

TOTAL FORCE POLICY, THE QDR, AND OTHER DEFENSE AND OPERATIONAL PLANNING: WHY DOES PLANNING FOR CONTRACTORS CONTINUE TO LAG?

MONDAY, JULY 12, 2010

Commission on Wartime Contracting

Washington, D.C.

The Committee met, pursuant to notice, at 9:30 a.m., in Room 106, Dirksen Senate Office Building, Hon. Michael Thibault, Co-Chairman of the Commission, presiding.

Present: Commissioners Ervin, Green, Shays, Tiefer, Zakheim

THIBAULT:

Good morning. I am Michael Thibault, co-chairman of the Commission on Wartime Contracting in Iraq and Afghanistan. We are a commission created by Congress to examine many aspects of federal agency and military use on contracting. We will issue a final report with findings and recommendations in July 2011.

This opening statement is made on behalf of co-chairman Christopher Shays, our fellow commissioners and myself. The other commissioners at the dais today are Clark Kent Ervin, Grant Green, Charles Tiefer, and Dov Zakheim.

And the commission's authorizing statute enclose instructions from Congress that we look into matters including the organizational structure, resources, policies, and practices of the Department of Defense and the Department of State for performing contingency program management and interagency coordination and communication mechanisms. And I think the interagency coordination will be explored quite a bit today.

That instruction bears on two important matters of planning and coordination. One involves the commission's belief that current planning for the transition of American security responsibilities and logistical responsibilities in Iraq from the Department of Defense to the Department of State needs major acceleration and improvement as the U.S. military drawdown proceeds. We are making a special report to Congress on that matter today.

The other matter of interest involves the longstanding lack of effective planning at all levels of the Department of Defense for making use of contractors as part of the total force structure for contingency operations. That is the subject of today's hearing.

Before I comment on the hearing topic and introduce our panel of distinguished witnesses, I will talk about our special new report to Congress. We have some copies of the report here, and we'll post an electronic version at the commission's website.

As we all know, the United States and the Government of Iraq agreed in 2008 that American military personnel would be out of Iraq by the end of 2011. Since then, the administration announced that U.S. troop strength in Iraq would be reduced to 50,000 by the end of August 2010.

Those are political and policy decisions beyond the scope of this commission and do not directly concern us. What does concern us is—as we heard in the State Department briefing in Baghdad this May—that Iraq presents a continued critical threat environment.

In that risky environment, State relies heavily on the Department of Defense for vital security-related functions and for more than 1,000 other functions, especially logistics. DoD [Department of Defense] currently supports State with recovery of killed or wounded personnel, aircraft or vehicle recovery, dispatch or quick-reaction combat teams, counter-battery fire against attacks, clearing travel routes, escorting convoys, neutralizing explosive devices, and more. These are security-related functions.

State also draws extensive logistical support through the Army's LOGCAP contract and field support through the Defense Logistics Agency. Hundreds of other functions provided by DoD include real-estate management, policing, sanitation, fire prevention, and environmental cleanup.

The DoD support will go away as units are withdrawn, and the decline won't be steady or proportional as troop strength declines. A specialist-unit departure can remove an entire capability over night and it has done that already. In most cases, State has no organic capability to perform the functions now provided by DoD and support from the Iraqi government is generally not yet a practicable option.

Assuming no change in State's mission, the department's only realistic option for dealing with the U.S. military's exit is to make much heavier use of contractors. For example, State currently has about 2,700 private security personnel in Iraq to augment its own diplomatic security force. A State Department witness testified at our June 21 hearing that the department would need to more than double that force to 6,000 to 7,000 people to handle its needs in the future. And I would point out that required non-security-related functions would require State to hire still more contractors when military support is gone.

Another former witness before the commission, Ambassador Patrick Kennedy, wrote to the Department of Defense on April 7th this year to say, "After the departure of U.S. forces, we will continue to have a critical need for logistical and life support of a magnitude and scale of complexity that is unprecedented in the history of the Department of State," closed quote.

Ambassador Kennedy's letter specifically requested that State be allowed to continue drawing on the Army's logistic support contract and that DoD transfer military equipment, including helicopters and mine-resistant vehicles to State. The point is that the State Department faces an enormous challenge for new contracting management oversight and accountability—all without significant new resources that is essential for carrying out its responsibilities in Iraq.

Our special report notes that State has been hiring some additional people as specialists in its diplomatic security arm and that State and Defense working groups have been working on many transition details. But time is running out fast. The commission has researched this problem here and in Iraq. Commissioner Green and I, accompanied by staff, visited Iraq in May and had extensive meetings and briefings with U.S. officials.

Our conclusion, elaborated in the special report, is that the current planning and coordination for the Defense-to-State transition in Iraq lacks the necessary urgency, scope, coordination, high-level attention, and resources necessary to continue vital functions without unacceptable risk to lives, missions, and taxpayer dollars.

We recommend that the Departments of Defense and State accelerate, intensify, and better integrate their joint planning for transition in Iraq. Defense and State immediately initiate and timely complete planning with the Government of Iraq to address critical security functions now performed by Defense. State use on a reimbursable basis DoD's LOGCAP logistical support contracts, using LOGCAP IV as an acquisition strategy.

And fourth, Congress timely provide additional resources to State to support its increased contracting cost and personnel needs. I encourage you to review our special report number three for more information on this important and timely transition challenge.

Now, we turn from the time, value, location-specific planning problem to a long-standing, far-reaching one—our chronic lack of effective planning for using and managing contractors as part of the total force.

Today's hearing focuses on the important question: Why does planning for contractors continue to lag? There can be no clearer illustration of our concern than is captured in these two facts. There are more than 200,000 contractor employees supporting U.S. operations in Iraq and Afghanistan. And secondly, the new Quadrennial Defense Review, or QDR, pays scant attention to operational contract support, and commission staff has found that little is being done overall to include contractors in strategic operational or manpower planning.

We are not alone in finding cause for concern with DoD's planning for use of contractors. A March 30, 2010 report by the Government Accountability Office, or the GAO, found shortcomings in guidance, a mismatch in expectations between senior DoD leadership and combatant-command planners. And a lack of details on contract support in planning for the use of contractors.

And on June 29th, a GAO witness testifying before Representative Tierney's subcommittee in the House said, "DoD has longstanding problems," end of quote, in planning for, managing, and overseeing contractors. This witness, William Solis, also noted that the GAO has had DoD's contract management on its high-risk list since 1992. Mr. Solis said DoD still faces challenges in eight areas, including guidance, planning, tracking, oversight, and capturing lesson learned.

Given the history and range of problems, he concluded, a cultural change is necessary to integrate operational contract support throughout DoD.

Those are powerful comments, and this is a big deal. It doesn't take much imagination to list several nation-states that could suddenly generate a need for new U.S. military expeditions. And even if we were to enjoy a long period of geopolitical calm, mass-casualty terrorist acts or natural disasters like earthquake, floods, or hurricanes can also require military response with heavy contractor support.

These disasters, not to mention the ongoing operations in Iraq and Afghanistan, make it perfectly clear that we need better planning for operational contract support and that we need to capture lessons learned and absorb them into planners' thinking before memories fade and institutional inertia trumps reform.

Let me suggest a marker of institutional inertia. Richard M. Nixon was in the White House. And as an aside, the average price of gas then was 39-cents a gallon in 1973. So, that's obviously a long time ago. When DoD's new, at that time, new total-force policy stated that contractors, along with the military and federal civilian employees, were part of the total force for carrying out U.S. operations—pretty clear statement about the importance in 1973.

But today, 37 years later, we find that contractors still have not been fully recognized, incorporated into DoD plans, effectively integrated into exercises and training, included in manpower plans, or even accurately counted in the databases in theater.

Part of the explanation for that I suppose is that so many organization and documents are involved. The president, the Secretary of Defense, the Joint Chiefs, the service heads, combatant commands, and DoD support and administrative staff all have interest and inputs to be considered. And the documents involved include not only the QDR, but also the National Defense Strategy, the National Military Strategy, the guidance for the employment of force, and more.

Still it is troubling that the 2010 QDR has less text devoted to operational contract support than the previous edition in 2006, even though reliance on contractors has continued to significantly grow. It is also troubling that GAO reported in 2003 that contractors were not included in DoD's human-capital strategic plan. I would add that the current version still fails to address the role of contractors.

Without a culture change at DoD that supports more thorough planning, sharper doctrine, better training, and improved coordination, future contingencies will bring repetitions of hasty, improvised, poorly-defined, and wasteful use of contracting that DoD has said it relies upon in major operations. Our troops, our taxpayers, and our national interest cannot allow that to happen.

There are hopeful signs. The joint staff director for logistics, or J-4 in military parlance, briefed the chairman of the Joint Chiefs of Staff in April on the result of the J-4's Dependence on Contractors' task force. The J-4 recommended to the chairman that he direct that operational contract support be included in strategic guidance as a step towards a culture shift for better planning for operational contracts support.

The chairman accepted this recommendation and issued guidance. We are fortunate to have the Head of J-4, Lieutenant General Gainey, with us today to speak on this initiative.

Another hopeful sign that lawmakers are paying more attention to the planning issue: For example, language emerging from the Senate Armed Services Committee's work on the new National Defense Authorization Act would direct future QDRs to specifically address operational contract support and require the chairman of the joint chiefs to identify contingency support functions that require contractor performance.

But much remains to be done. The 37-year old declarations of the total-force policy remain largely unrealized. The GAO has found that implementation of DoD's requirements for an Annex W is still in its infancy. We will probe these and other issues with our witnesses from the Department of Defense. They constitute a panel with many years experience and high-level responsibilities. And we appreciate their joining us.

Our witnesses are: Kathleen Hicks, Ph.D., deputy under secretary of defense for strategy, plans, and forces. Dr. Hicks is responsible for advising the under secretary of defense for policy and the secretary of defense on all matters pertaining to the development of U.S. national security and defense strategy.

Lieutenant General Kathleen Gainey, director of logistics, J-4, Joint Chiefs of Staff. The J-4 section integrates logistics, planning, and execution in support of joint operations. It advises the chairman of the Joint Chiefs of Staff on logistics matters at the strategic level and for operational needs like supply, maintenance, health-services support, and engineering.

Richard Robbins, director, requirements. He reports directly to the principal deputy under secretary of defense for personnel and readiness, which is responsible for total-force policy and guidance on manpower management and workforce mix, including contractors.

And Gary Motsek, assistant deputy under secretary of defense for program support. Mr. Motsek is responsible for developing and maintaining a comprehensive policy and program-

management framework for governing the joint policies on requirements definition, contingency program management, and contingency contract support.

Our witnesses have a prepared statement from which each of them will present a section. Do it however you have chosen. We ask that witnesses submit within 15 business days responses to any questions for the record and any additional information they may offer or want to provide. The full text of their written statement will be entered into the hearing record and posted on the commission website.

On behalf of the commission, I and we thank all of today's witnesses for participating in a very important hearing.

Now, if our witnesses will please rise and raise their right hand, I will swear them in.

Do you solemnly swear, or affirm, that the testimony you will give in this hearing is the truth, the whole truth, and nothing but the truth?

Thank you. Let the record show that all witnesses answered in the affirmative.

Please, Dr. Hicks, welcome and please begin.

HICKS:

Thank you, Chairman Thibault, Chairman Shays, members of the commission.

I appreciate the opportunity to appear alongside my colleagues before this commission today and discuss total force policy as it relates to operational contract support, which I will refer to as OCS. Within the Department of Defense, total force management is a shared responsibility across all components as all components are responsible for maintaining an appropriate balance of civilian, military, and contract personnel within their organizations.

To guide component decisions regarding total force management, the department uses a variety of mechanisms, including strategic reviews, DoD planning guidance, and other issuances, which includes directives, instructions, and doctrine. The under secretary of defense for policy's role with regard to OCS entails articulating the Secretary's overarching vision through strategic reviews, namely, the Quadrennial Defense Review, or QDR, and issuing DoD-wide planning guidance.

As required by Congress every four years, the department conducts the QDR to develop and articulate a defense strategy and identify the mix of capabilities appropriate for executing that strategy. The defense strategy outlined in the 2010 QDR balances resources and risk among four priority objectives that drive considerations of the size and shape of the total force. Those objectives are to prevail in today's wars, to prevent and deter conflict, to prepare to defeat

adversaries and succeed in a wide range of contingencies, and to preserve and enhance the all-volunteer force.

This is the first QDR to elevate the need to preserve and enhance the force to a priority objective. The department must ensure the long-term viability of the all-volunteer force, the nation's most precious military resource. This will require policies that sustain the rotation base, provide care for our people, and adapt as required to the environment. The 2010 QDR specifically calls for the department to further assess whether we have the right combination of military and DoD civilian personnel and contracted services.

The QDR report also highlighted several initiatives in total force management, including the civilian expeditionary workforce [CEW], in-sourcing and OCS itself. The QDR's primary purpose is to set the department on a long-term strategic course. The strategy is incomplete without execution, however.

To accomplish this, the department has many mechanisms such as DoD planning guidance and other issuances that guide resource allocation. In OSC policy we work closely with other DoD components to ensure our major guidance documents are directing combatant commanders and military commanders to wholly integrate OCS into the adaptive planning process and institutionalizing common operational contracting approaches to provide more responsive support for current operations and pre-planned, rapidly deployable contractor support for future contingencies.

Illustrating how this works in practice, the under secretary of defense for policy developed guidance on behalf of the secretary of defense directing the geographic combatant commanders to address OCS in their contingency plans. Specifically, the plans required to address contractor planning, deployment, and redeployment, and address accountability, visibility, deployment, and protection.

The chairman of the Joint Chiefs of Staff then provided additional instructions to the combatant commanders regarding how to implement the Secretary of Defense's OCS policy guidance, translating guidance into specific planning standards and requirements.

Planners at the combatant commands are ultimately responsible for incorporating the secretary's and the chairman's guidance on OCS planning to specific COCON-led planning efforts. This is typically done through the inclusion of a planning annex devoted to describing OCS requirements, a concept of how contractors will support the operation, and administrative and logistics details.

OCS experts in AT&L [acquisition, technology, and logistics] and the joint staff examine these annexes to ensure they are meeting guidance. The department will continue to operationalize OCS in guidance, doctrine, business operations, and practices to ensure appropriate planning for contractor support in future contingencies.

The goal is to create a workforce that has the right mix of military, civilian, and contractor personnel appropriately trained and equipped to prevail in today's missions and respond to future requirements in a complex and dynamic security environment.

GAINEY:

Chairman Thibault, Chairman Shays, distinguished members of the committee, I appreciate the opportunity to represent the joint staff at this important hearing, and I look forward to the discussions of the inter-relationship of strategic planning, operational planning, force mix, as they pertain to operational contracting support.

As the chairman's director of logistics, I advise the chairman of the Joint Chiefs on the entire spectrum of logistics to include strategic and operational planning and doctrine related to operational contracting support. I will refer to operational contracting support as OCS. I also work closely with members of the secretary of defense's staff to refine the policies, doctrine, tools, and processes needed to effectively plan for OCS.

In the past few years, the department has made significant progress regarding the operational planning needed to effectively use contractor support as part of the DoD's total force. Our ongoing efforts will ensure that we will meet the warfighters operational future and current needs while judiciously managing DoD resources and balancing risk.

This is no easy task. While it would seem that the department is moving slowly to improve operational contracting support, I would like to take a few moments to highlight just a few of our accomplishments in this area since the release of the 2006 Quadrennial Defense Review. The first big step was our addition of the original Annex W to the Joint Operational Planning Execution System, or JOPES Manual, in 2006.

While we now know that this Annex W was insufficient to achieve the level of fidelity in plans that we desire, it was nonetheless a key action at the time to introduce operational concept for OCS in the formal planning guidance at all. It was during this timeframe that the idea for embedding OCS planners into the combatant commander staffs was born.

The joint staff had approached OSD [Office of the Secretary of Defense] with this concept and to his great credit my fellow panel member, Mr. Gary Motsek ran with it providing high-quality contractor support to the COCOMs [combatant commanders] for the past three years.

This initiative has probably had the greatest impact on improving COCOMs' ability to plan for OCS. Recognizing the benefit of this critical capability, we worked with OSD last year to ensure that these planners are permanently resourced and subsequently converted to government civil service positions to allow for better continuity over the long term.

In 2008, we published the joint publication 4-0, Joint Logistics, which for the first time included OCS equities in joint doctrine. This was quickly followed by Joint pub 4-10, Operational Contracting Support, which establishes the joint doctrine for planning, conducting, and assessing operational contract-support integration and contract management functions in support of joint operations.

In the spring of 2009, we began the chairman's task force on contractor dependency, an evaluation of the range and depth of contractor capabilities used in Iraq. This study has focused the department's attention on joint force commanders' dependence on contractors and the importance of those contractors to operational success.

We have used this study as a communications platform to articulate widely the need for the department to significantly improve in its future planning efforts. We recently briefed the results of this study and OCS planning needs to the chairman and to the service chiefs and have received tremendous support.

We intend to brief the secretary in the near future and provide him with the chairman's plan to influence the cultural shift necessary and dramatically enhance how we plan for contracted support.

In April, we received additional funding from the chairman to continue our efforts to build operational contracting-support capabilities over the next three years. Working together with the joint staff and combatant commanders, we have expanded the scope and depth of the existing Annex W.

The new Annex W content adds detailed guidance to expand its content, adds the requirement for contractor and contracting estimates, incorporates the joint doctrine contained in Joint pub 4-10 that was not available when the original version was developed. The enhanced Annex W content has been available on an advisory basis but not mandated for combatant commanders' use over the past year. Today, my staff uses the expanded Annex W as a guide during all reviews of operational and concept plans.

In close collaboration with OSD, we have included directive language in the Department of Defense strategic planning guidance and recently coordinated OCS input into the joint staff guidance for campaign contingency and posture planning. This will enable us to direct use of the new Annex W in operational plans.

In order to institutionalize OCS planning, we are in the process of identifying policies and procedures that must be in place to better facilitate planning and developed tools to assist planners as they estimate their contractor needs. We are also working with the service components to identify Annex W content beyond that needed for the joint-force commander and intend to test and refine proposed content as part of an actual operational or concept build.

Much has been done to improve operational planning for OCS, but much work remains. We recognize that the strategic and operational guidance and planning will evolve and mature primarily from the initiatives previously discussed and lessons learned in current operations. We must continue to operationalize OCS in policy, doctrine, business operations, and practice. The underlying theme for future planning will involve closer links of contracts, contractors, and contracting effects to timely and accurate execution of the joint force commanders' intent.

We will increase our focus on planning procedures that not only deliver supplies and services to the war fighters in a responsible and cost-effective manner, but leverage the economic benefit of DoD spending to achieve national strategic and counter-insurgency objectives. While there remains a lot of work to do to improve operational contracting-support planning, I am encouraged by our recent success in increasing awareness of this critical need throughout the department.

We will continue to work closely with our OSD counterparts to provide combatant commanders and service components what they will need to ensure adequate planning for contractor support in future contingencies.

Again, I thank you for the opportunity to appear before you, and I look forward to a productive and enlightening discussion. And I welcome any recommendations that you may have.

Before we begin, I would also like to thank you and your staff for the tremendous efforts that you have had in working with us and your dedication to helping the department overcome the challenges we have faced in wartime contracting. I think we all share the same concerns in ensuring that the warfighters' needs are met and balancing operational necessity with the need to be a good steward of our national treasure. Thank you.

THIBAULT:

Thank you, General.

ROBBINS:

Chairmen Thibault and Shays and members of the commission, I appreciate the opportunity to represent the department and Dr. Stanley at this important hearing and look forward to discussions on how OCS [operational contract support] is integrated into total force management.

We are transforming our manpower management program to better integrate contract support services, including OCS into the total force, and I am pleased to address our progress in this area.

For over 50 years, manpower policy has addressed the utilization of military and civilian personnel for both steady-state and contingency operations. Although somewhat modified, much of the policy issued in 1954 is still in effect today, represented in the 2005 DoD directive on manpower management. This directive also addresses contracted services and contingency planning.

As a frame of reference, in 1998 when the FAIR Act established the definition for the term 'inherently governmental function,' the department, my office within the department, developed criteria for identifying encoding functions that are inherently governmental, are exempted from private-sector performance, or could be considered for private-sector performance. In 2006, the manpower-mix criteria were issued as part of a new DoD instruction. This instruction also addressed the risk of using contractors to include the risk of using contractors in hostile areas in support of contingency operations.

This is an important instruction. We updated it two and a half months ago to highlight a couple of key areas: private security contractors, interrogation, for two, related to the above Title 10 U.S. Code Section 24-63 enacted in 2008 changed the roles and responsibilities for how commercial services that are not exempt from private sector performance are managed within the department.

This section requires the DoD to ensure that consideration is given to using DoD civilian employees to perform new functions, functions that are performed by contractors, and functions that could be performed by DoD civilian employees. The guidelines that implemented Section 24-63 stated that if a function is not inherently governmental or exempted from private sector performance, then a cost analysis must be conducted to determine the most cost-effective provider, government or a contractor.

The department adopted this business rule to comply with Section 129a of Title 10, which requires the department to use the least costly form of support, DoD, military, or civilian, or contractor consistent with military requirements and other needs of the department.

In addition, in 2008, Title 10 Section 2330a was amended. This section requires the DoD to develop annual inventories of contracted services and to review these contracted services on an annual basis to ascertain which ones might be considered for conversion to performance by DoD civilian employees or to an acquisition approach that would be more advantageous to the department. The new inventory accounts for all contracted support services to include OCS.

Before closing, I would like to address changes that we will soon incorporate in a new DoD instruction on the strategic management of total-force-requirements and authorizations. We believe this will help further integrate contractor support services into total force management.

We are proposing to expand the procedures used to determine manpower requirements to provide a single, integrated process for determining total force requirements, i.e., requirements

for military and DoD civilian personnel, and contractor work-year equivalents, or CWEs. These procedures will help promote Defense-wide consistency in how total force requirements are determined, validated, and revalidated.

Most importantly, the procedures will provide a strategic total-force approach to requirements-determination that is fiscally informed and militarily based and considers the readiness and workforce management needs of the department.

Consistent with DoD directive 1100.4, DoD components are required to document CWEs and their manpower databases so that defense officials can view military and DoD civilian manpower and CWEs, contractor work-year equivalents, together when making total force management decisions. Officials need to have a visibility of how contract employees are used throughout their organization and for other officials across the department to decide whether internal capacity is lacking or control of a mission or operation is at risk.

We are also proposing that DoD components document total force requirements and authorizations for the current and seven future years. This will enhance the department's ability to develop strategic human-capital plans and strategically manage the total force.

Also, although the DoD components are developing inventories of contracted support services, these inventories report prior-year data. Commanders need visibility of OCS that is planned for future contingency operations. This data will provide that visibility.

Also, the new procedures require that when preparing budget and program submissions, officials must prioritize resource request for military and civilian manpower and CWEs together so that the total human-capital cost and other implications of programs can be viewed in their entirety and are clearly understood by DoD leadership and managers.

I hope this overview of our activities has given you an appreciation of some aspects of total force management, where we have been, and where we are going. Thank you for the opportunity to join you today.

THIBAULT:

Thank you, Mr. Robbins.

Mr. Motsek?

MOTSEK:

Good morning, co-chairs Thibault and Shays, members of the commission. I thank you for the opportunity to again appear before you to further discuss operational contract support in contingency operations.

As the 2010 Quadrennial Defense Review acknowledges, contractors are part of the total force. They provide an adaptable mix of unique skill sets, local knowledge, and flexibility that a strictly military force cannot cultivate a resource for all scenarios. Our ability to properly plan and to synchronize our use of these contractor services and support during contingency operations allows us to mitigate the risk associated with our reliance on them.

The ultimate goal is to ensure the majority of contract support requirements for any given operation are orchestrated, synchronized, and integrated prior to deployment.

DoD continues to develop automated tools to support an adaptive planning capability. This adaptive planning capability allows combatant commanders in the military departments to institutionalize common operational contracting approaches to provide a more responsive capability to ongoing operations as well as pre-planned rapidly deployable contracting operations in the future.

Section 854 of the John Warner National Defense Authorization Act for 2007 required the secretary in consultation with the chairman to establish joint policies on requirements definition, contingency program management, and contingency contracting during combat operations and post-conflict operations. Since 2008, the 854 General Officer Steering Committee, commonly known as the GOSC, and a contingency-contracting administrative services executive steering group have been executing these functions on an ad hoc basis.

Early this year, the Under Secretary of Defense for Acquisition, Technology, and Logistics established the OCS Functional Capabilities Integration Board, consolidating responsibilities of both the GOSC and the ESG [executive steering group]. The FCIB is co-chaired by myself and the Vice Director of the J-4 [Joint Doctrine Division] with membership from each of the military departments, generally their service program manager for OCS. It's scheduled to meet regularly on both the principal and working-group levels to further synchronize the implementation of joint policies relating to OCS.

We continue to implement the elements of our strategic framework to the program management of OCS as were laid out in our 2007 report to Congress. We have a fully staffed and improved concept of operations, which will drive future doctrinal changes and have already impacted current operations. The ad hoc joint contracting command for Iraq and Afghanistan, which we developed as needed for these operations is transitioning to the Joint Theaters' Support Contracting Command with increased responsibilities and authorities and it more closely approximates and mirrors the CONOPS [concept of operations] as written.

In addition, the publication of DoD Instruction 3020.50, the U.S. Government Private Security Contractors Operating in the Designated Areas of Combat Operations, a revised version of DoDI 3020.41 Program Management of Operational Contract Support for Contingency Operations, formerly entitled Contractor Personnel Authorized to Accompany the U.S. Armed Forces, is being prepared for publication into the federal register.

This version contains significant changes to the existing instruction, including requirements for the development of contract oversight plans and the requirements for adequate military personnel necessary to execute contract oversight. It consolidates many of the stand-alone memorandums generated since the first publication to provide a more comprehensive and complete package.

We are also making progress in integrating OCS into military education. For the past two years, the chairman has approved the OCS as a special area of emphasis and it is under consideration again for the academic year 2011-2012. SAEs [studies, analyses, and evaluations] are approved annually by the chairman to highlight the concerns of OSD, the services, combatant commands, defense agencies, and joint staff regarding joint subjects that should be taught in professional military education institutions.

Two online training modules designated for non-acquisition personnel, the introductory OCS commander and staff course, and the OCS flag officer general office-essentials course were developed in 2009 with the joint forces command and are available through joint knowledge online. These modules train leaders on determining requirements, translating these requirements into statements of work and then overseeing that work.

The third module or course, the OCS planners' course, is currently under development, and we will continue to collaborate with our military education institutes to integrate and sustain beyond the current academic year.

As other witnesses will surely discuss, we are making progress in integrating OCS into strategic documents, policy, and plans and I believe we have established a framework and oversight mechanism to monitor that implementation. I thank the commission members for your ongoing support and I am ready to answer any questions.

THIBAULT:

Thank you, Mr. Motsek, and thank you all of you.

The process we are going to use is we will have an opening round. We are going to initiate at this time by Commissioner Green, and then we will follow along an order that I will be sharing.

Commissioner?

GREEN:

Thank you, Chairman Thibault.

Let me echo Chairman Thibault's appreciation for you for subjecting yourself to this, this morning. In my mind, your mission today is to convince us that you are serious about planning

for contractor use. And the things you are doing individually, which we've heard a number of them today, will in fact lead to institutional and cultural changes. That they aren't just words, that they aren't quick fixes that will take years to implement. And some of them you mentioned in fact are going to take years to implement.

Let me begin the question, General Gainey. Several weeks ago, a number of us were briefed on a range of contractor operational-support issues by your staff, including QDR, Annex W, and so forth. There was expressed considerable frustration and concern by your staff that some of the basic recommendations that they had hoped to be included in the QDR were in fact not incorporated.

I assume that these recommendations were coordinated within the J-4 staff and very likely within your immediate office. Do you have any of the same concerns that were expressed by your staff about the lack of reference to OCS in the QDR?

GAINEY:

Sir, we had several areas that we had recommended language to be put in the Quadrennial Defense Review. Not all of the language made it in. I am confident that we will continue to improve operational contracting support independent of what is in the QDR.

The chairman has made it very clear as has the SecDef that this is a priority for them. The chairman has given me full rein in going forward with the recommendations. We will be presenting a program of action and milestones of exactly how we are going to go about methodically changing the culture and putting the processes in place to institutionalize OCS.

GREEN:

OK, thank you.

Dr. Hicks, I read with interest the testimony or the statement that the four of you presented. I listened with interest, I read it with interest, but I was somewhat disappointed. I heard a lot of talk about reviews and tools and DoD's and process and guidance and total force management, and these are all good things.

But nowhere other than one reference by General Gainey did I hear the word culture, nowhere. Culture, the need to change it, there is nowhere that it's acknowledged that culture is a problem. There is no acknowledgement that planning for operational contract support has lagged in the planning process, and why that lag has occurred.

I don't know whether the QDR is the place that we address OCS, the most appropriate place, but it seems to me it's certainly one of them and certainly, if we are going to drive the culture when this war is over and we've all gone away, it seems to me that it has to be included there.

I was surprised—and Commissioner Thibault mentioned this—I was surprised to hear, to read, to learn that there was even less discussion in this QDR than there was in the '06 QDR. I would like to know why.

HICKS:

Thank you, Mr. Green.

First, let me take your last part first. We were very curious to see this comment made by the commissioner in various statements, so we ran the numbers ourselves. Let me first say I don't think word count is necessarily the best way to gauge emphasis in a strategic document. But if using word count, let me point out a few facts. First, OCS is not mentioned once in the 2006 Quadrennial Defense Review. It was not a term of art at the time.

Second, using the word contractor, there are nine references in the 2006 QDR. There are 12 references in the 2010 QDR. If you are looking at the word contracts, there are 15 references in the 2006 QDR and 22 in the 2010 QDR. I could go on, but I think the point is it's not clear what word-count sites get us.

The same amount of attention paid in the QDR to OCS was paid to other highly significant and recognized Secretary of Defense initiatives. They include interagency reform, they include wounded-warrior care and other such efforts. The Secretary of Defense takes very seriously the importance of OCS. That is why it's included in the QDR at a higher level of reference and in the prior review. And that is why we take it most seriously in the execution of strategy.

The cultural change, I agree, does begin with the statement of strategic vision. But for it to have meaning for cultural change to occur, you have to execute that strategic vision. And that is why we take very seriously in all of our implementing documents and have had again, using word count, a three-fold increase in the language attended to it in our guidance that we provide combatant commanders in how to do their contingency planning.

GREEN:

Let me ask if the sense is that the QDR is or is not the document that ought to highlight OCS or whatever the old term may have been. Where should that begin in your mind, that emphasis? Does it begin in national military strategy, national security strategy, where does it begin?

HICKS:

Again, I think that QDR is a perfectly legitimate place to look for a statement that contractors are a key piece of the total workforce. We did that. To actually call out operational contract support as a key issue prevailing in today's wars and reforming institutions of the department I think again the QDR is a perfectly legitimate place to do that. Going beyond that into execution, I think then unfortunately you do have to get into processes.

The Department of Defense is a massive enterprise. Changing in culture takes those processes, planning documents, and doctrine, training approaches. And so it does have to begin at the top, but it does have to cascade down into the individual pieces that we represent.

GREEN:

We just don't want to be, as your Secretary said, willy-nilly. My time is up.

SHAYS:

Just before you yield your time up, sorry, just one question. I almost find it meaningless to say OCS isn't mentioned in 2006, it wasn't a term that we used. But the concept of contracting was.

And when I get to my questions, I am going to wait till the end in the '06 report you talk about the importance of contractors and why it needs to be part of our strategy and planning, and you don't have it in the statement in 2010. So I just want to be on record with you that the term to me is meaningless. What we're focused on is contracting.

THIBAULT:

Do you want to provide a comment now that would fit and we can explore it later. That would be fine?

HICKS:

Certainly, Mr. Shays, I am not sure how useful the 2006-versus-2010 line of discussion is, but I will just say when we did the count there were a total of, looks like 34 references to contractor or contract in the 2010 QDR and, approximately, doing my math as best as I can on the fly here, 24 in the 2006 QDR.

The term total force was mentioned significantly in 2006. It was the term of the time. The term we use now is total defense workforce, which is not mentioned in 2006 and is mentioned in

2010. I think by and large what I would say is significant progress was made in 2006 to highlight the importance of this issue set and between 2006 and 2010 what you see particularly down my road here is progress made by all the implementing institutions to try to bring that direction into directives and instructions and doctrine.

That's what the 2010 QDR reflects. It highlights the importance of the initiative of OCS and directly relates to activities going on in the planning field.

SHAYS:

I just say that this will be a line of question I want to get into because the fact that you mentioned that you are training using contractors to train on the ministerial level in Iraq is a statement that is meaningless in terms of how it impacts our strategy and our thinking of how we use contractors. And so we'll have a nice conversation.

THIBAULT:

Thank you, Commissioner.

General Gainey and Dr. Hicks, I am going to assume, and I am looking for a yes answer then I'll go on, that you have a core familiarity with the Army's LOGCAP or Logistical Civil Augmentation Program in terms of the mission and what it accomplishes and the importance?

GAINEY:

Yes, sir, I do.

THIBAULT:

OK.

Doctor?

HICKS:

I have a relative understanding, certainly less than General Gainey.

THIBAULT:

All right—sometime ago it exceeded \$35 million and it's big dog in terms of cost-driver in Iraq. I have four questions. They aren't trick questions and I like to focus it with the two of you because I am coming from a planning viewpoint.

I recognize that Mr. Motsek has also a rather intense familiarity, and I will make the same assumption about Mr. Robbins and these aren't trick questions because I will give you the answer. My answer is yes on everyone versus yes/no, but if it's no for you, I would like to hear it.

DoD's ongoing and established strategy for logistical support, DoD's, as an acquisition strategy, is to use the LOGCAP IV program wherever possible for all future logistical support related to contingency operations. Yes or no?

GAINEY:

Ma'am, if I may. Mr. Co-Chair, the DoD planning will look at a myriad of different contracting alternatives for any type of logistical support. One tool is the Army's LOGCAP.

THIBAULT:

Right.

GAINEY:

You also have the Air Force AFCAP and you also have the Navy's program.

THIBAULT:

Right. And you could throw them in the mix and yes/no? I am trying to . . .

GAINEY:

There are a myriad of tools . . .

THIBAULT:

No, I . . .

GAINEY:

We can also do independent contracting options, so yes would it be one of these major tools available, yes it would be, sir.

THIBAULT:

OK. Dr. Hicks?

HICKS:

Sir, I'd have to defer to General Gainey on that.

THIBAULT:

Good. My next question, DoD has spent tens of millions of dollars literally in staff work, support work and the like implementing since 2005, developing and now implementing LOGCAP IV as an acquisition strategy for logistical support in a contingency contracting environment. In other words, this has been the focus to use competition for LOGCAP. General Gainey. Yes or no?

GAINEY:

That's correct, sir.

THIBAULT:

OK. Dr. Hicks, are you good on that?

HICKS:

Yes, sir.

THIBAULT:

Thank you. Third question is DoD has an adequately staffed and my takeaway based on the progress I've seen—and this is a compliment—a very competent LOGCAP procurement office centered in Rock Island. Yes or no?

GAINEY:

That is correct, sir.

HICKS:

I would defer to General Gainey on . . .

THIBAULT:

And like I said it's not a trick, my answer to them all is yes. But the last one I am trying to benchmark, is DoD has an adequately staffed and I say adequately staffed because you are always pursuing the right type of staff and competent LOGCAP Program Management Office in both Iraq and Afghanistan, but we are talking about Iraq, but in both. Yes or no?

GAINEY:

Yes, sir, they do.

THIBAULT:

OK. Last week, commission staff was briefed by State Department acquisition senior leadership. They basically told us in a meeting, I was there, that they simply do not presently have this capability. So we are talking about planning for when the United States military extracts.

And remember in our mission, interagency coordination and communication was a critical part of our mission that we identified in our enabling legislation. They informed us that if they had to do this by themselves they would have to very quickly solicit contractor interest and support for logistical and life support.

They also informed us that they do not have the infrastructure or staff in place to either timely award this work or especially their concern is to provide in-theater oversight management, which we've all gone through the trials and tribulations of LOGCAP management because of the startup and the simple fact that it went from \$200 million to \$5 billion-plus in a year and a half and the challenges with that.

Then are you familiar, either one of you, with the request from Ambassador Kennedy to the Department of Defense asking for the Department of Defense to support the State on this?

GAINEY:

Yes, sir, I am familiar with it.

THIBAULT:

OK. Then given the State Department has agreed to pay for the future LOGCAP services, given that they are going to have to go outside the band of a negotiated process under LOGCAP. It was negotiated but long developed; we started talking about it in defense in 2005, got it approved in '06 or '07 and got it awarded couple of years later after that.

Given that, I have two questions: why should State Department have to reinvent procurement management and program management for the LOGCAP program?

And then last of all, or my second question. is really what do you know about what's going on with that very important request—you talked about sensitivity—that was dated April 7th of this year. It will be 100 days this Friday and we keep asking both DoD and State what they've heard and we kind of get, "Well, it's being worked on."

My question is, does it make a bit of sense in this environment, common sense or any other cost-effective sense to reinvent something that's taken so long to put in place?

And then secondly, where is the DoD response?

General?

GAINEY:

Sir, I can tell you we are actively working with the Department of State and OSD to look at the request that probably is State-provided. We have been going through with Army in particular on some of the equipment request and the services identified. And I cannot tell you what the result is.

I can tell you that we are actively working that to look at all of the options that are capable and I know that they will come to a conclusion with Department of State and OSD to determine the direction we will go.

THIBAULT:

Well, the simple point is State told us last week, their senior leadership both for INL[Bureau of International Narcotics and Law Enforcement Affairs] that gets a lot of the support, but also from what they call AQM [Acquisition Career Management Program], the senior procurement organization, that they are kind of in a quandary.

They don't have the capability, but they are sort of beginning the work to develop and talking to contractors and having industry meetings because it is so time-sensitive and critical to get this award in place that they have no choice because DoD hasn't given them feedback.

And this commission, if your feedback is no, we are going to be extremely interested in what is the logic of them building a new contractor base, opening it up when quite frankly, DoD is at a point now where they can manage, procure, provide oversight in a manner that they just couldn't do two or three years ago in a competitive environment.

So, what I'd ask you—my time is up—what I'd ask you General, is can you go back and provide us in a very short term, you know Friday is the 100th day, so maybe by Friday some kind of written communication on what the heck has taken so long and why the Department of Defense—you know your answer is, well, we are working on it.

Well, given the importance of the high level and the discussion I will tell you here that's not good enough, but I would ask you, can you go back and please take that and provide us some input by Friday? General?

GAINEY:

Sir, we will work with the OSD to develop a response, yes, sir.

THIBAULT:

And the request is by Friday.

GAINEY:

Yes, sir.

THIBAULT:

Thank you, General.

My time is up. I am going to look at my crib sheet here. I believe it's Commissioner Tiefer.

Commissioner Tiefer?

TIEFER:

Thank you, Chairman Thibault.

The subject of this hearing brings me back a year and a half ago when we were first being briefed by J-4. You were the one who arranged that briefing. I almost didn't have much of an idea what we were hearing that day, but you had the sense to take us in. You laid a foundation. We are here today because of the foundation he laid, the chairman laid.

Deputy Under Secretary Hicks, QDR had a line that for me was the most cheering and then the most discouraging. It's on page 79 and it talks about wonderful reforms, the kind that I have been praying for. It's a bullet point, fourth bullet point, says, "Better align profitability with performance by linking"—and since we are doing the count, this paragraph alone is a treasure trove—"contract-fee structures with contractor performance, rigorously examining service-based contracts to eliminate the fees, that fees are properly earned, eliminating the use of no-bid contracts, and ensuring that multi-year contracts are limited instances in which real substantial savings accrue to the taxpayer.

That was really cheering. But then I turned back and read the lines before that section on the previous page and discovered that this was about how the department must also continue to strengthen the execution phase of weapons development. It isn't that I missed the treasure trove of reforms, it's that you have treasures, but you're cheap about handling them out to continue to contingency contracting.

I have other questions to get to you, and I am sure you can talk a lot about how many other reforms you have. But let me just start with: those reforms are for weapons, right, and not for contingency contracting?

HICKS:

No, sir, the section is about acquisition in general. We do roll under acquisition, acquisition of services, so it's services and weapons.

TIEFER:

Thank you. That section is about more than weapons when the sentence before the bullet points talks about the execution phase of weapons development and many of the other bullets are clearly tied tight—how can one possibly conclude that this is a—there isn't another mention of contingency contracting around for a great distance.

This wonderful thing, we just hadn't noticed that this treasure trove has been handed to us? No, really tell me isn't that at least mainly for weapons development?

HICKS:

Sir, there's not doubt that in the acquisition realm what the acquisition reforms for weapons development is a high-interest items but...

TIEFER:

Thank you. Thank you. That's what I read it . . .

HICKS:

This section has been handed to address all acquisition issues thus it does weapons, acquisition reform with service acquisition reform issues, which are of increasing concern since . . .

TIEFER:

This is about weapons development and I could read the other bullet point if you, but you hit ground slowly, and you gave some there. That's all gone. Look through the whole QDR, I don't do word-counting, I don't have an index that nobody else has.

I go through and I press my thumb down to dog-ear pages. And in terms of things that are actually said specifically about contingency contracting in the two wars we are in now, I found three mentions. I know you talk about services in general, but this is a commission on contingency contracting. There was a mention of the Civilian Expeditionary Workforce on two pages but then there was also a mention about logistics on page 77. The others were on 30 and 50-something; 30 and the CEW is on 55—5 and 30. And I'm right, aren't I, that those are the only specific mentions that say Iraq, Afghanistan contingency contracting.

HICKS:

I don't have the text in front of me for a Talmudic reading but that sounds right.

TIEFER:

You don't have a beard, neither do I. We'll stick to regular reading. There is really two mentions because two are on the same topic. That in itself is discouraging for me. We have two wars going on. This commission has brought out how we have more contractors, more contractors than defense department people in those wars. No sign it's going to change either.

And yet the QDR has basically two mentions, two mentions of things having to do specifically with contingency contracting. I don't know, what am I doing on this commission? I mean what are we, chopped liver, to paraphrase Chairman Frank?

But let's look at those two. One of them is about a civilian expeditionary force and how it's going to work with the host nations. And at first that seemed to me to be a good thing. But as I read closely, it wasn't having to do with reforming our very large and important training mission, especially the police, Iraqi Police, Afghan Police, some of that is done by the State Department.

But anyway, we have a large training force there, which is predominantly contractor. It was only about ministerial helping, which is a whole lot smaller. It's a few people—I am slightly exaggerating—in the ministries compared to the troops and troops literally of people in the police training.

And am I right that those are not about the giant police-training mission or military-training missions with a giant contractor roll, but rather about the tiny numbers involved in ministerial working, where we go to the ministry and say, you know here is how you make a budget and here is how you execute a budget and so forth?

HICKS:

So, I'd also offer for my P&R [Personnel and Readiness] colleague to respond, but my best understanding is no, that there are in fact significant portions that have to do with either the insourcing initiatives or through the operational contract support and Civilian Expeditionary Workforce initiatives that go certainly beyond the level . . .

TIEFER:

May I—I am looking at page 55 and so specifically the CEW (that's the Civilian Expeditionary Workforce) is designed to enhance DoD's ability to work alongside and help build the capacity of partner defense ministries. Furthermore on page 30, who did you want me to talk to besides you on this panel?

HICKS:

Actually Personnel and Readiness in terms of the Civilian Expeditionary Workforce, it's a P&R initiative, they may have . . .

TIEFER:

All right, it does have part of it on page 30 is that ministerial-training mission is being conducted in Iraq and Afghanistan. My favorite words—I will select, they are like oases in the desert here: ministerial training being conducted there today by military and members of the department CEW. Mr. Robbins, since the ball's been passed to you, aren't both of those about

ministerial training and there is no phrase here, which would suggest something very different about the masses of police training that we have covered in hearings, being shifted by this document.

ROBBINS:

Well, as Dr. Hicks said, this is an area in our realm. Given the number of people on the ground in the CEW as right now, there is only about 277, so it couldn't be the massive . . .

TIEFER:

Right. It's about ministerial training, not about . . .

ROBBINS:

Well, again, this is about . . .

TIEFER:

I just want to pull back . . .

ROBBINS:

. . . training, but it's about other things and I think for CEW . . .

TIEFER:

Well, a couple of hundred. The number really does the story. I don't care they're each of them a Lawrence of Arabia.

ROBBINS:

If I may continue, the QDR is about the future. Well, you are right; there is less than 300 right now. A year ago there was 120 or so, something like that. What we are looking at is the vector for the future and where we can identify the skills we might need in future contingency operations. So, yes, right now we are not doing massive training . . .

TIEFER:

Right. I am over my time, and I try not to be. I am simply going to comment that there seem to be two—I haven't talked about the second one—there are two mentions of contingency contracting in this whole QDR. One of them is about this tiny operation we were just hearing.

Thank you, Mr. Chair.

THIBAULT:

Well, thank you, commissioner.

Commissioner Zakheim, please, sir.

ZAKHEIM:

Well, thank you. I would like to also welcome you all here. It's good to see some of you again, and in the case of Mr. Motsek, again and again.

Kathy, Dr. Hicks, I don't want to get into word counts. We'll leave that to my fellow commissioners if they want to, I don't think they want to either. But I don't think there was any doubt that, and you've already heard this from several of us, that you are conflating with contracting with contingency contracting. And contingency contracting is a pretty big area which is why we have this commission.

And that's the concern we've got, that if you de-conflict or de-conflate really the language that addresses contracting in general, whether it's services or weapons acquisition, which is what my colleague, Professor Tiefer just raised, from contingency contracting, there's no doubt that anybody reading this document who does not have a degree in Talmudic analysis is going to have a problem understanding why this is so important.

You talk about and quite rightly that the QDR outlines the secretary's priorities. For example, in-sourcing is a very high priority. Secretary's given quite a few speeches about it. I don't think you are going to assert to me that contingency contracting gets anything like the same degree of discussion as in-sourcing does. Does it?

HICKS:

Dr. Zakheim, I don't have the document in front of me. What I will tell you is that I did look at other Secretary of Defense initiatives I mentioned them before. Interagency reform: the secretary has given a number of very important speeches—it's treated about the same way as. . .

ZAKHEIM:

Well, yes, I . . .

HICKS:

. . . warrior care, which is a significant initiative . . .

ZAKHEIM:

Again, I don't count words. Is there a section in the QDR, a separate section labeled, call it OCS, call it contingency contracting, call it whatever words you want. I don't care—we all know what we are talking about. Is there a separate section in the QDR addressing just the subject?

HICKS:

There is not a header in the QDR that has a title that . . .

ZAKHEIM:

OK.

HICKS:

. . . anything along those line...

ZAKHEIM:

All right.

HICKS:

. . . or whole sections on prevailing in today's wars.

ZAKHEIM:

Right. But prevailing in today's wars is one thing and we are all agreed on that. But when I was in the department (and I spent quite a few years there), when you had a planning document, whether it was the defense guidance or the consolidated guidance or the QDR or whatever you

wanted to call it, if you didn't call the subject out in a separate section, people glossed over it. It's just the reality.

And the fact is that you're talking about making progress on a subject, on an issue that's been going on since 2001 unless you want to count the Balkans, in which case it's been going on since the '90s. And I guess this is my next question.

There is progress, but the real issue is the pace of progress. Can you tell me, for example, let's stick to in-sourcing, how many overseas contingency contracting jobs have been in-sourced in the past year?

HICKS:

I cannot . . .

ZAKHEIM:

Somebody.

ROBBINS:

Let me answer that. I can tell you that in-sourcing is a priority of the secretary.

ZAKHEIM:

And you have no idea how many . . .

ROBBINS:

Let me finish. But it is in the context of our total force management, which includes that . . .

ZAKHEIM:

I understand that. I understand that. I am simply asking a simple question. If there were any place where you would want to in-source as quickly as possible given all the stuff that's gone on with contingency contracting. I mean we got a commission about it. I would have thought you would want to in-source jobs in Afghanistan and Iraq.

ROBBINS:

The components may well have done that . . .

ZAKHEIM:

And you don't track that in OSD . . .

ROBBINS:

We do not track whether it's an OCS contract or a . . .

ZAKHEIM:

So, you have no idea whether there has been any in-sourcing at all in Afghanistan or Iraq.

ROBBINS:

I do not.

ZAKHEIM:

OK. I find that interesting in and of itself. How could this be a priority, Dr. Hicks, if you don't even know what's going on?

HICKS:

Let me address the priority piece of that. First of all, as you are very aware, Dr. Zakheim, there are a variety of implementation tools at the secretary's disposal.

The QDR has the unique position in being largely responsive to Congress and we consulted with Congress throughout the development of the QDR to ensure it was addressing each of the issues they were interested in. I think we've done that. We also have a variety of other audiences. We have foreign, international audiences that we attend to, I think very well. We have the American taxpayer, and of course we have our internal audience.

For the internal audience the QDR is an important document, but it is most important to execute the direction or the broad outlines laid out in the QDR. And that's where we spend the bulk of our time, on issues that are about how we run the department and how we reform the way we do business. That is why it was so important that there were DoD directives, doctrines, and planning guidance in place to carry out the direction on OCS.

ZAKHEIM:

General Gainey, let me ask you, do you have any sense of whether—I mean I know you're concerned about contractors in the field, I know the chairman is concerned about this and we really appreciate in this commission not only the fact that you are here but all the support that we've gotten from the joint staff on this. Is this a matter of concern to you that there's no way of tracking whether contingency jobs overseas are being in-sourced or not?

GAINEY:

Sir, that does not concern me, because what I do know is when I personally brief the SecDef on what we were doing with operational contracting support, his clear intent and guidance to the services and to the chairman about what direction he wanted us to go and that is what we are executing.

The chairman is clearly aligned with that. The service chiefs understand the direction, the requirements, and if you look at what the services are doing in developing their own operational contracting support and understanding them, what the guidance is that will be coming out from the chairman, you will see very clearly that we have been at work. You may not see it in products out in front.

But in the guidance that is being given, we know where the chairman wants to go, and we are executing on that line and I feel very confident that we are on the right glide path.

ZAKHEIM:

And do you feel that you've got enough resources and the services have enough resources to implement everything that is being talked about here? It means finding people to do the job, it means finding people to track the contractors. It means finding people to replace the contractors. QDRs and other planning documents fundamentally are there to direct resources.

Do you feel the resources are adequate, General Gainey?

GAINEY:

For the plans of what we are developing today, I feel that we are aligned with the capabilities of what the services need. Now there might be something down the road that we haven't thought about. And that will have to then be worked and addressed and resources.

ZAKHEIM:

Mr. Motsek, do you feel the same way?

MOTSEK:

Generally speaking, yes. The real mark in the wall in my mind is whether we have turned the corner because we are building the POM-14 [Planning Operations Memorandum] package as you know today. We have that slice. We have that slice of contracting and oversight specialists that did not exist in the force structure before that needs to be created so we don't create a JCC-I [Joint Contracting Command-Iraq] out of hide again. That's in the POM-14 build as we speak.

If we succeed in that build as we go through the process, then to be blunt about [it], I am beyond worrying about what the QDR says, if it's in the POM-14 build because that build of course is a direct result of your first report that we've been working off over the last two years or so.

ZAKHEIM:

I am a little bit over, but a quick question to you then. Picking up on my colleague Grant Green's point in changing the culture, the POM-14 build, would it have been more helpful if there had been something more specific in the QDR because POM-14 is still a ways down the pike. You got a lot of discussion.

I know very well that decisions might not get made until December just before the budget appears. There are last-minute pulls and pushes. In my experience, having something like the QDR or any planning document, frankly, Dr. Hicks, explicitly stating something as a priority made it much harder to pull and much harder to defeat what you are trying to accomplish. Would you agree that it would have been helpful?

MOTSEK:

It's always helpful to have more documentation. But to put it in perspective, that POM-14 build, we are at the 85 percent-agreement level right now, much better than I ever really anticipated it to be at this point in time. We clearly missed the POM-12 build. That's the reality. So, POM-14 is where we've sunk our resources and we did other ad hoc things like the joint planners and transitioning them out of sequence to government officials.

But of course that's onesies and twosies. It's not seven or 900 personnel that we are talking about here. So, in answering your question, the one thing that I believe is changing the culture—and it was partially my fault we were so slow in doing this, we felt we could impose this from DoD—is we engage Joint Forces Command. And it took us several false starts to get Joint Forces Command to agree that this was an important issue.

So, with the help of the joint staff—as you know they stratify all the important tasks as you knew, from one to about six and levels of tasks. Level one task is logistics. OCS is a stand-alone. It is a level task under logistics today. So, anything that comes out of Joint Forces Command, which is our doctrine—which is the baseline for our culture as we go through this—now has that recognized as part of the package. And engaging them in our training packages is probably in retrospect a smart thing for me to do. It would have been smarter for me to do it a year and half earlier.

THIBAULT:

Thank you, Commissioner Zakheim.

Commissioner Ervin, please.

ERVIN:

Thank you, Mr. Chairman.

Thank you all for being here. We've had about 30 minutes of testimony so far this morning, and I have to begin by saying that I started this hearing optimistic, thinking this was going to be a relatively controversy-free and un-contentious hearing, thinking that on the whole. This was going to be a good news story largely for DoD that progress was being made with regard to recognizing the importance of contracting, but of course more progress needs to be done.

That's kind of the perennial situation in government, but I must say I have been really disturbed and I've grown increasingly pessimistic over the course of the last 30 minutes. I think we've got a real candor issue here.

But I want to explore with you, General Gainey, and with you Dr. Hicks,

But let me first start with you, General Gainey. I don't think you really gave an answer to Commissioner Green's question. The question that he began with that is that your staff expressed considerable frustration to ours about their efforts to get more mention, not just a word count, but substantive mention of this issue in the QDR, and the question to you was whether you share the staff's frustration.

And you didn't really answer that. You went on to say that it was a priority of the secretary of defense's and the chairman of the Joint Chiefs of Staff. Do you share your staff's frustration about not having gotten more substantive mention of this issue, OCS and the QDR?

GAINEY:

Sir, OCS was one of many topics that we as logisticians were trying to get into the Quadrennial Defense Review. The QDR is a very large focus . . .

ERVIN:

But let's forget the other issues. Let's just focus on OCS.

GAINEY:

I am not concerned at this time, because I feel that we have gotten the guidance we need and the priority, the effort that we want from the chairman and the SecDef to do what we want to do. It is not hindering me that it is not in the QDR.

ERVIN:

Let me just ask you an elementary question.

GAINEY:

Yes, sir.

ERVIN:

And let's just forget for a minute that we are all in government to one degree or another, and let's just consider this question in commonsense terms. Will you agree that we measure what we value and that the greater the degree of substantive discussion of something, the more it matters in a just commonsensical statement?

GAINEY:

I would say that from the context that you gave it would depend on again the focus. You look at the focus of what a document needs to be about where it's trying to go. You look at also what past efforts have gone in to other guidance and so then you weigh what guidance do I need, what do I need to target . . .

ERVIN:

Let me stop you there. Isn't it just commonsensical to think that if something is really a priority of the secretary of defense's and the chairman of the Joint Chiefs of Staff, there would be more discussion rather than less, isn't it commonsensical?

GAINEY:

Yes, sir.

ERVIN:

All right. So, therefore, doesn't it trouble you, isn't it somewhat frustrating to you as it was to your staff that there wasn't more substantive mention of this issue in the QDR than there was?

GAINEY:

No, sir, it was not.

ERVIN:

How do you square the answer to that question with the answer you just gave to the preceding question?

GAINEY:

Because of the other guidance that I have seen and the priority of the efforts that the chairman and the SecDef have given to the topic.

ERVIN:

All right. Dr. Hicks, do you concede that there really are only two substantive mentions in the 2010 QDR of this as opposed to the 34 or so mentions of contractor that you led with in your testimony earlier?

HICKS:

Sir, I would not concede that. I think it depends on what the 'this' is but if you are talking about how we win today . . .

ERVIN:

No, no, no, I am not talking about . . .

HICKS:

. . . with the total force that includes contractors, I would say it's . . .

ERVIN:

I am not talking about that. And I think you know that I am not talking about that. We are talking about contingency contracting. I thought today we were going to discuss the issue of why there wasn't more substantive mention of this issue in the 2010 QDR.

The argument that was made to us was there is less discussion of it in the 2010 QDR than in the 2006 because progress has been made. And you can argue about that. You can argue whether there has in fact been sufficient mention to justify less substantive mention in the QDR. You can argue whether even if there has been substantial progress between 2006 and 2010, notwithstanding that there should be equal or more substantive mention in the 2010. But we are now arguing whether there is less substantive mention . . .

HICKS:

So, I would agree with you. I would welcome a question that would allow me to answer it that way rather than asking me whether there are this reference or that reference. I would happy to answer a question about why OCS is in the treatment it's in, in the QDR.

My answer would be along the lines of General Gainey, not that it's less than in 2006, but that 2006 highlights the issue that significant progress has been made. We have a long road ahead, there is no doubt . . .

ERVIN:

So, are you now saying that there is less mention of this issue, overseas contingency contracting, in 2010 than in 2006 because there . . .

HICKS:

No, sir, I said the opposite. I said I . . .

ERVIN:

So, there is less progress between 2006 and 2010?

HICKS:

Sir, what I said is there is more mention today than there was in 2006, that 2006 was important for highlighting the issue, that significant progress has been made in the interim, that in 2010 we highlight the issue again, particularly the planning issue, which is I believe the purpose of this meeting here today. That we have other elements of mechanisms for the secretary that have been amateur but that have been well utilized to highlight the issue and that we are moving forward on that.

The QDR rightly attends to this issue of again along the lines it has the . . .

ERVIN:

Let me . . .

HICKS:

. . . secretary attend to other important...

ERVIN:

Does DoD support the language in the FY 2011 NDAA that would require, that would mandate DoD to address OCS in future QDRs?

HICKS:

Sir we will not oppose that legislation. There are approximately 20 legislative requirements.

ERVIN:

Do you support it?

HICKS:

. . . in the QDR?

ERVIN:

Do you support it?

HICKS:

It would, yes, it would be fine. But I was going to say is that with all those requirements you hang a lot on the QDR. It's very important to think about what end you are seeking. You want to be one of 20 requirements in the QDR . . .

ERVIN:

Thank you.

HICKS:

. . . that's a good outcome.

ERVIN:

Thank you. Dr. Hicks.

On the question—or General Gainey—on the question of Annex W, the current Annex W (we've talked about this a little already) is only two pages long. But there is a longer version that's out, we understand. But it won't be mandated until next year. Why isn't it mandated now? Why does it take an additional year to mandate it?

GAINEY:

Sir, we developed that guidance as soon as we saw that the original guidance that we gave was insufficient. So, we began working immediately to be able to give combatant commanders the guidance that they would need to give them more fidelity that we were looking for and so they are already using that. And we are already using that template to review all of the plans that they provide us . . .

ERVIN:

Why isn't it mandatory now?

GAINEY:

It will be mandatory in the guidance that is going to be coming out shortly.

ERVIN:

Why isn't it mandatory now if you are already using it?

GAINEY:

Because it was not originally mandated in the previous guidance. It will be out in the new guidance that it will be . . .

ERVIN:

When will that happen, when is that going to be issued, General?

GAINEY:

I believe in the next several months.

ERVIN:

Next several months?

GAINEY:

Yes.

ERVIN:

Mr. Motsek, we understand, our staff was told, that you unsuccessfully tried to get a more substantive mention of this issue OCS in this QDR and you didn't succeed in that regard. Is that right?

MOTSEK:

We had developed more language and as General Gainey said, because much of it was working in concert with her and her staff, was that it was the package we sent forward.

ERVIN:

And to whom did you send that?

MOTSEK:

Sir, policy has the lead for the QDR.

ERVIN:

All right. So you sent it to Dr. Flournoy [under secretary of defense for policy], to Dr. Hicks' office? And were you told why that language was not included, did you inquire or did your staff inquire . . .

MOTSEK:

Yes. And as I testified in an earlier session, and it's been reiterated by General Gainey today, the fact that we had made progress, the fact that we already had other guidance out there was the rationale provided to us that it need not have the expansion that perhaps we work on it on a daily basis would have liked to have seen or would have desired to have seen, but that the secretary again is fully engaged in this understood what the issues are, had already published guidance in other forms, in other venues. It tasked the . . .

ERVIN:

Right.

MOTSEK:

. . . chairman to support me . . .

ERVIN:

My time is up. Let me just summarize, just ask one quick; in other words, you didn't get the language that you wanted in the QDR because it's such a priority of the secretary ,is essentially

what you just said. Did that response satisfy you? That will be my last question in this round, It's a little circular . . .

MOTSEK:

Yes, yes, I know, but to be blunt about it, I am beyond at this point in my office, beyond the QDR language . . .

ERVIN:

I understand. I know your . . .

MOTSEK:

So it doesn't affect my operations right now.

ERVIN:

Right. Thank you.

THIBAUT:

Thank you, Commissioner Ervin.

Commissioner Shays, please, my co-chair.

SHAYS:

Doctor Hicks, you got my attention when you responded to Mr. Grant's comments, because frankly, I felt that what you were saying was really obfuscating this issue and putting us in the exact opposite direction that you and we need to go. The fact that a word was mentioned or not mentioned a few times is irrelevant to me. What is relevant is what those words say.

Mr. Motsek, you've got my attention because I thought that the QDR mattered. I thought that's why you're here. And I thought that's what we are talking about. And so basically what I hear you saying, Mr. Motsek, is it's not really important now, we look at the POM and the planning operations memorandum, that's really what matters.

So, I first want to ask you, is this document important, Dr. Hicks?

HICKS:

Yes, sir.

SHAYS:

Lieutenant General?

GAINNEY:

Yes, sir, it is.

SHAYS:

Mr. Robbins?

ROBBINS:

Of course, it is.

SHAYS:

Mr. Motsek?

MOTSEK:

Yes, the document itself is important.

SHAYS:

Well, the document itself or what it says is important?

MOTSEK:

Of course, what it says . . .

SHAYS:

OK, it's important, so I don't want us to say, OK, we're beyond that now, we're just going to look at the annual planning. This document, in my judgment mentions contracting. But it doesn't do it in a way that gives me a sense that it's giving guidance to us. And that's what I thought this document was supposed to do.

Now, when we talk about contingency contracting, we are talking about service contracting versus things, goods, systems. And I don't want to mix them up. So, we have the Professional Services Council saying that two years ago service contracts actually superseded in cost the cost of goods and services.

Can you all tell me if that statement is true and can you tell me where the range of what are contracting for goods and services versus, excuse me, for goods, things, versus services.

Dr. Hicks, which is greater?

HICKS:

Sir, I defer to AT&L.

SHAYS:

No, I want to ask you.

HICKS:

I don't know the answer to that. I know that . . .

SHAYS:

OK, fair enough.

HICKS:

. . . if services are a . . .

SHAYS:

Fair enough. That's a candid response and it's not critical. It's just a candid response.

General?

GAINEY:

Sir, I would have to defer to AT&L.

SHAYS:

Do you know the answer to the question?

GAINEY:

No, sir, I do not.

SHAYS:

Mr. Robbins?

ROBBINS:

I do not know the answer to the question.

SHAYS:

Mr. Motsek?

MOTSEK:

I believe you are referring to the difference between pure acquisition dollars and logistics-support dollars.

SHAYS:

Services, yes.

MOTSEK:

Yes. If you look at logistics dollars, including what comes out of the supplement or new OCO [overseas contingency operations], the value of the logistics side of the house as we sit here today is higher than the acquisition side of the house, pure acquisitions.

THIBAULT:

Can I, can I?

SHAYS:

Yes.

THIBAULT:

This is an observation. This again wasn't a trick question. It was sort of seeking facts. The Professional Services Council leadership has couple of years ago cross over and now it's pushing for two-thirds, it's like a 60 percent, 62 percent. It's a world of services.

SHAYS:

So, the bottom line to me is, first off, contingency contracting and service contracting. And we don't really know the answer, except Mr. Motsek you did. And it's stunning to me that we don't know the answer. That to me is symbolic of the problem we have.

No one seems to really understand—excuse me, no one. It doesn't seem to me that DoD fully grasped the significance of service contracting. What was alarming to me, and that's the word I'll use, is the most recent QDR report issued in February of 2010 had only limited discussion of OCS and less discussion than was contained in the previous QDR issued in 2006.

While the role of contracting support has grown—that's an understatement—the 2006 QDR report emphasizes the importance of contractors, noting that the department and military service must carefully distribute skills among the four elements of the total force: add to component, Reserve component, civilians and contractors, to optimize their contribution across the range of military operations from peace to war.

Finally, the 2006 QDR stated that the department's policy now directs that performance of commercial activities by contractors, including contingency contractors and proposed contractor logistic-support arrangements, shall be included in operational plans and orders.

The 2010 QDR report does not include this language and instead discusses the need to reduce contractor support. First off, why do we know we need to reduce contractor support?

What strategic guidance is telling you you need to do that, Dr. Hicks?

HICKS:

Sir, the secretary and the president's in-sourcing initiatives, I would again I would defer it to P&R to describe the rationale behind it.

SHAYS:

Mr. Robbins?

ROBBINS:

Thank you. From our perspective, I am speaking for my . . .

SHAYS:

A little louder please.

ROBBINS:

From my perspective, I am speaking for my under secretary and the department. There are two areas that we must get a handle on the cost if we are going to go to the next 10 years delivering the capabilities, platforms, the units that our commanders require. The first is health care, not the subject for discussion today.

SHAYS:

How does that relate to my question?

ROBBINS:

The second is total force, our total force.

SHAYS:

I understand that. Total force is the military, it's civilians, it's contractors . . .

ROBBINS:

And the cost of the service, the contractors have grown in an extraordinary . . .

SHAYS:

That's why we exist, but that doesn't tell me what is giving you guidance that you need to reduce the number of contractors. I am not saying you should or shouldn't. Tell me where you are getting that guidance from.

ROBBINS:

We are getting that guidance from a number of places. One is Title 10 129, that says the department is going to . . .

SHAYS:

You are getting the guidance from this?

ROBBINS:

We are getting the guidance . . .

SHAYS:

This is the four-year annual review. Where in this document do we know the value of contractors?

ROBBINS:

I would say page 55 where it says developing the total force.

SHAYS:

That doesn't tell me. Developing the total force tells me you want to develop the total force.

ROBBINS:

It tells . . .

SHAYS:

I will give you time.

ROBBINS:

OK.

SHAYS:

Telling me that you need to develop the total force doesn't tell me in which direction we need to go and why. This document I would think would provide us guidance.

ROBBINS:

That document does provide me guidance and we are working very hard . . .

SHAYS:

Tell me, read me the words that tell me that we should reduce the number of contractors and why.

ROBBINS:

This effort will ensure that the department has the right workforce, size and mix, military, civilian, and contractor with the right competencies . . .

SHAYS:

What?

ROBBINS:

What I am saying is that's developing the total force. First thing, the QDR is a fundamentally important document. But it's not the only document. And it has to be placed in the context of the other guidance we get from statutes.

SHAYS:

Mr. Robbins, I don't feel you are answering my question, but let me just say, I will have a second round and . . .

ROBBINS:

OK.

SHAYS:

. . . I will make sure before we conclude that you have time to think about the answers. But the bottom line here is this document seems devoid to me of substantive guidance on the use of service contractors, which all of us are saying or at least Mr. Motsek is saying, and the others did not know, that service contractors exceeds all the cost of weapon systems, which blows me away.

ROBBINS:

Well, I didn't know it exceeded all the cost of the weapon systems, but I know it was a very great cost. And our job is to do three things: One, to ensure the viability of the all-volunteer force. That is the implicit assumption upon which every commander's plan is predicated. Two, to deliver a total force that gives the capabilities and services our commanders anticipate and require. And the third one, to your question, is to do the first two in a manner that minimizes the fiscal opportunity cost to the department's other demand.

SHAYS:

Right. And I think that's a very fine answer, except it highlights to me your responses that you are not getting any guidance from QDR in terms of how we do it. You and I agree that we need a balanced workforce, but I am not seeing the guidance yet. In fact, I think 2006 had a stronger focus on the importance of contractors and their role in this document.

GAINNEY:

Sir, if I may. . .

THIBAULT:

I am going to, General, give you a shot here in a second, an opportunity to present your thoughts. I was remiss at the start to not tell each of you that you sort of get the last say. And at the end of this hearing, I am going start with Dr. Hicks and work my way down. If you have any final thoughts and what not, unless you really alarm someone else, we are going to give you that opportunity. Because I think it's important.

So, please, General?

GAINEY:

Sir, when we presented our first Phase I of our dependence on contractors, it was because the chairman and the SecDef were so very concerned about how dependent we might be. He looked at our initial results that we took of a very small, narrow area of security-related training. And so, from that we then went into this Phase II that we have just completed and that we have just briefed to the chairman and to the service chiefs. And the intent of this was to see just for Iraq how dependent we were in contractors so that service chiefs to go back and look at their planning and say: Do I want to be that dependent on contractors? And if not, then what might I need to do to change that either . . .

SHAYS:

And if that's the case, why didn't Mr. Motsek's request of more specifics get into the QDR?

GAINEY:

I believe because I think that we all understand where the SecDef has already given that guidance.

SHAYS:

So, what you are saying is the SecDef has given you that guidance. Mr. Motsek requested it be in there and it still didn't make it in the QDR?

HICKS:

So, may I reply that . . .

SHAYS:

My time is running out. And I . . .

THIBAULT:

You can reply and then we'll move on.

But please, Dr. Hicks.

HICKS:

Yes, thank you very much. I notice that this had come up in prior hearings and obviously a few questions on it today. I can assure you that I never received any direct communication indicating a desire for more guidance in the document beyond what was in there. We have, as you might imagine, some many very important objectives. We reach out. We did it.

In this case, we reached out and asked for language. We were given language from which to draw on and we developed the language that you see here in the report. We do that across the range of important defense priorities and all I can tell you is that I am not sure what you heard at the staff level, but I can assure at my level that the language reflects the coordination of all elements here and beyond the services combatant commands and others in the department.

THIBAULT:

OK. We can continue this, but I will guess individuals have questions.

But Mr. Zakheim is going to have the last say. Please.

ZAKHEIM:

Actually I won't have less. They are very quick questions just to summarize. Is my understanding correct that what you're fundamentally saying, Dr. Hicks, is that since everybody knew what was in the secretary's mind and he had articulated it, there really wasn't any need to go beyond what you had done in the QDR.

HICKS:

Sir, what I would say, Dr. Zakheim, is essentially that. Let me just say to follow on that we in every area of the QDR rely on the expert community come to us and explain to us what is required as we go through the process. It's not just this report, it's a process.

So, as we move through the process, we work on various issue sets and we try to highlight what's needed to make progress in those areas. I am confident that this QDR fairly and justly reflects where we thought progress was needed to be made in the QDR process itself and to highlight other key initiatives of the secretary that were moving along in other pathways.

ZAKHEIM:

I will be back on that. Thank you.

THIBAUT:

All right. We are going to begin the second round with Commissioner Green please.

GREEN:

Thank you.

Obviously, a lot of hard work has been done and focus mostly, as I would presume, on some of these individual initiatives. Unfortunately, a lot of those are going to take time to realize the benefits of I still contend and I don't have the magic bullet. If we don't change the culture of DoD, of OSD, and of the services, I think the chances for failure are great. Why do I say this?

When this war is over, and we go away, SIGIR goes away, SIGAR goes away, and your budget comes down as it's going to do—I don't care—you can talk contingency contracting or contingency expeditionary forces. You can talk in-sourcing till the cows come home and it ain't going to happen. It's not going to happen to the degree that we need to replace those 200,000 or 100,000 or whatever the number is, contractors. I'd like each of you to kind of comment on that. Dr. Hicks?

HICKS:

I can start at my end. Unfortunately I am going to say it largely, but I said before I still think that's correct, which is I agree, culture change is incredibly important for any kind of long-term alternation you need in the Department of Defense. Being such a large organization and designed as we are, that depends on a number of changes to planning, force development, training and education, doctrine, et cetera.

GREEN:

Hey, I have been there. I know how long things take.

HICKS:

Yes.

GREEN:

If we don't do it, we will fail. We will fail in what we are trying to do. General Gainey, I am going to promote you. I am going to make you Chief of Staff of the Army. And I am going to give you 100,000 additional end-strength or FTEs. Where are you going to put them? Are you going to put them in S&T (supply and transport) battalions, are you going to put them in other combat service-support units, are you going to put them in striker brigades, or combat aviation brigades? Where are you going to put them?

GAINNEY:

Sir, I will be looking at the requirements of the total army of exactly what the requirements were and what my capabilities were. Independent of that, let me address the culture is the essential ingredient here.

GREEN:

Absolutely.

GAINNEY:

And I totally agree. Because words are words. It's how you implement those words that makes the difference.

GREEN:

Two years of training out of Fort Leavenworth ain't going to change the culture.

GAINNEY:

I agree, sir. That's why it has to be inculcated in documents, in the JCS (Joint Chiefs of Staff) planning guidance, in service-planning guidance, and then in what we do with how we go back and look at our force structure.

That guidance is already starting to be developed. In the next 90 days, you will see the products coming out of the chairman's office that will start to give all of that guidance. We will continue to expand on that in the logistics supplement. But those are just some of the documents.

GREEN:

What I am also concerned about, as good as the intentions are, of the four of you, of SecDef, of the chairman, they ain't going to be there forever. You are not going to be there forever. What keeps that momentum going, short of really changing the culture from the second lieutenant or ensign on up?

GAINNEY:

It starts with the guidance that we will be putting in writing making Annex W mandatory. But that is just one. Because it's not just about Annex W. It's looking at operational contracting support across all of the functional areas. So, you will have to look at that when each of the different components are looking at each of their annexes, whether it's communications, whether it's . . .

GREEN:

You got to do it, you got to do it faster.

GAINNEY:

Yes.

GREEN:

As GAO says, you've got 80-some-odd op plans that are candidates for Annex W and I think you got about four of them done. So, you know, we got to move faster.

GAINNEY:

We do need to move faster and we are continuing with that, with also the look that we have done with just briefing back to the ops deps about this contractor dependency, so that they can then start going back and looking with giving direction to the components to look at all of their operational plans that they have and that they are developing so that we put that into the fabric.

So that's also part of the culture. Along with training non-acquisition people about operational contractor support, not just the contracting, the language.

GREEN:

Well, I . . .

GAINEY:

Also the oversight.

GREEN:

I sat through an OCS course down at Fort Lee, about 16 folks in it, not one of them was going to be deployed. So we got the wrong people going to those and I can understand the reluctance of a commander who is going to deploy and be on a FOB (forward operating base) three months from now to send people to that training. But that's just one nitnoid example of what I saw.

GAINEY:

Sir, I think the training has to be in our institutional programs and in the programs for our folks that are deploying. I think you need both because you need to start getting the groundwork basis for people to understand about acquisition when it comes to an operational impact, not the acquisition of a weapons system, because that's what the people who are non-acquisition need to understand.

GREEN:

Well you know, I grew up in an operational environment in operational units. And I was probably one of those guys that said, "Hey, let the S-4 [supply] worry about that stuff." But it's much different today. It's much different. And this is how we are going to war. We are going to war with contractors. I don't care how much in-sourcing you think you are going to do. This is how we are going to war and we better learn how to plan for them and we better learn how to use them.

GAINEY:

That's exactly right.

GREEN:

I am way over my time.

GAINNEY:

Sir, the chairman is right in line with you. He says I want you to know that you wanted to have those contractors and not be driven to it because you lacked the force structure or lacked the advanced planning because you weren't able to bring in either military or civilians to perform those functions.

GREEN:

Put them in the TIPFDD [Time-Phased Force Deployment Data].

GAINNEY:

In fact, sir, that is part of the plan that we will actually have to start documenting and put that in the . . .

GREEN:

Is there a placeholder there for them?

GAINNEY:

. . . exactly within each functionally capability area and tie almost like a force capability just like you do in a TIPFDD but a functional capability for contractors and tagging them.

GREEN:

That Annex ought to be just as important as the intel Annex, the signal Annex or any of the others.

GAINNEY:

Not only Annex W, but every Annex has to address contractors, how many they are going to have, the type of contractors and the command and control if it does.

GREEN:

OK. I am way over.

THIBAULT:

Thank you, Commissioner.

During a recent hearing, I tried to make a simple point using—and this is going to be a question for Mr. Robbins and for General Gainey. The question for you is going to be a simple one. It's going to FAIR [Federal Activities Inventory Reform Act] related.

In my prior lives, I've spent a lot of time on that subject, so I am very interested in your views, but I tried to make a simple point using examples to demonstrate. I am back to coordination, interagency coordination, that the State Department is being compelled to take over responsibilities and execution related in a contingency environment that are being performed in an excellent manner by the United States Army.

I want to say that and my example is going to be and World Wars I and II, and I don't mean to overstate this at all, it is what it is. And heroic vehicle, ambulance drivers, United States Army, Marine, and the Navy was involved in it. Personnel went into highly risky or hot rescue situations to transport seriously wounded soldiers to medical treatment facilities

These were our fathers and our grandfathers. In Korea, with the advent of helicopters, airborne rescue was added to this life-saving capability. In Vietnam, it moved to a whole other level. I had a personal opportunity to come out of the jungle in a steel or a wire basket. I have an enduring appreciation and sense of gratitude for Army aviators and what they can accomplish in a highly risky environment where they weren't just on the defensive rescuing troops, but they were on the offensive. Heroism by Army aviators and I wasn't a Army aviator, but it's a plug for them.

It is also well established since Vietnam, in places like Mogadishu, I think if my history is right, those two Medal of Honor recipients who stayed back and gave their lives up in Somalia were Army aviators. They basically said, "I am staying here to protect my wounded brethren." Iraq and Afghanistan, story after story, if ever a task was inherently governmental, you know in getting discussions about could it be, should it be exempt, now comes the change.

State Department leadership has informed us that their contractors, beginning no later than the end of '011, but probably before based on geographic and troop pullout and the like, will now have to fly these missions of mercy to rescue and protect government employees and contractor employees. State Department has told us they have no current capabilities. Therefore, is this going to be another one of those areas that Commissioner Green talked about where the inevitable transition to contractors?

And so I'm going to say, so what, you know, the Army is leaving and there is a reason the Army is leaving and everything is fine. Well, picture a police station under attack where both State Department and contractor employees, and they are going to be out there and there are dozens of them, are onsite to train Iraqi police. That's the plan and that's what will occur.

Picture substantial life-threatening American wounded on the ground. In this scenario, you have to picture contractor-flown and contractor-protected aircraft flying into this hot zone and extracting or attempting to extract the wounded, including performance onboard and medical treatment as needed and required, and return fire on any enemy combatants such as Al Qaeda. That's the reality of emergency rescue missions.

I got a couple of questions. Do you, and I think it's going to be short, Mr. Robbins, but based on your history, can you give me a quick reason why this ought to be performed by a contractor as an exempt function?

ROBBINS:

Pardon me. Based on the scenario you described, that is clearly inherently governmental. It would require the use of discretion. It could require the use of offensive force. You would be placing these people in a combat situation. Also, if this mission is so important that it has to be there, I'm not sure we want a contractor to be the person to call.

THIBAULT:

You and I are partners in this. I couldn't articulate it any better than you just did.

And General Gainey, then it goes back to coordination with State Department. Why should the State Department now be seeking Blackhawk helicopters—they are not going to have Army aviators, they are going to have contractor pilots. A series of other critical equipment that's always been operated by the United States Army or other military components and have contractors now contract for, train their own aviators and medical personnel? And this is just one example, and I don't have time to list all the examples.

So my question comes down to the fact: tell me why they should do this, realizing that the country is still going to be in a contingency environment regardless of whether they pull out before '011 or at '011?

GAINEY:

Sir, OSD and Department of State are taking a myriad of different functions. The functions you listed were not in the original letter that Department of State gave us. So I do not know

where we are planning on for those, because I have not been involved in those planning, For the planning of LOGCAP and the equipment and sustainment of that equipment, I have been involved in that planning and we are continuing to bring that to a resolution so that we can determine what is needed to support Department of State in its mission, sir.

THIBAULT:

OK, that's a fair answer. And a month and a half ago, we were given a list by State Department in theater, because I'm going to say you should have been. And because they say they've coordinated it at some levels in defense, whatever "at some levels" is, where they need this support of critical, where they used the expression on the slides they gave us, "lost functionalities," and their statement is, you know, running IEDs removal. That's a combat situation. As soon as the bad guys come forward, you know, there is extreme force used to protect the people, doing the IED extraction or diffusing or whatever the proper terminology is.

So I'll close by saying I won't act surprised, because by saying that you should have been part of that, because we knew about it a month and a half ago when it was presented to us. And that's a critical planning role, there are a whole series of them and I would recommend that you go back and ask what's going on here. And our staff would be more than pleased to send you a copy of the lost-functionality list. And knowing your background, you will immediately be able to then task-up background information. So thank you.

GAINNEY:

Thank you, sir.

THIBAULT:

Commissioner Tiefer?

TIEFER:

Thank you, Mr. Chairman . . .

THIBAULT:

Professor, please.

TIEFER:

Lieutenant General Gainey, I'm going to ask you some questions about the OP plans, Annex W. I happen to think you and I see this the same way, but I want to get it concretely.

You spoke earlier of advanced Annex Ws and the statement talks of expanding Annex Ws. There is a shift in time, an improvement between sort of the old Annex Ws, the way they have been and where you are going and I'm as interested in the current ones, how they now stand, as well as sort of where we're going.

I had the opportunity to read several of the OP plans. I think one of them was, most of them, several of them weren't advanced—the examples given by the GAO an old-style one which was seven pages and then a new-style one, which was upwards of 20 pages. I understand we don't count pages—that's not the only way. But is this sort of the polled difference?

And what I want to ask is that given the importance of this, given that the old-style ones don't tend to talk about the phases of an operation, don't tend to talk about what contractors are named ready at the beginning, we saw a scorecard and that's what it's called.

You know, it's not like we are paraphrasing it, about, say, the 30 or so most important high-tier OP plans and CON plans and at the time this was done, it only suggested three, maybe that's four OCS equities covered or completed. Is that a fair comparison between the ones that are old-style and the ones that are advanced and can you update me as to whether that shows how many there are old-style and how many there are advanced at this point?

GAINEY:

Sir, we have 15 Annex Ws that have been approved by the SecDef. We have 11 more that are currently in the review process and we look at every single one of those and we give feedback to the COCOMs if we think additional assistance is needed, more details, or give them, you know, just as any staff would. You know, you might include this, you might include that, you know, looking at trying to get the fidelity we are looking for. And we've got another 36 that are in queue for the review cycle.

TIEFER:

All right. So the approved ones are 15 and the 11 under review and 36 in the queue further back. And we can speak in general terms about the 15 as having been reliably full-scale, new ones and the—OK.

Well, isn't that the case, looking at the Iraq situation as we have looked and finding there have been such contractor problems as up to \$13 billion in unsupported and questioned costs, many of which at the early days had their root in lack of preparedness, undefinitized contracts, and so forth.

Are we risking for future contingencies until we get these new planned Annex Ws in place? In the meantime, if they were to spring up, are we risking problems with contracting like we've had in Iraq and Afghanistan to date?

GAINNEY:

Sir, what you would need to do if you had to execute an OP plan that was under the old system, you would have to immediately, as soon as you started working in and you determined you were going to go ahead and execute that, go into an in-depth plan of taking what we already know today of exactly how many contractors, where will you have contractors, what is the appropriate . . .

TIEFER:

I agree that you would have a further process, but if you had to fight the war with the plans you have so to speak, we would be risking the type of problems we had in Iraq, yes?

GAINNEY:

Yes, sir. We would.

TIEFER:

OK. Now, well, my students at the University of Baltimore Law School sure know the difference between early draft reports and later final reports and they sure don't want to be graded on their draft reports.

What I want to ask is within the wars in Iraq and Afghanistan, we have gone ahead on the basis of fragmentary orders or FRAGOs and there are worrisome signs in the GAO report that those fragmentary orders did not have the equivalent of an Annex W; did not have planning as, for example, the Iraq drawdown, a major, major operation, didn't have planning for the contractor drawdown.

Isn't there a risk in Iraq and Afghanistan that we are not planning in advance the role of contractors, that that is a future where it will get to, but we are not there yet?

GAINNEY:

Sir, in that case, I would disagree. Today, we have a lot more structure and oversight. Even if we had to execute a war plan that was under the old Annex W, we would be in a far better

position than we were when we started that war, because now we have matured a lot more of our oversight and management capabilities that did not exist. In the case of Afghanistan and Iraq . . .

TIEFER:

I'm out of time. I'm out of time.

THIBAULT:

Thank you.

Dr. Zakheim?

ZAKHEIM:

Dr. Hicks, I know that Mr. Motsek said that the QDR is behind us. I don't think Congress thinks that. I don't think Secretary Perry and Mr. Hadley have yet even issued their group's report. So obviously, it's not behind us.

Oh, by the way, since there is not going to be one for another four years, Mr. Motsek, not only will POM-14 be guided by the current QDR, but also whatever is done in fiscal year '13.

So it's going to have an impact, which brings me back to you, Dr. Hicks. You twice, at least twice said that, well, you know, contingency contracting is certainly as important as wounded warrior. You gave wounded warrior as an example.

Well, here is the QDR and whole section on wounded warrior care with the picture and lots and lots and lots of detail, bullets, improving health benefits for military members and their families by increasing funding in 2011; bullet, establishing centers of excellence; bullet, increasing funding in attention to wounded-warrior initiatives; bullet after bullet after bullet after bullet, you have the same thing regarding contingency contracting.

HICKS:

No, we do not.

ZAKHEIM:

OK. Could you flip that, please? These are what GAO identified as major challenges—lots of bullets. Why don't you guys address any of those? Aren't they every bit as important as the

bullets on wounded warrior? You said it was the equivalent priority. Why didn't you address them both?

HICKS:

We focused in the QDR on the third of those planning for contractors and future operations. The planning for contractors, ongoing operations, was covered at the bottom of page 55, which is the section that was under discussion earlier, which is services provided by contractors.

ZAKHEIM:

Well, but again, all it says here is a balanced approach, OK? Administration's goal of reducing government's dependence on contractors: this is all contractors, this isn't just contingency contractors. Yes, they're a subset. But you don't call out contingency contracting in any way like you called out wounded warriors.

And my concern is, given that this is going to have an impact on future budgets, I don't see why anybody who is going to be at the staff level and who is going to raise these issues will not be shot down by other people. Also the staff are going to say, well, look, this just didn't have the priority.

Now, I understand, Dr. Hicks, you just don't do the QDR. You are in charge of other planning documents. So are there other planning documents that list in detail all of these things as issues relating specifically, specifically to contingency contracting?

HICKS:

I think these as a whole, would be most appropriate to a DoD directive or instruction, because they are taking on a particular issue-set that way, which would be outside of what I do in policy.

I will say, within policy, as General Gainey has referenced, we do have secretary-level guidance that significantly takes on the issue of dealing with contractors in an operational realm, and certainly in the resourcing realm we provide some guidance.

ZAKHEIM:

But again, you have the exact same kind of guidance with respect to wounded warrior. This isn't the only time wounded warrior has ever been discussed by the Department of Defense, is it? The QDR?

HICKS:

I don't think it's the only time it's been referenced, but my suspicion would be that it has significantly less directive and instruction behind it than something as longstanding as contractor support. I couldn't prove that—I can take that as a question.

ZAKHEIM:

I would like to know simply why something—yes, it's longstanding and the reason it's a longstanding issue is because it hasn't been fixed and you've heard that from all of my colleagues up here. It's a longstanding problem. I don't call these things challenges, it's a problem.

And I don't understand why a document which clearly is important as guidance, you yourself said multiple audiences including an internal one—and you told me, I didn't come up with wounded warriors. Well, you came up with. Why it isn't treated exactly the same way?

HICKS:

Sir, I'm not sure how to continue to say this. But I'll keep going.

I think for each type of guidance that you're developing, you go out to the expert community and you discover first the background of where you are with a particular issue, what guidance is remaining to be needed, where it's appropriate to develop new initiatives, where you want to highlight ongoing initiatives that are already out there, what other guidance vehicles are available to you, what the interest of the White House, what the interest of Congress, what the interest of the taxpayer is.

And with all those in mind, we develop the guidance. And I believe the QDR very justly reflects all of that input that we received, all of the best knowledge we had at the time of developing it.

ZAKHEIM:

I sure hope Mr. Perry and Mr. Hadley are going to surface this. I guess we are not getting our point across, maybe they will.

One last question, and I think it's you, Mr. Robbins, if I might, if you will indulge me, Mr. Chairman or both of you.

On page 55, you talk about, the QDR talks about the Civilian Expeditionary Workforce. So how many people are meant to be in this force altogether?

ROBBINS:

Well, right now, there's about 270 people.

ZAKHEIM:

OK. So you are going to in-source ideally in effect 270 people out of 200,000?

ROBBINS:

Well, I'm not sure whether the people that have boots on the ground right now, I'm not sure whether they are replacing a contracted function. I'm just telling you how many people are in the CEW now.

ZAKHEIM:

OK. So this has nothing to do with in-sourcing?

ROBBINS:

Well, first thing, in-sourcing: one, if you in-source something, it has to be an enduring function. That's . . .

ZAKHEIM:

Well, something that's expeditionary by definition isn't enduring, and you've got a Civilian Expeditionary Workforce. You've got people that are doing stuff that isn't enduring.

ROBBINS:

Our plans are to grow the expeditionary workforce, if you will, pool, so in the future we could put far more than 270 people in the field.

ZAKHEIM:

So you would be replacing contractors?

ROBBINS:

Absolutely.

ZAKHEIM:

OK. So how many people are you planning to have in the Civilian Expeditionary Workforce?

ROBBINS:

I will tell you that that is a work in progress. We are looking—well, it would be nice to know what contingencies exactly we are going to have six years from now. So what we first have to do is establish the skills, the positions we want, place these people, make it in a condition of employment.

ZAKHEIM:

Well, but wait a minute . . .

ROBBINS:

Well . . .

ZAKHEIM:

If you have OP plans, I'm actually cribbing here from my colleague who whispered this to me of OP plans and you are going to have Annex Ws. You got to have a reasonable idea, General Gainey, isn't that right, of at least rough order of magnitude how many people you might need?

ROBBINS:

Well, can I answer that question? As part of the programming process, the combatant commanders work with their components, the Army, the Navy, the Air Force, and the joint staff to ascertain in the future what they would need for their contingencies, contractors, where they are appropriate, what their need for CEW would be.

ZAKHEIM:

So we are in agreement. There is some kind of rough estimate out there.

ROBBINS:

No. There is supposed to be. The problem with the CEW is it is fairly immature when you think about it. Thus when I first spoke, I talked about our new instruction, which we hope to have out in this fall that lays out the requirements and authorizations for seven years for this mix.

ZAKHEIM:

Look, I'm way over my time. I would just point out that the QDR gives a lot of time to a program of 270 people.

THIBAULT:

Thank you, Commissioner.

Commissioner Ervin, please?

ERVIN:

Thank you, Mr. Chairman. I just wanted to read from the end. It's page 15 of the executive summary of the QDR, this year's QDR. "The priorities advanced in the QDR coupled with both the F.Y. 2010 and '11 budgets reflect the secretary's consistent emphasis on ensuring the department does everything possible to enable success in today's wars," et cetera.

"This QDR report in the preceding months of deliberation served two purposes: First, to establish the department's key priority objectives, providing context in recommendations regarding capability development and in investment portfolios. And second, to communicate the secretary's intent for the next several years of the department's work."

"The QDR thus serves as a critical capstone document, shaping how the Department of Defense will support America's men and women in uniform today and building the policy and programmatic foundation for security in the years to come." So clearly, in the words of the QDR itself, it is a reflection of the department's, the secretary's, the administration's, the American people's priorities with regard to winning wars.

And what I hear you in particular, Dr. Hicks and really the rest of the panelists as well to be saying is, this is such a priority, this contingency contracting, that it's not mentioned in a statement reflecting the department's priorities. If so, that's an Alice-in-Wonderland counterintuitive statement. Isn't that essentially what you were saying?

HICKS:

What I'm saying is that I agree with everything you just read from the QDR. It is a capstone document; it's a critical document in everything that we do. It's not the only document, but it is critical. OCS is specifically mentioned in this QDR because we consider it our priority.

The extent to which it is addressed, the initiatives that are laid out or not laid out, is over to the community of interest to determine whether sufficient attention was paid.

ERVIN:

Right. On that point, I was going to raise that with you. You mentioned that the QDR is intended to respond to a number of constituencies and to reflect their priorities as well in terms of your consultations with them over time in developing the QDR. One of those constituencies is the Congress.

Do I understand you to be saying that the reflection in the QDR of contingency contracting, the limited degree of which it's referenced in this QDR, reflects Congress' relatively limited attention to this issue. Is that what you are saying?

HICKS:

Sir, I can't answer that specifically. I can tell you we have had hearings on the QDR, and this is not an issue that arose in those hearings.

ERVIN:

So it appears to you that . . .

SHAYS:

Could the gentlemen yield?

ERVIN:

.Contingency contracting is not a priority for the Congress? Is that what you mean?

HICKS:

No, sir. I wouldn't answer that way. I would answer just as I did, which is that it has not been raised in our consultations on the QDR itself or in hearings.

SHAYS:

Could I just . . .

ERVIN:

Sure.

SHAYS:

Doesn't that basically suggest to you that we have a huge challenge in changing the culture that it didn't even come up?

HICKS:

I think it only suggests that if in fact you take the assumption that is clearly at work here, which is that the limited attention in the QDR reflects an inability to move forward and a lack of priority on this particular issue set.

SHAYS:

OK. Thank you.

ERVIN:

Did I understand you also in an earlier exchange, Dr. Hicks, to say that you at your level never got the input from Mr. Motsek's office that he said he tried to get incorporated into the QDR?

HICKS:

That's correct. What I would say is that we had inputs coming in and at the level at which I had the document for review there was no incoming disagreement with the treatment of this issue in the document or above me.

ERVIN:

Mr. Motsek, again, to whom in OSD did you provide your comments and your . . .

MOTSEK:

Sir, we submitted our comments to one of the, I believe, five working groups that were part of it, and then it tranches up the system to the senior leadership.

ERVIN:

Is it troubling to you at all, Dr. Hicks, that apparently today in this hearing is the first time you are learning that Mr. Motsek had input into the QDR that you didn't ever see during the course of deliberating on this in preparing the QDR?

HICKS:

What would be troubling to me is the thought that either the joint staff or AT&L felt that they had significant initiatives they wanted to outline for the secretary that were critical and that did not move forward. We knew there was input coming for this issue, because we asked for it. So I knew that there had been text being developed from expert communities to come in and show us what needed to be . . .

ERVIN:

You asked for it from Mr. Motsek's office?

HICKS:

From the senior leadership, yes, for AT&L and I think they then worked with the joint staff, is my recollection.

ERVIN:

Right. But this is the first you've heard that there was some input from Mr. Motsek that you didn't see?

HICKS:

I would respectfully say I have yet to hear that there was any substantively important piece that was missing. It is the first indication I . . .

ERVIN:

All right.

HICKS:

. . . there was disgruntlement with what was accepted.

ERVIN:

This is the first . . .

HICKS:

Yes.

ERVIN:

. . . indication you have gotten . . .

HICKS:

Other than reading your past hearings, yes.

ERVIN:

OK.

THIBAULT:

Commissioner, can I?

ERVIN:

Yes.

THIBAULT:

What I'm hearing here is, the short version is it didn't make the final cut. It went up through a working group and somehow, somehow, the working group didn't bring it forward as a critical recommendation with the words that were submitted and all that.

So I guess the question is why didn't it make the final cut? Was it not worthy? I'm hearing all this support for clarification of contingency contracting and the fact that while it's not in there, there's a gazillion other documents where the importance of contingency contracting is outlined.

And Gary, Mr. Motsek, why didn't it make the final cut?

MOTSEK:

Sir, I'm not part of the full staffing process. You know, the reality is the only thing I know as there is lots of stuff goes to the working groups and it's going to get distilled down some way. That's the only part that I . . .

THIBAULT:

So did you ever feedback on why it didn't make it?

MOTSEK:

Only what I commented to you before.

ERVIN:

Thank you. I'm over.

THIBAULT:

Well, I got you over. Do you have anything else, Commissioner?

ERVIN:

Not really.

THIBAULT:

All right. Thank you.

Commissioner Shays, please?

SHAYS:

Thank you. This is my last round, we may have a second, third round, just a quick question.

I want to put on record that I really appreciate all your service. I want to also put on the record that I think all of you are incredibly capable. I'm proud of your capabilities. I want to put on the record that I know you to be extraordinarily hardworking and devoted public servants.

I want to put that on the record because what we're trying to do is kind of open the pages of your statement, because your statement was created by folks at DoD. It all had to be signed off, probably the better statements were Xed out, the more candid statements.

And you know, and Mr. Motsek, you may get in trouble, because we happened to know he suggested that. But he's come before us so often and he is under oath and he has to respond to our questions. So I hope he doesn't get any grief for pointing out that he was trying to get someone to pay attention.

Dr. Hicks, I heard you speak at a forum and I thought, Isn't that nice we have someone so capable and articulate with a wide range, and General Gainey, a three-star and what you've done in the service.

So having said that, my take on this hearing is not a favorable one. First, I felt there was a lack of candor in the beginning and I felt that we were trying to suggest that this QDR really paid attention to contingency contracting, and it doesn't. And it's alarming to us and admittedly, we have our special focus, because you know, we are a commission that is supposed to look at contingency contracting.

The fact that Mr. Robbins said we want to reduce the number of contractors, I think, may be good, may be bad. But the irony is that when we looked at our report on the transition from DoD to State, State has got to do things that the government used to do. So we are going to hire more contractors.

And it seems to me, and then when we come to recognition that this really doesn't pay good attention to contingency contracting, service contracting, which is greater now than all the things that we buy or it appears to be, that we then say, "Well, we are doing the annual planning."

I know people's hearts in the right place, but this to me is an incredible example of the fact that the culture hasn't changed, because even if all of you wanted it in there, it didn't get in. So we know it. And now, we have to deal with it.

So you know, I don't know really what more we can say unless you have a comment to what I just said.

And I'll start with you, Dr. Hicks.

HICKS:

All I can say is that I think the QDR rightly represented the secretary of defense's, and you see the chairman has a response as well to the QDR, their views about what needed to be highlighted, in what amount of weight during that time.

SHAYS:

OK. Yes.

THIBAUT:

What we are going to do is poll through the order we did if anyone has a final question or comment.

Commissioner Green?

THIBAUT:

The only thing I wanted to say, and it's not a question—and it relates to everything that's been said here that there needs to be—it appears to be there needs to be more substance in the QDR related to contingency contracting.

What I keep hearing in the line of questioning is a real simple old statement that says something along the lines that if you keep doing what you've always done, you get what you've always got and it seems to me we are getting what we've always gotten, which is some vague policy understanding.

And I'm reinforced by Commissioner Ervin's reading about how important this document is. I would propose to you—and I have the utmost respect for the secretary also—I would propose to you that maybe if he heard some of this dialogue that he would have [inaudible] and then maybe Mr. Motsek's input would have come forward.

THIBAUT:

Commissioner Tiefer, do you have anything?

TIEFER:

You mentioned to me and we know, we are familiar with the DoDI [Department of Defense Instruction] for determining workforce mix.

ROBBINS:

Yes, sir.

TIEFER:

I'm not asking you. It discusses with some interest what's inherently governmental and what's not. I'm not asking about that. Let's just suppose this commission recommended and the Congress adopted an idea that we should replace, we should in-source, we should replace a fraction and I'm arbitrarily going to say 50 percent of our private security in Afghanistan and that's about a little over 16,000 or so, let's say 8,000, and they go along with the vague statements that have been made, that we may take four years before we are really starting to draw down forces.

And that's not a subject for today; it's a two-part question. Could you handle it and in the essence, if you in manpower were told by four years from now, can you handle, can you take care of the gap that would otherwise occur? Can you handle defining 8,000 bodies and my question is, first, could you?

And then is the only way you could do it that you would take a piece of the regular army and put it in there or part of the Reserves that we would otherwise be using for fighting and put them in there or would it be possible for you to set up a situation like the Civilian Expeditionary Workforce, like the diplomatic service—you know what I mean, it's State Department's arm for doing this, which uses civilians and they don't have to be kept on duty after the war.

Could you do it that way? So could you do it at all? If you did it, would you have to do it with the regular Army or do you have alternatives?

ROBBINS:

I will enter the question for the Army. But I think the commonsense answer is of course I could. But it's a matter of priorities. Again, we have an all-volunteer force. So we have to be very mindful of how we deploy our soldiers, sailors, marines, and airmen. So could we probably in the long term or short term—I'm not sure what the longer-term implications would be and the opportunity cost to the other commitments of the armed forces at a time, as you know, we are under significant physical pressure.

TIEFER:

Thank you. And the second part of my question, could you do it without touching the regular Army or tearing people off their regular Army to put them in this duty?

ROBBINS:

I would give you exactly the same answer.

TIEFER:

So it's yes?

ROBBINS:

The answer is could we do it theoretically? Yes. Would we do it?

TIEFER:

No, no. I mean, if Congress told you to do it, would you be able to do it without using regular Army people?

ROBBINS:

That's a different question. I mean, it's the same answer, but it's a different question.

TIEFER:

Mercifully, I should let . . .

THIBAUT:

OK. Commissioner Green, you had something?

GREEN:

Mr. Robbins, let me go back to an example that Commissioner Thibault used and in your response to that and that is in this DoD-to-State transition in Iraq, he mentioned medivac.

ROBBINS:

He did.

GREEN:

And you said, "Well, that's definitely inherently governmental." You know, these guys may be going into hot landing zones, blah, blah, blah. What is the option?

ROBBINS:

First thing, I said the scenario as the chairman described it was clearly inherently governmental. I'm not sure every medivac . . .

GREEN:

OK. OK, but you've got, let's say, a percentage of them that fall under that sort of a scenario. What is the option?

ROBBINS:

Well, I would have to consult with the joint staff, the commanders to see what assets they do have.

GREEN:

But they're going to all be gone.

ROBBINS:

Well, I would tell you, our guidance is clear. I know, I've had teenagers live in my home; policy isn't sufficient, but it's necessary. Our policy is pretty straightforward. The scenario that the chairman delineated was clearly inherently governmental. That is my answer.

GREEN:

I don't know how we evacuate these people then.

THIBAUT:

Well, Commissioner?

GREEN:

Yes.

THIBAUT:

I think you are spot on. And the question is does the current policy of pushing the Army, let's call the question what the question is. In light of disclosure since that policy was established, you know, certain critical functions that are going to cost us more and maybe clearly put people in that are less qualified and hopefully without disastrous results.

But I don't think I would want to be pulled out in a basket out of somewhere by someone that they assured me had done it 15 years ago and was now a contractor, nor would I in the current environment want to be pulled out by an Iraqi recently trained helicopter pilot.

Commissioner Zakheim, do you . . . ?

ZAKHEIM:

I was just going to say that I just don't see how the government has gotten its arms around this problem at all. I asked you about the contingency workforce and clearly you wouldn't even say they'll be replacing anybody. You wouldn't even commit to that, although 270 can't replace 200,000 anyway. So if it's not going to be them and it's not going to be the Army and it's not going to be Iraqis or Afghans, then it's only going to be contractors.

So all this talk about in-sourcing, about control over contractors, about having a better handle on them, it's all talk, because you are going to be getting contractors not only doing what they are doing today, but doing even more things that, as you yourself described, are inherently governmental. Boy, that troubles me.

THIBAUT:

Excuse me.

Commissioner Ervin?

ERVIN:

Just one just quick thought: I thought, Dr. Hicks, at the end of your last round, you really put your finger on what we're here talking about today. You said, and I don't have the transcript obviously yet, but you said something like the QDR reflects the secretary's priorities and indeed, it does.

And all we are saying is the fact that there is so little mention in this QDR relative to other issues, like the wounded warrior issue that you yourself raised relative to OCS, shows that as priorities go, this isn't a major priority of DoD.

THIBAULT:

Commissioner Shays?

SHAYS:

I came thinking that it was a higher priority than I'm leaving but I think really it's not a reflection on the four of you. It's the reflection on what made the cut and so I might have liked a little more candidness in the beginning, but I think in the course of this hearing we have the information we need.

We have really tried to make a point of not taking cheap shots, because we know it's all catch-up and we know we are trying, and the area that I think we at the Commission have seen some real success is some recognition that there be better oversight by the department. We've seen that you now can become a flag officer by focusing on contracting.

So we know that individually we are trying to get a handle on this. But the thing that we fear is that—and this is to Grant Green. I mean, he is the one who asked for this hearing, kept pushing, said, "Why have we taken so long to have it?" And that's why he asked the first questions, because it's just not in the QDR, it's not a part of our culture yet and I guess what we'd like is to have you go back. I'd like you to consider if it's a legal possibility of amending the QDR and saying, "You know, we got to talk more about contracting."

I'll tell you the significance of you doing that. It would really send the message to the rank and file that contingency contracting, service contracting, which is now we think larger than the purchase of goods, has got to be taken more seriously. And I'll say to you by more seriously we also mean integrating the contractor in the planning process, integrating the contractor in exercises, telling the contractors sooner rather than later, you know, what is going to be our drawdown in Iraq and how can you all play a role in it.

And I'll end by saying, Mr. Robbins, we do think that we, I think many of the commissioners believe that we have an over-reliance in contractors. We need some guidance as to what that means. So I thank you all for being here. And again, thank you for your service to our country.

THIBAUT:

Great. Now I'm going to say a couple of things quickly.

Thank you also, and then we are going to give you a chance to wrap up because when Mr. Motsek's done, we are going to say good-bye, consistent with our approach.

I wanted to reiterate, thank you for your service to the country, especially General Gainey, because people in active duty have my absolute appreciation. All of you defense folks, which I was, also have my appreciation.

And we debated—we always debate do we have the right group of people. Whenever Gary Motsek is put in, we go, "Oh, jeez, we've heard him before." But truth of the matter is this was a very good hearing and put a lot of issues on the table and a lot of food for thought. And I appreciate you all for coming back at us with your thoughts and candor because it's not a good hearing unless you push back a bit.

And we can start with Dr. Hicks and give your final say.

Doctor?

HICKS:

Thank you, Chairman Thibault and Chairman Shays and certainly to all of you for your service. This is a very important issue as I think the opening statements made clear and as our written statement makes clear.

I would raise just a few things that I don't think came up very clearly in the Q&A that I would want you to take away.

The first is focus on the substance. What is missing? Is it a picture, is it a header, is it words, is it actual direction and initiatives? What is it that was missing that you wanted to see in that document?

The second is the issue of the legislation. The QDR, as I said, has approximately 20 legislative requirements right now. Adding this is not—no harm, no foul, we absolutely can look at this in the next QDR or the next team can look at this in the next QDR.

But I think again, the question is what is it that you want to achieve? Will that achieve what you want? We look at, as I said, many, many elements in the QDR. Do you want it to be one more thing on a checklist or are you looking for a deeper analysis from the department? And if so, what's the right legislative solution for that?

And I'll leave it at those two. Thank you.

THIBAULT:

OK.

General?

GAINEY:

Thank you, gentlemen for the products that you've already given us, your insight and candor, because looking at yourself through others' eyes is always helpful because sometimes you miss things that you all have brought up for us, and you have been instrumental in helping us get some of the changes we needed.

I think we're in total agreement that the most important thing is changing the culture and getting people to focus on operational contracting support and what that means on a battlefield and not doing it just for today, but to do it for tomorrow and the future so that it's part of that plan and we know going into the next conflict exactly how many and in what areas, that it's part of the plan, that it was a deliberate attempt to have that number and that the total-force mix is by design, not by happenstance.

And secondly, to be able to start looking at then the differences that you have to have in the training necessary to go ahead and ensure that someone that is not acquisition knows how to deal with the contractor, how to provide the proper oversight, who can give direction to contractors, and how to do the actual planning and requirements in advance so that you're not again having costing things, or having things cost more than they should because you didn't have a plan in advance and that things happened by happenstance instead of by someone who has the training and the knowledge and the appropriate authority to give that guidance.

Second, I think that you are going to see in the near future—the chairman has already started drafting his guidance—you are going to see that in the next 90 days along with several other DoD planning guidance that will deliberately give the services and the COCOMs the guidance they need to go back into the current plans and future plans and put in the level of fidelity we need on the force mix, on contractor management, and to look at exactly what is going to be needed in the future of the different types.

Because perhaps as you were getting to, Mr. Green, if I was chairman or the chairman for the Army, I would perhaps do something differently. But he is going to go in with that knowledge in advance because that will be in his war plan. He will then know how many he's got to have and then realign force structure, money, priorities against that.

Second is then the training that's going to get to across all services, across all functional capabilities, because that's where you start to get people to believe in what needs to be done and give them the tools they need, because right now we don't always have the tools we need out there. We do some immediate training for folks that are deploying, but we are now trying to put them into the actual schoolhouses so that you get that baseline knowledge.

And last, I thank you for the time and effort and your support to our forces.

THIBAULT:

Thank you.

Mr. Robbins?

ROBBINS:

Yes, sir. I'd also like to thank you for the opportunity to come here. I learned a lot, and I appreciated gaining your perspective and when you had an issue you wanted to address, I looked at it in a little different light, so I appreciate that.

I thought though, not to pile on to General [sic] Green, that probably the most insightful remark from the panel today was made by Mr. Green. I am in charge, part of my job is total-force management for the department. It was my privilege to serve in the all-volunteer force before we were volunteers.

It's all about the culture, and it's not just about OCS. Oddly enough, many people think military manpower is a free good. Oddly enough, many people haven't recognized the stunning professionalization of our enlisted force since 1973. Oddly enough, some people would be reluctant to have a civilian assume a position of responsibility if they could get a lieutenant colonel.

So it's all about the culture. This, the battle we fight every day, I will not repeat the three objectives we have that I gave Chairman Shays that starts with maintaining the viability of the all-volunteer force, but we think getting the OCS part of it right is certainly part of it.

But to do that, to change the culture, we have to give commanders and others information and tools and that's why, quite frankly, we are pretty excited, if someone can get excited about it, things like the inventory of contracts for services, like having the components delineate their

requirements for the next seven years and include contract work-year equivalents including those associated with OCS so a commander can realize, "Wow, that's a pretty big footprint."

So yes, it's all about the culture, but as we change that culture and it's going to take time, we have got to be absolutely unremitting in giving our commanders and managers the information and tools they need so we can incentivize their behavior, because we can't drive the department through policy. Thank you.

THIBAULT:

Thank you, Mr. Robbins.

You realize you have wrought great dissension upon this commission by singling out Mr. Green as asking the best question.

ROBBINS:

It was a calculated risk.

THIBAULT:

Mr. Motsek, please?

MOTSEK:

I'm not going there.

(LAUGHTER)

My fault, I should have used the term culture. I used institutionalization, but you are absolutely correct. Grant, when you and I grew up, a contract was there to relieve the . . .

SHAYS:

Excuse me, I don't think either of you have grown up yet.

MOTSEK:

Yes, thank you. The contract was there to relieve us of a burden and we ignored it. You've brought a contractor and that ceased to be a problem on your plate. That is no longer the case. It's now, as we've described over and over again, part of the total force.

You have force-protection requirements, you have house-building requirements, you have household requirements, you have all the burdens associated with the force structure associated with you when you are out in the deployed force and that's the cultural change that has to change and be inculcated.

You are very concerned about have we institutionalized this yet and I just want to give you a couple of examples, I think, in closing where I think we have made the points or at least the points that start the ball rolling.

In 2006, my office was created. Before then, there was no office and the Office of the Secretary of Defense was concerned about this area. In '07, the joint staff created specialized, dedicated staff for this same issue.

In '08, we came to the realization that if you are going to have a successful contracting program of contracting officers you have to have general and flag officers associated with that. And they became [inaudible] general officer/flag officers positions established. And in '09, the Army established their Army Contingency Contracting Command as part of their institution.

So those are good indicators that we are slowly making progress, albeit, it's never fast enough. What are the markers of success in the future in my mind? Does our CONOPS, which we have out there that has now been accepted does that translate fairly rapidly into the service doctrine and the service FMs [field manuals] and the [inaudible] that have to be out there?

How well do we exercise these people in joint exercises? We have gone through about five to six joint exercises, working the contingency contracting piece, but how can we flesh that out to be more definitive?

Lastly, I am still convinced that a couple of things have to happen for us to really to be able to declare even a short-term victory in what we are doing. We have to get the adaptive planning process in place, because as General Gainey has talked about it, the present deliberate planning process is very laborious, takes set-piece sets of instructions that go to the field and you can't go back and forth.

And this, the contingency environment and particularly the contracting piece, particularly why you are in operations is Professor Tiefer talked about, when you have FRAGOs out there, it flows back and forth. And so you have to have a flexibility there which we have to grow, and we have to grow, as I've talked about before ,that that other piece of software that helps you build the contingency contracting staff, and so you can some rough equivalent of a TIPFDD out there and unit capability out there.

And finally, the last mark on the wall will be whether we've been successful in the near term -- is whether the POM-14 force structure reflects exactly what we pushed out to do, and we still owe that to you.

And so it's been fun as always. Thank you very much.

THIBAULT:

Thanks, Mr. Motsek.

Thanks to all of you who endured with us sitting behind our panel. The hearing is over. Thank you.