

## Overcoming Obstacles in Acquisition Reform

Testimony before the Committee on Armed Services  
United States House of Representatives

Jonathan Etherton  
President  
Etherton and Associates

February 12, 2014

Mr. Chairman, Vice Chairman Thornberry, Ranking Member Smith, and Members of the Committee, thank you for the opportunity to appear before you this morning to share my perspectives on overcoming obstacles to acquisition reform. From 1985 to 1999, I served as a professional staff member to the Senate Armed Services Committee and was assigned to provide support to the Members on acquisition and contract policy issues. I was involved with the formation and passage of the Goldwater-Nichols Act in 1986, the so-called section 800 panel legislation in 1990, the Federal Acquisition Streamlining Act of 1994, the Federal Acquisition Reform Act and the Information Technology Management Reform Act of 1996, as well as all of the acquisition policy provisions in titles IX, VIII and elsewhere in each of the annual National Defense Authorization bills during my period of Senate service. From 2005 to 2007, I served as a member of the Acquisition Advisory Panel established by section 1423 of the National Defense Authorization Act for Fiscal Year 2004.

My statement this morning will focus on the development and implementation of the Advisory Panel established in section 800 of the National Defense Authorization Act for Fiscal Year 1991 and the legislative process that produced the Federal Acquisition Streamlining Act of 1994 and the follow-on Federal Acquisition Reform Act and Information Technology Management Reform Act of 1996. I will attempt to describe what happened, the reason it happened and any meaning that might be relevant as you consider paths to further reform.

First, I want to offer a couple of observations about the enterprise of government acquisition and the challenges that Congress has trying to change the behavior of that process. As other witnesses before this committee have noted, all of the factors that drive acquisition process for goods and services in the Federal government create such

a high degree of complexity that no one individual or group can successfully keep it all in focus at the same time. If an individual or group could ever successfully claim to do so, it is very likely that no one would believe them. The challenge for reform is how to parse the effort in order to be effective while addressing enough of the essential factors to transform system behavior. A further challenge is the fact that each of the stakeholders and decision-makers can only affect a relatively narrow piece of the larger enterprise and often must deal with institutional conditions or behaviors that, while out of their reach, may still dictate the success or failure of a new initiative. Among these are:

The Federal Military and Civilian Personnel System:

The federal personnel hiring and promotion systems for civilian employees and military members impact the opportunities for needed education and experience for acquisition personnel and, in the case of the military, the amount of an officer's career that is devoted to acquisition versus operational assignments.

The Budgeting and Program Planning Processes in the Congress and the Executive Branch:

The budget, planning and programming processes in the Federal government dictate decisions about schedules and availability of resources and have to reconcile a number of competing public policy imperatives, of which cost-effective acquisition is only one. The incentives embodied in these processes can have a decisive effect on the structure, size and pace of technology maturation of Federal acquisition programs.

Industry Action:

While there remain a number of barriers to entry into and exit from the Federal market for industry, companies' behavior in the buyer-seller relationship is not dictated solely by changes in Federal acquisition policies. A company's response to a policy change will also be driven by other considerations, such as the need to demonstrate sustained shareholder value to institutional investors. Also, the Federal sales of a commercial company may be quite small as a proportion of its total sales in the global marketplace.

### The Audit and Oversight Structure and Process:

The Federal oversight and audit community may render judgment on the soundness of acquisition decisions using standards and methodologies that may only consider a narrow set of data on a single transaction basis while showing incapacity to assign a value to other factors, such as the use of individual judgment, innovative approaches, and prudent risk-taking in support an agency's mission.

### The News Media and Outside Organizations:

The independent media and outside organizations' judgments on the performance of a Federal program or agency have a major impact on perceptions and the support of the public and Congress for a given set of policies over time.

Congress has three major tools to influence or direct Federal agency acquisition behavior: legislation, budget decisions, and oversight. In the Senate, we learned that we were dependent on strong leadership within the agencies for implementation and recognized that agencies have very effective means to resist Congressional direction. The Congressional Committee structure can also hamper passage of key initiatives that depend for their success on being applied across multiple subcommittee and committee jurisdiction lines.

The following is an attempt to describe how we faced these various challenges as we moved major acquisition reform legislation through the Congress in the 1990's.

### **Section 800 of the National Defense Authorization Act for Fiscal Year 1991**

By the late 1980's, the Senate Armed Services Committee had seen an unprecedented amount of acquisition legislation that had been enacted as responses to the perceived spare parts and support equipment horror stories, major program cost overruns and cancellations, and the results of serious fraud investigations. Defense budgets were declining, and efforts like the Packard Commission of 1986 and the Defense Management Review of 1989 had provided us with a number of new reform ideas, particularly with respect to opening up the Federal procurement process to commercial and non-development items. But there was so much legislative change over a short period that Congressional Members and staff, the industry and the Federal

acquisition workforce had to drink from the proverbial fire hose to try to keep up with it.

In the Senate, we had tried a number of different legislative approaches to complete or support the implementation of the Packard Commission and Defense Management Review recommendations on acquisition reform, but with marginal success. With everyone's limited time, attention, and understanding, we were not successful in structuring a process to allow us either to rise above piecemeal, uncoordinated, and reactive legislating or to establish a basis for the sustained oversight needed to prod DoD into the more difficult areas of reform.

As an example, we had tried through several Defense Authorization bills, starting in 1986, to direct the Defense Department to take specific administrative and regulatory actions to enable the greater use of non-developmental and commercial items, including requirements for detailed reporting from DoD. The yearly defense bill reports from the Senate Armed Services Committee mainly document growing frustration with the lack of follow-through by the Department of Defense regarding this direction.

In the 1989 timeframe, members of the American Bar Association Section of Public Contract Law suggested to us the idea of establishing an advisory panel to review and make recommendations for streamlining and codifying acquisition laws. At the direction of our Members, we developed the idea a bit and in 1990 included it as section 819 in the Senate version of the National Defense Authorization Act for Fiscal Year 1991. We developed it as a means to implement the recommendation of the DoD Defense Management Review of 1989 for Congress to consolidate and simplify the laws governing acquisition. We also saw it as a way to reconcile multiple, uncoordinated layers of 1980's acquisition legislation while giving everyone in the process a little breathing space. I recall that that the provision was discussed and adopted in Committee markup with fairly modest expectations, and also recall that the House Armed Services Committee Members and professional staff were fairly cool to and somewhat skeptical about the provision. Nonetheless, after some of the usual trading of issues in the conference, the provision was adopted in modified form as section 800 and the bill was signed into law on November 5, 1990.

Section 800 is pretty simple. It directed the Under Secretary of Defense for Acquisition and Technology to appoint a panel of at least nine individuals who were

“recognized experts in acquisition laws and procurement policy” and to put the panel under the sponsorship of the Defense Systems Management College with its resources. In section 800, the duties of the panel were:

*“(1) review the acquisition laws applicable to the Department of Defense with a view toward streamlining the defense acquisition process;*

*(2) make any recommendations for the repeal or amendment of such laws that the panel considers necessary, as a result of such review, to--*

*(A) eliminate any such laws that are unnecessary for the establishment and administration of buyer and seller relationships in procurement;*

*(B) ensure the continuing financial and ethical integrity of defense procurement programs; and*

*(C) protect the best interests of the Department of Defense; and*

*(3) prepare a proposed code of relevant acquisition laws.”*

In the report to accompany the Senate version of the FY91 bill, the Committee was more explicit about what it wanted in the terms of a final product to allow Congress to readily consider the Panel recommendations and to act on them:

*“The goal of the Advisory Panel will be to develop a statutory proposal and supporting documentation for consideration by the Congress. The Advisory Panel should produce a report in two parts. The first part will list each current acquisition law, accompanied by: (1) a legislative history that describes the purpose of the original provision and any subsequent amendments; (2) a description of the role of the law in current acquisition practices (both statutory and regulatory); and (3) a recommendation as to whether the law should be retained, repealed, or modified. The second part of the report will consist of a statutory proposal and sectional analysis.*

*The Advisory Panel should seek to limit statutory provisions to those necessary to structure buyer-seller relations in the context of Government procurement, ensure the financial and ethical integrity of Government programs, and protect other fundamental governmental policies. When considering whether a particular statute should be retained, repealed, or modified, the Advisory Panel should consider: (1) whether the statutory purpose remains valid in light of subsequent changes in the acquisition system; (2) if so, whether the wording of the statute should be changed to reflect subsequent developments; (3) whether detailed requirements should be replaced by broad statutory guidance.”*

## **The DoD Acquisition Advisory Panel (1991-1992)**

The Department of Defense moved somewhat slowly to implement section 800, and did not finally appoint the 13 members to the panel until the latter half of 1991. These Advisory Panel members were among the most preeminent contracts lawyers and government and industry professionals in the acquisition field at the time. They were supported by significant and dedicated staff resources from the Defense Systems Management College at Fort Belvoir.

As the advisory panel, now known as the DoD Acquisition Law Advisory Panel, began its work, the scope of its concern evolved beyond just the DoD-specific acquisition statutes. The House and Senate staffs from the Armed Services, the Governmental Affairs and Government Oversight, and Small Business Committees met with the Panel early on to answer questions on intent and to provide guidance on the type of product that would be most useful to Congress. As I recall, we advised the Panel members to consider all the statutes that impacted the acquisition process across the government, not simply those in the title 10 of the United States Code. I further recall that we discussed the importance of working to align the wording in title 10 concerning defense acquisition with the wording in title 41 concerning government-wide acquisition and acquisition in the civilian agencies, as the requirements impacting the industry in the two titles of the United States Code had started to diverge in important ways during the mid to late 1980's. After that meeting, we stepped back and allowed the Panel to carry out their work, although we did have them appear before a joint hearing of two of the Senate Armed Services subcommittees in June 1992 to receive a progress report.

From the time the Senate Armed Services Committee marked up the original provision creating the panel in July 1990 and the time the final report of the Panel was delivered to Capitol Hill on January 14, 1993, several pivotal events occurred including: the Iraqi invasion of Kuwait in August 1990 followed by Operation Desert Shield /Desert Storm; the breakup of the Soviet Union; the transformation of Eastern Europe including the unification of Germany; and the election of a new President. Internet commercial capabilities were emerging and the defense industrial base was in the process of significant restructuring and reorientation. I believe that the terms of

reference in the section 800 combined with the knowledge and expertise of the Panel members enabled them to integrate the implications of these events into their final product.

The Congress received the Report of the DoD Acquisition Advisory Panel on January 14, 1993. The report was 1800 pages long and was broken into eight volumes with an appendix. The recommendations were organized by topics, such as Contract Formation, Contract Administration, Commercial Items, Intellectual Property and Standards of Conduct and promoted the broad themes of streamlining, commercial item acquisition and use of simplified acquisition procedures. The Panel had reviewed 600 laws in detail and provided specific legislative proposals to amend or repeal almost 300 of them.

It is important at this point to note that there were several acquisition policy areas that the Panel chose not to address because the governing statutes were considered outside the scope of the Panel's primary focus area of laws structuring the buyer-seller relationship or because the issues were not statutory, but regulatory or administrative in nature. Among the areas the report did not address: acquisition management structure; the military and civilian acquisition workforce, including training requirements; traditional supply issues, such as cataloguing and transportation; requirements development; and the Federal budgeting process.

### **The Federal Acquisition Streamlining Act of 1994**

After the report was received, the Senate Armed Services Committee leadership directed the staff to begin a review with the objective of drafting a bill for Member consideration later in the year. We were directed to work closely with the majority and minority acquisition policy staffs of the Senate Governmental Affairs and Small Business Committees in our review process because many of the Panel report recommendations involved statutes in the jurisdiction of those other committees. This joint review process, which was led by the Governmental Affairs Committee staff, was facilitated by the shared membership of Senators among the committees and the fact that the staffs had experience working together on these issues in a collegial manner.

Beginning in February 1993, the staffs met every Friday afternoon each week for four or five hours to go through each volume of the report recommendation-by-recommendation to decide whether to adopt, reject, develop an alternate, or seek

further information on each recommendation. The Senate Governmental Affairs staff would then take the results of each review, draft them in legislative form and have the drafts ready for review and comment by the group early the following week. The review process we conducted in this manner took about nine months to complete. We prepared a draft bill for introduction as the Federal Acquisition Streamlining Act (FASA) in October 1993. As a rough estimate, I would say we incorporated about 65% - 70% of the Advisory Panel's recommendations in some form into the draft bill.

During our review process in the Senate, the Clinton Administration initiated the National Performance Review (NPR) in March 1993 to cut red tape and reduce the size of government. The results of the NPR supported initiatives cutting the Federal workforce and drastically reducing reliance on government and military specifications. By December of 1993, President Clinton had signed out 16 directives implementing specific recommendations of the NPR, including cutting the federal workforce by 250,000, cutting internal regulations in half, and requiring agencies to set customer service standards. After the NPR report was issued in September 1993, the Administration engaged with the Congress to explore the extent to which FASA would help enable the Federal agencies to achieve the National Performance Review goals. This strong Administration endorsement and involvement added a great deal of impetus to the legislative process for the bill. The industry was also supportive of the bill although there was feeling among some of their representatives that the bill did not go far enough to streamline the process and reduce burdensome overhead requirements.

After the introduction of FASA, the Senate Armed Services and Governmental Affairs held five hearings including three joint hearings before reporting out the final version of the bill in May 1994. The House also began a similar process in earnest in the spring of 1994. By the time the Federal Acquisition Streamlining Act was passed and signed into law in September 1994, the legislation had broad, bi-partisan support in the Administration, Congress and industry. It is considered one of the most significant acquisition reform legislation in a generation.

The bill was largely organized around the structure of the DoD Acquisition Advisory Panel Report of 1993 and enabled the following:

### Streamlining the Contract Formation and Administration Process:

The Act established authority for multiple task or delivery award contracts to allow more streamlined use of competitive procedures and also added requirements for clearer communication of agency needs in solicitations. A number of redundant or obsolete statutory requirements were repealed. In addition, the DoD and other agencies were provided with specific pilot authority to test innovative procurement procedures on large programs by providing broad authority to waive statutory acquisition requirements.

### Simplifying the Acquisition Process for Small Value Contracts:

At the time FASA was enacted, purchases under \$100,000 accounted for about 16 percent of total annual contract dollars, but over 95 percent of total contract actions. The Act established simplified procedures for these procurements that allowed for savings in time, money and manpower for these procurements.

### Performance-Based Management of the Acquisition Process and Programs:

FASA also directed the agencies to take steps to implement performance-based (cost, schedule, and system performance), as opposed to rule-based, management of acquisition programs by the DoD and the civilian agencies, including instituting programs tying pay to performance for individuals working in such programs.

### Commercial Item Acquisition:

The greatest legacy of the Federal Acquisition Streamlining Act of 1994 was opening up the Federal procurement process to commercial items, technologies, and services. FASA established a broad definition of commercial item and exempted commercial items from many (but not all) of the government-unique certifications and accounting requirements that had served as major barriers for commercial companies to participate in government acquisition, and which drove significant costs for those who did participate. Use of these commercial products, technologies, and services has allowed the Federal agencies to save billions from reducing or eliminating the costs from unnecessary research and development, including contract administration, the development of detailed design specifications, and extended acquisition lead times associated with the procurement of government-unique products. The changes also

afforded Federal agencies immediate access to cutting-edge commercial electronics and other technologies to support their missions.

#### Federal Acquisition Computer Network-based Procurement:

Throughout the period from 1990 leading up to the enactment of FASA, broader use of the internet and its commercial potential was an emerging issue. In response, the Act provided direction and a framework for the agencies to establish an internet-based electronic commerce process, known as the Federal Acquisition Computer Network or FACNET. Agencies were given five years to implement the capability or risk losing a significant portion of their simplified acquisition authority.

#### Establishing Uniform Procedures for the DoD and the Civilian Agencies:

Equally important as the other aspects of FASA was the thorough and detailed alignment of most of the requirements for DoD acquisition in title 10 with those for the civilian agencies in titles 40 and 41. This allowed the government to provide a single face to its suppliers with the resulting benefits of lower overhead costs for companies and a more attractive marketplace for new suppliers.

#### **The Federal Acquisition Reform Act and the Information Technology Management Reform Act (Divisions D and E of the National Defense Authorization Act for Fiscal Year 1996)**

After a very intense 18 months in which we were simultaneously developing supporting the passage of two annual defense authorization bills as well working through the parallel free-standing Federal Acquisition Streamlining Act process, some of us had hoped for a little breathing space while the new law was implemented. Such was not to be. The elections in the fall of 1994 brought Republican majorities to both the House and Senate and with new committee leadership came a further appetite for major acquisition reform legislation. In 1995, during the course of the legislative process for the National Defense Authorization Act for Fiscal Year 1996, two separate acquisition reform packages, the Information Technology Management Reform Act in the Senate and the Federal Acquisition Streamlining Act in the House, were added to the bill by the time we were in the House-Senate conference in September.

The legislative process for the Defense Authorization Bill in 1995 was unusually long, difficult and convoluted. Because the House-Senate conference took three

months, we had the time to assemble a bi-partisan working group of staffs from the Senate Armed Services, Governmental Affairs and Small Business Committees to work the two large acquisition reform bills with our House staff counterparts via a separate track within the larger defense authorization conference process. We were also able to involve the Department of Defense and the Office of Federal Procurement Policy in our deliberations.

The resulting provisions in the Federal Acquisition Reform Act included in Division D went beyond the 1993 recommendations of the DoD Acquisition Advisory Panel. The bill established pilot authority for Federal agencies to use simplified procedures for the competitive acquisition of commercial items under contracts valued at \$5 million or below, which Congress recently again extended for two more years. The bill also eliminated the Truth in Negotiations Act requirement that contractors offering any category of commercial item provide certified cost or pricing data.

Unlike the great majority of the provisions in the Federal Acquisition Streamlining Act from the year before, several of the provisions in the Federal Acquisition Reform Act were quite controversial. Significant segments of industry were opposed to any legislation injecting efficiency considerations in the manner in which agencies could meet the full and open competition requirements in the Competition in Contracting Act. No less controversial was the provision which disestablished the General Service Board of Contract Appeals and consolidated all authority to hear bid protests in what has become the Government Accountability Office.

As Division E of the bill, the Information Technology Management Reform Act attempted to bring commercial-like buying procedures into the Federal procurement of information technology and shift the focus in the process from conformity to rules to a results-oriented process. The legislation repealed the Brooks Automatic Data Processing Equipment Act, which had centralized acquisition decision-making for the Federal agencies in the General Services Administration in favor of vesting management of information technology acquisition in individual agencies under newly-created Chief Information Officers. This is the system that is still in place today.

The Act also required agencies to emphasize up-front planning and establish clear information technology performance goals to improve agency operations. The Information Technology Management Reform Act also attempted to discourage so-called mega-system buys by encouraging agencies to take an incremental approach to buying information technology under smaller contracts that would be more manageable and less risky. It was hoped that the incentives in agencies' existing

budgeting and planning process to bundle requirements in large programs would be undercut by provisions in the Act that would simplify the process and reduce the time to initiate procurement of new information technology.

By the time the second version of the National Defense Authorization Act for Fiscal Year 1996 was enacted in February 1996, the Congressional acquisition reform effort that began with section 800 of the National Defense Authorization Act of 1991 had reached its conclusion.

### **Assessment**

The success of the legislative acquisition reform effort in the 1990's should be measured from two perspectives. The first is how well the process that produced the Federal Acquisition Streamlining Act, the Federal Acquisition Reform Act and the Information Technology Management Reform Act was able to capture the best thinking available at each stage; to absorb and integrate the implications of unforeseen events and the rapid and fundamental changes taking place during the process; to involve the essential staff and Members of both parties and multiple committees; to accommodate political realities; and to produce sets of well-grounded, relevant, and meaningful reform ideas to reflect the intent of Congress in a timely fashion. From this perspective, I believe the process we followed was extraordinarily successful. The DoD Acquisition Advisory Panel produced exactly the type of report Congress needed at the right time to take action as the acquisition issues ripened in 1993, and the quality of the analysis in the report helped Congress to sustain its leadership role in the process. Congressional consideration through a bipartisan, multi-committee process allowed for an appropriately comprehensive legislative outcome.

The second perspective for measuring success is assessing how well the process produced the benefits from reform of Federal acquisition practices that Congress intended. As I noted earlier, opening up the Federal market to commercial items has likely saved the government tens of billions of dollars at least and allowed the Department of Defense and the civilian agencies access to commercial technologies as they are available to other buyers in the global marketplace. The simplified acquisition procedures for low-dollar procurements reduced paperwork and manpower needed for these procurements significantly. Many redundant, costly statutory requirements were eliminated. For a time at least, the DoD and the civilian agencies were operating under very similar statutory requirements and policies.

There are more mixed results in a number of areas. As DoD tried to buy larger, more complex commercial technology-based items in lieu of military specification items, the differences in the commercial and government procurement cycle driven to a great extent by the Federal budget and programming process manifested themselves. DoD found itself at times saddled with aging products bypassed in the commercial

marketplace with resulting issues with continued product support. The Multiple Award Task or Delivery Order Contract process established in FASA, intended to provide an alternative to full and open competitive procedures on repetitive task or delivery orders, has been altered over the years by Congress, because of perceived abuses, to look more like the process it was intended to supplement.

Least successful were the Congress' efforts to change the acquisition culture in the Federal agencies to encourage and reward organizations and acquisition professionals for using innovative as opposed to more rule-based approaches for the procurement of goods and services. For example, the various pilot program authorities in the three Acts that were created to allow agencies to experiment with innovative acquisition approaches in larger programs either did not produce successful models for broader agency use, as in the case of the Defense Enterprise Programs for streamlining the management of major defense acquisition programs, or were never used at all. Most of these pilot authorities were later repealed.

There were a number of reasons for this state of affairs. As acquisition reform legislation was passed in the mid-1990's, we cut the acquisition workforce quickly and drastically. For example, the acquisition workforce in the Department of Defense dropped from 460,516 in Fiscal Year 1990 to 230,556 in Fiscal Year 1999. While there is no question that some reduction was warranted by the changes to the acquisition process and the reduction in defense spending during part of that period, I believe we went too far and lost a lot of our seasoned professionals in the process. We also did not take the time to determine how best to reconfigure the workforce to manage the new process as effectively as we could have. A primary focus of the acquisition reform effort was streamlining the contract formation and administration part of the process. We should have better recognized how important it would be to ensure a more robust and deliberate requirements determination process to feed into these later streamlined stages to ensure maximum use of competition as well as effective contract management.

The hope inherent in the acquisition reform efforts in the 90's that simply removing rules would allow judgment and appropriate discretion to naturally fill the void was not demonstrated in practice. Notwithstanding passionate cheerleading from the top, we did not ensure that the agencies developed and funded the education programs and opportunities needed to equip the workforce for the new acquisition model. Finally, significant parts of the oversight community continued to assess performance in terms of compliance with rules and procedures, which sent a strong negative message to the acquisition organizations. In my opinion, Congress did not stay engaged sufficiently in sustained oversight on these workforce management issues after the legislation was passed.

Yet even with all of the mixed outcomes, I think the acquisition reform effort that Congress and the Executive Branch pursued in the 1990's was necessary and did

deliver great benefit in terms of reduced costs and expanded access to technologies, products and services. Equally as important, it produced a deep understanding and body of knowledge about the behavior of the acquisition processes and system to be available to inform policy making as we go forward that we would not have gotten any other way.

## Lessons

Our experience in the 1990's and since demonstrates that Congress has pathways to meaningful acquisition reform. Several lessons from the earlier effort are relevant. First, Congress needs to effectively tap the expertise and experience of acquisition professionals from all stakeholder perspectives in government, industry and academia. There are great resources and knowledgeable people in government agencies, professional organizations like the American Bar Association and the National Contract Management Association and in industry firms and trade associations. The section 800 process described above is a good model for how to access this expertise to review and assess the effectiveness of statutes governing the acquisition process relative to their intent. The panel process brought together the right people and by virtue of having been sponsored by the Department of Defense, rather than another agency with fewer resources, the DoD Acquisition Advisory Panel was assured the robust staff support it needed to complete its detailed work so rapidly. The experience and expertise of the panel members and the flexibility in the charter allowed the panel to accommodate the implications of rapidly changing events and emerging capabilities into its work. The final product combining detailed analysis with line-in, line-out actionable recommendations allowed Congress to process the recommendations into new legislation relatively quickly when the timing was critical.

Another lesson is that meaningful acquisition reform is a government-wide enterprise and that Congress needs to pursue any comprehensive reform by engaging the staff and Members of multiple committees on a bipartisan, bicameral basis while also working in concert with industry and the Executive Branch in an ordered process. Successful acquisition reform also requires several years of sustained focus through the legislative process followed by continued dedicated oversight after legislation is passed. Recognize that it is certain that new and unexpected problems, issues and opportunities will emerge during any such long-term undertaking that will require everyone to take criticism and to reconsider and revise policy approaches.

Congress and the Executive Branch need to be prepared to pay the cost of effective implementation by increasing funding for training and other workforce initiatives. We have to recognize that the success of policy legislation will ultimately depend on the capability of a limited number of people inside and outside government who only have a fixed amount of time and attention and that the skill, experience and cultural adjustment of the workforce can happen only gradually. We must also account

for the fact that this workforce and the acquisition system it supports is embedded in a larger set of processes and conditions that acquisition legislation, funding, and Congressional oversight can often impact at most indirectly.

The capabilities and challenges for Federal acquisition are different in many ways today than twenty years ago. We have access to analytic tools and other capabilities to allow tracking and understanding of the real cost and savings drivers in the acquisition system from a holistic rather than a transaction-by-transaction perspective, which may allow us to measure the value of different acquisition approaches across the Federal enterprise. At the same time, acquisition budgets in the Department of Defense and other Federal agencies will be squeezed very hard through the foreseeable future. Moreover, over the last six years, Congress has passed a large volume of recent acquisition legislation that could benefit from reconciliation and integration into a larger framework. These challenges and emerging opportunities indicate that consideration of a more comprehensive acquisition reform effort is warranted, and I wish this Committee all success in its efforts to do so.