



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

17 AUG 1999

Mr. Peter F. McCloskey
President, Electronic Industries Alliance
2500 Wilson Boulevard
Arlington, VA 22201

Dear Mr. McCloskey:

In 1996, the Department of Defense accepted draft industry guidelines for Earned Value Management Systems Criteria as replacements for the Cost/Schedule Control Systems Criteria. However, because the guidelines were not issued as an industry standard, the Department maintained its own version of the criteria in Appendix VI of DoD Regulation 5000.2-R and encouraged industry to develop a more widely accepted standard.

In June 1998, the Electronic Industries Alliance published EIA Standard ANSI/EIA-748-98, "Earned Value Management Systems" in cooperation with the National Defense Industrial Association and with support from the Aerospace Industries Association, the American Shipbuilding Association, the Shipbuilders Council of America, the Performance Management Association, and the Project Management Institute. Several companies apply the standard both on government and commercial projects. Industry and government in other countries also recognize it as the world's best practice for managing complex projects. In view of this growing acceptance, I am pleased to inform you of my decision to adopt the standard for Defense acquisition (Enclosure).

The Department will continue to work with all interested parties to further the objective of universally recognized principles for integrated project management using earned value. Please advise the Commander, Defense Contract Management Command, of any proposed changes to the standard.

By publishing and using the new standard, industry, not government has assumed primary responsibility for defining the attributes of effective project management. Please extend my congratulations and thanks to the industry team members.

Sincerely,



J. S. Gansler

Enclosure



cc:

President, Aerospace Industries Association

President, American Shipbuilding Association

President, National Defense Industrial Association

President, Shipbuilders Council of America

Service Acquisition Executives

Director, BMDO

Director, DCAA

Director, DLA

Director, NSA