



IT'S TIME TO LET GO: ACQUISITION DIVESTITURE

By Adam Miller and Ron Granieri, July 20, 2021
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Ron Granieri: Welcome to A Better Peace: The War Room Podcast. I'm Ron Granieri, professor of history at the Department of National Security and Strategy at the U.S. Army War College and podcast editor of the WAR ROOM. It's a pleasure to have you with us.

We are living through a major political, social, and strategic transition. Despite their manifest differences, the Biden administration following up on the Trump administration has embraced the idea that future American grand strategy will be built around great power competition with China and to a lesser extent, Russia. At the same time, however, the economic and social impact of the COVID crisis and the Biden administration's own domestic priorities virtually assure a period of retrenchment in defense budgets, thereby making it necessary for the armed forces to consider how to meet these new challenges with more limited resources. This will require divestment of old equipment and reforms in budgeting, acquisition, and resource allocation. Divestment of old equipment might result in savings but knowing how or where to apply such savings will require serious thought and planning if the United States hopes to meet and master the challenges of the future.

Our guest today, **Lieutenant Colonel Adam Miller** has come here to discuss both the challenges and the possibilities of divestment and allocation reform. A member of the U.S. Army War College class of 2021, lieutenant Colonel Miller is an army acquisition officer who most recently served as the program manager for air defense software. He has programming and budgeting experience from his time at the Pentagon and has worked closely with congressional staffers to help manage many different weapons programs in his over 10 years of program management. Welcome to A Better Peace Lieutenant Colonel Miller.

Adam Miller: Hey, thanks, Ron. Happy to be here.

RG: You bet. So Adam, I mentioned a couple of things in your bio, but can you explain how your career up to now has led you to an interest in this particular topic?

AM: The War College is a unique opportunity for officers because we get to come here for 10 months and reflect on what we've done up to this time in our career in uniform, reflect on the

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opportunities we've been lucky enough to have, and I'm no different. I did the same thing. I spent a lot of time researching for my research paper here at The War College, a paper that dives deep into what it means to do agile acquisition. And spinning off from some of that, I've given some... The world has changed, right? So it's been a very interesting year between, as you mentioned, the change in administration to what's going on with the pandemic, all kind of coming together has made for some interesting reflection, I would say.

RG: Right. Well, and in your... I like that phrase agile acquisition, by the way, because it means you've got to know what to jump into and what to jump out of, and what to sidestep all together. In your experience, we've gone through periods in the United States, certainly in your time in the Army, if not necessarily your time as a program manager, where we've talked about the need to reduce or reallocate or reorganize the defense budget. Is this period with COVID and with the Biden administration, is it fundamentally different or is this just another example of an ongoing challenge from your perspective?

AM: Yeah, yeah. So the department has been asked to do more with less for quite a while. This is nothing new from that perspective. We as a department, especially in my experience, we haven't had the budget we've requested in a while for many reasons. But we've made do.

Where we go in the future with this will depend on, I think you touched on key a key phrase, how we allocate resources going forward. But that's different than what we've done in the past, which is that concept of acquisition reform. When you look at... And we've done great reform over the last 10 years, from the Better Buying Power initiatives where we are more efficient with contracting, to how we prototype newer capability recently with the 804, Middle Tier Acquisition initiatives. And we're going to continue to do those reforms, we're going to continue to do more with less. I think what we're looking at now to your point is how do we change our behavior, not only as a department, but in our relationships with our leaders potentially? And sitting down with Congress and really hammering out long-term strategy.

RG: Right. I'm a civilian employee of the department of the Army, so we're on the same team, but I'm going to ask a civilian question and that is, a lot of people think that \$700 billion is a lot of money. And so if that is true, the DOD's budget sure looks big from the outside, but when you talk about the need to do more with less, or when you talk about the need to think about reallocation, where are the places where there may be money that is misallocated or that we need to rethink? Is there any kind of consensus among program managers about where that might be?

AM: I would answer that question...

RG: By the way, I asked this question... My friends in the Air Force are bracing for what you might say, but you don't have to say it. So go ahead.

AM: No, no, not at all. These are different times, right? So in line with everything I've already said, we have come to a point where we now don't have the budget cap we've had over the last 10 years with the sequestration that was initiated in 2010, 2011 timeframe. So there's that. We have a new domestic priority, and that's been clear, that's in the news. As well, the services have also been clear when you look at inflation, when you look at the defense budget and compare that to how money grows over time, we're not where we wanted to be optimally.

So, yes, to your question, there are strategies and trades specifically where we could sit down and have serious conversations. I think we're starting to see some of that now, when you look at how the joint staff is working with what we call CAPE, which is the cost assessment and program evaluation office, C-A-P-E, and then of course the services and how they're communicating amongst themselves as well. So we're seeing that communication happen among those three elements. And I think sitting down and utilizing their capability-based assessment protocols and finding new ways to sort of work through some of these opportunities would be very beneficial.

RG: And since we talk about the concept of modernization, when you say that modernization can help transform the budget, or to help us to think about how to do it, what does modernization look like? Are we talking about simply the improvement of the production of existing items, or are we talking about a modernization even in the way that we think about what we need going forward?

AM: I think both. As a program manager, and this sort of goes to your last question as well, I'm a big fan of evolutionary acquisition. This concept, and you see it really on aviation platforms, where you are improving capability over an extended period of time utilizing these increments. And that's why you see new versions of aircraft, and that's a very broad example. Open systems architecture is another one, that's a critical component of this. And so that would be how we, as an Army, either integrate or interoperate with the Air Force, the Navy, and the other services. And those are not the same thing. So if I'm integrating a capability, the efficiency in that is that there's one responsible service, potentially, as opposed to inter-operating and working with collaborating on the battlefield with other services.

Now, the Army has been doing this very well over the last couple of years. We've established a new four-star headquarters, the Army Futures Command, which takes a look at how we're going to design our modernization capabilities. And there are six, and we've been advertising those for a while. And then again, a whole of enterprise approach. So how does that design and how do those requirements translate into programs of record under the Army secretariat? And then of course, the sustainment piece. And I think when you talk about sustainment, there's a lot of opportunity there, as you mentioned with divestment.

RG: Let's get to the divestment, because my memory on these things, I'm not a program manager, so I don't know a lot of these things, but I remember just when Donald Rumsfeld decided to cancel the, what was it, the Crusader Artillery System. That was considered front page news, because we actually had the DOD canceling a weapon system that was already sort of moving along. And so the idea that you're going to divest, you're going to... If strategy is about deciding not only what you're going to do, but also what you're not going to do, it's hard to decide to stop making something or to cancel a project. How does divestment... How has it worked and how should it work in the future as we think about reorganizing or reforming the acquisition process?

AM: You know, Ron, you touched on something that's really interesting there. So that decision was made in 2007, 2008. The Army was occupied in 2007, 2008, in a very different mission than what some of the modernization activities were focused on. So that in itself created a tension and that tension played out in resource allocation. And so I think that is what you saw. And today, that's what makes this an opportunity. Today there's a clear path forward for the Army for reference modernization. We've had our legacy big five that brought us through the Gulf War, brought us through the eighties. Those systems are all still in the force. The Army has been clear over the FYDP with where we're going to increment, how we're going to build those and sustain those. And Futures Command has got the lead on this, as you take those, and you take what our modernization priorities are, sitting down with the key stakeholders on the Hill especially, and crafting a long-term divestment strategy, that would be a win-win. It just makes sense from my perspective.

RG: So for our audience members who are not deeply versed in this, the legacy big five, everybody in the Army knows what they are, but tell us what they are again?

AM: Yeah, absolutely. So we have the Patriot missile system, we have the Abrams tank, we have the Bradley fighting vehicle and then two aviation platforms, and I hope I get them right, but I believe it's the Black Hawk and the Apache.

RG: And the Apache. So when you think about those, the Army has, as of right now, no plans to stop using any of those five, right? In the sense that they are still very much a part of Army planning, the Army experience.

AM: Correct. Correct. And if you look at the six modernization priorities that the Army has, there's a long-term plan to look at eventually divesting them, yes. But this has been a long, hard road for the Army. And divestment's also important in this point. Sustainment is where all your costs, if you look at a program like any of the big five, and carrying them as long as we have, the

majority of that lifecycle cost for a platform is in that sustainment means because technologies become obsolete, and metal becomes weaker. And the threat changes. Yeah.

RG: Yeah. And you mentioned also working on the Hill, and one of the interesting challenges at The War College is when we talk about the interplay between military advice and civilian political authority is how do we work out those kinds of dialogues? So if the military say we need X, and the political leadership says, well, you might need X, but we can't provide X. We have to provide some variation thereof. What's your experience with those kinds of discussions between congressional leaders and military representatives, and do you think there's anything that you would tell your military brethren and sistren they should understand about dealing with Congress?

AM: So I'm going to get to that. One of the great facets of multi-domain operations is this idea that across all domains, it's a joint effort. And so, as we move forward to modernize for this doctrine, I believe we are going to see a joint vision and we're going to nest service capabilities in a different way. And that's critical to I think what you're asking, which is, how do we communicate from the Pentagon to the Hill what those priorities are without appearing like we are seeking service equities over the joint equities? There's a balance in all of that.

Keeping in mind that the budget is a pie like any other, and those tensions just exist in our bureaucracy. But there's a larger role here. In my opinion, just as a PM, who's been on that side. And in the joint staff, again, working together with the entities that already exist up there, like the CAPE. Also, when we look at what the vice chairman has said, referenced the joint requirements oversight council with J. Rock, who approves joint requirements, there's a role there to coalesce a joint message for multi-domain operations that will benefit, I think, all services. And that's the message to the Hill.

RG: And you mentioned that the joint aspect because that's something to think about. When there's talk about saving money or when there's talk about modernization, there is a tendency, I don't think I'm being too controversial when I say, but a tendency certainly outside of the military, to assume that modernization means the kind of whizzbang things that the Air Force or to a certain extent the Navy provide and that the Army will always come out last in modernization because the Army does the thing that basically militaries have been doing forever. Taking land. So much thinking about modernization seems to be built around the ideas, wouldn't it be great if we didn't have to put any of those, I'm going to use a phrase I hate, boots on the ground? And so how do we talk in the Army about modernization in a way that doesn't make the Army feel either defensive about its place in the future, but so that the Army can play a constructive role in discussing modernization?

AM: Yes. And again, the Army's modernization priorities specifically have been very, very clear. One of our top priorities, if not our number one, and you've heard general Murray say this, he said it publicly many times, is long range, precision fires. And so to kind of get at your question, it's a great example of how, if we look at what the Army is attempting to bill, what capability we're attempting to implement from a force structure perspective, a hardware software perspective, in order to deliver rounds down range, that's in response to a threat that has changed. A threat that is very nested in strategic guidance and in this case, it's anti-access area denial. And so how we go about modernizing for something... Let's take hypersonics, for example. We should, and we are, go forward and think about that and work with our Air Force brethren, who are building that same capability from just a different platform, as well as our Navy brethren. And I think the service chiefs are working through that.

RG: It's that problem when you're talking about ATOD, so you need standoff capability because you might have to, to use a bad metaphor, you're not just going to be able to walk in, right? You're going to have to kick the door down to get there.

AM: That's exactly right. And you want you want your commander to have those options. That's a critical piece of that is our combatant commanders having the options, either land, air, sea, when you look at advanced capabilities, especially like long-range striking.

RG: So we've talked around this, but I want to get a little more specific, and that is what are the main obstacles to successful divestment modernization acquisition reform that you see right now?

AM: Divestment historically has been challenged because there's no incentive...in large and being honest and that's just the way our system is designed and that's fair. And I think folks understand that. I believe the opportunity that exists now... There's a renewed emphasis on domestic spending because of all of the facets you've laid out, COVID primarily, and then there's a renewed emphasis right now on infrastructure. So within all of that are opportunities, I believe at the local level. Targeted opportunities that should be looked at where divestment now makes sense where it didn't before, because there's an incentive potentially with everything else that's going on from that perspective.

I would also say not communicating. So again, sitting down, all of the services being on the same page and then having a department wide strategy with the right congressional is absolutely essential. Last thing I'll say, to your question about challenge, we got to continue to demonstrate these capabilities. So testing as well. And how we test and how we demonstrate going forward from a joint perspective, not just a service perspective. And then of course there's a feedback loop there within all of that.

RG: Of the programs that you've been working on, what did you learn about this particular program when it came to working it through the process of getting things acquired, getting things approved, getting things tested? Pick one specific thing, one specific project that you particularly like to talk about.

AM: Yeah, absolutely. My field of program management has been primarily in, the last few years anyway, in the air and missile defense realm. So when Futures Command stood up, each of the modernization priorities for that command that the Army has, all six, is aligned with a cross-functional team. And so I had a unique opportunity to be involved in the air and missile defense cross-functional team. And it is what program managers do anyway, but what it did is it centralized the discussion in a way that just had not been done before. So when you forcibly put key stakeholders in a room together, a PM's job gets easier. I didn't have to go to the Pentagon and get on calendars and align other opinions and work through all of that. It all kind of came to me. So that is one initiative that I know I've heard, we're looking at implementing across the entirety of the joint staff and to filter down, but it's a great lesson learned on how a complete enterprise can come together to deliver a capability. So you had your testers, you had your logisticians, you had everybody sort of involved.

RG: So you've lived in the Army both before and after that particular reform came into effect, and so you've noticed a difference in how things are done?

AM: I did, I did. Decisions were made quicker. They were made more efficiently. And I believe because you had all of the heads, so to speak, together on a decision point, it was made with an eye to the bottom line of the program. Is it still affordable if X occurs? And that is a credit to what you can read about today, which is on the air and missile defense side. We have many programs of record that have recently gone through Milestone Cs, or that are fielded, and that's a production decision, or that are currently being fielded. And those are all quick wins. And they're great stories for the Army, especially an Army who struggled with modernization as long as we have.

RG: How did you get into acquisitions?

AM: That's an interesting...

RG: How did acquisitions acquire you? I guess would be the question.

AM: Right. I was a battalion S4 in Korea with the mission to move a battalion off of the peninsula. This is 2004. Off the peninsula and through Hawaii and to Fort Lewis. And one of those sub tasks was to ensure that all of our battalion vehicles were put on a rail and that they were power washed and sent down the peninsula to the port.

RG: Was this Captain Miller's assignment, or was this Second Lieutenant Miller's, how long ago was this?

AM: This is Junior Captain Miller's assignment. And send it down. When vehicles come in into port, you can't transfer soil. So in an effort to find a contractor who could power wash an excess of 300 vehicles, I had to make a lot of phone calls and I found an acquisition contracting major and that was my first introduction to acquisition.

RG: And this Major said to you, "Son, you sound like you can do this job." How'd you like to be at the other end of this phone call?

AM: Yes. I actually forgot about it, and then they actually called me as I was coming out of company command, and they offered me the opportunity to go get an MBA. I was going to go do that anyway, and I was actually thinking of getting out of the Army at that point. And I hearkened back to my power washing example and decided to give it another try, and it's worked out for me. I've loved it.

RG: And your experience at The War College, interacting with fellow officers, both in the Army, but also in the other services and civilians, have you found that there's something about the acquisition process that people don't understand that you feel you have to continually explain to them?

AM: A lot of it always comes back to how we budget today. So when you look at the planning, programming, and budgeting and execution for a lot of our team who don't have time inside the building, working on POM, you'll hear a lot of folks just say POM, it's kind of a wake-up call to see how the budgeting system currently works. I would say I've spent a lot of time this year breaking down what that means for fiscal years and sometimes it's hard to explain why.

RG: How many people have been surprised when you told them what POM stands for?

AM: Quite a few.

RG: They know that it's POM. Remind the audience, it's the program...

AM: Program objective memorandum.

RG: This is for every weapon system... Or every budget item?

AM: That is correct. That is correct. And these budget items, some of them have individual budget numbers as a weapon system. Some of them, like the Bradley fighting vehicle, will have more than one. You get into the concept of affordability, how you're building that into your POM over time, you get into different variants and how you classify the dollar matters. It's a sustainment program. It's a modernization program. What are we talking about?

RG: So, yes. It's a whole different world, a world within the world. And I know that everybody in every branch in the Army feels like, I'm the only person who understands what I do, and nobody else understands it. But I don't know if everybody else takes the same heat that acquisitions does because everybody has a frustration story about a piece of equipment.

AM: So program managers, exactly. They'll never have enough money. They'll never have enough time. It's one or the other. And I spent a lot of time defending a budget more so. I would not call myself a budget expert, but I do understand what I'm handed and justifying that and measuring how that's going to deliver performance is a craft in itself.

RG: And what will you be doing to carry on that craft after, assuming we're recording this at the end of April, and I'm looking at you, you seem happy enough which suggests that you're going to successfully conclude your year at the U.S. Army War College. Where are you going?

AM: I think so. Yes. So I'm heading back where I came from, back to Redstone arsenal, and I'm going to be the executive officer to the three-star director for the rapid capabilities and critical technologies office. Which is the Army's... Rapid capabilities, right? So it's the Army's prototyping element for newer technologies that works with Futures Command and works with the army secretary at.

RG: And so this is probably going to be related to that call for better long-range precision fires for the Army?

AM: That's part of what we do, yes. I would say so. As well as other things. Yes.

RG: As well as other things. I hope that you've enjoyed your year at Carlisle, even though this has a relatively unusual year, but I hope you'll take it back with you of what you've learned here, but thank you for sharing your expertise with your fellow soldiers, sailors, airmen, and civilians, while you're here at The War College, and thanks for being with us today to talk about your work on A Better Peace.

AM: Thanks, Ron. Thanks for having me.

RG: And thanks to all of you for listening in. Please send us your comments on this program and all the programs and send us your suggestions for future programs. Please subscribe to A Better Peace if you haven't already, and you know you should, and after you have subscribed to A Better Peace on the podcatcher of your choice, please rate and review this podcast because that's how other people can find us too. We're always interested in growing this community and carrying on further conversations. This conversation is over, but there will be more so tune in next time. And until next time, from the WAR ROOM, I'm Ron Granieri.