Pending FY 2014 NDAA Keeps Pressure on Air Force Logistics Systems Modernization

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In a highly contested budget environment no department or agency wants their IT modernization program failures to come back to haunt them. But that may well be the case for the Air Force if a provision in the current House version of the FY 2014 National Defense Authorization Act (NDAA) makes it through to the final bill.

The House passed their version of the FY 2014 NDAA, HR 1960, in June and the bill was received in the Senate shortly thereafter. But the full Senate has only begun debate on the bill this week and at the time of this writing any amendments and passage are still pending. Then the bill goes to conference committee for the two chambers to hammer out the final language for and up-or-down vote in each chamber.

The passed House version has some language that speaks directly to one of the challenges facing the Pentagon – how to effectively and economically modernize large enterprise systems, especially Air Force logistics systems.

Section 213—Limitation on Availability of Funds for Air Force Logistics Transformation

According to the House Armed Services **Committee report**, this section would restrict the obligation and expenditure of Air Force procurement and research, development, test, and evaluation (RDT&E) funds for logistics information technology programs until 30 days after the Secretary of the Air Force submits to the congressional defense committees a report on the modernization and update of Air Force logistics information technology systems following the cancellation of the expeditionary combat support system.

The bill specifically states that not more than 50 percent of the FY 2014 procurement and RDT&E funds may be obligated or expended until 30 days after the Secretary of the Air Force submits the report, which is to include:

1. Near-term strategies to address any capability gaps in logistics IT and longer-term modernization strategies for the period covered by the current future-years defense plan (FYPD);
2. A root-cause analysis leading to the failure of the expeditionary combat support system (ECSS) program; and
3. A plan of action to ensure that the lessons learned under such analysis are shared throughout the Department of Defense and the military departments and considered in program planning for similar logistics IT systems.

Implications

It was about a year ago that Congress took special note when the Air Force decided to cancel the Expeditionary Combat Support System (ECSS) program after seven years and over $1 billion in spending without much to show for it. The announcement came in the first quarter of FY 2013, yet the Air Force reported total FY 2013 spending of $188 million on the program when the FY 2014 IT budget request was released the next spring. While that budget request zeroed-out the program going forward it appears that with latest Defense Authorization the Hill is still watching with great interest for any revived modernization efforts at the Air Force.

These and other large enterprise-wide systems like ERPs continue to have mixed results at keeping up with the changing demands of a technically advancing military and doing so economically and with the demonstrable savings they promised. Although not called out in the NDAA, the **GAO recently reviewed** the Army's Logistics Modernization Program (LMP) Increment 1 which cost roughly $1.4 billion through FY 2012. GAO determined that while some functional benefits had been achieved through LMP the Army has no accurate process in place to track financial benefits associated with the system.

In spite of the challenges, the persistent and enduring need to modernize legacy logistics systems at the Air Force remains, but it needs to be done with more realistic goals and expectations, effective and authoritative leadership, and well-defined requirements and plans. The presence of such targeted language is likely evidence of ongoing discussions between key members of Congress and IT leadership at the Air Force in recognizing this need .

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