



OSD Perspective

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Agenda

- **OSD/AT&L Organization & Leadership Perspective**
- **Budget Perspective**
- **Department-level Fuze Initiatives**



Secretary of Defense

Hon. Robert Gates



Deputy Secretary of Defense

Hon. William Lynn

**Under Secretary of
Defense for Acquisition,
Technology & Logistics**

Hon. Ashton Carter



Principal Deputy :
Hon. Frank Kendall



Secretary of the Army

Hon. John McHugh

Secretary of the Navy

Hon. Ray Mabus

Secretary of the Air Force

Hon. Michael Donley

**Asst. Sec. of Defense
(Acquisition)**

Vacant

**DASD, Portfolio
Systems
Acquisition**

Mr. Dave Ahern



**Director, Land Warfare &
Munitions**

Mr. Jose Gonzalez





Excerpts from Secretary Gates January 6, 2011 Speech

- America is at war and confronts a range of future security threats, it's important not to repeat the mistakes of the past by making drastic and ill-conceived cuts to the overall defense budget.
- At the same time, it is imperative for this department to eliminate wasteful, excessive and unneeded spending, to do everything we can to make every defense dollar count.
- The goal was, and is, to sustain the U.S. military's size and strength over the long term by reinvesting those efficiency savings in force structure and other key combat capabilities.
- What is important is to have a budget baseline with a steady, sustainable and predictable rate of growth that avoids extreme peaks and valleys in defense spending that can be enormously harmful to readiness, planning and financial management.



Mandate for Restoring Affordability and Productivity in Defense Spending (USD(AT&L) June 28, 2010 Memo)

- Deliver the warfighting capability we need for the dollars we have
- Get better buying power for warfighter and taxpayer
- Restore affordability to defense goods and services
- Improve defense industry productivity
- Remove government impediments to leanness
- Avoid program turbulence
- Maintain a vibrant and financially healthy defense industry

Obtain 2-3% net annual growth in warfighting capabilities without commensurate budget increase by identifying and eliminating unproductive or low-value-added overhead and transfer savings to warfighting capabilities. ***Do more without more.***



Acquisition Efficiency Guidance Roadmaps

Target Affordability and Control Cost Growth

- Mandate affordability as a requirement
- Implement “should cost” based management
- Eliminate redundancy within warfighter portfolios
- Achieve Stable and economical production rates
- Manage program timelines

Incentivize Productivity & Innovation in Industry

- Reward contractors for successful supply chain and indirect expense management
- Increase Use of FPIF contract type
- Capitalize on progress payment structures
- Institute a superior supplier incentive program
- Reinvigorate industry’s independent research and development

Promote Real Competition

- Emphasize competitive strategy at each program milestone
- Remove obstacles to competition
 - Allow reasonable time to bid
 - Require non-certified cost and pricing data on single offers
 - Enforce open system architectures and set rules for acquisition of technical data rights
- Increase small business role and opportunities

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services
- Adopt uniform services market segmentation (taxonomy)
- Address causes of poor tradecraft
 - Define requirements and prevent creep
 - Conduct market research
- Increase small business participation

Reduce Non-Productive Processes and Bureaucracy

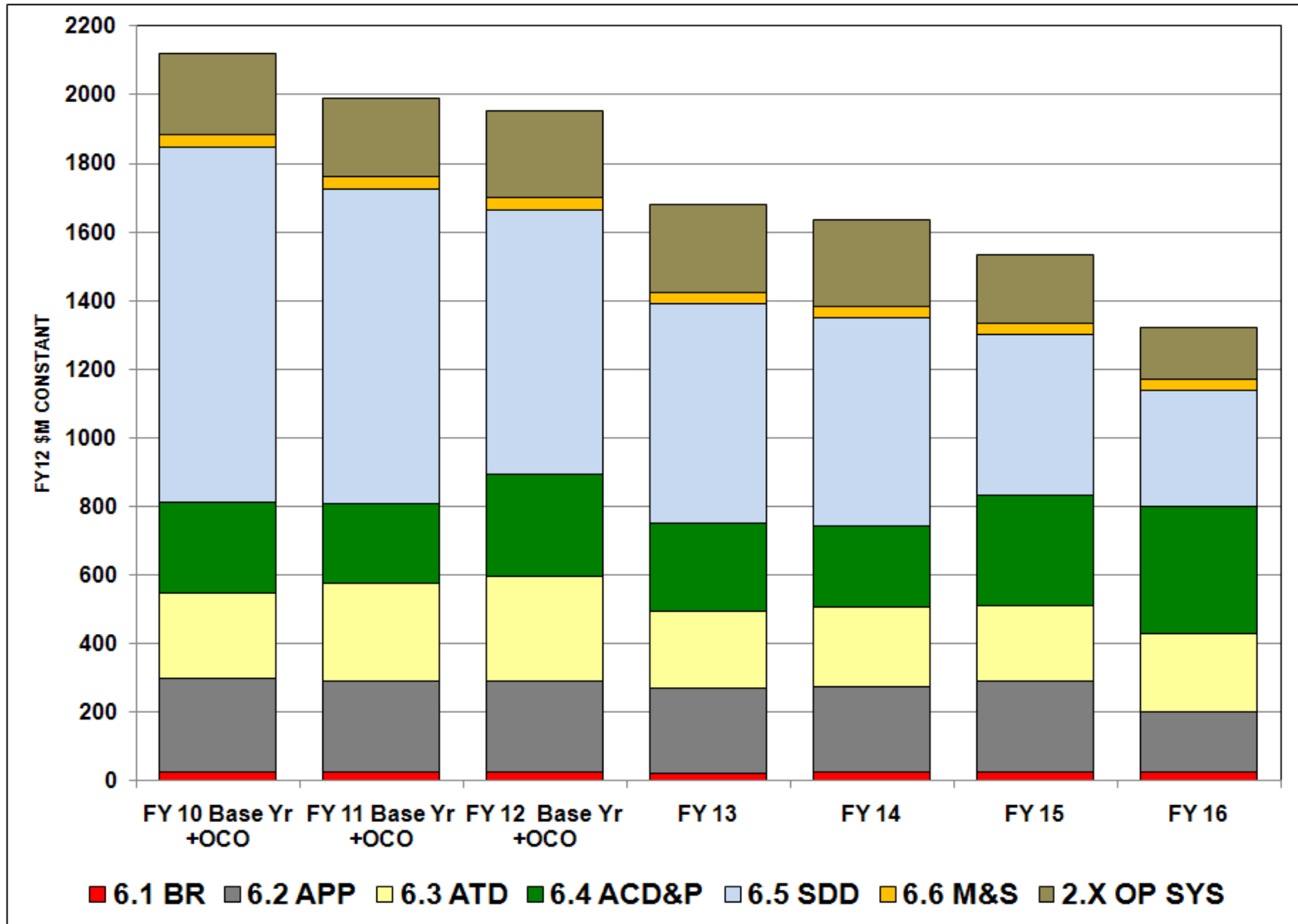
- Reduce frequency of OSD level reviews
- Work with Congress to eliminate low value added statutory requirements
- Reduce the volume and cost of Congressional Reports
- Reduce non-value added requirements imposed on industry
- Align DCMA and DCAA processes to ensure work is complementary
- Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs



Budget Overview

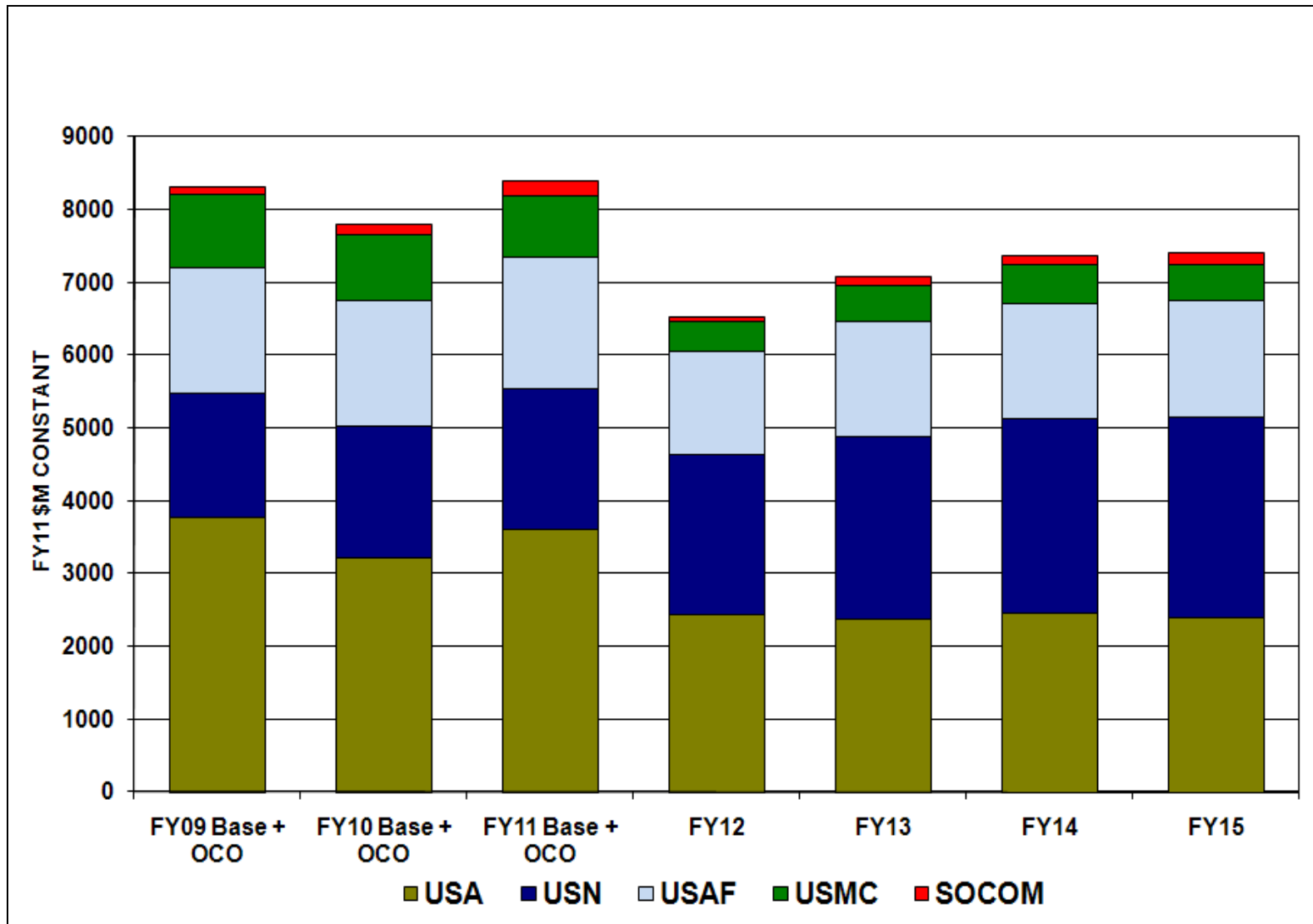


Munitions RDT&E – PB12



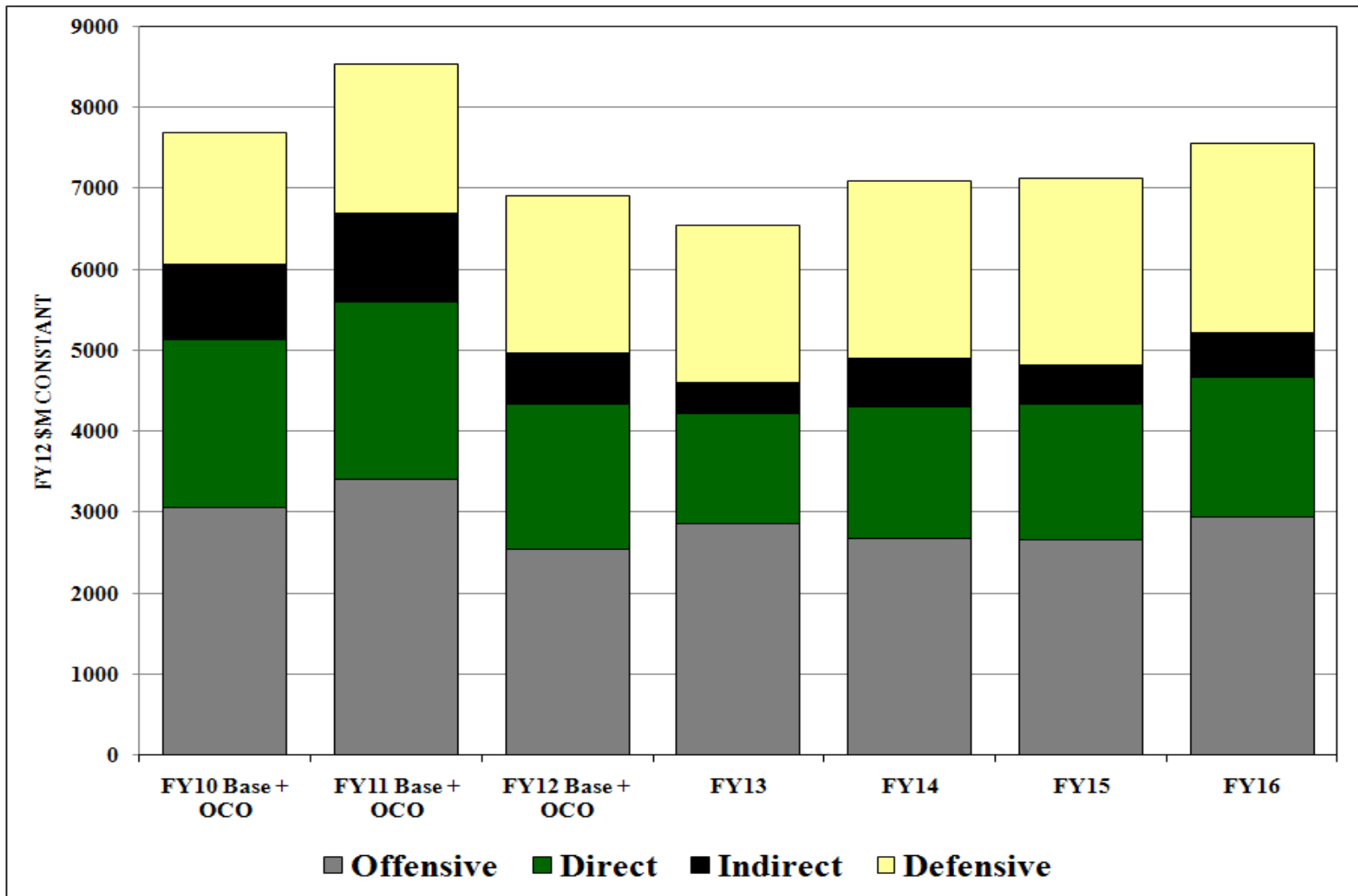


Munitions Procurement – PB12





Procurement by Type – PB12





Department-level Fuze Initiatives



DoD Fuze IPT Membership

- **OSD**
 - AT&L / Land Warfare & Munitions
 - AT&L / Defense Threat Reduction Agency
 - AT&L / Director of Defense Research & Engineering
 - AT&L / DCMA
 - Policy
- **Military Services**
 - Air Force
 - Army
 - Marines Corps
 - Navy
- **Department of Energy**
 - Lawrence Livermore National Laboratory
 - Los Alamos National Laboratory
 - Sandia National Laboratories



Fuze IPT Strategic Plan

- **Fuze Industrial Base Strategic Plan**
 - **Goal #1:** Advance and maintain a healthy U.S. contractor base
 - **Goal #2:** Ensure that the Government develops and maintains the capability to execute its responsibility to assure the safety and suitability for service of fuze systems
- **Fuze Technology Base Strategic Plan**
 - **Goal #1:** Advance and maintain a healthy U.S. fuze technology base
 - **Goal #2:** Establish early and continued Government involvement in the development, application, and transition of fuze technology to munitions development



Fuze IPT Issues/Focus

- **Current**

- Monitor fuze acquisition programs
- Identify and monitor fuze technology needs (JFTP)
- Identify and monitor Industrial Base issues to include Single Point Failures

- **Revisit the Strategic Plan**

- Hard look at Objectives needed to support existing Goals
- Identify and prioritize actionable items that support Objectives
- Coordinate with key Stakeholders in government and industry



JFTP Overview

- Established program in FY 2010
 - High Reliability and Survivability were drivers
- 4 Fuze Area Technology Groups formed:
 - Hard Target Survivable Fuzing
 - Tailorable Effects Weapon Fuzing
 - High Reliability Fuzing
 - Enabling Technologies and Common Architecture
- Participants
 - DoD communities: S&T / Requirements / Acquisition
 - Dept. of Energy
 - **Industry via DOTC**





DoD Ordnance Technology Consortium (DOTC)

Government Laboratories



- OUSD (AT&L) LW&M
- Department of The Army
- Department of the Navy
- Department of the Air Force
- Department of Energy
- Special Operations Command
- Other Agencies and Departments

Rapid & Agile Acquisitions



Section 845
Other Transaction



National Warheads & Energetics Consortium

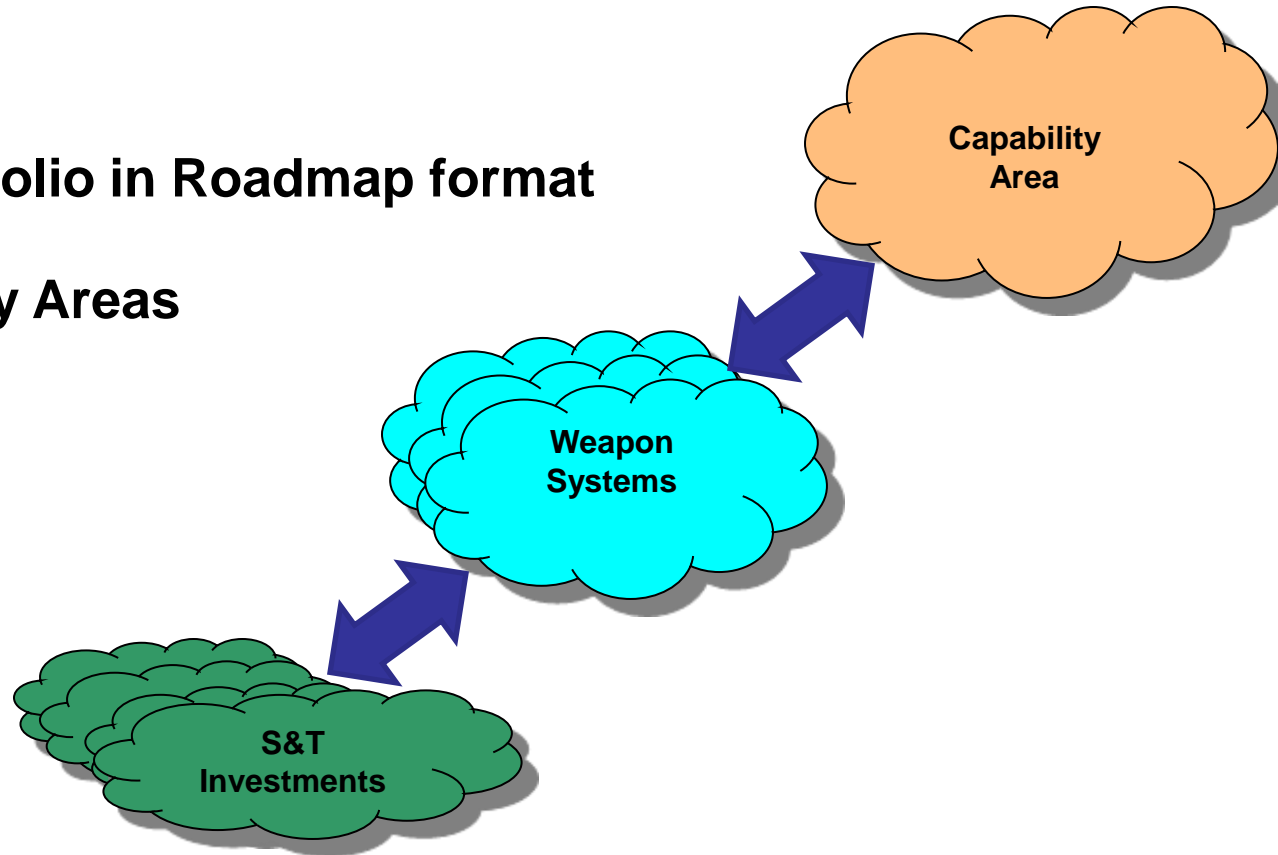


- Defense Contractors
- Traditional & Non-Traditional
- Academic Institutions
- Not-for-Profits Organizations

DoD and NWECC... Partnering to Leverage Capabilities and Investment

Weapon Portfolio Assessment

- ▶ **Layout Weapon Portfolio in Roadmap format**
 - ▶ **Identify Capability Areas**



- ▶ **Identify current and future weapon systems**
- ▶ **Identify S&T investments that support upgraded and new weapon systems.**
- ▶ **Assess the portfolio (Effectiveness and Affordability)**



Questions?