



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

SEP 03 2012

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS BOARD

SUBJECT: Defense Business Board Terms of Reference – “Taking Advantage of Opportunities for Commercial Satellite Communications Services”

Members of the satellite commercial sector often approach the Department of Defense (DoD) with opportunities to provide highly desirable and time-sensitive commercial satellite communication capabilities. Some propositions require a DoD commitment to take service when available, sometimes on an annual basis, while others may require a commitment of up front dollars covering services for a multi-year period. DoD has been unable to take advantage of these ideas due to either existing processes (i.e., the Federal Acquisition Regulations, Joint Capabilities Integration Development System, and Planning, Programming, Budgeting and Execution) or a DoD culture that appears to resist dependence on commercial providers for satellite services.

Some obstacles, like congressional funding and other statutory restrictions (such as the Competition in Contracting Act 10 U.S.C. § 2304), are beyond our control; however, there may be some changes in existing regulations processes that could allow DoD to take advantage of these operationally useful, yet fleeting opportunities. Consistent with the National Security Space Strategy and National Space Policy, and to meet the capability need of the Combatant Commanders, we must take action to assess whether it is possible to realize the potential benefits offered by the commercial satellite communications sector.

I request that you, as the Department’s independent advisory board for best business practices, conduct a study to identify impediments to DoD’s ability to better utilize the commercial satellite sector and recommend ways forward that allow DoD to better leverage opportunities from the commercial satellite service providers. In particular, review the opportunities, internal obstacles to implementation, and any corrective actions required to enable DoD to rapidly evaluate and take advantage of potential commercial satellite communications services.

Specifically, the Task Group should provide the following deliverables:

1. Opportunities. Explore potential business arrangements including “nontraditional” methods for rapidly acquiring commercial space goods and services that enable expedited review and decision for space capabilities. Examples of space goods and services include but are not limited to: payloads hosted on commercial satellites, service-level agreements for commercially provided space-based capabilities.



2. Obstacles to Implementation. Identify potential roadblocks in the acquisition process related to the commercial satellite sector that prevent DoD from taking advantage of opportunities to provide commercial satellite communications capabilities, including administrative, programmatic, cultural, legislative, and legal impediments. Examples include but are not limited to: the lack of multi-year contract authority for acquisition of commercial space products and services which is found in Title 51 of the United States code for some civilian agencies (anchor tenancy authority) but not in Title 10 for DoD; the need by commercial vendors for an initial commitment upfront to secure debt financing; the lengthy timeline for a sole source award which may move the procurement outside of the vendor's product's availability; and the lengthy acquisition process that may not allow the Department to take advantage of fleeting commercial opportunities.

3. Corrective Actions. Provide potential actions the department can take to reduce roadblocks and increase opportunities to provide commercial satellite capabilities and services to the Combatant Commanders. The corrective actions should specify which actions can be accomplished within existing legal authorities, and which actions require a change to existing statutes, regulations, or processes.

Mr. Frank Kendall, USD(AT&L), will serve as the primary DoD liaison for this task and will provide technical assistance as needed. The Joint Chiefs of Staff will support the task group as required.

As a subcommittee of the Board, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal regulations, this Task Group shall not work independently of the Board's charter and shall report its recommendations to the full Board's public deliberation. The Task Group does not have the authority to make decisions on behalf of the Board, nor can it report directly to any federal officer who is not also a Board member.



cc:
USD(AT&L)
Director, Joint Staff