

# Appendix B: Selected Commissions, Studies, Findings, and Recommendations

B

Date	Commission/study	Findings	Recommendations
949	Hoover Commission on the <b>organization</b> of the Executive Branch of Government	Substantial duplication exists in cataloging and identifying material	<ul style="list-style-type: none"> <li>Standardize specifications</li> <li>Continue use of civilian advisory boards</li> <li>Have the NSRB develop economic warfare program aimed at supporting national security in peace and war</li> </ul>
955	Hoover Commission on Business Organization of DOD	Standardization of material and improved accounting procedures would improve DOD acquisition	<ul style="list-style-type: none"> <li>Establish business-tested accounting systems</li> <li>Establish separate civilian-managed agency to administer common supply and service activities</li> <li>Promote standardization</li> </ul>
1970	"Fitzhugh" Blue Ribbon Defense Panel	The government's technical data rights policy "tends to discourage the best-qualified companies from accepting or, in some cases, competing, for contracts"	<ul style="list-style-type: none"> <li>Save money by adopting commercial practices</li> <li>Improve the requirements process</li> <li>Increase the Services' analytical capability to evaluate alternatives early</li> <li>Correct the use of specifications to minimize obsolete specifications and demands that exceed state-of-the-art</li> <li>Address increasing industry reluctance to commit resources to defense work</li> <li>Develop analytical capabilities to improve requirements generation and changes in the rights to technical data policy</li> </ul>

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1972	Commission on Government Procurement	Government specifications tend to be overly detailed, or unique, and tend to duplicate existing commercial distribution systems	<p>Take greater advantage of the efficiencies of the commercial marketplace</p> <p>Shift toward use of commercial product procurement</p> <p>Establish oversight over agency policy and procedures in this area</p> <p>Place greater reliance on off-the-shelf products and use established commercial distribution channels to support them</p>
1977	DSB Shea Report on Specifications and Standards	<p>Military specifications <b>are</b> required</p> <p>Military specifications should incorporate lessons previously learned</p> <p>Misapplication &amp; over application of military specifications adds costs</p> <p>Identified 114 specifications and standards as “cost-drivers”</p>	<p>Available flexibility in specifications and standards are under-utilized</p> <p>Address the eight general groups of “cost drivers,” including General Design Requirements; Environmental Requirements and Test Methods; Quality Control, Inspection, and Calibration; Reliability and Maintainability Requirements; Human Engineering and Safety Requirements; Documentation and Standardization Methods; Configuration Controls; and Packing, Packaging, Preservation, and Transport Measures</p>
1983	Grace Commission, OSD Task Force	<p>Service autonomy and congressional restrictions impede efficient management of DOD</p> <p>Changes could save 13% on procurement, 6% on O&amp;M</p>	<p>Consolidate acquisition functions</p> <p>Simplify regulatory constraints</p> <p>Limit overly rigorous military specifications</p> <p>Contract for demilitarization of ammunition</p> <p><b>Improve</b> POL bidding</p>
1984	Toth Report on Standardization	<p>Defense Material Standardization and Specification Board’s span of control is too great</p> <p>The emphasis is often on creating standards, rather than adhering to them</p>	<p><b>Establish</b> objectives &amp; priorities</p> <p>Involve users in standardization process</p> <p>Develop management information system</p>

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1986	Packard Commission	<p>There is little coordination or reconciliation in the budget process between currently executed budgets, currently debated budgets, and planning for future budgets</p> <p>The government frequently has promulgated very rigid custom specifications, despite the existence of commercial alternatives</p> <p>Cost allocation procedures often produce very high spare part prices</p> <p>Laws correcting past problems with defense acquisition have often only exacerbated problems, as flexibility is further reduced</p> <p>A user-pull acquisition process is likely to produce excessive costs, as cost-performance trade-offs are ignored or downplayed</p>	<p>Make greater use of “off-the-shelf components, systems, and services</p> <p>Develop new or custom items only after determining the inadequacy of commercial items</p> <p>Require Service Defense Acquisition Executives to take the lead in increasing the use of commercial products</p> <p>Streamline military specifications</p>
1986	OUSD(A), DSB “Use of Commercial Components in Military Equipment”	<p>Change occurs more rapidly, in general, in commercial technology than in defense technology</p> <p>DOD procurement processes often differ greatly from commercial ones</p> <p>Even if DOD’s use of commercial items rose, there would be little effect, unless the procurement and acquisition processes were to be changed</p>	<p>Use commercial products (especially microelectronics) and practices to save money</p> <p>Provide incentives for use of commercial products and practices</p> <p>Participate in nongovernmental standards bodies, for use in lieu of military standards</p>

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1988	OUSD(A), DOD “Bolstering Defense Industrial Competitiveness”	<p>Many critical defense industries in 1980-1985 had below-average productivity growth, but had average or above-average profitability</p> <p>DOD procurement policies emphasize low prices to the exclusion of improvements in quality and production processes, and value performance much more than productivity and reliability</p> <p>There is little risk-sharing or other incentive for innovation on the part of critical defense industries</p>	<p><b>Forge the right relations with industry</b></p> <p><b>Establish strategic planning</b> task force</p> <p><b>Form a Defense Industrial Base Information Administration</b></p> <p>Develop information on foreign-source dependencies of critical systems</p> <p>Emphasize quality control</p> <p>Emphasize process technology</p> <p>Enhance tech skill base</p> <p>Increase use of commercial process &amp; product specs</p>
1988	OUSD(A) “Enhancing Defense Standardization”	<p>About 400 FSCs with commercial potential identified</p>	<p><b>Revise</b> DOD 4120.3 to assign accountability</p> <p><b>Review</b> Lead Standardization Activities</p> <p>Pursue nongovernmental standards</p> <p>Review specs</p> <p>Pilot development of “Living Specs”</p> <p>Adopt more NGSs</p>
1989	OUSD(A), DSB “Use of Commercial Components in Military Equipment”	<p>Despite verbal support, greater use of commercial products and practices has been slow</p> <p>Legislative and regulatory reforms (oversight, audits, civil and criminal liability) have further distanced DOD procurement from commercial</p>	<p>Specifications should be set in terms of “form, fit and function,” rather than production methods</p> <p>There should be a standard form for all solicitations, which would include technical data rights, software rights and pricing data requirements</p>

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1991	CSIS "Integrating Commercial and Military Technology for National Strength"	<p>Accounting requirements are a primary barrier to integration</p> <p>Military specifications and standards discourage use of commercial products, practices and standards</p> <p>Questions of ownership of technical data rights discourage commercial sector cooperation</p> <p>Unique contracting requirements raise additional problems</p>	<p>Exempt commercial products from requirements for competitive bidding</p> <p>Create incentives to use commercial products, practices and standards</p> <p>Modify government demands for rights in technical data</p> <p>Exempt commercial products and suppliers from unique contract requirements</p>
1993	Report of the Acquisition Advisory Law Panel to the US Congress	<p>Existing law has not achieved the benefits of commercial-military integration</p> <p>Existing law has not resulted in broad use of commercial items in DOD systems</p> <p>Procurement statutes (and implementing regulations) themselves are a major barrier</p>	<p>Formulate stronger policy language in support of use of commercial items and NDI</p> <p>Create a new definition of commercial items</p> <p>Execute changes in TINA</p> <p>Create new exemptions in technical data requirements;</p> <p>Restructure Buy American restrictions</p> <p>Create a new rule structure that provides exemptions from statutes that create barriers to use of commercial items</p>
1993	DSB Task Force on Defense Acquisition Reform	<p>The current system was intended to monitor costs and ensure fair pricing</p> <p>The current system actually discourages efficient production and exacerbates contention between government and industry</p>	<p>Utilize commercial functional specifications where possible</p> <p>Emphasize competition as a means of price control, rather than the current cost-based accounting system</p> <p>Involve users early in the program definition process</p> <p>Take into account past performance of contractors</p> <p>Use the general regulatory environment governing commercial business, especially in the area of accounting</p>

SOURCE: Office of Technology Assessment, 1994.