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The Honorable Glenn Grothman
House Committee on Oversight and Accountability
Chairman, Subcommittee on National Security, the Border, and Foreign Affairs
1511 Longworth H.O.B.
Washington, D.C. 20515

Subj: Unfinished Business to Reduce DOD Wasteful Spending and Inefficiencies

Dear Hon. Representative Grothman:

Your subcommittee hearing on July 24 addressed “Wasteful Spending and Inefficiencies: Examining DOD Platform Performance and Costs.” You stated, “This hearing is...about...finding solutions.”

I have solutions for some of the “large, systemic issues that allow waste and inefficiencies to persist” and recommendations to modernize defense bureaucracy and tools for the information age where urgency, flexibility, transparency, and action are the watchwords.

Your Issue

One of your issues is program managers do not “have the proper authority and resources needed to effectively manage these programs and make necessary changes as problems arise.” I agree.

I addressed that issue in letters to my representative, then Chairman Henry Waxman, dated 6/22/2007 and 3/10/2008. I also supported John McCain’s oversight and acquisition reforms regarding the issue during 2011-18. Then and now, the root cause is the contractors’ misuse of the ineffective DFARS Earned Value Management System (EVMS) clause. Excerpts from the Waxman letters:

Some defense contracts have misused incentives that were tied to achieving contractually required reports of cost and schedule performance, called EVM reports.... the use of these incentives poses a risk that the contractors might sacrifice providing objective program status reporting in favor of “making the number” and that they may “manage data and reports.”

Both DoD and the U.S, Navy issued policy memoranda which disclose that EVM is not working for acquisition management. The DoD memorandum states that:

- EVM is not serving its intended function in the internal control process.
- DoD is committed to resolve systemic, DoD-wide weaknesses.

An update to that issue is my white paper, *Earned Value Management: "When you come to a fork in the road..."*, July 25, 2024.

Other Issues Raised

Eaglen:

1. Modernizing defense bureaucracy...for the information age where urgency, flexibility, transparency, and action are the watchwords.
2. Reform through reduction rather than the addition of new laws and rules.

Schwartz:

1. Overregulation...companies...spend money on compliance instead of on what that really matters. This dissuades some companies from working with DoD and squanders limited resources.
2. DoD's IT and business systems are hampering its ability to leverage data and need to be modernized.

Solutions

Recommended solutions are in the following letters to USD William LaPlante:

- Subj: Place DFARS EVMS Case on Hold and Go the Whole Hog, dated June 2, 2024.
- Subj: Realpolitik on Digital Engineering, Outcome-Based Metrics, and Project 2025, dated July 17, 2024.

White Papers

Additional Information is in the following white papers:

- "Outcome-based Metrics + SE = Integrated Program Management," Rev. 9, July 9, 2024
- Integrating the Embedded Software Path, Model-Based Systems Engineering, MOSA, and Digital Engineering with Program Management, July 25, 2024

Your Oversight

Please take appropriate oversight actions and initiate legislation, if necessary, to ensure that the recommended solutions are implemented correctly.

References

Please contact the following people for their opinions about the merits of my assessments and recommendations; Katrina McFarland, Andrew Hunter, Heidi Shyu, and Bill LaPlante. A letter of appreciation from John McCain, dated March 5, 2015, is attached.

Cited documents may be downloaded from www.pb-ev.com at the Acquisition Reform and White Paper tabs.

Yours truly,



Paul J. Solomon

CC:

Hon. Bill LaPlante (USD)	Hon. Andrew Hunter, AF Asst. Sec. for AT&L
Hon. Adam Smith, HASC	Hon. Carlos Del Toro, Secretary of the Navy
Nickolas Guertin (ASN RD&A)	Honorable David L. Norquist, NDIA
Hon. Robert J. Wittman, HASC	Hon. Heidi Shyu, (USD(R&E))
Hon. Donald Norcross, HASC	Hon. Rep. Julia Brownley
Anthony Capaccio, Bloomberg News	
Shelby Oakley, GAO	Jon Ludwigson, GAO