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DOD

Capabilities-Based Acquisition Essential To Missile Defense Program, Aldridge Says

The Defense Department's "existing acquisition process was not designed for a program as revolutionary as missile defense," Under Secretary of Defense for Acquisition, Technology, and Logistics Edward "Pete" Aldridge told an audience of scientists and engineers in Huntsville, Ala. Aug. 21.

While the acquisition system has been used for acquiring specific weapon systems—such as airplanes, tanks, or ships—it was not designed for the kind of "system of systems" that comprises missile defense, he explained in a speech to the Army Space and Missile Defense Command.

Space and missile defense is "central to the future of our national security," said Aldridge, himself an engineer who at one time worked on the Nike/Zeus and other missile programs when he worked for the former Douglas Aircraft.

Aldridge recounted two recent developments that have paved the way for an aggressive missile defense program. Last December, President Bush announced his intent to withdraw from the 1972 antiballistic missile defense (ABM) treaty with the former Soviet Union. Bush cited the vastly changed strategic environment in saying that continued adherence to the treaty would diminish rather than enhance U.S. security.

Then, on Jan. 2 of this year, Defense Secretary Donald Rumsfeld established the Missile Defense Agency, elevating the former Missile Defense Office to full agency status (77 FCR 14). He named Air Force Lt. Gen. Ronald Kadish, the head of BMDO, as director of the new agency.

At that time, the acquisition process for the new agency was "greatly streamlined" to permit more rapid decisionmaking, Aldridge said. The use of grants, cooperative agreements, and other transactions—noncontractual arrangements that allow great flexibility in the award and administration of agreements—was specifically authorized by Rumsfeld.

Capabilities-Based Acquisition. Most defense programs build linearly on earlier ones, Aldridge noted. Such programs are developed under a threat-based system and are governed by the Operational Requirement Documents (ORD) approach—fixed documents that es-

tablish hard thresholds for the development and deployment of each system component.

But this structure is "obsolete" against an unpredictable threat and "incompatible with the groundbreaking technologies in play," Aldridge noted in prepared remarks.

Accordingly, for missile defense, DOD has gone to a "capabilities-based acquisition," he said. This means that an acquisition "results from assessments of the threat; of the available technology; and, based on those assessments, an appraisal of what can be built to do an acceptable job, rather than accommodate a hard requirement," he explained. Most BMD development "takes place in uncharted waters," Aldridge observed. "Any ORD under these circumstances would be largely guess work."

Under a capabilities-based acquisition approach, capabilities to perform are updated every four to eight months to reflect and accommodate the pace of progress, and DOD is "no longer confined to a one hundred percent solution to every possible attack scenario," he said.

Capabilities-based acquisition is consistent with the notion of "spiral development," which was mandated as the guiding philosophy for major systems development when DOD revised its 5000-series directives a year ago, Aldridge noted.

However, the acquisition changes will affect only the research and development of the missile defense system of systems, Aldridge said. Once the systems are designated for deployment, they revert to the same documentation requirements as any other program.

Contractors' Proprietary Information. Innovations in the acquisition process and in the treatment of proprietary information by prime contractors Lockheed Martin Corp. and The Boeing Co. are essential to the success of the U.S. missile defense program, Aldridge said.

Boeing and Lockheed Martin share the title of "prime contractor," for the program. While each works on specific components, because these components must eventually be integrated each company, along with its designated teammates, must share proprietary information with the other.

However, because that information is proprietary, it must be kept from each partner's respective companies. According to Aldridge, the "creative solution" arrived at is a signed agreement between the federal government, Boeing, Lockheed Martin, and their respective teammates that prohibits the sharing of proprietary information by each national partner with their respective companies.

“In other words, each company has been deputized to safeguard the proprietary information of the other,” Aldridge said.