

TRANSCRIPT

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General Gus Perna
Commander, Army Materiel Command

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General Perna: I am an Italian from New Jersey, so I'm bound to be moving my hands around. I grew up by Picatinny Arsenal, which is directly west of New York City.

DWG: I'm from [inaudible] and my wife's from [inaudible]?

General Perna: I know them both. My father grew up in West New York New Jersey, which is in Bergen County.

I went to school when I was 19. Pretty much I've been back for a couple of Christmases, but I do enjoy the pizza and the Italian cookies.

DWG: The bagels.

General Perna: The bagels are way different, you're right. [Laughter]. The bagels are bad calories.

DWG: Well, the bagels here are very different. That's all I'll say about that.

Good morning, everybody. Thank you for coming in. I'll just quickly run through the ground rules after I say thank you to our guest, General Gus Perna, Commander of U.S. Army Materiel Command. Sir, thank you for making the time to meet with us on your trip to Washington, D.C.

Sir, I wanted to begin with a little bit of a follow-up to some of your comments at AUSA when you spoke about the Army's supply chains. And you had mentioned that a lot of the Army's heavy equipment, your Abrams tanks, your Bradleys, your Strykers, has, that equipment has been essentially unused for the past 16 years which creates a somewhat counter-intuitive problem in that the equipment's not used much, therefore it doesn't break, therefore you don't need to order new parts, therefore suppliers don't

manufacture these new parts.

How does that manifest itself as an actual problem? And a related question, how is that different from the equipment that is heavily used, communications gear, aviation, and what not?

General Perna: Generally our equipment, it may be a poor analogy, but it's no different than the car you drive. If you maintain it, it will work for you well, of course.

Over the years in the war as the pattern of the war changed, we required different types of equipment on the battlefield. As many people know, MRAP became the vehicle of choice as we were in those operations, because of the mission we were doing. And then the equipment that was not being used as much as the war went on were the tank and the Bradley, Strykers primarily. But the equipment we were using were the aviation, communications, et cetera.

It's not about, or if this equipment, we weren't using it. Why is it all of a sudden breaking down? That's not the issue. The issue is the supply chain that supported that equipment atrophied. Just like your car or something you use, something's going to occur and you take it into the shop and right there they have a repair part and they fix it.

The problem is, now that the operation tempo has changed, and now we're focusing, rather than counter-insurgency in total, we're doing counter-insurgency and decisive action. So envision tank on tank type battles. Right? So tanks and Bradleys and Strykers are being used significantly in training, both at the squad, platoon, company, battalion and brigade levels.

So we're racking up miles on that equipment and things break.

Now when they break, if it's an aircraft or a piece of communication equipment, because we've been using it consistently over time, that repair part is in the supply chain and it's available to us easily.

The things like Bradleys and Abrams and Strykers, that supply chain has atrophied and we no longer have the breadth and the depth of that being maintained on the shelves. Both in the motor pools and then all the way back to industry. Industry will keep on the shelf what they're going to sell. They don't keep things on the shelf that they're not selling.

So as we've increased the operation tempo of this training, we've increased our requirement for spare parts for the equipment, and we are building a demand to demonstrate that yes, we need the repair parts at the motor pool and we need the repair parts at industry.

So that's coming along, it's getting stronger every day.

The key, I would tell you, some would translate simply to my opening analogy. This is not like you driving your Ford F150 truck and no matter where you are in the country you pull into a Ford dealership and they have the part. That's very easy to manage.

We have to manage our repair parts to the demand of the requirements. In other words, we need what we need when we need it. And then we're constrained because we need to make sure it's mobile. Right? We're in places, other places in the world that can't pull over into the Ford dealership. Right? I have to carry my repair parts with me. I have limited transportation to maintain that, to carry it. So we want to maximize the right repair part to the requirement. And that takes some effort. It takes us to really look at our algorithms and make sure that we are bringing the right things with us. I think that's a good start, but I can expand on that.

DWG: The amount of heavy equipment training that you're doing, whether it's at National Training Center or in Poland is increasing fairly steadily. How far behind is industry in meeting your demand, and how long will it take for them to get caught up?

General Perna: So it has been increasing steadily. It's been increasing steadily over the last two years, with a lot of emphasis over the last year, as I review it. And industry is doing a good job of trying to catch up to us. And I don't mean that, that just didn't happen -- we didn't give them the demand signal. And without the demand signal, they weren't able to fill our requirements. So now we're in the process of building that demand signal. We're doing it through three ways. One, the standards and the discipline down at the unit level, right? Doing maintenance and supply transactions over basically the last 15 years. Supply and maintenance transactions were done by contractors as we were in Afghanistan and Iraq because we were maintaining a force cap level. In other words, only so many soldiers allowed over there and so where did you want those soldiers? You wanted those soldiers to be fighting against the enemy. And the way we mitigated that number is contractors supported us with maintenance and supply. Great effort. Our equipment was maintained at a high readiness rate, and they were doing it both forward and in the rear to allow soldiers to have time to take leave, et cetera.

So standards and discipline really being increased. Soldier knowledge. Soldiers, warrant officers, and leaders' knowledge of maintenance and supply is increasing exponentially every day.

The second line of effort we took is, we redesigned the way we look at the authorized stockage list or ASL. That is repair parts that we maintain at the brigade level in our supply support activities. We changed the algorithm. The algorithm was based on a demand that was focused on one major training event a year. That was, in my view, not effective. I've thought so since I was a 2nd lieutenant. And now I'm finally in a place where I get to influence the change.

So I went and briefed my approach to the Chief, and we realigned the algorithm to match maximum effort against the operational tempo of decisive action training. And easier said, that means we took the highest training rate against each month by unit, and we designed the algorithm to meet that. Versus one training event, and then we designed the algorithm to meet that.

My words. The algorithm now is focused on maintaining Army readiness, materiel readiness. In the past it was focused on the same, but it was constrained by dollars, and now the Chief's number one priority is readiness. Be ready to go now. So we're focusing our dollars, we're spending our dollars the right way on the right repair parts for the right time. So that's where we're at now.

DWG: General, thanks very much for coming today.

There is a lot of, again, I think it was very [inaudible], we'll all talk about changing the stovepiped acquisition system, big A, write large, from the initial concept, so you get a bright idea, all the way through sustainment and ultimate demilitarization. That's been very stovepiped. The requirements guys sit in their ivory tower and then throw things down like Rapunzel let her hair down to the prince and saying build this impossible thing.

I know there always have been efforts to bring AMC and requirements and the Army acquisition [inaudible] more closely together. What have you been doing so far? And what are you looking at doing additionally on that as we look at maybe a futures command or a modernization command?

General Perna: I will tell you that even though it came to light at AUSA, both by the Secretary and the Chief and their vision, and I'll talk to you about that in a minute. This has clearly been the Chief's, not his number one priority which is readiness, but he talks significantly about modernizing the force and modernizing it not only for today's requirements but for the future. And he has been leading us through this effort. He's been contributing a good amount of his time. Personally being a part of updates, whether it's assessment of requirements to managing the time line of the acquisition process.

And then as you articulated, at AUSA, both the Secretary and the Chief announced their vision of the future of modernization. And, my words, the notes I wrote, is their vision was about maintaining or creating a unity of effort underneath unity of command. And simply put, it's about making a commander responsible from beginning to end in the process that would report to the Secretary and the Chief against their priorities.

Right now, Lieutenant General Ed Cardone has been tasked by the Secretary and the Chief to figure out how to implement that. He's working courses of action with input from the three ACOMs and other staff sections to determine how to execute this vision. And that's what we're in the process of doing right now.

DWG: Understood. But there already had been attempts the last couple of years to do everything from communicate better with business, to bringing, acquisition, small a, and requirements into the same room. What's different just in the last couple of years? Perhaps it's laying the ground work for some of this next big war.

General Perna: I would just tell you that I think it's the Secretary and the Chief's leadership, and personally being involved in the process is the number one thing I would highlight.

Number two, it is about the discipline and execution of the process as we work through it.

And then three, it's the efforts of prioritizing what we're going to do instead of trying to do everything.

DWG: The Big Six list that they put out.

General Perna: Right.

DWG: With the emphasis now on rapid acquisition and fielding of vehicles. You've got a new Stryker variant coming to Europe. What challenges does that present to you from the AMC standpoint? You've got, is the acquisition machine trying to move faster and you've got to sort of keep pace with --

General Perna: So as was addressed up on, I know you all read the bio and whatever we hand out about our mission, but I'm responsible for the materiel readiness of all the equipment that our soldiers use. It's about ensuring that we have the best equipment forward for soldiers. We want them to have confidence in their equipment. Because as they go into harm's way we want them to have the assuredness that that equipment will be, will work and will do its job. That's my responsibility.

And so as we modernize all this equipment a long time, I think, it's absolutely essential that we do so, number one, because of that light. Making sure soldiers have absolutely the best.

So what that requires for me and the staff and my commanders is to be involved early in the process, to understand the decisions that are being made, to provide insight beyond cost, schedule and performance that articulates the operational risk. So that we find ourselves or the leaders are presented with the best decisions on where to spend their money and what to spend it on.

And so that process is enduring and it requires a lot of effort by generals, senior executives, other leaders inside of my work force. But the key is early involvement and then managing it through the process.

DWG: What stage of the process [inaudible]? Do you have that forum now? What stage --

General Perna: Yes, we do. And it starts as early as when TRADOC is developing requirements. I have liaisons that are working TRADOC. Of course there's great collaboration between TRADOC and AMC. And we're involved in the early development as they're developing the requirements. And it's about highlighting the operational risks so commanders can make the decision. And the metrics of cost, schedule and performance are not the deciding factor.

So this has been highlighted by the Chief of Staff of the Army, is personally running what we call the AROC, and I'm going to drop that acronym.

Voice: Army Requirements Oversight Council?

General Perna: Thank you. I get so comfortable with it, I apologize to all of you for that.

The Chief is personally at the end of the table while those are being briefed, which means myself, General Abrams, and General Perkins and General McConville the Vice, are there as well as other senior executives. And he's only delegated that authority down to the Vice, which says a lot. So if you can't be there, then the Vice takes it. But that brings a lot of us to the table and it forces commanders to be involved in the process. And I'm fond of saying, and my staff is tired of hearing it. But commanders assess operational risk. Okay? Commanders have to make the decision on what the best products are.

The Chief will tell you he's not the commander, he's the Chief of Staff of the Army, but he holds himself accountable which in turn brings us to the table, which I think is incredibly powerful.

DWG: I'll follow up on that.

Earlier this year we were talking about Army prepositioned stock, and how your command is kind of relooking what is in those and where specifically they're placed [Inaudible]. You had that all aligned exactly as it should be. I'm curious, first, an update on that. If you've come up with any new plans or are still [inaudible].

General Perna: I apologize, but just to reinforce. My responsibility is to maintain the equipment that's inside of the Army prepositioned stocks. Ensure that it is fully mission capable, and that it's ready to be issued based on guidance from the President and the SecDef on where they want to use it.

Determining the location on where Army prepositioned stocks occurs is a SecDef decision. Then what we do is, based on his guidance, we ensure that the right equipment is in the right place and is ready to go.

What we are doing, though, that's different than in the past, as far as Army Materiel Command in support of the Chief's guidance, be ready, is the equipment. I feel incredibly confident that it is fully mission capable. The sets located around the world, if the President directs and the SecDef tells us to execute, is ready to go. The equipment is fully mission capable, and I would allow my son or daughter to be a part of that draw. In other words, if they were to fly over on a plane and draw that equipment, I would have confidence, 100 percent confidence, that that equipment will work, and it will work on the battlefield as I articulated earlier, what I thought was our most important requirement, to ensure confidence in the equipment.

What we've been doing, though, is enabling that equipment with shoot move and communicate enablers. For example, the communications we're installing and the equipment, the counter-IED, and the weapons to use. And so the vision is, not only is this equipment postured in key locations around the world, but now if directed to put soldiers on that equipment, they're one flight away from drawing it and taking it to immediate action. All right?

In the past what they had to do was take these enablers off their current equipment, box it up, containerize it, ship it, which takes more planes, trains and planes and trucks to do, and it takes time to install. Now these enablers are installed on this equipment. And so the advantages are that soldiers come in, there's a very specified process to reduce time, to ensure we maintain accountability because it is our equipment that we want to maintain accountability. But soldiers are able to focus on what their next mission is without worrying about installing, is it installed right, do I have everything I need, how many days will that take? And we've significantly reduced the time from what it used to take to 96 hours, which I think is key.

Which I remind my staff all the time, as we talk about this, because again, it's a money decision. How much money do we invest in this? Do we use it all the time? And I remind them of two things. It's an operational decision, so commanders make that decision. Then I ask them if their son or daughter were in an Army unit and they were told to go draw this equipment, which equipment would you rather them draw? The equipment with the enablers, or the equipment without the enablers? Hands down, I get a lot of support for the enablers. I think this is a key change to what we're doing, and I'm very proud of where we're at with this.

DWG: When was that change made?

General Perna: WE started implementing it over the last, significantly over the last six months. But we've been, I generated this idea for about a year. You know, I went and talked to the Chief about it. I built some support amongst the Army staff, and then

we started implementing it about six months ago.

DWG: You mentioned getting that time down to about 96 hours. What was [inaudible], just to get from that mission capable to combat ready?

General Perna: It was significantly longer.

DWG: And what's the start of that clock and what's the end of that clock?

General Perna: For me, when I'm told that somebody's coming to draw it. Once I get that phone call that somebody's coming to draw it, then my clock starts at 96 hours, ready to go.

DWG: And the clock end when they're all in the brigade set?

General Perna: They've moved out of their area.

DWG: Is it all part of sort of RSO&K?

General Perna: Uh-huh. It is, but maybe not in the way you're thinking about it.

The advantage is, as a logistician says, so please comment accordingly, the advantages of Army prepositioned stock are that they're positioned forward in key strategic areas, as I said, determined by the SecDef. So what we want to do is take advantage of that. We want to be over, we want to be able to put soldiers on it, and then provide flexibility immediately, right? With that equipment. So people understand, not that I'm going to talk about it here, but there's probably a sense that people know where that equipment is around the world. That's, in my mind, that's a deterrent in itself.

The second thing is understanding that the equipment is ready and can be used.

So being able to have immediate access, and then availability to that equipment in execution I think is important. That's what we're driving for.

DWG: I wanted to talk a little bit about the [inaudible] acquisition reform that [inaudible] the acquisition [inaudible] down to the service level.

How do you make that change and ensure that you still get a good deal for the taxpayers?

General Perna: It might be my interpretation of your question, so I apologize and refocus if I don't get to where you want. I think there's a couple of answers to your question as you articulate it.

One, I think early in the acquisition process our involvement is important, and we need

to be, we need to purchase the intellectual property of the equipment that we're going after.

We don't need to own the intellectual property in total, but we need to have access to the property to allow us to have availability through the supply chain, and so that after the piece of equipment comes into the system we are not limited by access to one organization for repair parts. We want multiple access and availability, and we want to maintain good competition and relative prices for the repair parts. So intellectual property is very important.

This is not something that we've been used to doing because if the metric is cost, schedule and performance, you make decisions accordingly. Intellectual property, rightly so, should cost some money because they developed it, they're putting it in the system, and you know, they're industry. They ought to make money for the things they're doing. I'm not against that. But not at a disadvantage to us. And once we've purchased a piece of equipment, you can all clearly understand that equipment will break down. And so then I want to have the capability to repair it. And in simplest terms, widget A, right, I might be able to repair it or produce it in one of my depots, arsenals or plants for significantly lower amount of money than what will be sold to me by the industry. That's not a dig, that's just a compliment to our great industrial base that we have, for the men and women that we have working for us. That's number one.

Number two, what we need to do is be able to take advantage of our, of designing our equipment up front. And the more that systems are similar, not exactly alike, but similar, for example the drive train. You know, the engine and the transmission, or the wheel base, or the track base, or the turrets. Then we reduce the requirement on the supply chain. We can stabilize and standardize capability and maintain one item that repairs several pieces of equipment. So early involvement in the design is helpful. Sometimes not practical. Sometimes things have to change and we need different types. So that's number two.

The third thing is, the involvement as I was asked earlier, in the process, defining the requirements. We want things like defining readiness of engines. What are our expectations of an engine? How long do we want it to operate before failure or we expect it to operate before failure? What kind of fuel efficiency do we want? Because if we can decrease the fuel requirement but expand the operational use, then you understand the impacts, right? One, on that piece of equipment. But two, on the people that have to support. It's less logistics tail on the battlefield, et cetera.

So those three things I think are important to that.

DWG: Does the Army Staff [inaudible] acquisition work force to insist on those things?

General Perna: Yes, I believe so. My personal opinion, I think the way to get back to another highlight, the way the Chief's leading us through this, the way the Chief has

brought the commanders in and have us involved in the process about defining the operational risks of the decision, which I believe is supportive, not counter. Supported through the metric of cost, schedule and performance. I believe the metrics of cost, schedule and performance left to their own, their own, by themselves, are not appropriate. I think we always need to define the operational risk as we go through the process.

So to answer your question, yes. I think the men and women that are involved in the process are intellectually capable, are true patriots. You think of all the great words you want to say. I think they care about doing what's right. I think sometimes we've just got to expand the way we look at things and that's what the Chief's driving us to.

DWG: You touched on this a little bit, but, and you talked quite a bit about intellectual property, about tech data packages. Is there any effort underway or what steps have you taken [inaudible] last year, to facilitate collaboration administratively, make your job a little bit easier?

General Perna: So first of all I just would highlight, Courtney, and you've heard me say this before, but look, industry are remarkable partners, and in my world in the acquisition process and sustainment, whether you're on the battlefield or back here developing things, we really need to have a great partnership with industry, and I think they

Re great partners.

So step one was, getting out with industry and saying hey, this is my view. I'm an Army senior leader. I believe that this, we haven't been approaching this the right way. For whatever reason, as I've come in and assumed responsibility as the senior Army logistician and AMC Commander, this is my view. This is the guidance I am going to give to people that work for me in Contracting Command, the lawyers that support Contracting Command, and as I partner with a SALT, Ms. Easter and her team. So I was very open about that. I talk about it, quite frankly, at every industry engagement I have, and at first it was my words. It was uh, but then, you know, we've rolled it back a little bit to understanding what my approach is, and as you articulate, it's not the entire intellectual property, but it's the tech data rights that I need to be able to produce or repair, repair parts in support of the vehicle.

Then the second line of effort, of course, was making sure that Ms. Easter and I were, you know, partnered on this. It's not an all or none. It's a, let's understand the cost, schedule and performance. Let's make the operational risk assessment, and then let the Chief make the decisions. We're not on auto pilot. So that's been very productive.

The third thing and the most important in my view, was getting our lawyers involved and our contracting folks and breaking the paradigm, taking them off the hamster wheel.

My analogy, we weren't doing anything wrong, but we were allowing ourselves to make a decision, in my opinion, based on the wrong metrics. And this capability, or having this tech data rights will enable us to reduce the cost of future sustainment requirements.

The up-front money in the purchase of equipment is significant, but it is not as significant as what future sustainment costs will be. So I'm trying to set the conditions so that sustainment is not, so it is executable.

DWG: Those changes are for contracts going forward. There's nothing retroactive?

General Perna: I mean there is an effort, when things are coming up we're relooking them, and we're trying to figure out what's best. But truthfully, you know, once it's out of the barn door, it's out of the barn door.

DWG: Riota, then Brian.

DWG: Thank you for doing this. I have a question about the [inaudible] working.

General Perna: The chemical one?

DWG: [Inaudible]. Could you please give me the current status of the chemical weapon stockpiles? And I think the deadline was, deadline to destruction, now destruct the chemical weapons with 2023.

General Perna: Uh-huh.

DWG: And is it possible to meet the deadline? Or, yes, that.

General Perna: To be up front and start with it, that is not my responsibility. I'm responsible for the two installations where the remaining chemical demils are occurring which is on Bluegrass Army Depot and Pueblo facilities.

The last update I received, though, is that both those facilities are, Bluegrass is executing and Pueblo is finishing production on their demil facility. And that we are on track to meet the requirement. But that's the extent of my responsibility.

Anything else you wanted to ask?

DWG: Maybe later.

General Perna: I find it a great technique to only talk about the things I'm responsible for.

DWG: But your [inaudible].

General Perna: I'm responsible for the installations on which those two are maintained at right now.

General Perna: Since we held you up here in Washington, I'll ask you a little bit about the jointness.

I understand your command reaches out to your sister services about acquisition programs that will down the road have an impact on soldiers going forward. A specific one that pops into my head, the Air Force and JSTARS program which the battle management and ground targeting. The Air Force is looking at the analysis of alternatives and possibly canceling that acquisition. Has that had any reaction from the Army side of the house? Are you reaching out in any way about that?

General Perna: I would just speak from my perspective, and I don't have a comment specifically on that. I think there's remarkable collaboration amongst the services. It is beneficial to us, both operationally, i.e. on the battlefield, and as well as being a part of the same acquisition process. It's just, it enables efficiencies to occur.

Not everything is conducive to share. But a lot of things are. And then when these decisions are made by an individual service to do something as you articulated, it is brought to the attention of the other services and there's venues for those conversations to occur. I'm not part of those conversations, so I don't --

DWG: To shift gears, can you talk a little bit about any sort of lessons learned, the Gray Eagle Program and multi-piloted aircraft, looking at [inaudible] operations, are there any changes to maybe the lessons going forward to the ground control, to kind of act on any lessons learned from [inaudible] or anything along those lines?

General Perna: I'm sorry to disappoint you, but I don't have the appropriate answer for that. My responsibility is sustain and maintain. So no, I don't have anything to follow up on that.

DWG: Hi. In your opening remarks you very briefly mentioned that the force management levels in places like Afghanistan require the use of contractors for maintenance there. I was wondering if you could elaborate a bit more on whether and how that specifically affected your job. Did it hinder it in any way, and will the raising of the support management levels help?

General Perna: I probably did say it one way, but my correction was, we wanted to make sure that the soldiers that were in those locations were executing the most important mission that soldiers are for, i.e., fighting the enemy.

So the way to mitigate that was to bring in contractors to do maintenance and supply on those FOBs, forward operating bases. As well as enable the soldiers when they were back in garrison, you know, to focus on their families and then train up again to go back.

Because we were rotating every year, remember that.

So I just want to make sure we're clear on that perspective.

What the impact was on that is our skills atrophied, right? We needed to focus our efforts in fighting, but the skills of the soldiers, the warrant officers and the leaders on how to execute supply accountability and maintenance, and then their processes, right, atrophied. Because if you're not doing it, if somebody's doing it for you, then natural atrophy occurs.

So as we were fighting in Iraq and Afghanistan we were maintaining the equipment at a high level, and we were very confident in the capability they provided to us, but now as we rotate ourselves in addition to counter-insurgency, i.e. operating off a FOB, and we go into a decisive action rotation and think about that as fighting a peer competitor. And as I articulated earlier, my view is there won't be contractors on the battlefield. Right? At least initially for sure. Because if you go against an enemy that has the capability to interdict the ports and airfields you're arriving at, et cetera, then you have to potentially, you know, fight your way onto the battlefield and then extend yourself accordingly. There won't be contractors involved in that. It will be soldiers. It will be soldiers, it will be warrant officers, it will be leaders who will be doing that. So not only was there an impact on the supply chain as we reduced the use of certain types of vehicle, but the skill sets of our soldiers, warrant officers and leaders atrophied to the point where we look at something and we don't know is it Widget A that's broke or is it Widget B that's broke? Then we don't know how to order Widget A. Then we don't have the discipline when Widget A comes in to put it on right away, because we have this thought process that somebody else is going to do that for us.

Now with that said, I will tell you that where I was very concerned two years ago, in this light, I have a lot of increased confidence now in our, in what we've been doing, and over the last year as our training tempo has increased, our soldier interaction in this roles and responsibility, the supply and maintenance, has exponentially increased, and we're getting better every day. And we're building back our core competency to do this.

I personally believe, and I coach that commanders are responsible for mission, training, maintenance, supply, and administration. Well, essentially as we're working in the counter-insurgency environment, we found ourselves excellent in mission. We really increased our ability to train in counter-insurgency. We stopped doing maintenance and supply, and some would argue we actually got on auto pilot with admin. It just became natural. So new skill sets that are being learned by leaders all the way down to the lowest soldier. Does that make sense?

DWG: Yeah, so it sounds like you're talking that that atrophy can be fully reversed.

General Perna: I do. I think we need to, I think we need to take several approaches. I think at the unit level it's about standards and discipline and holding people

accountable. And I think leaders like General Abrams, the FORSCOM commander, top driven all the way down to its corps and division commanders, brigade and battalion commanders are really bringing that to light.

I think the second thing we need to do is adjust our ability to train the core competencies at the entry level for soldiers, at the NCO level and the officer level, at all grades, and I think General Perkins in TRADOC has made those adjustments at the schoolhouse. Then I think the third line of effort, and we've been talking about it quite a bit this morning, is my ability to make sure that they have the right equipment, the right repair parts, and the right tools to do their job.

DWG: Hi, General. Can you describe, what are the biggest, the areas of the world that are the biggest challenges for you in terms of [inaudible]? For instance, right now are you having to move a lot more stuff into Korea?

General Perna: I'm responsible for all of the COCOMs, making sure that the soldiers that we have there, that they have the right equipment and the right commodities to support their mission. Each of them has a challenge. And they're not all similar, but mostly it's the physics of our Army today. Back in 2001, as a point in time, we were not necessarily, we were forward stationed. We were in Korea, we were in Europe, we were extended even out to the Hawaiian Islands a little bit more with troop size.

Now, my words, we're more of a CONUS-based Army, and so okay. So what does that mean? That means that in order to get to where we need to be we want to first mitigate the physics of it, and that's the reason why we have Army prepositioned stocks. Not only equipment, but operational project stocks that enable that equipment. And those are positioned forward in certain locations.

Doing so reduces the requirement on trains, planes and ships.

The second thing is, we have to be very proficient in executing the outload, right? We have to make sure our equipment is ready to go, we have to know how to load trains, we have to be able to synchronize and integrate training supports, we have to be able to synchronize and integrate ships and planes to move equipment and people simultaneously to where we need it to be. And that requires great partnership with TRANSCOM and we're doing that.

So to tell you that I have a specific problem in one location, I wouldn't say that. I would say that different locations have different challenges and we address them accordingly, and we assure that they have what they need at the right time.

DWG: Are supplies being built up, sped up to Korea?

General Perna: I am building supplies in all the COCOM, for all the COCOM Commanders.

DWG: I just didn't follow something you said before, if you could explain. You talked about being [inaudible] --

General Perna: Getting what?

DWG: What's an example of that? What are you talking about?

General Perna: Well, we got used to not asking for the tech data rights. It just became the norm. We weren't going to ask for it because it cost too much money. So I've challenged my lawyers and the contracting officers to get involved and challenge that, and not just roll over at the first dollar amount. Right? It's about going after what we think is right and working through the negotiations accordingly.

So nothing illegal or immoral or unethical. At a point in time it was a decision point, I'm assuming. I wasn't the commander. Not to address that. I've challenged my team to address that.

DWG: [Inaudible], can you go into a little bit more detail about specific conversations [inaudible]? [Inaudible].

General Perna: Like I highlighted, it starts at the bottom and it works its way up and it is about operational risk and decision-making, and it's not always conducive to own the tech data rights. Sometimes we don't need it. Right? In my words, my maybe poor analogy, sometimes there's equipment that won't be forward on the battlefield and we can count on industry to maintain it and sustain it. So is it worth paying all that money for the data rights? No. But if the equipment's going to be forward and soldiers are going to do it and I need to reproduce it and control the supply chain, then it's worth it to go after the tech data rights.

So when you view it that way and then you start that conversation at the bottom, contracting officer, lawyers, industry, and you work the decision cycle up to the leaders, then it actually becomes a fairly easy conversation.

Industry is a partner, but they exist for a reason. They exist for a reason, and I don't blame them for that reason. But we exist for a reason. So as we assess both our responsibilities, my responsibility is to make sure I can supply the best repair parts in the most timely manner at the most efficient cost.

Industry's criteria is not exactly the same. I'm not going to talk for them.

So we have to negotiate this early on and we have to work our way through it.

I think it's a line of thought that has built momentum. I think our PEOs and project managers are engaged in this now. I think our acquisition executives are a part of this. I

think industry is open to the conversation. And I think leaders better understand the impact of making a decision up front about dollars and what it might mean later on, the dollars, right? Purchasing a new piece of equipment and sustaining the equipment.

So I think it's just about bringing this to new light and looking at it differently. I don't think it's some drastic, oh, you know, thank God General Perna's here. I just think it's an evolution of the way we're doing business and I think it will contribute significantly to one, operational effects on the battlefield, sustaining our equipment; and two, driving down sustainment costs. So I'm pretty passionate about why it's important.

DWG: Final thoughts before we get you out of here and on to your next appointment?

General Perna: I really appreciate everybody's time, and thank you very much. It's not lost on me that I'm the senior Army logistician and responsible for Army Materiel Command, and that my responsibility of ensuring that the logistics and materiel readiness is my number one priority, and that may not be so glamorous.

What I have confidence in is that the equipment that our sons and daughters, my sons, may have to fall in on, I believe we have a great process. It continues to get better. I think the Secretary and the Chief's vision of Modernization Command is a part of getting better, and I am 100 percent convinced that the equipment that we are putting on the battlefield is effective and our soldiers have confidence in it because of the work we're doing collectively. Not only as an Army, but in Army Materiel Command.

So thanks for your time. Thanks for allowing me to come be a part of this. You have access to me at other times. Just let my team know, and I'll be glad to do those. And I appreciate it. So thanks.

DWG: Thank you as well. We appreciate your time.

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