

Acquisition Agility Begins with Resource Availability

How the Marine Corps' programs and budgets for capability investments impact lethality and readiness, and stifle innovation and modernization responsiveness

by Col Robert O. Bailey

To capitalize on innovative and emerging technologies to compete and win in a dynamic and unpredictable security environment, the Marine Corps needs to change how it plans for and executes its dollars.

The Nation's adversaries and threats do not recognize the constraints of the Planning, Programming, Budgeting and Execution process or plan actions against the United States, its interests, and allies on a Future Years Defense Program (FYDP) timeline.

The Corps needs to adopt a capabilities-based portfolio programming methodology to maximize agility in the acquisition process while capitalizing on relevant technologies. This methodology will allow the Corps to gain a decisive advantage over our peer adversaries by putting capabilities into the hands of our Marines within a meaningful, current operations horizon.

Problem Framing and a Brief Primer on the Status Quo

Over the last ten to fifteen years, initiatives and broadened authorities within the acquisition and requirements generation processes have given program managers the ability to acquire equipment and services through rapid capabilities offices, other transactions, and mid-tier acquisition authorities.¹

Additionally, combat developers can leverage input directly from the Operating Forces through operational needs

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statements to stimulate, accelerate, and even bypass the formal Joint Capabilities Integration and Development System process.²

While these steps have been effective and represent movement in a positive direction, materiel acquisitions and capabilities cost money. Increased au-

thorities and accelerated processes are ineffective unless the Corps can access the right money when it is needed. The Corps needs to program its modernization resources in capabilities-based portfolios to deliver relevant and timely capabilities.

In accordance with U.S. Code Section 221, the Secretary of Defense submits to Congress the FYDP, which summarizes DOD equipment, resources, and force structure for a six-year period covering the current execution year, the budget year, and an additional four years.



The Marine Corps has the ability to acquire equipment and services more quickly. (Photo by Sgt Luisa Torres.)

For the Corps, the FYDP is updated three times annually through the Planning, Programming, Budgeting and Execution process. The first update occurs in the third quarter, representing the Program Objective Memorandum (POM). The second update comes in the late fourth quarter, representing the Budget Estimate Submission to the Office of the Secretary of Defense. The final update occurs the following year, prior to the President's Budget Submission.³

The line item is the "building block" of the programming and budgeting phases and reflects the aggregation of a number of functions and capabilities into a single element.

When Congress authorizes and appropriates dollars for the Services to execute, it defines limitations on reprogramming authorities between authorities that the Services have without notifying or requesting permission from Congress.

The current below-threshold reprogramming authorities are the lesser of +/- \$10 million or +/- 20 percent in research, development, test, and evaluation from a line item; and the lesser of +/- \$20 million or +/- 20 percent in a procurement below line item; and +/- \$15 million Operations and Maintenance, Marine Corps Budget Activity.⁴

The challenge for the Corps is that the funding levels of most are small enough so that the below threshold reprogramming limitation of +/-20 percent is reached before the dollar value limit. This results in modest funding levels that do not enable senior leaders to make substantive investment decisions and adjustments during execution years. As a result, the Corps waits for a POM year to compete for and organize the money in a certain below-line item, which is often late-to-need.

For example, with electronics equipment, the overall processing power of computers doubles every two years.⁵ Current equipment, which is needed for the current fight, is antiquated and often not technically sustainable by the time the POM funding is appropriated.

Exacerbating this situation is the far-too-frequent Continuing Resolution (CR), which is a stop-gap measure

Congress uses to fund the Federal Government—including the DOD—up to specified levels until a National Defense Authorization Act and an Appropriations Act are signed into law.⁶ During a CR, the Congress generally prohibits "new start" program initiatives, which stifles innovation by delaying investment opportunities.

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Once funding is appropriated, the alternative to below-threshold reprogramming is an above-threshold reprogramming action that requires congressional approval.

Congressional approval for an above-threshold reprogramming action is often a time-consuming and arduous process for clearing the Service and Departmental levels to get to Congress. This process can take upward of four months. Additionally, the common adage that "money in movement is money at risk" warrants the judicious consideration of elevating a current-year resourcing initiative outside of the Department.

In today's dynamic security environment, four months can be the difference between delivering the right capability to the Operating Forces when needed and delivering a legacy capability after the conflict is over.

Consider the following scenario. An equipment capability requirement is identified in February of the first year. The Corps lacks the below-threshold reprogramming authority to realign funds between below-line items that year. The second year's budget is on the Hill and also lacks sufficient below-threshold reprogramming authority levels. The Service submits an above-threshold reprogramming to Congress in year two, which is ultimately not approved; therefore, year three is the first available year to fund the capability.

In year three, a CR is in effect until March. With the Appropriations Act signed in March, cash becomes available in April. Using expedited contracting authorities, a contract is awarded in August of year three. The equipment is delivered to the Corps 120 days after the receipt of contract order, or in December of year three.

The first unit is equipped and trained 60 days after delivery, or in February of year four. The first Marines receive a necessary piece of gear nearly 36 months after the requirement was identified.

In the global security environment the 2018 National Defense Strategy envisions, a time-to-equip of 36 months is excessive and unresponsive. Many of our current resourcing and acquisition regulations and statutes are competitive advantages for our adversaries.

What the Marine Corps Needs to Do and Why: Capabilities-Based Portfolios

The Corps should pursue a strategy of capabilities-based portfolio programming as opposed to program-based programming. The Corps should consolidate numerous below-line items into fewer portfolios to maximize the ability to realign funds during execution years and meet evolving technological advancements and capability requirements.

For example, the Corps currently has a below-line item titled "Weapons and Combat Vehicles Under \$5M," which could be a good start. But we also have separate below-line items for the 155mm howitzer, the HIMARS, company and battalion mortars, and the Javelin.

The Corps could aggregate these separate below-line items into a "Ground Combat: Target Engagement System" below-line item for each appropriation



The Marine Corps should reconsider how it organizes its funding. (Photo by Sgt Luisa Torres.)

that includes all direct and indirect fires capabilities. This will enable the Corps to realign within the singular below-line item to meet emerging technological advances for the current threat in a timely manner.

The Corps could organize its funding along the elements of the MAGTF: Ground Combat: Target Engagement Systems; Ground Combat: Command and Control; Ground Combat: Ground and Amphibious Mobility Systems; and Aviation Combat: Command and Control.⁷ This model will provide the Corps and Congress visibility over how the Service invests its modernization accounts. It will also enable velocity in the equipment acquisition process through the alignment of resources within capabilities-based portfolios of systems and equipment.

As is the case with most complex issues, there is no silver-bullet solution. Within the current Marine Corps modernization budget, below-line items capture the detailed interest of Congress. Generally speaking, program expenditures over \$100 million will come with heightened departmental and congressional interest and oversight, which can be challenging.

Nonetheless, the Corps can do a better job of equipping its Marines, increasing lethality, and reforming business processes with greater resource flexibility and availability through shifting from program-based to capabilities-based portfolio programming.⁸

Fortunately, for the Marine Corps, others have also recognized similar opportunities through changes in resourcing policies. In recommendations 46 to 48, the 2016 NDAA Section 809 Panel offers the following:

... the Corps can do a better job of equipping its Marines ...

(46) Empower the acquisition community by delegating below threshold reprogramming decision authority to portfolio acquisition executives; (47) Restore reprogramming dollar thresholds to match previous levels relative to inflation and the DOD budget; and (48) Increase to 50 percent the lesser of 20 percent restriction that creates artificially low reprogramming thresholds for smaller programs.”⁹

The 809 Panel recognizes that resource availability empowers the Services to make smart investment decisions that ultimately strengthen the force.

Conclusion

Unless the Corps can access the right appropriations and amounts in the year the capability is needed, the delivery of the capability to the Operat-

ing Forces will be too late and perhaps irrelevant by the time it is fielded and sustained.

The Corps needs to change how it programs and budgets for dollars to deliver lethal capabilities in a timely manner to compete and win in the current global security environment.

Notes

1. Department of Defense, *NDAA Section 804, Middle Tier of Acquisition for Rapid Prototyping and Rapid Fielding*, (Washington, DC: March 2019).

2. Department of Defense, *Manual for the Operation of the Joint Capabilities Integration and Development System*, (Washington, DC: January 2012).

3. Department of Defense, *Planning, Programming, Budgeting, and Execution, Future Years Defense Program (FYDP)*, (Washington, DC: May 2018).

4. Undersecretary of Defense, *Comptroller DoD 7000.14-R, Department of Defense Financial Management Regulation*, (Washington, DC: June 2011).

5. Staff, “Moore’s Law,” *Encyclopedia Britannica*, available at <https://www.britannica.com>.

6. Staff, “What is a Continuing Resolution?,” Peter G. Peterson Foundation, (Online: January 2019), available at <https://www.pgpf.org>.

7. Headquarters Marine Corps, *United States Marine Corps Concepts and Programs, Organization, Marine Air-Ground Task Force*, (Washington, DC: 2017).

8. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America*, (Washington, DC: 2019).

9. Staff, “Section 809 Panel, Advisory Panel on Streamlining and Codifying Acquisition,” *Section 809 Panel*, (Online: 2019), available at <https://section809panel.org>.

