	Stryker	MRAP	Unmanned Systems
H1	V-22	HMMWV	UAH	

- Paying for the O&S “tail” will require difficult choices

Programs will be assessed according to their ability to work in a joint, integrated architecture/environment.

Command and Control, logistics support, as well as performance are critical focus areas.