

Getting Weapons into Production with USD A&S Bill LaPlante

Automated transcripts from the 2022 Conference hosted by George Mason University and Defense Acquisition University. Not all errors in transcription have been corrected.

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[00:00:36] **Jerry McGinn:** So I'd like to welcome you to our uh, final event of the day with uh, Dr. Bill Le Plant, who's the under secretary for defense for acquisition and sustainment Heidi's counterpart. So it's great to have both of them here. Dr. Bill Leplante was confirmed in April of this year as under secretary, and the secretary of a and s or under acquisition statement has a small portfolio responsible for all matters relating to acquisition, contract administration, logistics, material readiness, installations, environment, operational energy, nuclear chem, bio.

[00:01:07] And the acquisition workforce and then defense industrial base. There's probably no one better suited to do this work. Dr. LaPlante spoke in his entire career in and around the Department of Defense. Most recently he was the president of Draper Labs before that he was at mir, and then we worked uh, together a bit when he was at mir, and then previously when he was the Air Force Acquisition Executive under the Obama administration.

[00:01:30] So it's great to have you, sir. And I wanna turn it over to you for a couple introductory remarks. Okay.

[00:01:34] **Bill LaPlante:** Hi everybody. So I'm sitting here driving over here in the beautiful Washington DC Friday afternoon traffic and thinking to myself, okay, I'm an acquisition, the chief acquisition nerd, talking to people at three 30 on a Friday afternoon.

[00:01:48] What is the judgment of those people that are in that room? . I'm kidding. First of all it sounds like you guys had a good conference. You've had great speakers. You had Ellen, Lord, Mike Brown, Heidi, Jim Woosley, I'm sure others. Hopefully you got something out of it. I'd look forward to answering any questions you have there.

[00:02:02] Obviously there's a lot going on there. Always a lot going on. I would just say, I probably spent a lot of my time more than I thought on Ukraine. We could talk about that. I think Ukraine, it's been interesting for me because it's taken a lot of the theoretical and made it very real

[00:02:16] and so you look at what matters and what doesn't matter. I remember one time I was working actually with somebody, with George Mason. We were working on a Stratcom task. And the Stratcom, the task was they handed us this book of Stratcom Conops, a big gigantic book. And they said they said, Go through this and figure out what the essential functions are in our conops so that we can weed out that the, weed from the chf.

[00:02:39] And we were going through it. And then finally one day somebody said, Okay, let's do, we're at war. And then we went through the book says Well, that goes away. That goes away. And you end up with what's really matters. That's sort of what Ukraine has focused us on. So what really matters is production.

[00:02:54] Production really matters. I say that as a scientist, as an engineer who loves prototypes. I hate to say it, production matters, and a lot of us, let's be honest, a lot of us who come up in the community we're in, we don't really, we production's just not our thing. We want to production's just engineering.

[00:03:12] It's probably done somewhere overseas, right? We don't never worry about that. No production's, what matters. Actually, I would turn it around, when people talk a lot about the valley of Death, right? It was one of these dumb, this dumb things that came in my mind a couple weeks ago that just was like, Duh, I'm living through the Ukraine thing.

[00:03:30] I'm looking at realizing that we as a country did our best to not do production in defense. We did our. You don't go into production if you don't have to. If you do, absolutely bring it down to the lowest number you can. And then once you bring it down to the lowest number you can, then the budgeteers will still take it.

[00:03:47] And we all accepted it. Okay. And we all accepted the fact that just in time economy was the way to go. I remember getting lectured back in 2010 when I was on the Defense Science Board by somebody from Walmart. You guys and dod don't understand. We've mastered this thing with just in time delivery with our IT system.

[00:04:06] You gotta minimize your inventory and just in time. Yeah. Yeah. And then remember all the lectures we used to get about tooth to tail, Remember all that? How that, how's that working out for us? Okay. So then it dawned on me, I said for a system that does everything it can to avoid production, of course you're gonna have a valley of death by definition.

[00:04:27] by definition, you're gonna have a valley of death because we don't want to do production. We haven't, The system is against it. You say what do you mean? The stingers, you all heard about the stingers, right? Why can't we produce stingers faster? So I was in a meeting with the Hill a couple months ago, and one of the members came into the room and said, We shut the stinger production down during Ukraine.

[00:04:49] That is an outrage. It would be an outrage. No, the stinger line was shut down in 2008. Really? Who did that? We all did it. You did it. We did it. The HIMARS, St. HIMARS as the bloggers call it, St. HIMARS in, that's doing all the wonderful stuff in Ukraine. It's produced in Camden, Arkansas at Lockheed Martin in a big factory that used to be literally a diaper factory.

[00:05:12] Wow until 2012, and this is Luck maybe or prescient by Lockheed. I'll put it to luck that they decided then, because they were gonna get a program, they thought they were gonna get a program, which they didn't get, by the way, I won't name the program. And so they were building out, getting ready, and then they didn't get the big program.

[00:05:30] They didn't win the source selection, so they then said let's fit it out to do Atacs and then HIMARS and GIRs. And they started to do it. And then about 2014, the Army came back to 'em and said, We're not interested in the HIMARS anymore. So they stopped production of HIMARS until 20 17, 20 18.

[00:05:46] The thing now that, that is saving Ukraine and that everybody around the world wants we stop production of it. We as a country. Mark 48 torpedo. It is the heavyweight torpedo. You wanna sink a big ship? You need the Mark 48 torpedo stop production in 1996. Tomahawk. I've worked at APL for many years and we were the, they still are the technical direction agent for Tom Mock.

[00:06:09] That thing has been living on fumes since 2003. So this is what we've gotta stop, right? And we have to pay more attention to production. And because production also is a supply chains. And I said this last week or somewhere, and I tease my friends who are hypersonics and I apologize for it. I always said hypersonics.

[00:06:28] I love it. I've been on some of their failure review boards. The most fascinating technical things are hypersonic failure reviews. They're often and they're complex. We are not in production on hypersonics and have never been, we have never been in production on hypersonics. Think about that one. So what the hell have we been doing for 70 years?

[00:06:47] Wind tunnel. demos, cfd. I was part of that community and I'm not criticizing the community. I just wanted to remind everybody to take a step back. Okay. So that's what Ukraine has really brought home to me. The second part of it is you gotta be able to give these systems to people where you won't have six months to train them.

[00:07:05] You may have to train them by vtc, which is what we're doing right now with Ukrainians. Or they may have a week, one week where they come into Poland and you teach them in a week how to use the thing, and then they go back to use it. So that kind of matters. Oh, it's gotta work by the way, it should work.

[00:07:23] If 50% of the time it doesn't that's not very good. It turns out it matters when the system works, And I think you've seen in the news some of the Russian stuff, not so much. So those are the things that really comes home to roost for you when you realize, we realize that, that production is what matters.

[00:07:39] And then you, I've just really, it was really aha moment for me. So when I go back the last six, seven years, going back to when I served the first time, rightfully so, we all put our emphasis on prototypes, experimentation. We weren't doing enough prototypes, experiment. We were hardly doing any meant.

[00:07:53] When I served before, it was really a problem. People would come to the d o d 2014 with something really cool and we'd say couple things. We'd say, I don't have a requirement, and go to darpa. Then later it was go to d IU so you can get 'em outta your office. That changed. That changed. There was a lot more experimentation, a lot of prototyping.

[00:08:10] Section 8 0 4 OTAs. It's everywhere. That's really good. It, but it doesn't matter if it stays as a p. , it doesn't matter if it doesn't go to production. So I'm trying to get everybody to look at the next steps in these places. And I challenge all of you to ask about that. If somebody gives you a really cool up story about a d IU or an ota, ask 'em when it's going to production.

[00:08:32] Ask 'em how many numbers. Ask 'em what the APUC is gonna be. Ask 'em what it work against Cha China. Okay? Ask them all those questions. Cause that's what matters. And don't tell me it's got AI and quantum in it. I don't care. And don't drop DevSecOps on me. Get outta buzzwords. Tell me whether you really is gonna get to somebody at scale and it's gonna work and it's gonna be usable and it's gonna be in production.

[00:08:54] If I could get anything into all of you. Get focus on that and, because everything else is secondary. And by the way, that's where of course we all know the money is in sustainment also. Is it sustainable? Is it sustainable? That's all that matters. So this is getting back to my opening statement, which I'll stop in a second and open it for questions.

[00:09:14] I think that Ukraine has really been helpful in that regard. The second thing that comes to your mind is, my God, what would happen if something blew up an endo paycom, not five years from now, not 10 years from now. What if it happened next week? What if it happened next week? What do we have in any degree of quantity that will actually be effective?

[00:09:32] And that's the, those are the questions we're asking right this minute. And it changes your perception. The other piece of it is, are people dying? I just read an article this afternoon, and again, it's Ukrainians, so they would maybe have motivation to exaggerate, although there's others that believe they're telling the truth.

[00:09:49] The last few days, probably somewhere between six and 800 Russians were killed every day. So there's people dying right now as we speak. And this is having real consequences. It's not pretend. And of course, the consequences for the world are huge. We are watching the potential destruction of what had been the second most powerful maybe if you could argue, China was more powerful, but at least the third most powerful military on the planet where you're watching the destruction of that military, which is people sometimes forget that.

[00:10:18] They think, Oh, I'm worried about sending more of our munitions over there. What are we gonna do? Who are we gonna use them against? Russia, , it's Russia. Today is not the Russia from a year ago. It's a different, it's, And so you have to pinch yourself and remind what's at stake here.

[00:10:32] It's much bigger than. It's actually probably one of the biggest events for the world since nine 11 from a security perspective. And and I think that the

other piece of it is for all you acquisition critics, I'm one, we all have the best, We all have the best acquisition jokes, right?

[00:10:46] They're all, we all, I, one of my favorite ones not a joke, was the null study. What was it? Anybody remember The null study? The Nu Null Program? Pete, you remember that? It was, how long would it take to produce nothing? Now what happened if you did concurrency with the development and operational testing, speed up producing nothing.

[00:11:02] I think it was like four years to produce nothing with non concurrent. But if you did concurrent, you get, get down to three. It's actually a study that was done. It was actually done. But we've all, we all know those stories. But the funny thing is I don't think it's too funny right now, right?

[00:11:17] It's not too funny right now. It's actually the American equipment is the best in the world for this broken acquisition system. It sure is. Kicking everybody's butt. And the other piece of it the tech bros aren't helping us too much in Ukraine. They're, they want to, in other words, we're not, Ukraine is not wi holding their own against Russia with quantum.

[00:11:35] Okay? They're not holding their own with ai. They're not, Whatever your your favorite Ga Gadget is it's hardcore production of really serious weaponry. And that's what matters. Not to say that we shouldn't invest in quantum, or we shouldn't invest in ai.

[00:11:49] I'm not at all saying that. What I am saying is it just reminds you that we're not fighting Ukraine with Silicon Valley right now, even though they're gonna try to take credit for it. And I won't name names. So anyway, those are my opening remarks. Okay. Try to top that one. Jerry . All right.

[00:12:06] **Jerry McGinn:** I'm really excited to hear you.

[00:12:08] It's sobering to hear you talk

[00:12:09] **Bill LaPlante:** about slow down. It's not that exciting ,

[00:12:10] **Jerry McGinn:** To hear you talk about production. Because one of the things that Covid showed was that the whole just in time philosophy doesn't hunt, when it really matters for real capabilities in terms and Ukraine has showed the importance of having production.

[00:12:23] Unfortunately, as no, our system is optimized for cost, schedule, and performance. Just the minimum number required of. How do we build elastic elasticity and search capability into our programs? Is it simple contracting? Is it training? So how do we how do we incentivize the industry to do this?

[00:12:41] And you get

[00:12:41] **Bill LaPlante:** Congress on there. Yeah. It's pretty simple. You put it in the RFP and you do it. You don't give speeches about it. Sorry, I'm giving a speech. But what matters is what's in the RFP and who wins the source selection and what gets funded. That's what matters. You can talk all you want about open architectures and how it's good, which it is, but you're not gonna get 'em if you don't put it in the RFP and people win or lose.

[00:13:03] So if we're gonna have surge production, we're gonna have to contract for it. It's that simple. And we're doing that. We're in the, we're I it's still in the sausage making is still going on, but I've been very vocal about how we need to do things like multi-year procurements and munitions.

[00:13:19] Okay. That by itself, no matter what beautiful speech anybody gives, or what CEO goes on a Sunday's talk show or whatever we do in one of these forums, when people see that there's multiyear contracts coming along for munitions, and that we're gonna put production lines at higher capacity and that we're gonna pay for it, and we're gonna put it in the RFP and we're gonna award to it, they'll pay attention.

[00:13:42] So that's what matters. Contracts are what matters. Money is what matters. So it's not just, it's not getting industry incentivized. Once they see that we're gonna put money against it and it's credible they'll get it. That's their job. Their job is to look at where we're putting our money and to try to capture it.

[00:13:58] So all that matters. All that matters again, is the rfp, the contract, and the funding. We have not contracted and put in RFPs and ACT strategies, assuming large scale production numbers. We've put in hooks to do it, but we typically, and you all know that, you all know how it's done typically, particularly if it's items of ships or planes, we typically take the production ramp that's always scheduled to do this.

[00:14:24] The ramp they call it, and we do this and the next year we do this and then somebody says, Oh my gosh, the number of planes were going down, they're gonna be more expensive. Yeah. Yeah. That's good math there. , I once saw an F RDC study, and I won't name which F rdc, which actually said if the

Air Force buys fewer airplanes, like they usually do, the price per plane will go up.

[00:14:45] I was like, Yeah, I'd like to get paid to do that study . So yeah, that's what it is. You gotta put it in the contract and you gotta follow through with it. And we generally haven't, so we're gonna have multi-year authority, I believe, from the Congress. They are supportive of this. They're gonna give us multi-year authority and they're gonna give us funding.

[00:15:01] to really put into the industrial base, and I'm talking billions of dollars into the industrial base and to fund these production lines that is, I predict is going to happen and is happening now. Then people will be, will have to say I guess they were serious about it, but we have not done that since the Cold War.

[00:15:19] We have not done that since the Cold War.

[00:15:21] **Jerry McGinn:** One of the aspects that I've looked at, and actually when I was in government as well, is, we spend two and a half billion a year on obsolete parts, on, trying to fix obsolescent parts. And you saw this with Javelin and Stinger and I assume that's part of your strategy and how to create tech data packages so you can help keep production

[00:15:38] **Bill LaPlante:** going.

[00:15:38] Every one of those systems has obsolete parts, every one of them. The M seven HIMARS you mentioned you mentioned the Stinger, you mentioned javelin. They all have obsolete parts that happen all the time, happens all the time. The question is, what do you do about it? And the question, the issue isn't whether they become obsolete, that's just gonna happen.

[00:15:55] The issue is, are you just sitting there watching and letting it happen, or are you funding a workaround? And so that's the issue. And what I found on the good news side, I found when you a, when you put people on the problem and you send people to the factories, you send them to the suppliers, you ask around, you get people in a room, there's usually a way around it.

[00:16:14] They'll discover that there's a bunch of stingers people forgot about sitting in this warehouse that still have the parts. Or they'll find out that there is a manufacturer that's over there that people didn't know about. But you gotta put gray matter against it. And thankfully, the, we have our services don't throw anything away, particularly the army.

[00:16:30] They never throw anything So if the Army says, We don't have it, just say look hard or you have it .

[00:16:35] **Jerry McGinn:** One, one of the areas that, congrats on getting the National Defense strategy out the unclassified version. One of the aspects that really came was a theme throughout was importance of allies and partners, right?

[00:16:45] And and this has been a theme that has been consistent for the last couple of administrations, but concretely what kind of activities, I understand Ukraine sending them kit, but what kind of activities are you looking at with our partners and allies to help do things like co-production or license production?

[00:17:00] **Bill LaPlante:** Yeah, so we're doing a lot actually. Really a lot. Just, I think I still have the pin on and I don't have it. They get I do, there's all these buyouts every day and right before the mean, they hand me the pin of the country. So far I've not screwed that one up, have the wrong pin, but we're doing that all the time.

[00:17:13] . This is an example. An example. I'm using Ukraine, but it's, it doesn't have to be Ukraine. You may have seen back in the May Secretary Austin convene what's called the Ukraine Contact Group at Ramstein Airbase, where we called together countries. Whoever was willing to come to gather and at the defense ministerial level and at the policy level to talk about common ways we can approach and help Ukraine.

[00:17:33] Starting in September we shifted some of the emphasis of those meetings to actually the equipment, the industrial base and sustainment. So they, then we pivoted that contact group to now be the National Armaments directors, the nads, cuz if we have to do an acronym and spell it up, the nads are the equivalent of my job.

[00:17:54] So I chaired the first meeting of all the nads for the contract group 45. We had 45 countries around the. Of my job. And we talked about four areas that we're collaborating on. But broadly it's about the industrial base. One we expect I integrated air missile fence, second long range fires, third air to ground, fourth sustainment.

[00:18:15] But what we're finding in industrial base is we all have the same thing. We all have the same issue. Number one, industry around the world is saying some version of demand signal, if it's in Germany, they say whatever

demand signal is in German. If it's in France, demand signal in French. And it drives all of us nuts, right?

[00:18:32] Because we're like, what do you mean demand signal? What they mean? What industry means? And I get this is am I, are you serious? Sure you're gonna put a bunch of money against this now during the crisis, but two years from now, you're gonna leave me holding the bag. And when you say, you'll never do that to me, you've done it to me before.

[00:18:48] Okay. So that gets back to the multi years. The second thing that's common when we talk to everybody, is that we all share common suppliers, solid rock, we all, and the same kind of bottlenecks, micro electronics, everybody has that. Everybody's worried about solid rocking motors, actuators, certain types of rare earths magnets.

[00:19:08] They're, everybody has the same issues. And we're finding that if we compare notes, we might be able to help each other and we already are helping each other. The third thing, which has been brought up multiple times is this idea of not just being interoperable, but interchangeable. Interchangeable meaning that I can take a radar from one country or a munition from one country and use it and fire it from a capability of another country or vice versa, and you could get even a co-production.

[00:19:31] That's a very powerful concept. And it's something, we do have NATO standards, but I don't think they get right to the point of interchangeable, but, we're actually gonna have to do it. And in fact, at, we had a NATO meeting of the national Armaments directors last month too.

[00:19:49] And we had five industry partners come in and talk. Three from Europe, two from the United States. And we talked about this issue of interchangeability. And one of the industry folks to their credit, said, To be honest with you, you're gonna have to make us do it. We will not do it on our own because it actually puts us at a disadvantage to our competitor.

[00:20:07] If my stuff is interchangeable with another company's stuff, then I've just lowered the barrier of entry. So it's like open architectures, if you don't enforce it on the government side, it is not gonna happen. So that's what you're hearing. The other piece you're hearing a lot about, which if you're a developer, you're not gonna like this, is people are tired of complex long weapon systems development.

[00:20:27] They know we have to do it sometime. You sometimes have to do a new bomber, you sometimes have to do, a new this or a new that. But gosh, if you can avoid it, try to avoid it. So how can we make more, take more advantage of each other with taking advantage of non-recurring costs being paid?

[00:20:42] So an example being the E seven, which the Air Force is interested in to replace the awa, It's a Boeing plane that Australia paid the non-recurring for to fit it up as an AWA replacement. You can do, you can just take that the non incurring was done, maybe put a little bit of a different comms thing on it, and then you've got yourself an airplane.

[00:21:00] It's in production. Imagine that people are gonna wanna do more of that. So those are the kind of themes that we're hearing with our partners and allies. And I think we're gonna share more information and also make sure that the other piece is that we're discovering more production lines around than we realize.

[00:21:17] US companies have production lines in Europe. They have production lines in Poland, they have production lines in Bulgaria. Sometimes you don't hear about it, but they have them. . And so there's more of those than we realized. And and I think that's a good thing. And I think we're gonna also just come up with a lot more co-production agreements.

[00:21:34] And if you talk back to the nds, one of the pieces of ndss integrated deterrence. If I was somebody that was, we were trying to deter, I would pay a whole lot of attention. If a production line started to show up in Australia, in Japan for capabilities that had previously had only been produced in the United States, that would get my attention.

[00:21:54] And so you that's where this is going.

[00:21:56] **Jerry McGinn:** . . So stand on that theme, but go talking about supply chains and defense industrial. How are the initiatives to bring back like rare earth processing and these kind of capabilities, how are those efforts going? Are you finding where do we need to accelerate and in a working industry

[00:22:12] **Bill LaPlante:** kind of assess?

[00:22:13] Yeah so I, if you would've said five years ago that we've gotta bring manufacturing back to this country I think many of us would've said it's too late. I don't think that's true anymore. I think that we are seeing really some positive

developments. I think the key thing is to pick which parts of manufacturing do we want to bring back into this country.

[00:22:30] And we think about micro electronics as an example. Which types of micro electronics, heterogeneity with electronics, maybe something with rare earths. One of the things we want to be no kidding in this country, and then just start producing them. What we discovered we should not have been surprised is that when you, that this idea, this utopian idea that you had, you could keep design and intellectual capital in this country designing the next thing.

[00:22:55] and then turn production overseas. And then we just, it's a virtuous cycle. They'll take the production profits from back into the United States, we'll use it for R and D and it all works. That's a beautiful description of something that is impossible and doesn't, didn't happen. Why? Because you cannot separate production from development.

[00:23:14] You can for about five years, but if you try to do it for 15 years, it's not gonna work and it hasn't worked. So that's another reason that's an aha moment for us, is that we realized that was not a wise thing to do. We should have kept some production. So you're gonna see more production coming back on rare earths.

[00:23:28] the Chinese, in many ways we're thinking 30 years ago about something we should have been thinking about. And that is the realization that whoever corners the rare earth market and the ability to not just mine the rare earths, but also extract them, is gonna be in a driver's seat.

[00:23:44] and it's 5G where all of a sudden we woke up and we saw, Huawei wiring up Africa and saying, How'd that happen? That's sort of what happened with Rare Earths. I think we're bringing that back into this country. Japan, interestingly enough, on rare earths never let it get outta the country too much.

[00:23:58] They were smart, they were more strategic. So I think we're waking up to a lot of these things and we're bringing it back. And it will come back. It is coming back. There's as many as 17 or 18 of these advanced manufacturing institutes in this country. They're administered out of R&E under Heidi Shyu.

[00:24:14] They're all across the country and they're these classic public private partnerships. They're, the one in Detroit that I was on the board of before I was in is for advanced manufacturing lift. There's one on photonics up in Rochester. There's one in Chicago that's doing a, I forget, Digital engineering.

[00:24:29] Digital Engineering. There's 17, 18 of 'em, and they're also operated by the Department of Commerce. We had a meeting last week at the White House. With all of the directors of those institutes together. And it's pretty exciting. Now the question is what do we want those to be in 10 years and how do they get into the ecosystem of the community?

[00:24:46] But, if you think about it, we have all these ecosystems around the country in Boston. There's a the biotech is really strong up in Boston, so there's a real strong ecosystem there. Detroit, of course, you have manufacturing. I mentioned Rochester and in places in the South too. Take advantage of those and build upon the local workforce, the colleges.

[00:25:05] And if I was the Chinese, that's what I would not want America to do. I would not want them to tap into the innovation of the localities that they have and to focus on manufacturing that would, that I would not want them to do that. So that means it's something we probably.

[00:25:19] **Jerry McGinn:** All right. I wonder shifting gears just a little, one one of the things that's been a major focus in the last several years is, the, you have the platforms, but you also have the integration or the high tech, the commercial technology, the need to integrate this into systems.

[00:25:33] And you've got, the needs for, joint command control, the Jet C two, these kind of activities. But how do you. What role do you see for your organization to try to integrate the kind of efforts across the surfaces? So we fulfill the goals that are outlined in

[00:25:48] **Bill LaPlante:** those strategies?

[00:25:49] I just would start by saying Jad C two is the current name of a concept that's not necessarily new. It had been before it, I think called multi-domain command and control. And it goes back, even the concept has been around for a while, not, and this is not in any way of criticism. In fact, if anything it means it's enduring and the idea that you would do command and control across layers of effects and platforms and that the data would become what was important.

[00:26:12] And that, sensors and shooters could be linked together on a mesh where you could be shooting at. that is sensed from something that's, you have no idea where the sensor is. Sometimes shooting off the net or engage on remote is some call it. So it's very powerful.

[00:26:25] And then the combination of effects of kinetic, non-kinetic, EW stuff, that's all very powerful. So I think people get that. The question is what's the command and control? This is not the question that I'm interested in the war fighters interested in. Rightfully what's the doctrine, what's the conops and all the rest of it?

[00:26:41] And they should be, and that's where there's been a lot of really good work done there. I, on the acquisition engineering side, and all of you should be interested in say, okay, great, what does that system or system of systems look like that's gonna enable that? Okay? Because in our business of command and control, if you want to get down to the weapon systems, details matter, latency matters, quality of service matters, Link budgets matter.

[00:27:05] It's not email. Okay. It's not email or it's not a business system. Sometimes people forget that they applied business system architectures, service owner architectures to command and control systems where milliseconds matter. So that's the challenge, is how do we connect that together? And we're not gonna build something with a plain, with a blank sheet of paper.

[00:27:25] We've got all these systems that are out there. The services are doing really good work in their own area of, if you wanna call it Jad, c2. The Air Force finally is getting ABMS back on track, I think doing something useful, which is taking sensors and linking them together with commanding control for their missions.

[00:27:41] The Army and the Navy are doing project convergence and overmatch, And by the way the services are working with each other. They're not competing. They're actually talking to each other. I think what the question for me, and this is just how Bill a plant thinks, I wanna know what is the fundamental architecture that we're moving towards?

[00:27:57] And architecture is, think of it as principles that you try to adhere to. Doesn't mean that you have to do every piece of it, but it's what you say, Yes, you can do that. No, don't do it that way. An architecture could be, it really defines the data standards. It may define fundamentally the latency requirements on all the rest of it.

[00:28:15] And if you think about 5G and the putting the networks out, the architecture matters, really. It really matters. And I think people forget that. And we've made those mistakes. There's a lot of been a lot of postmortems on jitters, right? It, I finally, the best postmortem I ever got on jitters was from an MIT professor about a year ago who stopped by my office at Draper, and he drew on

my chalkboard on my wall, showed me how the architecture of jitters was never gonna work.

[00:28:40] and he went, he brought back the first principles on, actually the way each radio was gonna discover was software defined forms, additional RA weight radio, and how it was gonna scale. And it actually, once you got past about 10 units, it didn't scale anymore. It was like a first principles like physics type thing.

[00:28:58] I was like, Wow, how did we get that wrong? He goes, The contractor got it wrong, the service got it wrong and the labs got it wrong. In the case of Ocx, which is the ground control station for GPS three, which was still struggling with, hopefully it'll be fixed, turned out it's using a service oriented architecture, which is very popular back in 2008.

[00:29:17] Now it's well known since then that you do not use service oriented architectures for things where precision and latency matter. So choosing the right architecture really makes a big difference. So what I would ask about the Jad C two, I'd say in principle, what is the two B architecture? Not and that's the fun part, right?

[00:29:35] Because that's where you get the real smart architects and they draw the two B then, but then you don't stop there. Then you say what's the As is, which is Overmatch, abms and all the rest and all the legacy systems. They say, okay, how do we get from here to there? Which is your transition plan. That's what needs to happen in my view in Jad c2, and I think it will happen in Jad, c2.

[00:29:56] Those conversations are going on now, but it is a complicated systems engineering problem and system of systems and that's the only thing I want to leave people with is don't underestimate how hard that is. Even I worked at APL for many years. We've invented cec. CEC was not a walk in the park getting CEC to work, which is the networking inside the Navy.

[00:30:16] That was very difficult. Talk to missile defense about how difficult it is to get C two BMC to work with, engage on remote where you have eis, shooting a standard missile three from a tippy two radar. that took a lot of work and a lot of hard work with cova matrices, quality of service calculations, failed tests.

[00:30:34] So this is not easy, but I think people are committed to getting it done. And actually the services are leading the way, to be honest with you, what I'm doing and the two parts of osd, the osd, the chief data office at osd, which

reports to the deputy is all over this from a, the data standards, a data and interface layer perspective, they really have the lead across the department on that.

[00:30:57] On looking at that we're making sure that we have from an acquisition and portfolio view of acquisition, when we bring the collection of programs together, that we're checking from an acquisition portfolio perspective, are they syncing up in cost and schedule or more schedule and that are the interfaces gonna be right?

[00:31:15] And then the services, of course, are executing. But it's gonna be complicated. is complicated sorry.

[00:31:19] **Jerry McGinn:** No. That's, how are, there have been a number of authorities been given by Congress to D O D over the, the past, half decade plus, like middle tier acquisitions.

[00:31:27] Are these kind of things helping?

[00:31:29] **Bill LaPlante:** Sure. Yeah. I think they are. What I've been doing, and I should have brought my book with me. I've been collecting all the data on those programs. So I've asked, and I've got the data. It's sitting very helpfully on my desk at the Pentagon. I'm sure that's very helpful to all of you.

[00:31:41] But I went through with the, with everybody in the Pentagon, we how many 8 0 4 s are being done? How many have been done, How many OTAs are being done? Then there's a new software acquisition pathway, and you saw under Ellen Lorde with, she put together this adaptable framework. You got all of those, which was, it's a nice simplified way of looking at the old 5,000.

[00:31:58] Remember we had this horrible charts that I was in a hearing one time, and Sean Stackley actually, or one of the senators pulled out, Look at this chart. And it was an old DAU chart. Remember? Mock a dau chart. , Okay, it's the mir chart. Sorry, Pete, I'll pick on your favorite organization. MIT chart. Sean Stackley said, I've got it actually laminated and he pulled out of his wall and he had a little thing.

[00:32:19] Anyway, Ellen, and I know some of you in this room helped. I know, Pete, you were part of this too, helped simplify that and put that into that acquisition framework. So for each of those categories, we've got all the data on

how many of those are being done. And it turns out that I'm, again, OTAs are being used.

[00:32:34] Mike Brown, who I love you, Mike, wherever you are. Mike told me as he was leaving d is the only ones using OTAs. I said, Mike, no, there's 15 billion of OTAs being done. The Army's doing them a lot. So people are using OTAs now. 804 s. I forget the number. There's been over a hundred that have been done.

[00:32:50] 50 something billion. It's been spent on MTAs. Software acquisition, about 2 billion already has been spent on software acquisition. Looking forward in the palm, it's gonna be another 8 billion they're being used. Now if you look at all these on a sand chart, it's very sobering. So we put a sand chart together that it's procurement at r and d dollars from 2016 to 2023.

[00:33:13] We put all the different categories of acquisition on the sand chart. It's acquisition of services, ACA two, threes, and fours, which is major acquisition programs. Then ACA ones mid tier eight oh fours, software acquisition OTAs, and then something that's a BA eight, which is colorless money thing. And if you look at the chart, the big chunks of sand are acquisition of services.

[00:33:36] That's probably the biggest Next one are these a cat twos through three and fours. Next big one about the same size as a cat one s. There's a tiny sliver. If you look at it carefully, you say, I think it's gray, and you look in the chart, Oh, s and t. That's darpa, D I u sco, it's a tiny sliver. Another tiny sliver that's green is ot, is M MTAs a little sliver.

[00:34:01] So they're tiny. It's nothing, it is nothing compared to where we're spending all the rest of that money. So that's on one hand they're being used. On the other hand, it's still a minority of the time. I've asked for the success stories on MTAs and here's my argument. My argument is that and if you haven't read it, there's a great paper that Morgan Dwyer put out about, she's now at the ostp, but she wrote a paper at C S I S.

[00:34:23] Have you heard about this? Got a lot of people worked up, so I love about it. She went back to 1960 and looked at the equivalent of development, equivalent of milestone B to C, cuz B is when you really get into development everything before B is risk reduction and you're not really serious before. B serious in terms of the country being committed.

[00:34:40] And she looked at from [milestone] B to C measured the timelines. Going back to 1960, it's been five to six and a half years. Consistently. Consistently. Now, I said, that should make your head explode because we've all heard it. Oh, it's getting worse. It's getting slower. It's nothing like the old days. Sorry. The data doesn't suggest that you can believe it, but the data doesn't say that, and I believe that.

[00:35:03] So it turns out that it's been consistent with the data since I've been serving the first time. When I put out those reports in 2013, 2014, B2C timeline was typically planned to be five years and took about seven. So it's consistent with Morgan's paper. That was then it's still about the same.

[00:35:19] So why are you bringing this up, Bill? We've had section 804 for how many years? Five years. Shouldn't we start to see some of these magical things coming out of 804? And the answer is we are starting to see some but it's still early. And so I've collected from each service I wanna see success.

[00:35:38] First of all, I ask success stories. I wanna see anything, that is any of those authorities including major acquisition program. I wanna know something that's in the last five to seven years that has been successful. And what I define as success is in production at scale, or gonna be in production at scale, relevant in the high end fight.

[00:35:55] And that you've got something that you dealt with dot mill pf that you've actually got a training plan, you've actually got sustainment and we've got a few, we've got a few, each service has a handful. There's not many. I would say the ones that I'm the most excited about. Then we have another category of up and comers ones that we think if they do stump things in the next one or two years will make a huge difference.

[00:36:17] One are the space development agency work that Derek Tournear's doing. Those what Derek is doing. He's on a path potentially to do something pretty remarkable. He's gonna perhaps be able to launch as many as 25 Leo satellites next year in that first tranche of the transport. And then the sensing layer.

[00:36:33] He's doing it using OTAs and MTAs and he's doing it using commercial practices. He's doing it with fixed price contracts. It's pretty cool. But he's not, he hasn't done it yet, he hasn't done it yet, but he's on a track to do it. Hypersonics for conventional prompt strike with the army in the Navy, the vehicle's common.

[00:36:52] It's glide vehicle made by the same contractor. The Army's gonna have it land launched and the Navy's gonna have it Sea launched. Army's going first. Army's gonna try to have that thing in production next year. That would be pretty fast, especially cuz what I said earlier, we've never been in production on hypersonics and there's a few others that are pretty, There's a couple of integrated air and missile defense, but I'll tell you, there's not many.

[00:37:13] there's not many. And so it, it is sobering for all of us, and I would just say for people that, it's, we all get excited by the net, the latest shiny object on this tool or that tool. The what, the tool, what matters is that you're using the right tool for the right problem. So the most important thing about those tools is that they just they give people different ways.

[00:37:32] They can go. That's what's the most important thing is, but it gets back to the what Jim Woosley talked about, the workforce. We have to have our workforce smart enough to know, which is the proper tool for the right application. Believe it or not, an OTA is not good for everything. And somebody said to me one time no, why wouldn't it be if you have a very difficult negotiation on data rights and a tech data package on a very complex weapon system that's gonna be around for 60 years, I wouldn't wanna do that in an ota.

[00:38:00] I wouldn't wanna do that. I don't think I'd have confidence that we would get that right in an ota. There's so many contracts that are not OTAs that I wish I had a time machine to go back and say, No, don't sign that contract. Stop. Because the intellectual property was not right. So they're not all good for the same thing.

[00:38:16] And same thing with 8 0 4. But the poor, somebody asked me from industry the other day, What's gonna be your contracting strategy on x? I said, That's the wrong question. The question is, what's the acquisition strategy? What do you mean? I said, Yeah, what are you gonna do? Risk reduction. Are you gonna right into a production?

[00:38:33] Are you how much development you're gonna do? Are you gonna get to a PDR before you do milestone B? Then you go, What kind of contract do I want? And what's my incentive? You gotta start with the ACT strategy. So getting back to those acquisition pathways, that's where the workforce has to come in, where they have to look at something, ask a bunch of questions, look at the technology, look at industry.

[00:38:51] and literally put together what is the right acquisition strategy to deliver what that is. And that's not easy to do. It takes a lot of experience to do that. And and many times it's been done wrong where we've used an OTA when we shouldn't have, or used another process that we shouldn't have.

[00:39:10] So I, I would say that the authorities are great. I think they're helpful. But I think as I said earlier in this talk, if all of us hold the bar up and say, I love your technology, I love it. I love the fact that you've got satellites and space or that you can do this with AI or digital engineering.

[00:39:26] I love it. It's great. Is it getting to the war fighter at scale? ? No. No. Let me tell you about my ai. I don't care. Is it getting to the war fighter at scale? ? No. Let me tell you about my quantum. My quantum, I got this quantum sensor, so what. That's the thing we have to remind.

[00:39:41] And I say that to Mike. Heck, I was the CEO of Draper. We were filled a building of 1800 people in Cambridge of Nerds. We were PhDs in nerd and were we that interested in production? Not really, that was somebody else's job. So I come from that community.

[00:39:54] I get it, anyway.

[00:39:55] **Jerry McGinn:** What's in your view as the biggest impediment to this delivery of capability and production? Is it a, is it, we had a panel earlier with with your predecessor Lord and Mike, I talking about pvb. Is it the budget, how we do things because such a three year lag?

[00:40:07] Or is that a contributor? It's

[00:40:08] **Bill LaPlante:** part of it. The budget, you guys have heard, all the p PPE discussion, you have the three legs of the acquisition stool or somebody, People don't like calling it big a acquisition, cuz acquisition people don't like that because then they, they feel well then we get blamed for requirements or programming.

[00:40:22] So let's just call it the three legs of the stool to deliver capability. One leg is acquisition. The contract, the act started all the stuff I was talking about. Another leg is the programming, which is when the money is there and what year and what color of money. That's a very important thing. And then the third are the requirements.

[00:40:39] What does it need to do? Are you willing to trade off a requirement or not? Those three are owned, rightfully sold by totally different chains of command, and they're not sequenced in time when they are, when they do have a streamlined chain of command and they are sequenced in time, magic happens.

[00:40:56] That's what the Air Force RCO was and is the board of directors. In fact, we have a meeting on Monday, Board directors is me, Andrew Hunter, Chief of Staff of the Air Force, and the Secretary of the Air Force, the four of us. We own all three of those legs, and we can, and we did when I was aq, somebody would show up in my office with a package on Zipit and kick everybody out in my office, it was classified and say this is what we wanna do.

[00:41:18] I'd say, What's the a strategy? Boom boom. I don't want you to use that contract type. I want you this. Yeah, that's fine. Go for it. 10 minutes. I'd run into Frank Kendall, who had my job. Next day I'd say, Hey, you're gonna get a package. I, this is what they're gonna do in the ACT strategy. Take a look at it.

[00:41:32] I think it's the right thing. See what you think. Got it. Bill. See the chief of staff the next day. Yeah. I saw the I saw what they wanna do. I said, That range will be good enough. And then the secretary saying in her meeting, Oh, by the way, to the eight, get the money moved. It was a week. Didn't have a meeting, a single meeting.

[00:41:49] It was just happened. And that's how the RCO operates. But that doesn't scale. So the PPE commission, the way I look at it when I talk to them is, what you guys have to do is figure out a way to get those three legs to be much more agile in dealing with each other. In the year of execution. Even some of us who were on the 8 0 9 panel, Pete [Modigliani] was the brains to anything that I did on the 8 0 9 panel.

[00:42:13] And I didn't do much, was really what Pete did for me, helping me behind the scenes. He was my ghost writer. And one of the things that we pushed on the 8 0 9 panel was portfolio management and the DOD is implemented it, half of it, but not all of it, which is, I'm, I think is wrong. But the idea behind portfolio management was to replicate that RCO model across portfolios and have PEOs be able to trade requirements money in the year of execution.

[00:42:39] If you actually look at modern software development, that's what they do. They get together at the beginning, at maybe every week, but certainly

every sprint. And they bring the requirements together, people, user together, and the budget people and the people doing the coding, How we doing? I don't like this.

[00:42:53] And then the user says okay, if you do that, it'll be fine. And the money person says, Yeah I'll move the money. And then the programmer says, Yes, I can do it. And they get back. That's how they do software. That's what we need to do in acquisition. If you could get this pbe commission to get P B E to be that agile, that would be really cool.

[00:43:09] We have a situation now, I won't name the program where the cost estimate was done for the program and cuz it had to be, And the ACT before the ACT strategy was fully developed and we've updated the ACT strategy to be better. I updated it last week and then they came back to me and they said the problem is, yeah sir you put the ACT strategy together, you move this.

[00:43:30] They don't have the money sequence that way to do it. I said, Okay, we'll ask them to change it. It's too late. Gotta wait until next budget cycle. I go where did they, how did they put the money in the program? How did they program it? The cost estimator just made a guess. They said it's gonna cost this much for this part.

[00:43:46] We think it's gonna be this many years in development this year, many years in risk reduction production. I don't blame them. And they had to put something in. But I said, Okay, but now that we have a good act strategy, can't we go back and change it? No. The budget closed. That's the PBE process that has to be fixed right there.

[00:44:01] **Jerry McGinn:** We just the report looking at a year of execution flexibilities, and looked at kind of portfolio management or program element consolidation. And a lot of it you can do without addressing the kind of the, even the pdb, But there's a question we didn't get a lot of love and feeling from, authorizers and

[00:44:18] **Bill LaPlante:** appropriations.

[00:44:19] Appropriators are gonna not want to do it. They're just not gonna wanna do it. They're, they're upfront about it. They won't control. What we view as flexibility is their view as is a lack of oversight and. Good luck to the PPE commission. They've got former appropriators on it.

[00:44:31] Jen Santos b bless hers on it. She's optimistic. I hope she's right, but not what I've seen. So I think that here's what we're doing to a poor man's version of the portfolio management. They have, this has happened before I got there. There's 12 I think portfolios that we have in the department.

[00:44:47] And think of them as like surface warfare, air, nuclear triad, cyber. There's 12 of them. And we've defined which programs are in those portfolios. The joint staff does a once or twice a year for each one of those portfolios, does a requirements review of it and that, which is pretty cool.

[00:45:05] They go through and they say, Do we have the requirements laying flat for each in this portfolio? Do we need to update anything? Then we, in acquisition with the services, do basically a massive program review of the portfolio. We bring in the services, we go through system. We did this for. A bunch of cyber weapons for with Jimal.

[00:45:23] Nakasone, . And and we go through and we look at the pieces and we say, Okay. And a lot of it is across a kill chain. And it's pretty funny. You can just buy influence and force of personality in the room. When you see a disconnect, you can look at the service and say, Fix that. And so it's a poor man's version of the portfolio management.

[00:45:41] And then the last piece is Heidi Shoe is gonna, for each one of those 12 areas of portfolios, is gonna have a technology roadmap for each of those that'll go out to the labs and industry to say, these are the technologies that are gaps. So we're trying, as best we can to do this kind of management with the authorities we have.

[00:45:57] I think you can do it with just, just tell people to do it, And so they say they, they won't, but it's not it's not in the authorities yet. It's still not in the author. Gotcha.

[00:46:07] **Jerry McGinn:** With your focus on production , there's this kind of the Davidson window, the window with Ino Paycom and, the commission for PB is not gonna be due out for, several years.

[00:46:16] And, how can we, what efforts are you taking help like us deliver capabilities to meet those kind of, that kind of existential threat in the the near term?

[00:46:25] **Bill LaPlante:** I can say for Ukraine let me go back the, I do wanna say something on a very serious note about Ash Carter. Is we're all devastated by the loss of Ash Carter two weeks coming up on two weeks ago.

[00:46:36] He did so much for many of us, What an intellect, what a towering intellect. And many of the things that, that we know of today and we take for granted, he did, whether it's d, iu, sco, all, one of the many things that Ash started was back when he came. He became at and I in the beginning of the Obama administration early 2009.

[00:46:56] He got in and Secretary Gates at the time said, essentially, we're at war, meaning Afghanistan and Iraq, but the Pentagon isn't. And Ash, I remember, said to me, Cause I've, he was a mentor to me and I wouldn't be in this job if it wasn't for him. He said to me, and this isn't a dis to anybody, it just shows the disconnect, is the acquisition community, up until about 2009, with some exceptions, was largely not involved in the war.

[00:47:20] None of his predecessors had actually been to the theater and Gates wanted that to change. And so it was very clear that's what Ash did, if you remember. And he instantly got in there. They started up the MRAPs tax source. And Ash was Ash. Ash and Al Esteve were in Afghanistan every, seemed like every month.

[00:47:38] And one of the things he started was what's called a senior integration group, a sig. And he chaired it, and it was at the Pentagon, and it met, and it would have on the phone or on the vtc centcom, who's in the fight right now. And you'd have the, you'd have all the services, you'd have policy of the comptroller, everybody who could make a decision in the room with Ash at the head of the table.

[00:48:00] And they just knocked out issues. CENTCOM would come in and say, I've got this problem with the IEDs. I need this and this, I need this kind of isr. And they'd instantly come in. They'd say to the Air Force, What do you got? And the Air Force come in and say, I got these three things in Big Safari.

[00:48:13] Okay. What are we doing to move that? And they started moving stuff. Okay. That whole process has been institutionalized. And we've got it in a DOD instruction. It was used even during the counter ISIS campaign. It was used on and off. Ellen Lord used it. So a week before I got into my job. So I had nothing to do with it.

[00:48:33] They stood up in a Ukraine sig and I found myself chairing the meeting and I chair it every Friday morning at nine o'clock and I've done it since then. And all the stuff you read about in the news, I'm not taking credit for it cuz it really isn't credit, but just to show you goes through that group's involved in that we're not the decision makers.

[00:48:51] Decision makers are policy in the White House about what capability to give. But once the decision is made, the movement of it that's how we keep it coordinated in the department. It gives a real sense of urgency to the problem. And you better come to that room with a pro your problem solving hat on.

[00:49:08] And if you have to say two or three meetings in a row, I haven't done that yet. We'll shame you a little bit. We will. And people really pull together and you get a lot done. I've heard some people, one general who made four stars says it was one of the only meetings at the Pentagon that was actually useful that he ever attended.

[00:49:24] And this is before I got, so I'm not taking credit. So we're gonna we don't have anything like that for the Pacific scenario, but we're gonna need to start to think like that because I think that we need a sense of urgency there as well. I think Admiral Aqua, who's Ino, Paycom would ask for that. I think that the, what's hit home to us, particularly since, in the last six months or whatever, and again, maybe this is overly influenced by Ukraine, is we do have to be prepared if something goes south tomorrow.

[00:49:51] So I think that we're having to do both with the Pacific scenario. One, we have to plan for the palm, sometimes even two or three palms. We have that. But then we also have to do for the contingencies of now, and you come up with different answers. We, the term of the month, the Pentagon is MacGyver.

[00:50:08] We have these MacGyver solutions, Vampire. You may have heard of vampire. It's a system at L three. We're funding L three to do with Raytheon. I think where it's taking a radar from one system and putting in interceptor for another as a counter uas, A lot of those kind of point defense or those MacGyver solutions, we're using those in Ukraine.

[00:50:27] We may have to start putting those together for other scenarios as well. . This is another place where industry can really help us, but it gets back to this interchangeable idea that I mentioned earlier. So I think that we're gonna be looking at, and we are looking at long-term capabilities for China.

[00:50:40] We'll have the B 21 rollout, which on December 2nd, but then we also have to do these things for the short term as well. And it's part of frankly, integrated deterrents. It's part of you. And what we have to do to show the adversary that we're serious. .

[00:50:52] **Jerry McGinn:** So increased production for Ukraine, for increased capabilities for the department, for Endo Paycom.

[00:51:00] We're talking, that's not a small bill. How has Congress been receptive, and how is that looking within the administration? Because this, it's not an insignificant lift

[00:51:09] **Bill LaPlante:** financially, it's not but I think thanks to the Congress, I think there has been a recognition for the last several years of the seriousness of the national security situation.

[00:51:18] You look how the Congress has been with Ukraine. I forget the number, but it's, with both supplementals, it's tens of billions of dollars. I think we're what, but history, if you look at history doesn't repeat itself, but it rhymes. We have to make sure that we're wise in spending that money.

[00:51:32] And that, So I tell people about Ukraine dot every, I cross every t with Ukraine cuz we have to move fast, but we can't make mistakes. So I think as long as we explain it, we give the rationale and we execute well to it. I think we have the support. And that's where it is right now. And and you can you, you read the news as much as I about what the top line will be.

[00:51:54] Yes, we have the elections and maybe they'll be changed with the elections, but we've gotten some really good support, bipartisan support on Ukraine. I think, it's both sides of the aisle. What on the cable news, what on tv, all that is fine. But the actually in the national security, there's a pretty good, I've been very pleased with the bipartisan work and national security cuz it's a serious issue.

[00:52:15] And senators from both parties, for example, are making visits together to Kiev. Yeah. And coming back. So I think, there's probably more bipartisan stuff going on than you might realize.

[00:52:25] **Jerry McGinn:** One of the things that's eating into the buying power, across the, for everyone, but also in the department is inflation.

[00:52:30] And you put out some updated guidance a few months ago. And I want to get your sense of how has that been received? Have you gotten, you asked industry for some specific inputs or effects. Have you gotten any response from that?

[00:52:42] **Bill LaPlante:** I guess a couple things. Yeah. John Tegnalia, who's our head of defense cost and pricing, put out some inflation guidance last spring that largely reiterated, reminded people of what was already available to them, which is, I'm way oversimplifying something called EPA Economic Price Adjustments.

[00:52:59] And the and how they. Contracting offers service could potentially use them. Over the summer, I asked John to look harder and see what other guidance we can put out because I, I knew intuitively and I still believe this intuitively, I believe people are getting hurt. I believe that small businesses are getting hurt.

[00:53:15] I believe suppliers are getting hurt. And I just wanted to make sure that we were providing within the regs, within the law, the most flexibility to contracting office and what they could do. And so John updated it last in September, I think we've done in the d o d I don't know that without some other like legislative change that we can't do, that we can do more than what we're doing as far as, But we are asking, I'm imploring industry to give us data.

[00:53:39] And what we're looking for and I don't mean to be a doom and gloom, but we're looking for those cases where the concern being a company saying I can't bid. Anymore. I can't. I'm, I can't bid, or the bid I gave you last year, I can't honor it. That's what we're concerned about.

[00:53:54] We, right now, to date, haven't got really very much data on it. I don't know why. I don't know if it's because it's not happening. I can't believe it's that it's not happening or it's just that the information is slow to flow up. Remember, a lot of these are suppliers to the prime, so the information has to get up to us.

[00:54:11] But we've been very open with industry and with Congress to say, and we want to see the data. If we can get data we could do something with it. And I include that with proposals. If somebody's gonna put in a proposal at which they are for new their next version of something and their proposal is much higher than the previous one, fine.

[00:54:29] If you say why it says inflation, show us the data. It's not an unreasonable thing. Don't just say, it's an old joke, it was a cartoon where a kid was late with their homework and the teacher says why didn't you turn your homework on time? Supply chain and inflation. So there is, people do grab it as a be all, Please just show us the data.

[00:54:48] And and I think that Congress wants to be sympathetic to it. I think they want to help, but they're in the same position that we're in, which is that we've, we can't do it. We have to do it based upon data. I guess that's still where it is. I'm open minded. It's, I guess the way I would look at it.

[00:55:02] Open minded. On the other hand, we're not just gonna arbitrarily open up every contract. We can't do that, and we don't, we're not, and we're not gonna do that. So that's of where it stands. And then on the cost reimbursable contracts, which a lot are in development there. The logic, I dunno if the data supports this, but the logic says it'll be a lot like covid where, because you'll have to spend more money to get the same thing in development, what we'll give, unless you give up on requirements, probably schedule a slide, right? We haven't yet seen it, but that's what I'm concerned about. , you think about it, that's when you're in development, most of the time you're doing cost reimbursable, like a C P I F you're likely not to get, if you're if it costs more money, do the same amount of work as your labor's gone up, you're probably not gonna get a relief on the requirement you're gonna, it's probably gonna affect the schedule.

[00:55:46] So that's what I would say.

[00:55:47] **Jerry McGinn:** Okay. So your boss the particular hicks just talked a lot about kind of the reduction of companies in the defense industrial base. Are you seeing that and what is what do you think is driving that then?

[00:55:58] **Bill LaPlante:** What do you it's not rocket science.

[00:55:59] It's, you guys all seen the charts, right? Going back to the last supper where you see all the, companies and it goes. I saw a version of that chart for suppliers, for the second tier and third tier suppliers where, you go back to the nineties and you had 40, 50 of 'em across these areas, and now it's, it's not rocket science that this is happening.

[00:56:17] The market is the, there's been m and a and consolidation and I think part of it was this production issue. I think frankly, I think we now, maybe I'm not right about this, we really, we don't have many production lines in the

country, and if you don't have many production lines, you probably don't have many primes.

[00:56:34] If you don't have many primes, you have less suppliers. And there's another piece of it, which I can't prove it's more anecdote, is vertical integration. And I think companies are always looking at acquiring subs and bringing, making it organic. And if you look at that's quietly happened, particularly in the space business that's happening a lot.

[00:56:55] Commercial space. There's a lot of vertical integration going on. And I, and somebody asked me, mergers and acquisitions, are you forward against? I said it depends. Some of them could be really good. I've seen really good ones. Some of them maybe not. So it is a concern that we just, and then, and the real concern is lack of competition.

[00:57:11] That's the real concern. Somebody asked me my position on inflation. I said, I'm against it, but what's my position on m and a? It depends, right? It depends on the case, right?

[00:57:20] **Jerry McGinn:** Yeah. It it's interesting yeah there's actually very little analysis that looked at, looks at the real impacts of consolidation on, cost scheduled performance.

[00:57:29] There's been so that's, but

[00:57:31] **Bill LaPlante:** We have seen competition changes, behavior. There's no question. Competition changes behavior. Yeah. Implied competition. Change is behavior. We've all seen it. So we know that intuitively, we know that's true. Yeah. So

[00:57:42] **Jerry McGinn:** great. Wonderful. Dr. Lan, I want to thank you

[00:57:44] **Bill LaPlante:** for Thank you and sorry for being your last speaker.

[00:57:47] I hope this was a good conference and thanks every, and I seriously thank you for what you all do. We are in serious times. it, when you actually stop and think, and you look at what's going on every day in Ukraine and you read the news, and by the way, most of the news about Ukraine is pretty accurate.

[00:57:59] There's not a lot that, there's not you get the classified thing and the unclassified thing, There's not that much difference. So what is really going on,

and then Yeah, we're worried about China. Yes, we are. And I don't, and then you have the weird thing like what's going on right now with North Korea.

[00:58:13] So we live in a very dangerous world. And it's been made really, it's been made real on, on Ukraine with these weapons and and we just gotta continue to provide them and provide the right capabilities to Ukraine as this goes on. And we're in November now, it's November 3rd.

[00:58:27] At some point we think, who knows what's gonna happen in the winter? Is it gonna, is it gonna slow down or not? We'll see. But but it's it's really been an eye opener and certainly for me I've really learned a lot. So anyway, thank you to everybody here and thanks for what you do and and keep the good word going.

[00:58:40] Acquisition is fun. . It is fun. I, it was a Mir. Somebody said to me, there's acquisition work and then there's s and t, I, our program office work, you called it. Remember that, Pete? I'm like, They're the same thing. They're the same thing. So it is all the same. It's all. So anyway, thank you.

[00:58:58] Thanks to all of you. Have a great weekend.

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