2011 Ground Robotics Capability Conference
OSD Perspective

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Discussion Topics

- OSD/AT&L Organization

- Budget Perspectives

- Acquisition Efficiency Initiatives

- Ground Robotics Acquisition Challenges

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

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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.

Excerpts from Secretary Gates January 6, 2011 Speech (cont'd)

- Not every defense program is necessary, not every defense dollar is sacred and well spent, and that more of nearly everything is simply not sustainable.

- The Defense Department will continue to see real, albeit steadily diminishing, growth for the next three fiscal years before flattening out in the fourth and fifth year.

- 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 the warfighter and taxpayer
- Restore affordability to defense goods and services
- Improve defense industry productivity
- Remove government impediments to leanness
- Avoid program turbulence
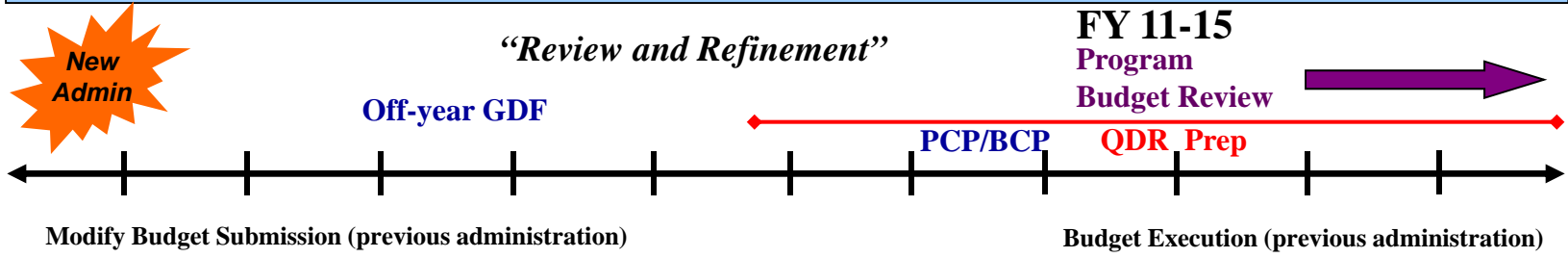- Maintain a vibrant and financially healthy defense industry

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.***
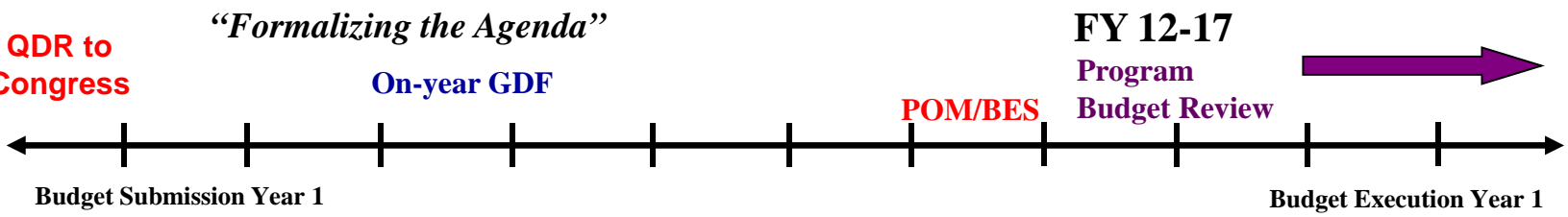
Planning, Programming, Budgeting, and Execution

| JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |

Year 1

New Admin

"Review and Refinement"

FY 11-15
Program Budget Review

Off-year GDF

PCP/BCP   **QDR Prep**

Modify Budget Submission (previous administration)

Budget Execution (previous administration)

Year 2

QDR to Congress

"Formalizing the Agenda"

FY 12-17
Program Budget Review

On-year GDF

POM/BES

Budget Submission Year 1

Budget Execution Year 1

Year 3

"Execution of Guidance"

FY 13-17
Program Budget Review

Off-year GDF

PCP/BCP

We are here!

Budget Submission Year 2

Budget Execution Year 2

Year 4

"Ensuring the Legacy"

FY 14-19
Program Budget Review

On-year GDF
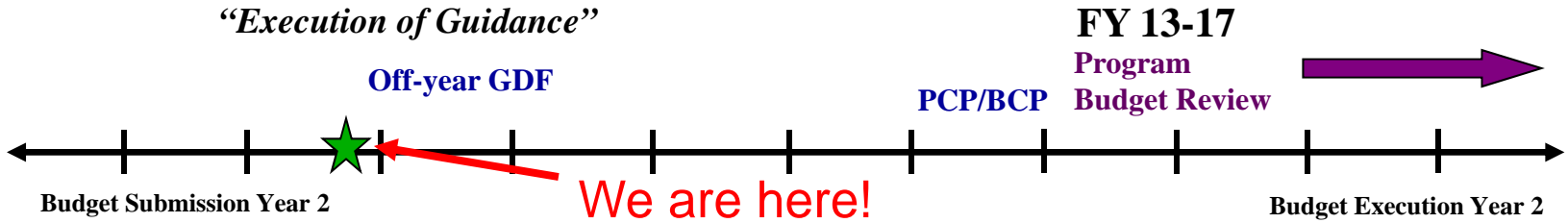
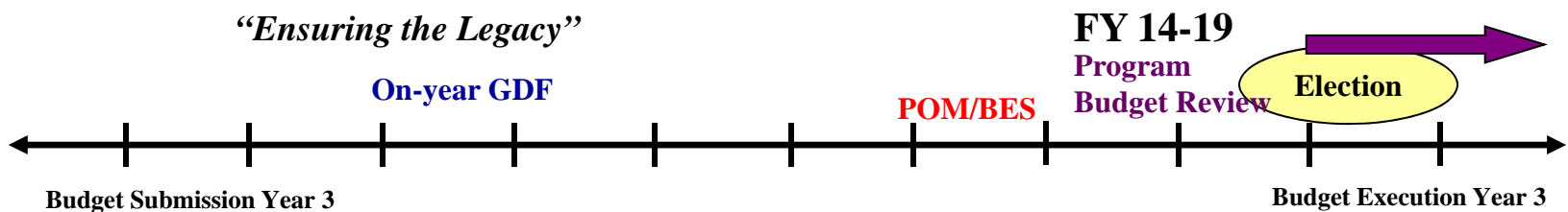**POM/BES**

Election

Budget Submission Year 3

Budget Execution Year 3

4 Administration Years with 2-year PPBE Cycle

Acquisition Efficiency Initiatives

- Target Affordability and Control Cost Growth
- Incentivize Productivity & Innovation in Industry
- Promote Real Competition
- Improve Tradecraft in Acquisition of Services
- Reduce Non-Productive Processes and Bureaucracy

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

Acquisition Efficiency Guidance Roadmaps (cont'd)

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

Technical Challenges

Robots have limited ability to:

- Perceive and understand situations under all conditions
- Predict behavior of teammates or aggressors
- Collaborate with humans and other robots
- Learn tasks and adapt to new situations
- Communicate effectively with other team members
- Move at near human speeds over any terrain
- Lift, maneuver and interact with physical objects

Non-Technical Challenges

- Operational, moral, ethical dilemmas
- Pockets of advocacy/no broad spectrum of acceptance
- Lack of stable/approved requirements
- Insufficient emphasis on the "illities"
- Inefficiencies created by duplicative activities for similar functions
- Coordination across current activities/domains is not robust
- No defined career paths and accepted advocacy for unmanned career path
- Cost-Benefits anecdotal