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Dec 26, 2018

Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

DEFENSE BUSINESS BOARD



Integrated Review Team on Defense Acquisition Industry-Government Exchange Interim Report

December 2018

Overview

- Purpose
- IRT Membership
- Study Tasks
- Study Plan
- Research
- Previous Work
- Actions to Date
- Way Ahead

Purpose

Provide the congressional defense committees an update on the Industry-Government exchange study as directed in § 883 of the 2019 National Defense Authorization Act

IRT Members

Arnold Punaro, Chairman

Business Board

- John O'Connor
- Bill Simon
- Cynthia Trudell
- Atul Vashistha
- Dave Venlet

Innovation Board

- Adam Grant
- Reid Hoffman
- Walter Isaacson
- Marne Levine
- Jennifer Pahlka

Science Board

- Michael Bayer
- Paul Kaminski
- Paul Kern
- James Miller
- David Van Buren

Expert Advice From members of three Secretary of Defense Advisory Boards

Study Tasks

- **Task 1** - Review legal, ethical, and financial disclosure requirements for industry-government exchanges
- **Task 2** - Review existing industry-government exchange programs
 - Determine if the programs are useful to the individuals selected
 - Determine if the Service adequately utilizes the “Graduates” once they exit the program
 - Determine if they are of sufficient size to matter to the Department
 - Determine if there is a better organizational model
- **Task 3** - Review how the Military Departments address legal, ethical, and financial requirements for members of the reserve components who also maintain civilian employment in the defense industry
- **Task 4** - Produce specific and detailed recommendations for any legislation, including the amendment or repeal of regulations, as well as non-legislative approaches to:
 - Reduce barriers to industry-government exchange to encourage the flow of acquisition best practices
 - Ensure continuing financial and ethical integrity
 - Protect the best interests of the DoD
- **Task 5** - Produce additional recommendations for legislation the IRT finds pertinent

Study Plan

The legislation directs:

- Briefing to congressional defense committees, no later than **Dec 31, 2018**
- Final report to the congressional defense committees and Under Secretary of Defense for Acquisition and Sustainment, no later than **March 1, 2019**

Administrative Requirements:

- DoD legal and security review of all briefings/reports

Produce specific, detailed, and actionable **recommendations** for any legislation, including the amendment or repeal of regulations, as well as non-legislative approaches, ... **to reduce barriers to industry-government exchange** to encourage the flow of acquisition best practices;

~FY19 NDAA (Pub. L. 115-232) August 13, 2018

Study Plan

- Interviews (Internal & External to DoD)
 - Senior OSD officials & Service Senior Leaders – nearing completion
 - Industry executives – nearing completion
 - Industry associations – nearing completion
 - Congressional Sponsors – NLT Dec 31, 2018
- Data Calls - Ongoing
 - Analysis of previous work
 - Surveys from graduates of current programs within DoD
- Research focusing on:
 - Current state of industry-government exchanges
 - Revolving door legislation for both senior management positions as well as the middle management level
 - Incentives/benefits to Industry
 - Density and placement for desired strategic affect
 - Existing Office of Government Ethics and SASC requirements for Senate-confirmed Presidential appointments

Existing Work on Government-Industry Exchange

- Federal Personnel Exchange Mechanisms Study, NOV 2013. Institute for Defense Analyses (IDA)
- Information Technology: Status and Challenges of Employee Exchange Program Study, DEC 2006. US Government Accountability Office (GAO)
- Selecting Senior Acquisition Officials Study, JAN 2018. Defense Business Board
- Fostering an Innovative Culture Through Corporate Engagement and Partnership Study, JUL 2015. Defense Business Board
- SECDEF Executive Fellows Program. Overseen by the Office of the Under Secretary for Personnel and Readiness. The program is a long-term investment and a key part of DoD's strategy to achieve the transformation of our military forces and capabilities.
- Franklin Fellows Program. Overseen by the Department of State. Provides a unique and innovative program that brings outside experts to the Department of State and USAID and allows citizens a chance to serve and to deepen their professional experience.

Existing Work Germane Work

■ Defense Business Board Studies

- Focusing a Transition - Challenges Facing the New Administration
- An Assessment on the Creation of USD for BM&I
- Selection of Senior Officials in the Acquisition Workforce
- Innovation: Attracting and Retaining the Best of the Private Sector
- Public-Private Collaboration in the Department of Defense
- Fostering an Innovative Culture Through Corporate Engagement and Partnership
- Innovative Culture, Part II: Virtual Consultancies - Engaging Talent
- Acquisition Workforce Growth and Recommendations for Insourcing
- Engaging US Business in Support of National Security Objectives
- Outreach Plan to Improve Communications between the DoD and the Defense Industrial Base
- Strategic Relationship Model between DoD and the Industrial Base
- MBA Recruitment

■ Defense Science Board Studies

- Creating a DoD Strategic Acquisitions Platform
- Understanding Human Dynamics
- Defense Imperatives for the New Administration
- Creating an Effective National Security Industrial Base for the 21st Century



Actions to Date

■ Interviews

- HON Mark Esper, Secretary of the Army
- HON Richard Spencer, Secretary of the Navy
- HON Heather Wilson, Secretary of the Air Force
- HON Mike Wynne, Former Secretary of the Air Force
- HON Mike Griffin, USD for Research & Engineering
- HON Ellen Lord, USD for Acquisition & Sustainment
- HON James Stewart, USD for Personnel & Readiness
- HON Paul Ney, DoD General Counsel
- Gen Paul Selva, USAF, Vice Chairman, Joint Chiefs of Staff
- HON Kevin Fahey, ASD for Acquisition
- HON Bruce Jette, ASA(ALT) - Army Service Acquisition Executive
- HON James Geurts, ASN(RD&A) - Navy Service Acquisition Executive
- HON William Roper, SAF/AQ - Air Force Service Acquisition Executive
- Mr. Eric Chewing, DASD for Industrial Policy
- Mr. Dana Deasy, DoD Chief Information Officer
- Ms. Lisa Hershman, Acting Chief Management Officer
- Mr. Jim O'Beirne, Special Assistant to the Secretary of Defense for White House Liaison
- Mr. Jose Gonzalez, Director, Office of Human Capital Initiatives OUSD(A&S)
- Mr. Jeff Green & Ms. Dani Irvine, OGC Senior Attorneys for Ethics

Actions to Date

- Research and analysis of previous work
- Questionnaires distributed to Government leaders and Industry executives
- November 7 Briefing to the public at the DBB Quarterly Board Meeting
 - Presented and voted on study plan
- NLT March 1, 2019 Final recommendations presented to the congressional defense committees and Under Secretary of Defense for Acquisition and Sustainment

DEFENSE BUSINESS BOARD

