OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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ACQUISITION

FEB 2 6 2010

The Honorable Daniel K. Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This letter constitutes the first report to Congress mandated in section 103 of the Weapons System Acquisition Reform Act of 2009, Pub. L. No. 111-23, which requires the senior official for the Office of Program Assessment and Root Cause Analysis (PARCA) submit to the congressional defense committees a report on the activities undertaken under this section during the preceding year.

Mr. Gary Bliss was appointed the first director of the PARCA office by a DepSecDef memorandum on January 4, 2010. PARCA reports to the Assistant Secretary of Defense (Acquisition) (ASD(A)), within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, OUSD (AT&L).

Standing up an office does not occur instantaneously, and PARCA is no different. The Army agreed to supply a Colonel as Military Deputy for the office and he has been serving since September, along with one contractor. This staff was available when the office was established in January 2010. The first action is the designation and acquisition of the directors required for the two statutorily mandated functions of PARCA: the Performance Assessment Director and the Root Cause Director. Two highly qualified candidates with deep backgrounds and experience in the field have agreed to accept the challenge, and we expect them to be on the on the staff by April 2010. Further, as of this writing (mid-February), over $2 million of FY 2010 monies have been identified for PARCA's immediate use this spring. Finally, the President's FY 2011 Budget Request to Congress identified resources in the FY 2011 request as well as programming for FY 2012 and beyond.

The focus of the office's activities since inception has been to immediately prioritize addressing the fulfillment of PARCA's responsibilities for conduct of the Root Cause Analyses, as mandated by section 2433a of Title 10, United States Code, to support the critical Nunn-McCurdy review process for programs anticipated to declare critical cost breaches in 2010. When staff is available, the office will be able to aggressively move out to complete the Root Cause reports required by law.

Just behind that priority is the establishment of a comprehensive, completely revised, program performance assessment system for use by USD(AT&L). The law defines this function as having three dimensions: a program's cost, schedule and achievement of performance goals. The key objective of this system will be to assure that the situational awareness of the execution status of each of the Major Defense Acquisition Programs (MDAP) in the portfolio is maintained consistently and coherently throughout the acquisition chain of command. Bringing "bad news early" is only part of the requirement, the other is to make sure that the facts of the situations are jointly shared; managers and decision-makers should be able to focus on what the facts mean and what the options are for going forward. PARCA will administer this system and ensure that it works seamlessly and transparently for all the stakeholders.

In closing, while establishing PARCA in the past few months, the office has been very clear with all the DoD stakeholders as to what PARCA will and will not be addressing. PARCA will provide timely objective assessments of program execution and highlight lessons learned from root cause analyses. In so doing, the office views its function as purely descriptive: it measures what has happened, and, in the event of problems, offers even-handed, disinterested, assessments of the problem's sources and how it may be avoided in the future. Otherwise, PARCA will not be involved in decision-making, nor as an advocate for any particular course of action. By keeping a disinterested perspective, PARCA's judgments can be seen as useful and constructive.

This letter is being provided to the Chairmen and Ranking Members of the other congressional defense committees.

Sincerely,

Mr. Gary R. Bliss
Director, PARCA

cc:
The Honorable Thad Cochran
Ranking Member