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The Honorable USD (R&E) Emil Michael
Office of the Under Secretary of Defense, Research and Engineering (USD(R&E))
1010 Defense Pentagon
Washington, DC 20301-1010

Subj: Shortcomings of Draft SAE/EIA-748E Earned Value Management System Standard, Part 3

Dear Hon. USD (R&E) Michael:

This letter augments the August 23 letter (Part 2). It provides excerpts from draft SAE/EIA-748E that have no relevance to the following SAE and SMC criteria for a standard:

- a. Advances the knowledge of engineering practices.
- b. Contains specific performance requirements and are used for minimum performance standards, quality, and other areas conforming to broadly accepted engineering practices or specifications for a material, product, process, procedure, or test method.

The Foreward cites “best business practices” not engineering practices and falsely claims that “The system provides a sound basis for problem identification, corrective actions, and management replanning as may be required.”

The following excerpts have nothing to do with engineering practices or even widely accepted business practices:

FOREWORD

The earned value management system (EVMS) guidelines incorporate **best business practices** to provide strong benefits for program enterprise planning and control. The processes include integration of program scope, schedule, and cost objectives; the establishment of a baseline plan for accomplishment of program objectives; and the use of earned value for performance measurement during the execution of a program. **The system provides a sound basis for problem identification, corrective actions, and management replanning as may be required.**

Guideline 13. Provide that the program target cost goal is reconciled with the sum of all internal program budgets and management reserve.

Guideline 25. Document and reconcile changes to current scope, schedule and budgets as a result of internal replanning.

Guideline 26. Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments are made only for correction of errors, routine accounting adjustments, or effects of customer or management directed changes, including implementation of a single point adjustment.

Guideline 27. When necessary, propose, document, and establish a total program budget greater than the contract budget base (over target baseline) and/or a total program schedule exceeding the contractual period of performance (over target schedule) to support management of the remaining

authorized work. Advance notification must be provided to the customer prior to implementation.

Why do we even waste appropriated funds on compliance reviews for those guidelines? Why do program managers have to be held accountable to implement those guidelines? Does a sham system that is silent on the product scope and makes measurement of technical performance optional “provide a sound basis for problem identification, corrective actions, and management replanning as may be required.”

Yours truly,



Paul Solomon

CC:

Hon. Adam Smith, HASC
Hon. Mike Rogers, HASC
Hon. Roger Wicker, SASC
Hon. Dan Driscoll, Sec. of the Army
Hon. SON John Phelan
Jon Sindreu, WSJ
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