

March 20, 2017

Subcommittees on Information Technology and Government Operations
Committee on Oversight and Government Reform
United States Congress
House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Committee Members:

Thank you for the invitation to appear before the Subcommittees on Information Technology and Government Operations. As requested, I am forwarding a brief biography and written testimony. I look forward to seeing you next week.

Best Regards,



Deidre A. Lee
Chair

Attachments as stated:
Brief biography
Testimony

Biography for Deidre A. Lee, Chair

In addition to serving as chair of the Section 809 Panel, Deidre Lee is a self-employed consultant. She has broad experience in acquisition from both the private-sector and federal-government perspectives. Most recently, she served as executive director for compliance and vice president for operations at the Fluor Corporation. She served as a board member for the National Contract Management Association and executive vice president for federal affairs and operations at the Professional Services Council. As a federal employee, Ms. Lee served as director of management at the Federal Emergency Management Agency of the Department of Homeland Security; assistant commissioner for integrated technology at the Federal Acquisition Service of the General Services Administration; director of defense procurement and acquisition policy at the Department of Defense; administrator at the Office of Federal Procurement Policy of the Office of Management and Budget; and associate administrator at the Office of Procurement of the National Aeronautics and Space Administration. She holds a master's degree in public administration from the University of Oklahoma and a bachelor's degree in business administration from Central State University.

STATEMENT OF
DEIDRE A. LEE
CHAIR, ADVISORY PANEL ON STREAMLINING AND CODIFYING
ACQUISITION REGULATIONS (NDAA 2016 SECTION 809)
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON INFORMATION TECHNOLOGY
AND GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

March 28, 2017

Good afternoon, Mr. Chairmen and members of the Subcommittees. I appear before you today to discuss the challenges in federal information technology (IT) acquisition and government acquisition in general.

Your invitation to participate in this hearing included a number of questions such as what regulatory, financial, or process challenges must be addressed and how to leverage private-sector innovation capabilities. As chair of the Section 809 panel, these questions align with the drive to obtain and maintain technological advantage integral to our charter. During the next 18 months, we will develop data-driven recommendations for defense acquisition actions.

The Section 809 Panel is an *independent* panel established by the FY 2016 NDAA (Section 809 of the National Defense Authorization Act for Fiscal Year 2016 (Pub. L. 114–92), as amended by section 863(d) of the National Defense Authorization Act for Fiscal Year 2017 (Pub. L. 114–328). The Section 809 Panel was established to

- (1) review acquisition regulations applicable to the Department of Defense with a view toward streamlining and improving the efficiency and effectiveness of the defense acquisition process and maintaining defense technology advantage, and
- (2) make recommendations based on the review to improve the acquisition system functioning, while considering the appropriate buyer/seller relationship, financial and ethical integrity of defense procurement programs, and protection of Department of Defense best interests.

The Panel, seated in August of 2016, comprises industry and government experts including

- LTG N. Ross Thompson III, USA (Ret.)
- VADM Joseph W. Dyer, USN (Ret.)
- Ms. Claire M. Grady
- The Honorable Allan V. Burman
- Mr. David A. Drabkin
- Dr. Terry L. Raney
- Mr. David P. Metzger
- Maj Gen Casey D. Blake, USAF
- Maj Gen Kenneth D. Merchant, USAF (Ret.)
- Maj Gen Darryl A. Scott, USAF (Ret.)
- Mr. Elliott B. Branch
- The Honorable William A. LaPlante
- BG Michael D. Hoskin, USA
- Mr. Charlie E. Williams, Jr.
- Ms. Cathleen D. Garman
- Mr. David G. Ahern
- Mr. Laurence M. Trowel

According to the Government Accountability Office, approximately \$80 billion of annual operational agency spending is committed to information technology.¹ With growing integration of services and consequent reliance on technology in the systems and services necessary to accomplish government work, IT acquisition, and particularly IT related to services, must be revolutionized. Today, the average IT acquisition takes too long, consumes too many resources, and is too inflexible to meet users' needs. The rigid and highly prescriptive acquisition system, meant to bring transparency and fairness to the process, often delivers yesterday's technology. Although critical to IT acquisition, these same challenges permeate government procurement. The rules, processes, procedures, and statutes that govern the acquisition process originate in good intentions, yet over time, they have forged a complex system that discourages new entrants and inflates the cost of doing business for those who participate. This issue is not a new one.

Although the Section 809 Panel is just beginning its work, four recurring themes have emerged that underscore what we need to do in government acquisition:

Execute to the mission.

There is much good that comes from public policy; however, putting it first has obscured our way. Public policy should support operational needs, not supersede them. Our primary focus must be on mission readiness and performance results.

Simplify all processes.

There are too many unique policies, exceptions, thresholds, reviews, and gates for acquisition to be efficient and effective. These complexities create barriers for businesses hoping to enter the DoD market place and consequently inhibit DoD's access to technology and innovation.

Value time.

We treat time as if it is a costless, valueless commodity – rather than a precious, limited resource. Time value needs to be considered alongside dollar value and technology lifecycle.

Decriminalize commerce.

Some businesses, especially small businesses, hesitate to engage in commerce with government because they fear minor, unintentional mistakes may result in criminal charges, hefty fines, and damaged reputations. For many, the benefits of doing business with government are not sufficient to offset the associated risks. We also disincentivize government and industry people by discouraging measured risk and innovation.

These four themes appear to be ubiquitous, with application across the spectrum of acquisition, including large and small purchases and IT. The nature of these themes suggests that although the Section 809

¹ U.S. Government Accountability Office, "Information Technology: Federal Agencies Need to Address Aging Legacy Systems," May 2016 at: <http://www.gao.gov/assets/680/677436.pdf>.

Panel will focus its efforts on DoD acquisition, much of what we will recommend will be applicable to acquisition across the federal government and will have the potential to inform governmentwide reform.

Our panel currently has seven study teams that focus on regulations to statute baseline, streamlining DoD acquisition processes, commercial buying, barriers to entry, successful programs, information technology acquisition, and budgeting.

Col. Harry Culclasure leads our IT acquisition team, which formed a little more than 30 days ago and focuses on business systems and IT services, and coordinates with the commercial buying team in a crosscutting fashion.

Not surprisingly, many people roll their eyes when they hear that this panel has been formed to issue *another* report. I am frequently asked what is different about the Section 809 Panel. The key difference in what this panel will recommend and the dozens of other groups that have produced fine reports and recommendations in the more than 20 years since the 1993 Section 800 Panel will be the specificity of our data-driven recommendations. Similar to the Section 800 Panel report, our report will contain line-in, line-out support for the recommendations. These recommendations and the *how-to* roadmap will provide decision points for Congress and the administration in reshaping and reforming defense acquisition.

As we work to make the acquisition system responsive, innovative, and more cost effective, I expect some controversial ideas and spirited discussion. The time for superficial conversation and insubstantial changes to regulations and statutes has passed. The global threat is rapidly changing, the relevance of the unique defense industrial base is waning, the processes for acquisition are no longer efficient or effective, and implementing these processes is left to a workforce that is mired by constricted thinking and risk aversion. Our panel plans to GO BOLD. We intend to take a big bite into real change, rather than just nibble around the edges. To do otherwise is to put our military's mission at risk.