

PRESS RELEASE

House Armed Services Committee Duncan Hunter, Chairman

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OPENING REMARKS OF CHAIRMAN DUNCAN HUNTER

Hearing on The Defense Transformation for the 21st Century Act

Today the committee begins a two-day review of the Defense Transformation for the 21st Century Act. This package of reforms is being presented by the Administration as necessary to fundamentally change how the Department of Defense adapts to new security challenges and fulfills its critical missions.

It is my intention to consider as much of this important package as possible for incorporation in the fiscal year 2004 defense authorization act which we will begin to mark-up next week.

This proposal involves significant changes to military personnel, civilian personnel, training, and acquisition policies. This morning we will focus on the civilian personnel and acquisition policy provisions and tomorrow we will cover the military personnel reforms.

The environmental reform provisions of the proposal have already been the subject of hearings and previous scrutiny. The Department has made what I believe is a compelling case that the current inflexible framework for compliance with Federal environmental laws result in an increasingly adverse impact on military readiness. The Readiness Subcommittee held an extensive hearing in March, during which these issues were highlighted, so we will not examine that portion of the transformation proposal today.

We will hear from two panels this morning. The first is comprised of two senior Department of Defense officials:

The Honorable David S.C. Chu, Under Secretary of Defense for Personnel and Readiness; and

The Honorable E.C. "Pete" Aldridge, Under Secretary of Defense for Acquisition, Technology and Logistics

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The second panel consists of:

Honorable David M. Walker, Comptroller General of the United States; and

Mr. Bobby L. Harnage, National President, American Federation of Government Employees, AFL-CIO

One of the most important and possibly controversial elements of this package is the creation of a new National Security Personnel System. This proposal is being advanced in order to allow the Department to develop a mission-based, total force system of management for defense civilians that will support national security, while retaining civil service values and protections related to federal worker pay, evaluation, retention, and grievance procedures.

This more flexible approach has been endorsed by the National Commission on the Public Service, also known as the Volcker Commission, who concluded that key parts of the government are operating with outmoded rules, pay inequities, and poor systems for recruiting top-notch talent.

The Department is proposing to use the requested authority to develop new personnel regulations that would allow switching to a pay-banding system, implementing a separate pay structure for managers, modifying job classifications, new hiring authorities, changed pay administration, pay-for-performance evaluation systems, and reduction-in-force procedures. Most of these personnel reforms in the proposal mirror those included in the legislation that created the Department of Homeland Security.

Also in this proposal are a series of miscellaneous provisions intended to grant the Department more latitude in managing its acquisition system. The Department's stated objectives are to increase flexibility, streamline rules, cut cycle time, and adopt commercial practices. The committee will carefully evaluate each of these proposals with an eye toward providing the Department with an appropriate measure of necessary flexibility but without also jeopardizing the ability of this committee and Congress to obtain information that will enable us to continue our constitutional oversight role.

These are all critically important goals that deserve the careful consideration of our members, the committee, and Congress. Accordingly, I look forward to today's discussion and in working through these issues so that we can arrive at a balanced package of management tools to help the Department better execute its paramount mission to keep our nation secure in a very uncertain and turbulent world.

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