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July 16, 2025

The Honorable Adam Smith
Ranking Member, HASC
2216 Rayburn House Office Building
Washington, D.C. 20515

Subject: Also Exempt Traditional Defense Contractors from Earned Value Management Requirement

Dear Hon. Ranking Member Smith:

In my letter to you dated November 17, 2024, Subj: Outcome-based Metrics, Barrier to Entry, and NDIS Implementation Plan, Part 2, I requested that you “provide legislative support to Dr. LaPlante that will enable him to tear down that barrier to entry to the defense industrial base and to replace botched, manipulated, meaningless Earned Value Management (EVM) metrics with outcome-based metrics.” I am pleased that S. 2296, SEC. 823. EXEMPTIONS FOR NONTRADITIONAL DEFENSE CONTRACTORS, exempts those contractors from the DFARS EVM System clause.

Now, please introduce legislation, during conference with the SASC, to also exempt traditional defense contractors from the Defense Federal Acquisition Regulation Supplement 252.234–7002 requirement. In previous letters, I referred to your opinion piece, “Future of US defense depends on culture shift prioritizing innovation,” dated October 18, 2024. Excerpts from that opinion:

- DOD still largely follows a slow and costly acquisition process hamstrung by a focus on the *process* and rigid requirements rather than fielding a *capability and achieving results*.
- Large programs of record for complex systems or large services contracts are built around onerous requirements or *meaningless metrics* rather than problem-solving ideas or *desired outcomes*.

I addressed these issues in letters to you since 2019. The first letter was Subj: Request for Defense Acquisition Reform and GAO Investigation, dated December 19, 2019.

Excerpts from that letter:

GAO report, GAO-20-44 Improving Program Management, dated December 2019, corroborates my assertion that **PMI documents are consistent with widely accepted standards for program and project management (P/PM) planning and delivery.**

- o PMI documents are widely accepted standards for P/PM
- o Utilized worldwide
- o Generally recognized as leading practices for P/PM
- o Approved by the American National Standards Institute (ANSI).

A new PMI standard, Standard for Earned Value Management (ANSI/PMI 19-006-2019), when used in concert with PMBOK® Guide, should be used by DOD instead of EIA-748. These documents meet PMIAA criteria and OMB criteria for a Voluntary Consensus Standard (VCS).

- o EIA-748 was approved by the Society of Automotive Engineers (SAE)
- o It is not ANSI-approved.

o Think about the SAE grade of your motor oil. Capital acquisitions that cost over \$100 M should be governed by a higher standard. Taxpayers deserve a higher standard.

There is an urgent need to transform EVM into a cost-effective acquisition management tool that provides reliable information and early warning of performance problems on a consistent basis.

Recommendations It is recommended that you:

1. Request GAO to verify my assertions that:

- a. The provisions of PMIAA are not substantially similar to or duplicative of...policy, guidance, or instruction of DOD related to program management.
- b. EIA-748 is no longer a VCS per PMIAA and OMB criteria. It is Ineffective, impractical, and obsolete.

Recommendation: Revive Former Rep. Speier's Bill

Also, please revive a bill that was proposed by former Rep. Jackie Speier in the Chairman's Mark, En Bloc #1, of the NDAA for FY 2022. Unfortunately, that markup was receded per the Conference Report. The amendment follows.

AMENDMENT TO H.R. 6395

OFFERED BY MS. SPEIER OF CALIFORNIA

At the appropriate place in title XVII, insert the following new section:

1 **SEC. 17 ____ . REQUIREMENTS RELATING TO PROGRAM AND**
2 **PROJECT MANAGEMENT.**

3 (a) STANDARDS FOR PROGRAM AND PROJECT MAN-
4 AGEMENT.—Section 503(c)(1)(D) of title 31, United
5 States Code, is amended by striking “consistent with wide-
6 ly accepted standards” and inserting “in accordance with
7 standards accredited by the American National Standards
8 Institute”.

9 (b) PROGRAM MANAGEMENT IMPROVEMENT OFFI-
10 CERS AND PROGRAM MANAGEMENT POLICY COUNCIL.—
11 Section 1126 of title 31, United States Code, is amend-
12 ed—

13 (1) in subsection (a)(1), by inserting after “sen-
14 ior executive of the agency” the following: “, who
15 has significant program and project management
16 oversight responsibilities,”; and

17 (2) in subsection (b)(4) by striking “twice” and
18 inserting “four times”.



I requested that Rep. Speier resubmit the bill in letters dated July 2, 2021. Excerpts from those letters:

DoD does not adhere to the highest standard of transparency and accountability for program and project management. Instead, DoD enables contractors to use an NDIA-owned, sham standard, EIA-748, which enables contractors to provide misleading information regarding a program's cost, schedule, and technical performance.

passage of Sec. 1745...will enable early detection of programs that are likely to become \$1 billion or more over budget. The use of a P/PM standard that is ANSI-accepted and owned by the Project Management Institute (PMI) is preferred to the sham, Earned Value Management System (EVMS) standard that is owned by the NDIA, EIA-748. EIA-748 enables contractors to defer reporting of true cost overruns and to avoid early disclosure of pending Nunn-McCurdy breaches.

Recommendation

There has been a lot of water under the bridge since 2019. Also, a lot of scheduled ships, subs and other weapon systems have been delayed from entering the water or air. However, you and DoD program managers did not receive early warning of the cost overruns and schedule slips via the status reports that were prepared in compliance with the EIA-748 guidelines. Please revive Rep. Speier's bill and introduce other acquisition reforms that are in my letters, white papers, and articles in *Defense Acquisition Magazine*.

Then hold program managers and contractors accountable for achieving outcomes. Don't reward them for adhering to DFARS-required processes. Vivek Ramaswamy, when with the Dept. of Government Efficiency said "Most of the people making these decisions from health care to the Department of Defense are failing on effectiveness because they have no accountability."

You and your colleagues should seize this opportunity for real acquisition reform. Otherwise, you all risk being held culpable for future Nunn-McCurdy breaches.



Paul Solomon

CC:

John Wicker Chairman, SASC

Hon. Pete Hegseth, Sec. Def.

Hon. Mike Rogers, HASC

Hon. Robert J. Wittman, HASC

Hon. Ro Khanna, HASC

Hon. Joni Ernst, SASC

Hon. Elizabeth Warren, SASC

Hon. John Phelan, Sec. of the Navy

Hon. Dan Driscoll, Sec. of the Army

DOGE

Shelby Oakley, GAO

Jon Sindreu, WSJ

Hon. Stephen Feinberg, Undersec. Def.

Hon. Tom Cole, HAC

Hon. Donald Norcross, HASC

Hon. Jim Jordan, HCOA

Honorable Ken Calvert (HAC)

Hon. Pat Harrigan, HASC

Hon. Emil Michael, USD(R&E)

Mona Sehgal, GAO

Anthony Capaccio, Bloomberg News