



July 30, 2010

The Hon. Robert Hale
Under Secretary of Defense (Comptroller) and CFO
U.S. Department of Defense

Dear Comptroller Hale:

Thank you for requesting the input of Taxpayers for Common Sense (TCS) for your efforts to improve business operations at the Department of Defense. TCS is a non-partisan budget watchdog serving as an independent voice for American taxpayers. Our mission is to achieve a government that spends taxpayer dollars responsibly and operates within its means.

Secretary of Defense Robert Gates listed “arresting and reversing growth in contractor support” as one way to accomplish his goal of trimming \$100 billion from DOD overhead accounts by FY2016. For this reason, we focus our recommendations on acquisition reform, an issue on which we have worked extensively in the past. These recommendations also appear in the forthcoming 2011 report by the Task Force for a Unified Security Budget, a nonpartisan, nonprofit effort to identify priorities and tradeoffs in our national security spending.

We must emphasize that important as defense acquisition reforms are, resulting savings are notoriously difficult to project. We ask you to consult both the USB and the recently released report by the Sustainable Defense Task Force for more ideas on how to trim billions from the DOD budget without compromising our national security.

That said, we believe the following recommendations can contribute towards your savings goals. We ask DOD to:

- 1) Follow through on creating an integrated, publicly available database of government contractors that will allow overseers both inside and outside government to track contractors’ performance. This will save money by preventing contracts from being awarded to poor performers and lawbreakers, including tax dodgers.
- 2) Incorporate resource constraints when setting requirements on major weapons systems, similar to DOD Acquisition Chief Ashton Carter’s recent proposal to let costs shape requirements on complex weapons such as the SSBN nuclear missile submarine. Failure to incorporate costs frequently leads to overly optimistic and constantly changing requirements.
- 3) Make all defense agencies and programs answer to DOD acquisition laws. Organizations such as the Missile Defense Agency still exist outside the Pentagon contracting laws and fail to provide basic accountability metrics such as cost baselines, despite repeated requests from Congress.
- 4) Reduce the number of national security exemptions to laws including the Nunn-McCurdy Act and Competition in Contracting Act. Budget-busting weapons such as the Expeditionary Fighting Vehicle repeatedly survive Nunn-McCurdy breaches because of political support, despite dubious relevance to military needs.

- 5) Provide and apply guidance about inherently governmental functions when incorporating contractors into the military workforce. Give priority to contractors performing jobs that should be handled by government—such as drafting or overseeing contracts—rather than those such as routine maintenance.

Thanks again for providing us the opportunity to comment on this important process. Please feel free to contact me or TCS National Security Senior Policy Analyst Laura Peterson (x114) with any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Ry Alexander". The signature is written in a cursive, somewhat stylized font.

Ryan Alexander
President
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