United States Government Accountability Office
Washington, DC 20548

November 22, 2005

The Honorable John Warner
Chairman
The Honorable Carl Levin
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Duncan L. Hunter
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

Subject: *Defense Acquisitions: Joint Forces Command's Limited Acquisition Authority*

In recent years, Congress has expressed concern that urgent joint warfighting requirements are not always met in the most expeditious manner, particularly command and control and blue-force-tracking capabilities that reduce the chances of friendly-fire casualties. In the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108-136), Congress gave the U.S. Joint Forces Command (JFCOM) Limited Acquisition Authority (LAA) to address these and other joint-warfighting challenges. LAA is an authority aimed at ensuring that measures to meet urgent, unanticipated joint warfighting needs are conceived, developed, and fielded in an expeditious manner. Enacted for a 3-year period, LAA will expire after September 30, 2006. The Act required GAO to determine the extent to which LAA has been used. Specifically, we focused on (1) how JFCOM used the authority during fiscal years 2004 and 2005, (2) the processes and procedures JFCOM developed to implement the authority, and (3) the challenges of implementing it. In covering these areas, we did not evaluate the quality of the projects undertaken or the value added of the equipment provided to the warfighter under LAA.

## Summary

During the first 2 years, fiscal years 2004 and 2005, JFCOM used LAA for six projects. Five were completed 2 to 17 months after being approved, while the sixth is not yet complete. Fielded capabilities include a precision air drop system for small (e.g., 2,000 pounds) logistics packages; a system

designed to identify and locate improvised explosive devices; a system to improve blue-force-tracking to prevent friendly-fire casualties; and advanced, mobile, command and control systems for commanders. According to JFCOM, these projects accelerated capabilities to the warfighter by providing 60- to 80-percent interim solutions rather than waiting years for a 100-percent solution. The Command leverages existing technologies, Advanced Concept Technology Demonstrations, and on-going agency research and development efforts for its LAA projects. Funding for completed projects has totaled about $9 million in research, development, test, and evaluation funds, ranging from about $500,000 to $3 million per project. No procurement funding has been used. Funding has mostly come from JFCOM. The sixth project is a hands-free two-way translator that seeks to provide real-time translation between spoken English and other spoken languages, particularly Iraqi Arabic.

For the six projects, JFCOM has been following a set of policies and practices, which it formalized in July 2005. To use the LAA, JFCOM can only consider those requests that are to meet a combatant command's needs. Once a request is received, JFCOM follows a process to define, fund, and execute a project to satisfy the request. In general, the process consists of multiple phases, including concept development; proposal review using specified criteria, including checks for duplication of effort; feasibility studies and final approval by the JFCOM commander; finding project funding; arranging for contracting; and executing the project. JFCOM has decided to manage its process with a staff of generally 2 part-time people. For contracting, JFCOM mostly relies on other organizations, including five Department of Defense (DOD) organizations that have been directed by the DOD to assist with the LAA. Finally, while the JFCOM LAA staff brokers the LAA process and facilitates the projects, it does not actually execute them. Execution is mostly handled by traditional acquisition organizations, such as service development organizations.

In implementing LAA, JFCOM has faced challenges in finding funding for and sustaining LAA projects. Our work has shown that assessing the effectiveness and utility of the capabilities after they have been fielded has also been a challenge. Because LAA is an authority, not a program, it does not have budgeted funds. To implement an LAA project, JFCOM LAA staff must find a source for the funds, such as from a service, existing program of record, or defense agency. This keeps the projects austere, but adds to the time it takes to get a new capability to the field. In some cases, JFCOM has taken funds from its own programs to pay for LAA projects. After a capability has been acquired, an obligation for sustainment is created, which LAA does not cover. JFCOM tries to identify a Service, defense

agency, or other entity's program of record to adopt it for long-term sustainment. Finally, JFCOM has not had a systematic process to assess the effectiveness and utility of the LAA capabilities after fielding. JFCOM officials informed us that they are currently changing LAA processes and procedures to require effectiveness assessment plans as part of LAA proposals.

## Background

LAA is intended to allow JFCOM to rapidly provide battle management, command and control, communications, and intelligence equipment, and any other equipment the JFCOM commander determines is necessary to facilitate the use of joint forces in military operations or enhance the interoperability of equipment used by joint forces. The law limits the size of LAA projects to those with estimated costs per system of less than $10 million for research, development, test and evaluation (RDT&E), and less than $50 million for procurement.

JFCOM is one of the nine combatant commands in DOD and provides joint-capable forces and joint capabilities that support the Global War on Terrorism and combatant commanders' operational needs. Also, JFCOM is DOD's joint-force integrator and interoperability advocate for the combatant commands, leads joint-force transformation and joint experimentation in DOD, and produces joint concepts and capabilities.

LAA is one of several authorities for rapid acquisition that has been created to try to put improved warfighting capabilities in the field faster than the conventional acquisition processes typically allow. One such authority is the Secretary of Defense's Rapid Acquisition Authority (RAA), which allows the Secretary to identify equipment as urgently needed to eliminate a combat-capability deficiency that has resulted in combat fatalities. LAA is broader than RAA authority. RAA allows the acquisition of only specific equipment that eliminates a capability deficiency that has already caused combat fatalities, and RAA projects must be approved by the Secretary of Defense. LAA allows the acquisition of many types of equipment before and after combat fatalities occur, and LAA projects are approved by the JFCOM commander. According to JFCOM officials, it is only through LAA that JFCOM has the authority to satisfy the unanticipated, unbudgeted, urgent mission needs of other combatant commands.

## JFCOM Has Used LAA for Six Projects

Since its enactment, JFCOM has used LAA for six projects. Five were completed and deployed—primarily to warfighters in Iraq and Afghanistan—2 to 17 months after being approved. A sixth project is ongoing. According to JFCOM, these completed projects accelerated

capabilities to the warfighter by providing 60- to 80-percent interim solutions to battlefield problems, rather than waiting years for a 100-percent solution. Total cost for the five completed projects has been about $9 million in RDT&E funds. Procurement funds have not been used so far. Details are shown in Table 1.

**Table 1: Description of the Six LAA Projects**

| Project name | Capability provided | LAA cost ($ in millions) | Number of months to complete project after request approved | Deployment dates |
|---|---|---|---|---|
| Change Detection Work Station | Detect landmines and improvised explosive devices along convoy routes by using visual imagery to identify and locate changes in terrain. | $0.55 | 5 – 11 | November 2004 – May 2005 |
| Command and Control on the Move | Improved communication package for commanders, allowing broadband reach-back to information while on the move over rough terrain or dismounted from a vehicle. | $1.95 | 11 – 14 | April 2005 – July 2005 |
| Joint Precision Air Drop System 2,000 Pounds | High-altitude precision air drop of logistics support packages for forces where ground delivery or an airfield is not available. | $2.19 | 16 - 17 | September 2005 – October 2005 |
| Joint Task Force Commander Executive Command and Control | For joint task force commanders, remote access to classified and unclassified networks while away from the headquarters compound. | $0.85 | 4 – 15 | September 2004 – August 2005 |
| Joint Translator Forwarder-Rapid Attack Information Dissemination Execution Relay-Joint Blue Force Situational Awareness | Provides machine-to-machine transfer of blue-force-tracking data from battle management, command and control systems to strike aircraft by integrating blue-force-tracking capabilities across the theater. | $3.38 | 2 – 5 | June 2005 – September 2005 |
| Simultaneous 2-Way Speech Translation | Expected to provide a hands-free device for simultaneous translation of American English to Iraqi Arabic and vice versa. | $15.0: $6.4 RDT&E + $8.6 procurement (estimated) | On-going | On-going |

JFCOM has drawn on extant, mature technologies for its LAA projects. In addition, JFCOM has used parts of existing service or defense-agency Advanced Concept Technology Demonstrations and other efforts to rapidly develop and/or acquire a new, joint capability for the warfighter. For example, the Change Detection Work Station project originated from an extant Joint Area Clearance Advanced Concept Technology Demonstration that uses visual imagery to detect land mines by detecting

changes in terrain. Using LAA, this technology was modified to detect improvised explosive devices along convoy routes in Iraq and Afghanistan. Similarly, the Joint Precision Air Drop System 2,000 Pounds project originated from an extant Advanced Concept Technology Demonstration focused on developing precision air-drop systems for 10,000- and 30,000-pound loads. Using LAA, this technology was modified to handle much smaller loads for re-supplying Special Operations teams operating in Iraq. Half of the LAA projects originated from existing, joint technology demonstration programs. According to JFCOM, LAA projects also can originate from commercial- and government-off-the-shelf products and one of JFCOM's subordinate commands—the Joint Systems Integration Command.

## Processes and Procedures Used By JFCOM to Manage LAA

JFCOM has adopted a number of processes and procedures to manage LAA. These include processes and criteria for screening requests for LAA projects. JFCOM uses a small staff to manage the LAA process, and leverages and partners with a variety of other organizations to fund, contract for, and execute LAA projects.

### JFCOM Uses a Process to Screen Requests for LAA Projects

For the six projects undertaken so far, JFCOM has been following a process, which it formalized in July 2005. The LAA process consists of multiple phases, which can be tailored to meet requests as expeditiously as possible. The phases are:

- Proposal Receipt - JFCOM can only consider those requests or proposals that come from or are validated by a combatant command. A request or proposal may come directly from a combatant command, or may be submitted by a component commander or service. However, in the latter case, JFCOM cannot consider the request unless a combatant command validates it as an urgent operational need in its assigned area of responsibility.
- Feasibility Assessment - the requested capability must be readily obtainable or have a reasonable expectation of being developed in a year. The assessment includes a technical evaluation; value versus cost determination; ascertaining if parallel or competing initiatives are underway; assessing materiel and non-materiel approaches to resolve the shortfall or interoperability deficiency; and determination of whether a proof of concept evaluation is required and what pass/fail criteria should be applied. Exploratory testing of various system elements or of the entire system is conducted if necessary as part of this feasibility assessment.

- Proposal Review and Approval - the JFCOM Judge Advocate's Office reviews the proposed project to make sure it complies with the LAA statute. The JFCOM commander has final approval authority.
- Locating and Obtaining Funding - JFCOM develops a plan of action for the project, and finds funding. The JFCOM comptroller reviews each project's funding to make sure the proper appropriation is used and that total costs stay within LAA statutory limits.
- Contracting - any new contracts or modifications to existing contracts required for the project are obtained.
- Project Execution - the product is developed and/or acquired and the capability delivered to the warfighter. JFCOM's oversight and accountability for LAA capabilities ends within two years of the approval of an LAA request.

The desired capability must not duplicate capabilities under development elsewhere in DOD or that are part of an existing program of record or program objective memorandum. The requested capability can, however, accelerate such capabilities. To avoid duplication, according to JFCOM, it coordinates with Advanced Concept Technology Demonstrations and engineering and systems acquisition commands across DOD to determine if the requested capability already exists. One effort to avoid duplication involves the JFCOM science advisors. Each of the services has a science advisor located at JFCOM who checks with the Defense Technical Information Center, a repository of technical information in DOD. Another effort involves a JFCOM official who coordinates with the Program Executive Office Interchange—an initiative that supports Army, Navy, Air Force, and Marine Corps command and control program executive offices—to find out if any similar efforts exist in the services.

Based on its screening process, JFCOM does not accept all requests made to use LAA. For example, JFCOM rejected two requests during fiscal year 2004. The Collaborative Information Environment was rejected because no combatant command would validate it as an urgent operational need and the cost exceeded LAA statutory limits. Another request, for the Joint Extended Collaborative Environment, was rejected because again no combatant command would validate it as an urgent operational need and the Army was already developing a capability that met the need, according to JFCOM.

Testing for LAA projects can be limited and is sometimes conducted by the warfighter upon receipt of the capabilities. However, field operational tests are conducted for all LAA capabilities, and training plans are prepared before the capabilities are fielded, according to JFCOM officials.

Prior to the field operational tests, requirements for testing LAA projects can vary depending on the equipment involved. For example, if the LAA capability consists of commercial- or government-off-the-shelf products that are already configured for military use, no hardware testing would be required. On the other hand, if the LAA capability required new software to be developed, it would have to be tested prior to delivery to the warfighter.

## JFCOM Uses a Small Staff to Manage LAA Process

JFCOM leverages and partners with a variety of other organizations to fund, contract for, and execute LAA projects. This enables JFCOM to keep its LAA staff small—generally 2 part-time people. Their primary role is to identify and work with various organizations to leverage and form partnerships for LAA projects. JFCOM officials commented that such leveraging and partnering help to promote the concept of jointness. For example, JFCOM has sought and obtained funds from the Naval Air Warfare Center Weapons Division, China Lake, Calif., for the Change Detection Work Station.

JFCOM, by choice, does not have dedicated acquisition staff for LAA projects. For contracting services, JFCOM mostly relies on other acquisition organizations in the services and defense agencies. For example, Army and Navy acquisition organizations have provided contracting services for various LAA projects. DOD has directed five acquisition organizations to provide acquisition services for LAA on a priority basis; however, JFCOM is not limited to using only these five. Similarly, staff from a JFCOM subordinate command has directed or accomplished LAA projects, but mostly the project execution staff is part of the service or entity that is actually conducting the project. For example, the work for the Change Detection Work Station was conducted at the Army Communications and Electronics Command's Night Vision and Electronic Sensors Directorate, and the work on the Joint Precision Air Drop System 2,000 Pounds was conducted at the Army Natick Soldier Center and at the Air Force Air Mobility Command. A project's execution staff is part of JFCOM only if the project is actually being executed by a JFCOM organization. For example, the Joint Task Force Commander Executive Command and Control project was fully executed by a JFCOM subordinate command, the Joint Systems Integration Command, and the Command and Control on the Move project was partially executed by this command as well.

## Challenges in Implementing LAA

JFCOM has experienced two challenges in implementing LAA: locating and obtaining funding to move the project through the process, and arranging for the sustainment of the LAA products once they have been fielded. Our work has shown that assessing the effectiveness and utility of the capabilities after they have been fielded has also been a challenge.

### Funding LAA Projects and Sustaining LAA Products

Since LAA is an authority, not a program, it does not have budgeted funds. After an LAA proposal is evaluated and approved by the JFCOM commander, JFCOM LAA staff must locate and obtain funding in order to execute the project. According to JFCOM officials, this is accomplished by contacting various organizations to determine if they are able to provide funds to support it.

While the search for funding provides incentives for coordination and keeping projects austere, it also increases the length of time it takes to field the capability. For example, it took about 17 months to field the Joint Precision Air Drop System 2,000 Pounds. Seven months (40 percent) of this time were required to locate and obtain the funding. It also took several months to locate and obtain funding for the Joint Translator Forwarder-Rapid Attack Information Dissemination Execution Relay-Joint Blue Force Situational Awareness project. The proposal for this project was originally submitted in fiscal year 2004, and two funding sources were identified. However, one of these sources was unable to provide its share of the funding in fiscal year 2004 as initially planned. Consequently, the project was put on hold for about a year until fiscal year 2005 when it could be fully funded. The capability was fielded about 6 months after funding was obtained. Similarly, the Simultaneous 2-Way Speech Translation project is now on-going, but it has not been funded. JFCOM staff is searching for funding to execute it.

When locating funding for an LAA project proved especially difficult, JFCOM funded all or part of the LAA project itself by offsetting funds from its own programs. For example, JFCOM contributed funds to the Change Detection Work Station, and fully funded the Command and Control on the Move and Joint Task Force Commander Executive Command and Control projects. JFCOM officials commented that the loss of funds had a negative impact on the donor programs.

LAA does not provide the authority for product sustainment after deployment, yet capabilities fielded under LAA nonetheless must be sustained in the field. According to JFCOM, product sustainment is covered by operations and maintenance authority, which LAA does not include. Therefore, once a capability has been acquired under LAA,

JFCOM tries to find an organization—such as a combatant command, service, defense agency, or program of record—to adopt it for short- and long-term sustainment. Although a system fielded under LAA typically belongs to the combatant command that took custody of it, the command may not have funds readily available to pay for the sustainment costs. JFCOM officials commented that the timing of the DOD budget cycle is a primary factor for organizations dealing with the sustainment issue. LAA capabilities are acquired rapidly in response to urgent and emergent needs, and typically fall outside the timeframes of the normal DOD budgeting cycle. As a result, organizations usually have not budgeted for an LAA project or sustainment of an LAA product. There is often a waiting period until sustainment of the product can be included in the organization's next budget cycle.

Thus far, JFCOM has used its own operations and maintenance funding authority and funds to provide short-term sustainment during the "bridge" period while LAA projects are awaiting adoption by another organization. For example, in fiscal year 2005, the Joint Systems Integration Command—one of JFCOM's subordinate commands—funded the sustainment costs of the Joint Task Force Commander Executive Command and Control project as well as the Command and Control on the Move project. JFCOM has negotiated long-term sustainment plans in place for four of the five fielded LAA capabilities. For example, the Change Detection Work Station will be integrated into a service program of record in fiscal year 2009 and the Command and Control on the Move project in fiscal year 2006. However, JFCOM is still searching for a program or organization to adopt the Joint Task Force Commander Executive Command and Control capability in fiscal year 2006.

## Assessing the Effectiveness and Utility of LAA Projects

Capabilities provided by LAA projects are expected to provide tangible benefits to the warfighter. For the six LAA projects, the expected benefits include saving lives, vehicles, aircraft, and equipment; improving command and control communication; reducing command and control network and information-connection costs; and helping overcome shortages of skilled linguists. Expected benefits also include providing information on the performance of fielded capabilities to related programs of record.

However, JFCOM has not had a process in place to systematically and routinely assess the effectiveness and utility of capabilities after they have been fielded, or to capture performance information that can be provided to other projects and programs. JFCOM has received some positive feedback from warfighters about fielded capabilities, but it has been

largely limited and anecdotal. For example, positive email messages have been received from recipients of two LAA products. In some cases more concrete, albeit incomplete, performance data have been available. For example, according to JFCOM, use of the Joint Task Force Commander Executive Command and Control capability substantially reduced connection costs. Also, indications are that the new blue-force-tracking capability has significantly reduced the time needed to determine red targets.

JFCOM is currently in the process of revising the LAA process and procedures to require that LAA proposals include a plan to assess the effectiveness of the fielded capabilities. LAA projects will also be required to provide that assessment to JFCOM.

## Agency Comments and Our Evaluation

The Department of Defense had no comments on a draft of this report.

## Scope and Methodology

To determine how JFCOM has used LAA during fiscal years 2004 and 2005, we obtained information on and documentation for all LAA projects from JFCOM, located in Norfolk, Va. We also interviewed JFCOM officials, and officials in the Office of the Secretary of Defense for Acquisition, Technology, and Logistics, Defense Procurement and Acquisition Policy; and in the Joint Staff, Force Structure, Resources, and Assessment Directorate (J8), both located in Arlington, Va. To describe the policies, processes, and procedures for LAA, we obtained and analyzed the LAA directive and instruction that JFCOM developed and issued in July 2005, and interviewed JFCOM officials about them. We also obtained and analyzed information on how these policies and processes are actually implemented. To identify the challenges that JFCOM has faced in implementing LAA, we interviewed JFCOM officials and analyzed documentary information. We did not obtain information from other organizations significantly involved in JFCOM's use of its LAA, such as the various organizations that JFCOM has leveraged and partnered with for LAA projects or combatant commands receiving LAA products.

We conducted our work from June to November 2005 in accordance with generally accepted government auditing standards.

We plan to provide copies of this report to the Secretary of Defense; the Commander of JFCOM; and interested congressional committees. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO web site at http://www.gao.gov.

If you or your staff has any questions concerning this report, please contact me at (202) 512-4841. Key contributors to the report include D. Catherine Baltzell, Joseph E. Dewechter, Bonita J.P. Oden, Sylvia Schatz, and Greg Campbell.

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