

Military Times

By: Joe Gould | January 15, 2019

## Reform panel warns Congress to overhaul Pentagon acquisitions, or lose technological edge

WASHINGTON — For the United States to maintain its technological edge against [China](#) and other competitors, Congress must radically simplify the way Pentagon acquisitions [work with companies outside the beltway](#), according to an influential advisory group established by Congress.

[The Section 809 Panel](#) on Tuesday released its third and final volume of recommendations to streamline the Defense Department's lumbering acquisition bureaucracy. In 500-plus pages, it emphasized changes to revamp the way the military buys commercial products, information technology and major weapons programs, among other far-reaching ideas.

When panel members on the hunt for ways to make the acquisition process more accessible visited one Silicon Valley firm flying under the Pentagon's radar, the members were alarmed to learn a Chinese delegation had visited only a week before, offering to buy the company's production capability, if not the company itself.

"These are companies that the United States I guess knows about at some level, but the Department of Defense didn't know existed, they weren't interested and wouldn't know how to do business with them," Section 809 Panel Chair David Drabkin, a former General Services Administration official, said at Tuesday's rollout event.

"The whole focus is to speed up the process to deliver what the war fighter needs," Drabkin said of the panel. "We're at war. We won't declare it, but there's a cyberwar going on. And the Chinese and the Russians are beating us, and they're buying stuff we don't even know about, but in some cases we invented."



[McCain's staff director to lead strategy for Silicon Valley tech firm, Anduril](#)

Former Senate Armed Services Committee staff director Christian Brose will become the head of strategy for Anduril Industries.

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Since its launch two years ago, the panel has made 98 recommendations — some of which have been synthesized by Congress into the 2019 defense policy law. The effort — just the latest in a long line of acquisition reform efforts — has worked closely with Capitol Hill all along, and Drabkin was optimistic many of the recommendations, while bold, would be adopted by the congressional defense committees.

With an eye toward rapidly buying cutting-edge capabilities for troops to address emerging threats, the panel would create new acquisitions categories under a "Dynamic Marketplace Framework." The framework would separate defense-unique development and replace commercial buying procedures with new procedures for "readily-available capabilities" and capabilities that are "readily available with customization."

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The idea is to give Pentagon officials more latitude to buy “the most up-to-date products and services in the least amount of time possible from the open, accessible marketplace, including nontraditional and other private-sector suppliers,” according to a summary.

Panel member Ross Thompson, a former Army acquisitions official and industry executive, spoke passionately about the need for Pentagon and congressional leadership to quickly adopt the panel’s recommendations.

“Time to me today is turning faster than the Chinese and the Russians,” Thompson said. “If we can’t turn faster than they do, we’re going to have people killed the next time we have a conflict. ... Our sons and daughters are going to be affected by the inability to speed this process up without sacrificing quality and sacrificing cost.”



[Saving America's military edge will take money – and new ideas, Dunford says](#)

The U.S. military needs Congress to provide sustained defense spending to maintain its eroding military edge – but also needs to start innovating, its top uniformed officer said Saturday.

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### **Protecting against budget chaos**

The panel also made a series of recommendations for Congress to grant Pentagon acquisitions officials more spending flexibility – both to protect against Capitol Hill’s [budget chaos and dysfunction](#) and to speed the acquisitions process.

Congress’ late budgeting has normalized stop-gap continuing resolutions that might keep the government running but bar funding for new-start programs, production rate increases and multiyear procurements. The panel recommends voiding those prohibitions.

“Current rules limit the flexibility of DoD’s acquisition workforce in dealing with the realities of the marketplace such that near-peer competitors and nonstate actors have a decided innovation advantage,” the summary argues.

Of the 12 recommendations in this area, one most likely to make waves is to increase the threshold for reprogramming requests that need congressional approval relative to inflation. The \$20 million threshold for procurement and \$10 million threshold for development programs would both double, according to panel member Allan Burman, a former administrator for federal procurement policy.

Another recommendation would delegate that below-threshold reprogramming decision authority down to portfolio acquisition executives.

Those recommendations aren’t intended to weaken Capitol Hill prerogatives, according to Burman, but just how protective appropriators will be of their authorities remains to be seen.

“Our prime recommendation, it goes without saying, is to pass the budget on time,” Burman said. “We haven’t for a number of years been too successful at that.”