

SUGGESTED REMARKS FOR
MR. KRIEG'S KEYNOTE ADDRESS
TO THE
MARCH 7, 2007
DEFENSE STANDARDIZATION PROGRAM CONFERENCE

Thank you Jim [Jim Hall, ADUSD Logistics Plans & Studies & Defense Standardization Executive] for that introduction and for inviting me here today to share some of my thoughts.

William Faulkner used to say that the ultimate goal of a writer was to reduce the essence of all human existence to a single sentence. As today's keynote speaker, I have a somewhat less daunting task – showing how the Defense Standardization Program supports the broad acquisition goals set by the Department, but I believe I can do it in just one sentence.

Standardization *enables* the business strategies the Department has set for more deployable, flexible, sustainable, interoperable, survivable, and affordable forces to succeed in a wide range of missions, including conventional and unconventional warfare, peacekeeping, life-saving, and anti-terrorism.

It's important for you in the Defense Standardization Program to understand the seven top level goals my senior leadership group and I have put together for the acquisition and logistics community because these goals show what our priorities are, and hence, where the priorities lie for standardization.

Goal 1 - High Performing, Agile and Ethical Workforce. This is really an over-arching goal. Both within the Department and throughout the larger Defense community, we have an increasingly aging workforce. As we move to both grow the careers of our younger staff, as well as attract new people, we have to be able to identify and recruit those who can work in this new atmosphere.

This isn't just a problem for DoD. It's an industry wide problem and we all pull from the same pool of candidates. That's why I'm working with academia, industry, the Services, and defense agencies to evolve and implement a Human Capital Strategy.

Goal 2 - Strategic and Tactical Acquisition Excellence. Here, we distinguish between "Big A," – what we decide to buy at the strategic level, and "little a" – how we develop, test, produce and sustain individual weapon systems at the tactical level. Advancing in both areas is absolutely critical to success.

Goal 3 - Focused Technology to Meet Warfighting Needs. This goal acknowledges that some areas of technology are more significant to our warfighting capability than others. Some technologies absolutely require American dominance, while others will not.

We must decide on which technologies we should focus, and those decisions needs to be driven by strategy -- then we must give ourselves permission to make the hard choices.

Goal 4 - Cost-effective Joint Logistics Support for the Warfighter. We are moving toward “supply chain as offense” which intimately ties our logisticians to the warfighter. End-to-end supply chains must be built on customer success, based on common data – and common data is only possible if you have common standards – enabled by transparent business systems.

Done well, this system will increase performance, improve productivity, and reduce wait times, inventory and total cost to the enterprise.

Goal 5 – Reliable and Cost-effective Industrial Capabilities Sufficient to Meet Strategic Objectives. This goal addresses our concerns with the industrial base – both domestic and foreign – as well as our own research, development and sustainment facilities.

Goal 6 - Improved Governance and Decision Processes. This goal is driven by the notion of needing to drive strategic choice. We will introduce ideas like portfolio management, and Board of Directors models to help guide the management of large enterprises inside the Department of Defense. We will also continue building the tools that could inform hard decisions that lie before us as we balance our portfolios.

Our last Goal 7 – Capable, Efficient and Cost-Effective Installations. With this goal we are working to deliver effective, safe, and environmentally sound living and working spaces for our military personnel, their families and our Civil Service personnel.

So where do standards fit into making these goals happen?

Standards provide the framework for achieving joint Service and allied interoperability, for reducing our logistics footprint, for testing and documenting advances in science and technology, and for supporting the U.S. industrial base.

I think it’s clear that standards play an important role to enable 5 of these 7 goals, but before I address those areas in greater detail, I want to take a moment to acknowledge Major General Maj [his name is pronounced like the personal pronoun “my”] who is the Director of the NATO Standardization Agency. General Maj has the challenging task of trying to get the many different NATO member nations to agree on common equipment and operational standards. A bit like trying to herd cats I imagine.

As challenging as developing a consensus NATO standard may be, the rewards are significant. Standardization can be a tremendous force multiplier and the results are that the overall efficiency of combined forces will be greater than the sum of individual components. This is why in 2005, the Joint Chiefs of Staff revised their Joint Capabilities Integration and Development System instruction and manual to require consideration of U.S.-ratified international standardization agreements when developing joint capabilities documentation.

Now let me go back to briefly give some examples of how standards are helping to support our acquisition and logistics goals beginning with Goal 2 on Strategic and Acquisition Excellence.

It is critical to the warfighter that the systems we produce work reliably with the intended results in all environments and operational situations. To achieve this, it is essential that we have standards in place to validate how well our equipment performs.

One of the greatest challenges we face is ensuring that our critical warfighting systems and capabilities continue to function during and after a nuclear event. It has long been known that a nuclear explosion in the atmosphere releases an electromagnetic pulse that could cripple our communications and weapons electronics.

To address this concern, several months ago, I created a task force to review DoD standards for nuclear survivability. While the findings of this task force are yet to be determined, I suspect that either revisions to existing standards or the development of new standards will result. I can say that one standard is already under development. Dale Klein, the Assistant to the Secretary of Defense for Nuclear, Chemical, and Biological Programs recently directed the Defense Threat Reduction Agency to develop a new hardening standard for EMP protection of military aircraft within 2 years.

Goal 3 on Focused Technology to Meet the Warfighting Needs is the next area where standards will play a pivotal role if the United States and its allies are to maintain military dominance on the battlefield. Smart munitions, nanotechnology, information technology, and electronics are just a few of the areas essential to our warfighting capabilities. Each of these rely heavily on standards today and in the future.

One area, however, where a *lack* of standards has hindered our ability for the Services and our allies to work together is unmanned systems.

Our experiences in Iraq and Afghanistan have proven that unmanned systems can satisfy operational needs. These highly capable systems allow warfighter presence in hostile environments at reduced risk of exposure and loss of life.

But the Global War on Terror has also shown that we have only just begun to understand how to leverage unmanned systems in the joint battle space. With more varieties and numbers of unmanned systems on the horizon, it is essential that standards be in place not only for interoperability reasons, but so that we and our allies can keep pace and benefit from each other's advances.

The good news is that major standards efforts are underway and already producing results.

The ASTM committee for unmanned systems has developed some of the first standards in this area, and many of these standards have been adopted by the DoD.

At the beginning of this year, the DoD Joint Architecture for Unmanned Systems Working Group held a meeting with the Society of Automotive Engineers committee on unmanned systems with the goal of transitioning all of the DoD JAUS standards over to SAE to facilitate interoperability for current and future unmanned systems.

And finally, last month, Boeing and its partners successfully flew a three hour simulated mission to demonstrate compliance with the NATO interoperability standard for unmanned systems. This is a major step forward that will allow data and information processed by NATO member nations' unmanned aerial vehicles to be shared real-time through a common ground interface. This means that NATO commanders will have far greater control over the use of unmanned aerial vehicles in military operations.

It has been said that in war, amateurs debate strategy, but professionals debate logistics. The importance of logistics cannot be overstated. This leads us to Goal 4 for Cost-Effective Joint Logistics Support for the Warfighter. Former Army Chief of Staff General Dennis Reimer perhaps stated it best when he said, "there can be no revolution in military affairs unless there is a revolution in logistics." For several years now, standards have been helping to lead this logistics revolution.

The Quadrennial Defense Review or QDR laid down some significant challenges for the DoD logistics community to improve visibility into the supply chain logistics costs and performance by building a foundation for continuous improvement in performance.

One capability that the QDR specifically mentions is to improve visibility into the supply chain logistics through the use of active and passive Radio Frequency Identification, or RFID. Of course, the key to RFID success will be standards to enable the sharing, integration, and synchronization of vast amounts of information across the supply chain.

Right now, there are at least a dozen standards organizations, including ISO, the International Organization for Standardization, and IEEE the Institute of Electrical and Electronics Engineers, working on RFID standards. These will play a key role in achieving the Department's vision for implementing knowledge-enabled logistics support to the warfighter through automated asset visibility.

We have a huge challenge in DoD when it comes to supporting our weapon systems.

Unlike private industry, the DoD cannot mandate the use of a single homogeneous system for its entire supply chain. That would not be practical or cost effective. We must continue to support a large number of legacy systems, some of which have been around for 50 years. Over what can be a very long lifecycle, the DoD works with many different OEMs and support contractors, each with its own product data generation and management tools for logistics support.

To address the logistics challenges the DoD faces in managing information relating to a diverse assortment of parts, assemblies, and systems, a few years ago we mandated that all items valued over \$5000 and that are mission critical be marked with a Unique Identification or UID. In order to standardize the Department's approach to UID, in 2005, I signed a memo directing the Service Acquisition Executives to ensure the use of the ISO Standard for the Exchange of Product Model Data, or STEP standard.

So far, the results have been encouraging. For example, pilot demonstrations by the Army's National Automotive Center N-STEP program – an initiative to improve the machined part

supply to our ground combat systems – showed a 40 to 55 percent reduction in lead time for machined parts and assemblies with the implementation of the ISO STEP standard.

Of course, an important element in all of our goals is cooperation from industry and a strong industrial base, which leads us to Goal 5 for Reliable and Cost-Effective Industrial Capabilities.

This goal is where we hope to address ways to improve competition – I’ve always said that more competition is better than less competition. I would like to see more non-traditional defense companies competing for our contracts.

One of the ways we can increase competition and bring in more non-traditional defense companies is through the use of private sector standards.

Last year, I forwarded to the Service Acquisition Executives and Directors of the Defense Agencies the United States Standards Strategy. I asked that they ensure their Services and Agencies continue to dedicate the resources necessary to work with industry, consumer groups, academia, and other government agencies in the development of U.S. private sector standards needed to meet our defense needs. I hope that our standardization executives will discuss this important initiative in their panel later this morning.

The use of private sector standards is an area where the Department has historically been strong with the adoption of over 9000 such standards to date. It is also an area where the Department has shown leadership in those technologies vital to the defense mission.

It is also an area where General Maj has led the NATO Committee on Standards to take up a similar challenge. I congratulate you, General Maj, for starting this initiative and I know that we, the US, have provided the chair to the working group developing those policies and procedures – Greg Saunders.

The Department’s involvement in the development of private sector standards for unmanned systems, which I mentioned earlier, is an example of our leadership in this area.

I understand that in a short while, we will be recognizing the efforts of Jim Colson from the Army Materiel Command Logistics Support Activity. Jim made significant contributions to development of a GEIA standard for Common Data Schema for Complex Systems, which harmonizes complex sets of data across multiple databases and complements the ISO STEP standard.

Not to steal any thunder from the upcoming awards ceremony, but Mr. Colson was not merely a participant in this globally important standards effort. He chaired the committee consisting of industry, academia, and other government agencies that developed the standard and coordinated it across numerous U.S. and international industry associations and government agencies to ensure to broadest consensus and acceptance of this standard. This is a great example of the way we can and should partner with industry to solve common problems.

The last goal where I think standards have an impact is Goal 7 for Capable, Efficient and Cost-Effective Installations. The Department of Defense manages over 571,000 buildings and structures, valued at over \$650 billion. These that must be properly maintained so that we can provide world class operating support for the mission. To ensure that our installations are cost effective, safe, and environmentally sound, the Department has developed a family of facilities criteria and guide specifications under MIL-STD-3007.

I was pleased to note that the focus of this conference is on government and industry partnership. To be successful our efforts will require partnerships across the Department, across the U.S. government, across industry, and throughout the world.

We need to work horizontally across traditional boundaries.

We need to be honest in our trades among cost, schedule, and performance as we set the standards at the program level.

We need to worry about “speed to market” in our standards development so the best technology finds it way into our systems in a timely fashion.

And, we need to engage our friends and allies at home and abroad in meaningful dialogue in standards development and use.

That is why speaking opportunities like the one today are so important – they gives me a chance to not only share my thoughts with you in government and industry who are responsible for getting the job done, but it also gives me the opportunity to hear your unique perspectives.

In the face of the challenges that the world of today and tomorrow will present us, cooperation among government and industry, nationally and internationally, is more important than ever.

The world is indeed evolving. While I applaud your past and ongoing efforts, this is a world of change, and none of us can ever rest on our laurels.

I appreciate your attention today, and again, I thank you, too, for all of your efforts and your dedication.