

STATEMENT OF

**THE HONORABLE E. C. "PETE" ALDRIDGE
UNDER SECRETARY OF DEFENSE
(ACQUISITION, TECHNOLOGY, AND LOGISTICS)**

**BEFORE THE STRATEGIC SUBCOMMITTEE
OF THE SENATE ARMED SERVICES COMMITTEE**

March 13, 2002

Missile Defense Program Management and Oversight
Honorable E. C. “Pete” Aldridge
Under Secretary of Defense
(Acquisition, Technology and Logistics)

Good morning, Mr. Chairman, Members of the Committee. Thank you for the opportunity to appear before you today to discuss the Fiscal Year (FY) 2003 Department of Defense Missile Defense Program and budget. It is my goal to address the new management structure of the Missile Defense Program and discuss the new, more flexible oversight process which is being adopted by the Department.

On January 2nd of this year, Secretary Rumsfeld issued his direction to the Department for the Missile Defense Program. His stated objectives included the establishment of a single program to develop an integrated ballistic missile defense system under the authority of a single organization, the Missile Defense Agency (MDA). He directed that a capability-based requirements process be adopted and that streamlined oversight be incorporated to facilitate the earliest possible deployment of missile defense capabilities to the Services.

Redesignation of the Ballistic Missile Defense Organization as the Missile Defense Agency provides greater authority to LTG Kadish and his staff to manage the rigorous technical challenges associated with developing

missile defenses. The additional authorities are necessary due to the magnitude of the program, and the high priority placed on this effort by the President. It is for these same reasons that the Secretary directed the use of a streamlined oversight process. The Secretary has indicated his intention to look to the DoD Senior Executive Council (SEC) for oversight and recommendations for decision-making in this area. The SEC is chaired by Deputy Secretary Wolfowitz and includes the Service Secretaries, and myself.

In that regard I recently issued implementation guidance based on Secretary Rumsfeld's direction. In this guidance, I directed the Director, MDA to plan and execute a single Missile Defense Program, structured to integrate work and enable capability trades across different elements of the Ballistic Missile Defense System (BMDS) and to facilitate decisive action in response to program events. This single program has the same reporting requirements to OSD and Congress that all other programs have. The Director, MDA has been given full authority to execute a capability-based acquisition approach that will produce missile defenses at the earliest feasible date. He will have the authority and responsibility to develop all associated technologies and conduct developmental testing. He will interface with the warfighter community to determine desired operational features and to develop strategies for introducing developed capabilities to

the fighting forces. He will have the authority to manage the acquisition strategy, make program commitments, award contracts, make affordability tradeoffs, and exercise milestone decision authority up to, but not including, Milestone C (the beginning of the production and deployment phase).

The unique management and oversight processes described above apply only to the development phase, when the configurations of missile defense systems are still being defined and production and deployment considerations are unknown. At the point where an individual element of the BMDS progresses to the point of demonstrating useful capability, Director, MDA will recommend that the SEC consider it for transition to production and deployment. Transition to procurement will create an acquisition program in its own right and activate the management, oversight and reporting processes used for traditional defense acquisition programs. I will establish the necessary product teams and processes needed to support a Milestone C production decision by the Defense Acquisition Board (DAB). Following the Milestone C decision, the designated Military Department will manage the program following standard acquisition processes and reporting.

To advise the Director, MDA on management of the Ballistic Missile Defense program and to aid the SEC in executive decision-making on missile defense, I have formed a Missile Defense Support Group (MDSG) of designated senior experts from 13 selected staffs within the Department. The Chairman of the MDSG is the Director of Strategic and Tactical Systems. He will report directly to me on all MDSG matters. The MDSG consists of senior and experienced individuals who will be able to provide useful insights and recommendations on policy, operations, acquisition, and resource matters that affect the Ballistic Missile Defense System (BMDS). Members of the MDSG will be supported by a Working Group of individuals from their support staffs. They will promote the success of the BMDS by providing informed constructive advice on the program and keeping their principals advised of program progress and developments. They will perform independent reviews and studies of the Ballistic Missile Defense Program where needed. A list of the MDSG principals and working group members is as follows:

Missile Defense Support Group Membership

Organization	MDSG	MDSG (WG)
OUSD(AT&L)S&TS	Dr. Spiros Pallas Dr. Kent G. Stansberry	CAPT Michael Cregge LTC(P) Stephen Kreider
Sec of Army	BG(P) John Urias	COL Jeff Horne
Sec of Navy	Mr. David M. Altwegg	Ms. Denise Del Camp

Sec of Air Force	MG(S) John Corley	COL Bo Reese COL(S) Rex Kiziah
USD(P)	Mr. David Trachtenberg	Dr. Peppi DeBiaso Dr. Rob Soofer
USD(C)	Mr. Ron Garant	Mr. Tom Kerr
VCJCS	Brig Gen Rick Lewis	Dr. Barry Fridling CAPT Roger Easton
ASD(C3I)	Mr. John Landon	Mr. Jim Martin COL Brian Robinson
DoD(GC)	Mr. Doug Larsen	Ms. Shauna Russell Mr. Charles Bidwell
DOT&E	Mr. Larry Miller	Mr. Mario Lucchese CDR Barry Haynie
D, MDA	Dr. Glenn Lamartin	Mr. Robert Brown
D, (PA&E)	Dr. Michael Ioffredo	Dr. James Brooks Dr. Dennis Evans
C, (CAIG)	Dr. David McNicol	Dr. Richard Burke Mr. Steve Miller

The first task of the MDSG will be to review the MDA plan to implement Secretary Rumsfeld's January 2, 2002 Missile Defense Program Direction, and the implementation guidance issued by me. That plan will address matters of great importance to the success of the BMDS, including the program structure and funding allocations, the management structure, acquisition strategy, program documentation, and interfaces with the

Services. The first combined MDSG and MDSG working group meeting occurred on Friday, 8 March to start the process of oversight and review. They will meet as required and will have access to the information they require to perform their responsibility.

The Department is making these changes in response to the high priority for missile defense articulated by President Bush. We believe that integrating several programs into one, centralizing their management within a single defense agency with greater authority, responsibility, and flexibility, and providing a more streamlined oversight process will cause missile defenses to be developed and deployed in a much more efficient manner than would be possible under the former structure. The SEC has already conducted six meetings to discuss the MDA which is significantly more high level oversight than other programs that normally only see this level of oversight at a DAB once every few years.

Congress will have the same visibility into the Ballistic Missile Defense System Program that it has with other programs. In this context, some of the classical metrics of progress are affected by the adoption of an RDT&E-only approach to the development phase. To ensure that the Congress has a full understanding of the program, we are committed to provide necessary details of how the program will be structured and managed.

The Department provided four information briefings to the defense authorization and appropriations committee staff, plus one to the House Government Reform committee staff. During these first five briefings which occurred shortly before the Secretary issued his direction on missile defense, we committed to provide details on how we planned to implement the Secretary's direction prior to issuing implementation guidance. On February 11 and 12, 2002, we provided four more briefings to each of the Defense Authorization and Appropriations Committees staffs, presenting the implementation plans. The MDA has already conducted over 25 hours of briefings on the Ballistic Missile Defense System to members of the Congressional Staff. Those briefings provided specifics on the planned development activities for each element of the system this year. MDA will continue to provide Congress with detailed information to satisfy its oversight responsibilities. The annual Selected Acquisition Report (SAR) to Congress will be submitted on the BMDS with a separate SAR for the PAC-3 program, because procurement activity for PAC-3 has begun. Providing separate SARs will ensure full visibility into the transition of the program to the the Military Departments after a deployment decision, just as it will be done for the Army's PAC-3.

Thank you, Mr. Chairman. I would be happy to answer any questions you and the Members of the Committee might have.