**Statement from Ranking Member Adam Smith**

House Armed Services Committee Hearing: Assessing Progress and Identifying Future Opportunities in Defense Reform

Thank you Mr. Chairman for holding today’s hearing on this topic of critical importance. Also, thank you to the witnesses for sharing their opinions on past and future defense reform opportunities. I look forward to hearing their views on what the Department of Defense **should or should not** address in the future as it relates to acquisition policy, organizational structure and military personnel reform efforts.

The FY2016 and FY2017 National Defense Authorization Acts (NDAAs), included significant changes to the acquisition division of the Office of the Secretary of Defense. First, decision making authority for large acquisition programs moved from the Undersecretary of Defense for Acquisition Technology and Logistics (AT&L) to the Service secretaries and second, that same Undersecretary position was split into two Undersecretary positions. This shift has created an unknown dynamic for the Department of Defense (DOD) and private sector companies who produce goods and provide services for DOD.

So here we are in 2017, working on next year’s NDAA and key acquisition positions are yet to be filled and it is too early to tell if these reforms will prove to be successful. In my view, before we make additional acquisition reforms, we should see if last year’s changes are effective because frankly, it seems as if current changes may be overwhelming the system. The Department of Defense can only absorb so much new acquisition reform legislation.

However, one area where DOD does need Congressional support is in helping it right-size its infrastructure by authorizing a new round of Base Realignment and Closure (BRAC). DOD has been asking Congress to authorize a new BRAC round each of the past five years and they estimate a new BRAC can help save $2 billion a year. At a time of constrained resources, we can’t afford to waste $2 billion a year holding on to infrastructure that is excess to the military’s requirement. While some may question the force structure levels or raise concerns with the 2005 round, I believe Congress can and should work with DOD to address these issues and authorize a new round of BRAC this year.

I am also interested in where the Department and the services will go with personnel reforms.  The FY16 NDAA reformed the military retirement system to provide 83% of the force a stronger portable retirement plan that they can take with them when they complete their service obligation, but do not reach a 20-year retirement.  It is time the personnel system compliments the retirement system with more flexibility and ability to target certain skill sets when needed. The services have been discussing for years the need for a more flexible personnel system, but have done little with the existing authorities they have to make any meaningful changes.  People join the military and depart the military for a variety of reasons; and the system cannot be a one size fits all.  I also understand due to the nature of the missions and organizations, there have are requirements and standards that need to be maintained.  I am interested in exploring concrete options that create flexibility to attract the qualified individual’s it needs to fit the requirements and as those requirements change, retain the quality the military needs to maintain high standards.