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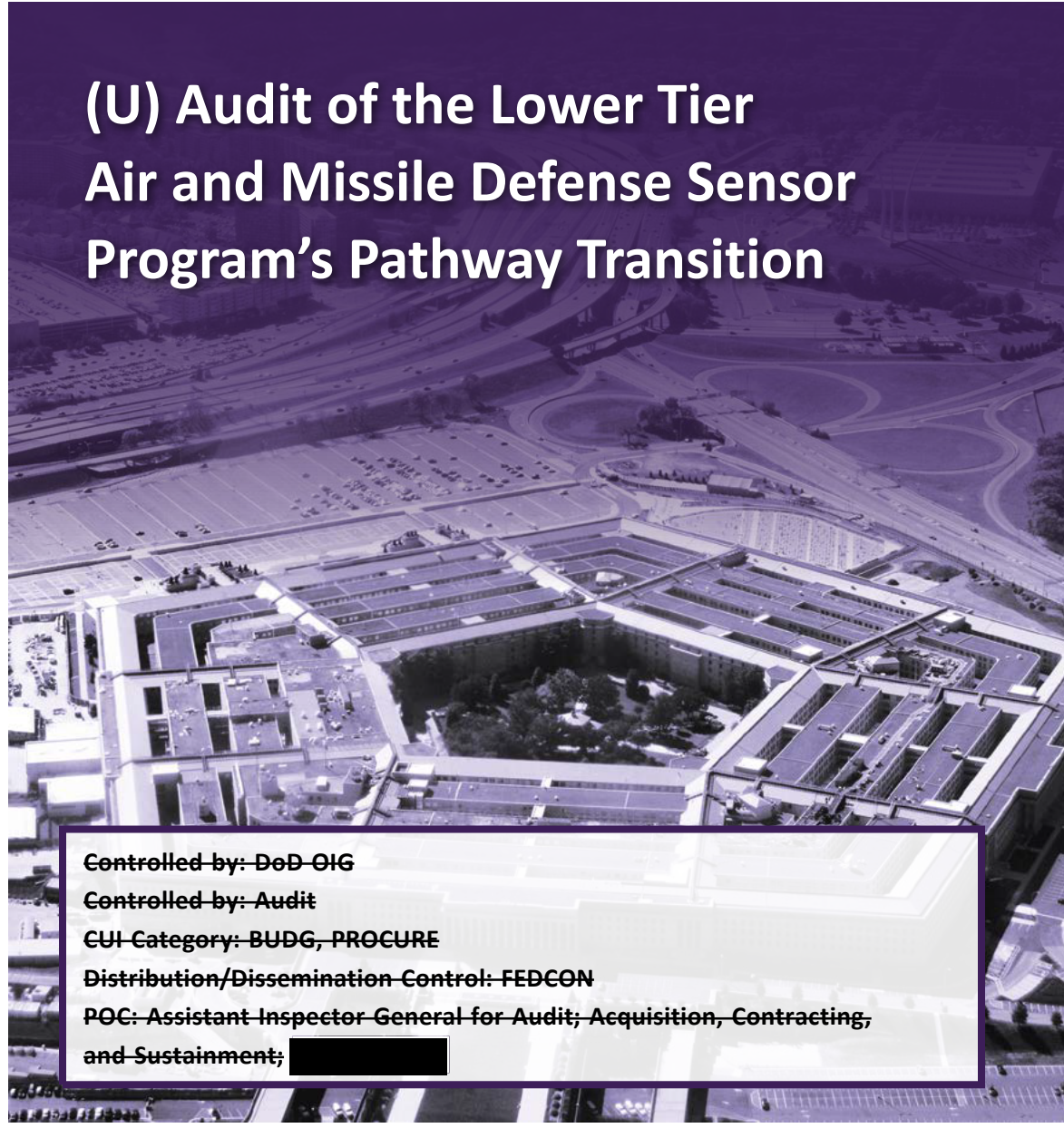
INSPECTOR GENERAL

U.S. Department of Defense

MARCH 11, 2025



(U) Audit of the Lower Tier Air and Missile Defense Sensor Program's Pathway Transition



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and Sustainment; [REDACTED]

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

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(U) Results in Brief

(U) Audit of the Lower Tier Air and Missile Defense Sensor Program's Pathway Transition

March 11, 2025

(U) Objective

(U) The objective of this audit was to determine whether the Army effectively transitioned the Lower Tier Air and Missile Defense Sensor (LTAMDS) program from the rapid prototyping pathway to the major capability acquisition pathway.

(U) Background

(U) LTAMDS is designed to be a multi-mission radar sensor that scans 360 degrees of battlespace to detect and track high-speed maneuvering targets and provide data to a missile defense network.

(U) The Adaptive Acquisition Framework supports the Defense Acquisition System and consists of six pathways, including the middle tier acquisition and major capability acquisition pathways. DoD guidance states that program officials may leverage a combination of acquisition pathways to provide value not otherwise available using a single pathway.

(U) Finding

(U) The Army did not effectively transition the LTAMDS program from the rapid prototyping pathway to the major capability acquisition pathway. Specifically, LTAMDS program officials did not properly plan the transition, and the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) authorized the LTAMDS program to conduct additional development, testing, and procurement outside of an acquisition pathway for at least 14 months.

(U) Finding (cont'd)

~~(CUI)~~ This occurred because the Under Secretary of Defense for Acquisition and Sustainment and the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) did not develop or provide sufficient guidance for weapon system acquisitions to transition to a different pathway. As a result, while developing LTAMDS outside of an acquisition pathway, the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) authorized program officials to spend up to [REDACTED], or 34 percent additional funding, without the same level of congressional reporting as programs in a formal acquisition pathway.

(U) Recommendations

(U) We recommend that the Under Secretary of Defense for Acquisition and Sustainment define pathway requirements for weapon system acquisitions by either:

- (U) updating and implementing DoD policy to require weapon system acquisitions to only operate within the six Adaptive Acquisition Framework pathways; or
- (U) updating and implementing DoD policy to provide guidance on how acquisition programs are to operate and report when operating outside of the six Adaptive Acquisition Framework pathways.

(U) We also recommend that the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) update and implement Army policy to reflect the DoD's updated guidance on transitioning acquisition programs and reporting required information.

(U) Management Comments and Our Response

(U) The Director of Acquisition Policy and Innovation, responding for the Under Secretary of Defense for Acquisition and Sustainment, partially agreed with the recommendation. The Director agreed to update and implement policy to

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(U) Results in Brief

(U) Audit of the Lower Tier Air and Missile Defense Sensor Program's Pathway Transition

(U) Comments (cont'd)

(U) provide guidance on how programs are to operate outside of the six pathways. The Director agreed that the updated policy should include scenarios and timelines for which operating outside of a pathway is acceptable and should establish alternative paths for acquisition programs to transition into. However, the Director stated that policy should not set an expectation on the length of time a transition should take, nor should it provide guidance for reporting requirements to the DoD and Congress, as there are already reporting requirements in place. The Director addressed the specifics of the recommendation but did not fully agree with what the new DoD policy should contain. Therefore, this recommendation is unresolved. We request that the Director of Acquisition Policy and Innovation provide additional comments within 30 days of the final report for the unresolved recommendation.

(U) The Director of Acquisition and Reporting Assessments, responding for the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), agreed with the recommendation and stated that the Army will issue policy to reflect changes to DoD policy no later than 120 days following the publication of the updated DoD policy. Therefore, the recommendation is resolved but will remain open. We will close the recommendations when management provides documentation demonstrating that management has implemented corrective actions. Please see the Recommendations Table on the next page for the status of the recommendations.

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Acquisition and Sustainment	1	None	None
Assistant Secretary of the Army (Acquisition, Logistics, and Technology)	None	2	None (U)

(U) Please provide Management Comments by April 10, 2025.

(U) Note: The following categories are used to describe agency management's comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **(U) Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

March 11, 2025

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
AND SUSTAINMENT
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: (U) Audit of the Lower Tier Air and Missile Defense Sensor Program's
Pathway Transition (Report No. DODIG-2025-076)

(U) This final report provides the results of the subject audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) This report contains one recommendation that is considered unresolved because the Director of Acquisition Policy and Innovation, responding for the Under Secretary of Defense for Acquisition and Sustainment, did not fully agree with the recommendation in the report or offer an alternative action to address the recommendation. Therefore, the recommendation remains open. We will track this recommendation until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendation and management officials submit adequate documentation showing that all agreed-upon actions are completed. DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, within 30 days please provide us your response concerning specific actions in process or alternative corrective actions proposed on the recommendation. Send your response to either [REDACTED] or [REDACTED] if classified SECRET.

(U) This report also contains one recommendation that is considered resolved and open. We will close this recommendation when the Director of Acquisition and Reporting Assessments, responding for the Assistant Secretary of the Army (Acquisition, Technology, and Logistics), provides us adequate documentation showing that all agreed-upon actions to implement the recommendation are completed. Therefore, please provide us your supporting documentation within 90 days of when the Army issues policy to reflect changes to DoD policy. Send your supporting documentation to either [REDACTED] or [REDACTED] if classified SECRET.

(U) If you have any questions, please contact me at [REDACTED].

A handwritten signature in black ink, reading "Carmen J. Malone", is positioned above the printed name.

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

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(U) Introduction

(U) Objective

(U) The objective of this audit was to determine whether the Army effectively transitioned the Lower Tier Air and Missile Defense Sensor (LTAMDS) program from the rapid prototyping pathway to the major capability acquisition (MCA) pathway.¹

(U) Background

(U) *The Lower Tier Air and Missile Defense Sensor Program*

(U) LTAMDS is designed to be a multi-mission radar sensor that scans 360 degrees of battlespace with the ability to detect and track high-speed maneuvering targets and provide data to a missile defense network. LTAMDS is expected to achieve 360-degree detection by having multiple radar panels, one large main radar array on the front of the system and two smaller radar arrays that face out the back of the system, to the right and left at an angle. LTAMDS will eventually replace the Patriot radar system in the Integrated Air and Missile Defense Battle Command System.² Figure 1 shows a photo of the LTAMDS.



(U) Figure 1. The Lower Tier Air and Missile Defense Sensor
(U) Source: Search, Track, Acquire, Radiate, Eliminate Project Office.

¹ (U) This report contains information that has been redacted because it was identified by the Department of Defense as Controlled Unclassified Information (CUI) that is not releasable to the public. CUI is Government-created or owned unclassified information that allows for, or requires, safeguarding and dissemination controls in accordance with laws, regulations, or Government-wide policies.

² (U) The Army Integrated Air and Missile Defense Battle Command System, a cornerstone of the Army's air and missile defense modernization efforts, is a command and control system that integrates sensors, weapons, and a common mission command capability across an integrated fire control network to provide a single air picture.

(U) When LTAMDS becomes operational, DoD officials plan to use the first LTAMDS units in support of the Defense of Guam Pacific Deterrence Initiative mission (Pacific Deterrence Initiative) within the U.S. Indo-Pacific Command (USINDOPACOM). The Pacific Deterrence Initiative supports key efforts towards modernizing and strengthening the DoD's capabilities available to USINDOPACOM.

~~(CUI)~~ The LTAMDS program is expected to exceed the major defense acquisition program cost thresholds with an estimated total cost of \$13 billion.³ The Army spent [REDACTED] in research, development, test, and evaluation (RDT&E) funds and anticipates spending \$7.3 billion in procurement funds to develop and produce 94 LTAMDS units. The Army procured six prototype LTAMDS units for development and testing, and it plans to procure two additional LTAMDS units in FY 2025 for additional testing and evaluation.

(U) LTAMDS Program Management

(U) Program officials from the Search, Track, Acquire, Radiate, Eliminate (STARE) Project Office, under the Program Executive Office Missiles and Space, manage the LTAMDS program.⁴ The STARE Project Office supports and improves fielded sensors by developing capabilities to address current and future threats, within the Integrated Air and Missile Defense Battle Command System network.

(U) The Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA[ALT]) is the Army's Acquisition Executive and has responsibility for the LTAMDS' final decisions. The ASA(ALT) approved the use of the middle tier acquisition (MTA) rapid prototyping pathway for the LTAMDS program on September 25, 2018, and on November 1, 2023, they approved the plan to transition to the MCA pathway in the second quarter of FY 2025.

(U) The Adaptive Acquisition Framework

(U) DoD Instruction (DoDI) 5000.02, "Operation of the Adaptive Acquisition Framework," states that the Defense Acquisition System supports the National Defense Strategy through the development of a lethal and effective force based on U.S. technological innovation.⁵ To achieve that objective, the DoD employed an Adaptive Acquisition Framework (AAF).

³ (U) DoD Instruction 5000.85, "Major Capability Acquisition," August 6, 2020 (Change 1 Effective November 4, 2021), defines major defense acquisition programs as programs with estimated research, development, test, and evaluation expenditures exceeding \$525 million, or procurement expenditures exceeding \$3.065 billion.

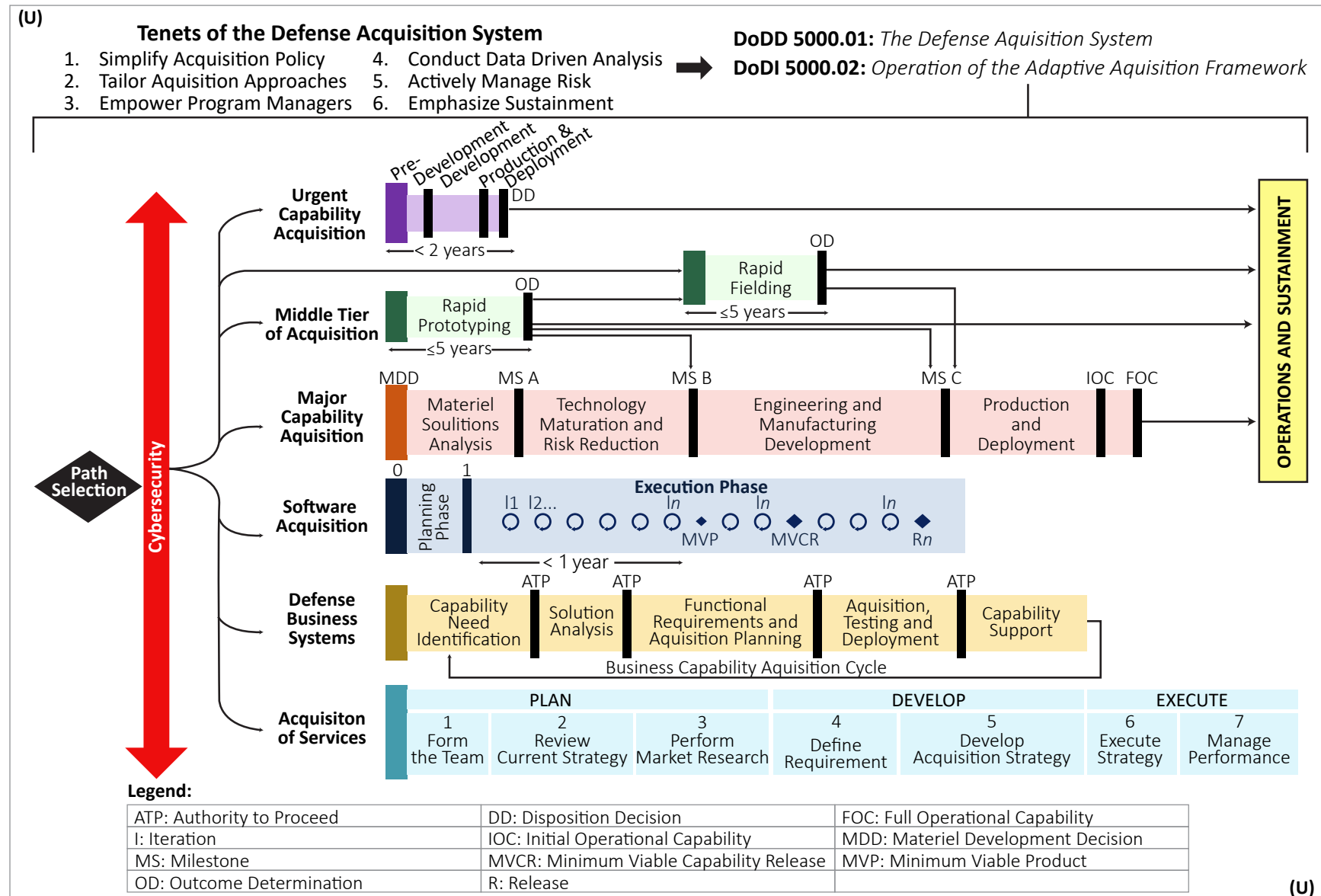
⁴ (U) The STARE Project Office mission is to develop, test, acquire, field, and sustain world class radar and sensor technologies, enabling the long-range detection, tracking, and destruction of threat capabilities through integration with mission command.

⁵ (U) DoDI 5000.02, "Operation of the Adaptive Acquisition Framework," June 8, 2022.

(U) The AAF consists of six pathways, including the MTA and MCA pathways. Program officials, including STARE Project Office program officials (program officials), may leverage a combination of acquisition pathways to provide value not otherwise available using a single pathway. To provide oversight, program officials are required to report acquisition information, such as program schedule, cost, and risk, to the DoD and Congress. The reporting requirements are based on what acquisition pathway a program is in. The Under Secretary of Defense for Acquisition and Sustainment (USD[A&S]) establishes policy and procedures for the AAF pathways and serves as the Defense Acquisition Executive.⁶ Figure 2 shows the AAF.

⁶ (U) The Defense Acquisition Executive is responsible for supervising the Defense Acquisition System and takes precedence on all acquisition matters after the Secretary of Defense and Deputy Secretary of Defense.

(U) Figure 2. The Adaptive Acquisition Framework



(U) Source: DoDI 5000.02.

(U) The MTA Rapid Prototyping Pathway

(U) The MTA rapid prototyping pathway is intended to provide for the use of innovative, mature technologies and new capabilities to rapidly develop fieldable prototypes to demonstrate new capabilities and meet emerging military needs.⁷ The objective of an acquisition program under this path is fielding a prototype that successfully demonstrates capabilities in an operational environment and providing an operational capability within 5 years of the program start date. MTA rapid prototyping programs may not be planned to exceed 5 years to completion and, in execution, will not exceed 5 years after the MTA program's start date, unless granted a Defense Acquisition Executive waiver.

(U) The MCA Pathway

(U) The MCA pathway is intended to provide a rapid, iterative approach to capability development that reduces cost, avoids technological obsolescence, and reduces acquisition risk.⁸ Consistent with the intent, the MCA pathways will rely on mature, proven technologies and early testing. Technologies successfully demonstrated in an operational environment through MTA rapid prototyping procedures in the MTA pathway, or other prototyping authorities, may be transitioned to MCA programs at decision points proposed by the project manager and approved by the decision authority.

(U) LTAMDS Congressional Interest

(U) The FY 2018 National Defense Authorization Act stated that the Secretary of the Army shall issue an acquisition strategy for a 360-degree LTAMDS that achieves initial operating capability.⁹ The FY 2022 National Defense Authorization Act stated that the Guam Integrated Air and Missile Defense System architecture shall have the ability to leverage existing programs of record, including the LTAMDS program, to expedite the development and deployment of the architecture during the 5-year period beginning on the date of the enactment of the Act, December 27, 2021, with an objective of achieving initial operating capability in 2025.¹⁰

⁷ (U) DoDI 5000.80, "Operation of the Middle Tier of Acquisition," December 30, 2019.

⁸ (U) DoDI 5000.85.

⁹ (U) Public Law 115-91, "National Defense Authorization Act for Fiscal Year 2018," December 12, 2017.

¹⁰ (U) Public Law 117-81, "National Defense Authorization Act for Fiscal Year 2022," December 27, 2021.

(U) Finding

(U) The Army Did Not Effectively Transition LTAMDS

~~(CUI)~~ The Army did not effectively transition the LTAMDS program from the MTA rapid prototyping pathway to the MCA pathway. Specifically, program officials did not properly plan the transition, and the ASA(ALT) authorized the LTAMDS program to conduct additional development, testing, and procurement outside of an acquisition pathway for at least 14 months. This occurred because the USD(A&S) and the ASA(ALT) did not develop or provide sufficient guidance for weapon system acquisitions to transition to a different pathway. As a result, while developing LTAMDS outside of an acquisition pathway, the ASA(ALT) authorized program officials to spend up to [REDACTED], or 34 percent additional funding, without the same level of congressional reporting as programs in a formal acquisition pathway. The program office last reported in the Defense Acquisition Visibility Environment (DAVE), closing out the MTA pathway, on March 22, 2024.¹¹ Program officials stated that they will not report on LTAMDS in DAVE again until the program enters the MCA pathway, which will not occur until at least January 2025.

(U) The ASA(ALT) Authorized the LTAMDS Program to Operate Outside of an Acquisition Pathway

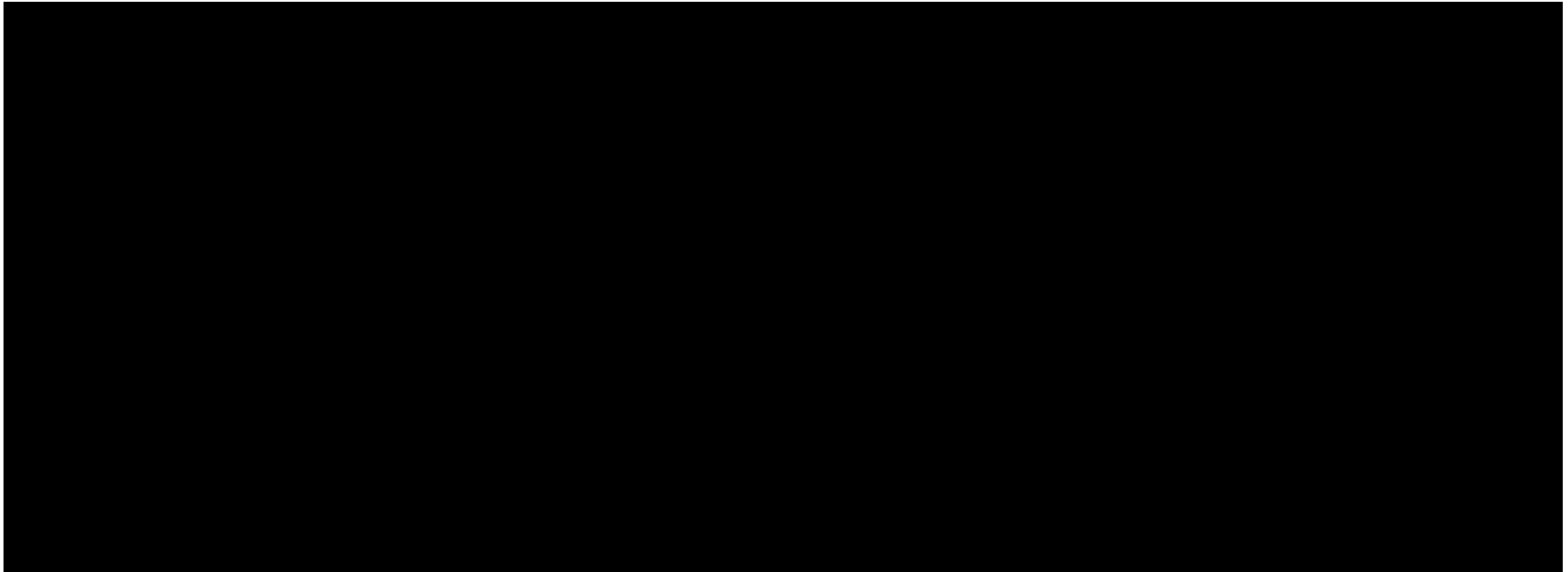
(U) Program officials did not properly plan the LTAMDS program transition, and the ASA(ALT) authorized the LTAMDS program to conduct additional development, testing, and procurement outside of an acquisition pathway for at least 14 months. The intent of the AAF is to have acquisition programs only operate within the six pathways. Each pathway has unique policies, procedures, documentation, and oversight requirements. LTAMDS started the MTA rapid prototyping pathway on September 25, 2018, and was one of the Army's first programs to complete the 5-year MTA rapid prototyping pathway.¹² Program officials initially planned to transition to the MTA rapid fielding pathway but would not have been able to procure and field all 94 radars within the 5-year timeline. The ASA(ALT) then approved a plan to transition the LTAMDS program to the MCA pathway following

¹¹ (U) DoD and Army policy requires program officials managing programs in the MTA and MCA pathways to report program data through DAVE. DAVE is the primary DoD resource for acquisition-related data, reporting, analysis, and related information resources.

¹² (U) The ASA(ALT) authorized the LTAMDS program to use the MTA rapid prototyping pathway with an acquisition decision memorandum dated September 25, 2018. The official start date for LTAMDS was November 29, 2018, when funds were first obligated.

(U) completion of a Milestone C decision in first quarter FY 2024.¹³ However, program officials delayed the Milestone C decision to the second quarter FY 2025 to reduce program risk by performing separate testing of the main radar array and then the full radar. Figure 3 shows the timeline of LTAMDS events.

(U) Figure 3. Timeline of LTAMDS Events



(U) Source: The DoD OIG.

¹³ (U) DoDI 5000.85 defines Milestone C as the point at which a program is reviewed for entrance into the production and deployment phase of the acquisition process.

(U) Initial Army Transition Plans for LTAMDS

(U) Program officials initially planned to transition LTAMDS by the end of FY 2022 from the MTA rapid prototyping pathway to the MTA rapid fielding pathway to field 16 radars. Program officials then planned to transition the LTAMDS program from the MTA rapid fielding pathway to the MCA pathway to field the remaining radars. DoD policy requires acquisition programs in the MTA rapid fielding pathway to begin production within 6 months and complete fielding within 5 years of the development of an approved requirement.¹⁴

(U) Program officials stated that the Army Office of General Counsel and Program Executive Office, Missiles and Space officials, did not support transitioning from the MTA rapid prototyping pathway to the MTA rapid fielding pathway because the system's quantity, lead time, and production could not be completed in the 5-year time frame required for MTA rapid fielding. When program officials received this guidance, they changed their transition strategy. The ASA(ALT) then approved a plan to transition the LTAMDS program to the MCA pathway at the production and deployment phase at Milestone C in first quarter FY 2024.

(U) Army Officials Delayed the Milestone C Decision

(U) Army officials delayed the Milestone C decision from first quarter FY 2024 to second quarter FY 2025, resulting in the LTAMDS program operating outside of an acquisition pathway for at least 14 months. The Operational Test and Evaluation Director's FY 2023 Annual Report stated that the LTAMDS program was delayed because of integration challenges and supply chain delays. Program officials stated the change prolonged the testing schedule with FY 2023 focused on testing the main radar array and FY 2024 focused on testing the full radar.

(U) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

ASA(ALT) officials stated that the ASA(ALT) gave the LTAMDS Program Manager authority to execute the acquisition outside of a pathway until the Milestone C decision, although DoD-level guidance provides no such option for operating outside of the AAF.

¹⁴ (U) Under Secretary of Defense for Acquisition and Sustainment Memorandum, "Middle Tier of Acquisition (Rapid Prototyping/Rapid Fielding) Interim Authority and Guidance," April 16, 2018. DoDI 5000.80, "Operation of the Middle Tier of Acquisition," December 30, 2019, also includes this policy.

(U) Guidance Is Not Sufficient for Transitioning Between Pathways

(U) The USD(A&S) and the ASA(ALT) did not develop or provide sufficient guidance for weapon system acquisitions to transition to a different pathway, and the policies that exist lack clarity on specific requirements for programs transitioning between acquisition pathways.

(U) DoD Policy Is Inadequate for Programs Transitioning Between Acquisition Pathways

(U) DoD policy for programs transitioning between acquisition pathways is limited and lacks clarity. DoDI 5000.02 establishes AAF operations policy (referenced in Figure 2) prescribes procedures for managing acquisition programs and states that project managers employing multiple pathways will:

- (U) define the transition points from one pathway to another pathway;
- (U) anticipate, develop, and coordinate the information requirements required at the new pathway entry point; and
- (U) ensure a smooth transition.

(U) DoDI 5000.80 provides guidance specifically on the MTA pathways and mandates developing a transition plan, but the policy does not detail how the program should transition out of the MTA pathway or the expected time to transition between pathways. DoDI 5000.80 only states that for each MTA program, DoD Components will develop a transition plan for transitioning successful prototypes to new or existing acquisition programs for production, fielding, operations, and sustainment under the rapid fielding pathway or other acquisition pathway.

(U) DoDI 5000.85 provides guidance specifically on the MCA pathway, but the policy does not detail how a program should transition into the MCA pathway. Rather, DoDI 5000.85 only states that project managers for MTA programs will identify and develop the statutory and regulatory information needed to facilitate an effective pathway transition, such as the capabilities development document and the cybersecurity strategy.

(U) DoD policy guides acquisition programs while they are within a pathway and refers to using a transition plan for a successful transition between pathways. However, DoD policy provides minimal guidance on how acquisition programs should operate while transitioning between pathways. For example, DoD policies imply that acquisition programs should operate within an acquisition pathway but does not explicitly state to do so.

(U) USD(A&S) officials stated that the reason DoD guidance does not discuss specific requirements for program transition is to allow the Services flexibility. However, if acquisition programs are allowed the flexibility to manage their programs outside of a pathway, then they may be able to subvert the requirements established by the DoD and Congress for those pathways and operate outside of the pathways indefinitely. Therefore, the USD(A&S) should either update and implement DoD policy to require weapon system acquisitions to operate within the AAF pathways or update and implement DoD policy to provide guidance on how acquisition programs should operate outside of a pathway, including timelines and reporting requirements.

(U) If acquisition programs are allowed the flexibility to manage their programs outside of a pathway, then they may be able to subvert the requirements established by the DoD and Congress.

(U) Army Policy Lacks Clarity on Requirements for Transitioning Between Pathways

(U) Army policy also lacks clarity on requirements for transitioning programs. The ASA(ALT) issued an MTA policy memorandum on March 20, 2020, to provide guidance and procedures for the initiation, execution, and transition of MTA programs.¹⁵ The memorandum clarifies that acquisition programs must remain in an acquisition pathway and that:

(U) upon successful completion of prototyping, rapid prototyping efforts should transition to new or existing acquisition programs for production, fielding, and operations and sustainment under the rapid fielding pathway or other acquisition pathway.

(U) The Army then codified the AAF in Army Regulation 70-1 (AR 70-1), which establishes policy and implements the AAF, on November 28, 2023.¹⁶ AR 70-1 states that Army MTA efforts will be established and managed in accordance with policy and procedures for their initiation, execution, and transition prescribed in DoDI 5000.80. AR 70-1 further states that if Army personnel approve the use of multiple pathways, program officials must comply with statutory and regulatory reporting, documentation, and oversight rules for each pathway selected. For example, AR 70-1 requires program officials to develop an acquisition program baseline and an independent technical risk assessment for their respective programs. However, AR 70-1 does not provide any further guidance on acquisition pathway requirements for programs transitioning between acquisition pathways.

¹⁵ (U) ASA(ALT) Memorandum, "Middle Tier of Acquisition Policy," March 20, 2020.

¹⁶ (U) Army Regulation 70-1, "Army Operation of the Adaptive Acquisition Framework," November 28, 2023.

(U) On August 20, 2024, Army officials issued an Army MTA Playbook (MTA Playbook) to provide additional guidance to the program managers.¹⁷ The MTA Playbook emphasizes that an acquisition program must be in a pathway, but later states that a program can operate outside of a pathway. The MTA Playbook states:

(U) programs do not have authority to obligate funds unless executing under the authority of an approved AAF pathway or a memo explicitly authorizing execution of funds outside a pathway. PMs [project managers] and PEOs [program executive officers] must proactively plan transition events to ensure that there are no gaps in acquisition authority due to [the] MTA completion date occurring prior to approval to initiate the next phase of the capability.

(U) The MTA Playbook is inconsistent. The MTA Playbook states that acquisition programs must execute within an AAF pathway, yet it allows programs to continue operating if they have a memorandum authorizing fund execution outside of a pathway. Army regulations and the MTA Playbook do not resolve the issue on whether acquisition programs can operate outside of an AAF pathway. Furthermore, DoD guidance does not give program officials any options to operate acquisition programs outside of an acquisition pathway. Therefore, after the DoD updates its guidance to define pathway requirements for weapon system acquisitions, the ASA(ALT) should update Army policy to reflect the DoD guidance on transitioning acquisition programs and reporting required information.

(U) DoD guidance does not give program officials any options to operate acquisition programs outside of an acquisition pathway.

(CUI) Officials Were Authorized to Spend Up to [REDACTED] on LTAMDS While Outside an Acquisition Pathway

~~(CUI)~~ While developing LTAMDS outside of an acquisition pathway, the ASA(ALT) authorized program officials to spend up to [REDACTED], or 34 percent in additional funding, without the same level of congressional reporting as programs in a formal acquisition pathway. DoD and Army policy requires program officials managing programs in the MTA and MCA pathways to report program information through DAVE.¹⁸ Decision authorities have flexibility on what information MTA programs must report, but programs must report information

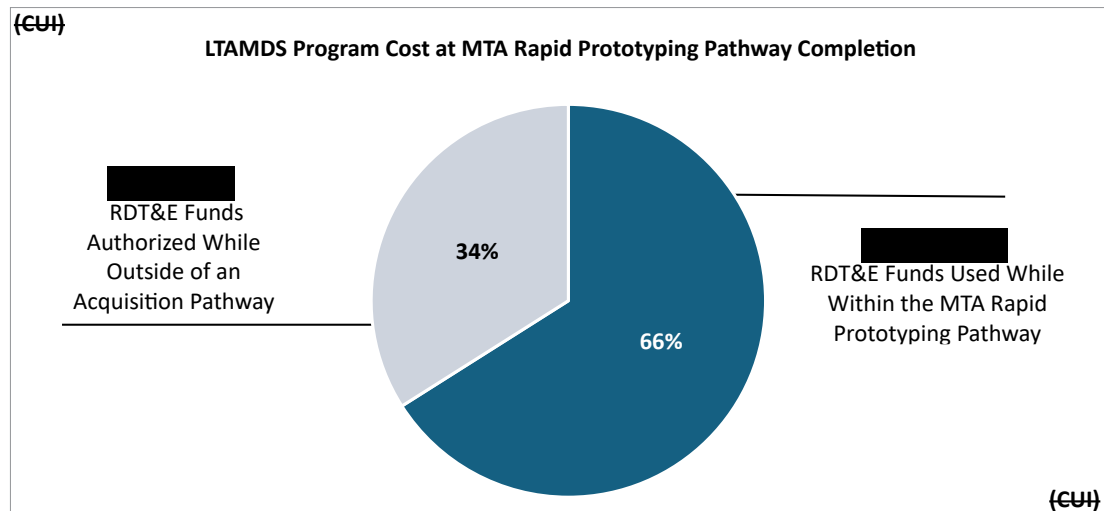
¹⁷ (U) Middle Tier of Acquisition (MTA) Playbook: Implementation of ASA(ALT) MTA Policy (Change Effective August 20, 2024).

¹⁸ (U) DoDI 5000.80.
(U) DoDI 5000.85.
(U) Army Regulation 70-1.

(CUI) essential to program execution, such as schedule, cost, and risk data. For example, the ASA(ALT) requires programs to submit periodic program assessments called Management Acquisition Reports until the MTA phase is complete.¹⁹ In addition, for programs in the MCA pathway, program officials are required to regularly report the status of total program cost, schedule, and performance information. For example, Congress requires annual Modernized Selected Acquisition Reports for Major Defense Acquisition Programs in the MCA pathway.²⁰ However, LTAMDS is not operating under the MTA, MCA, or any other pathway. DoD and Army policy does not require program officials to report information when operating outside of an acquisition pathway.

(CUI) Once the LTAMDS program exited the MTA rapid prototyping pathway on October 31, 2023, program officials were not required to submit any new program information until LTAMDS entered the MCA pathway, planned for the second quarter of FY 2025. LTAMDS program officials spent [REDACTED] in the MTA pathway and were authorized to spend up to [REDACTED] (34 percent) in additional funding, while operating outside of an acquisition pathway. Figure 4 shows the amount of funds LTAMDS program officials spent in a pathway compared to the funds authorized to spend outside of a pathway.

(U) Figure 4. LTAMDS Program Costs



(U) Source: The DoD OIG.

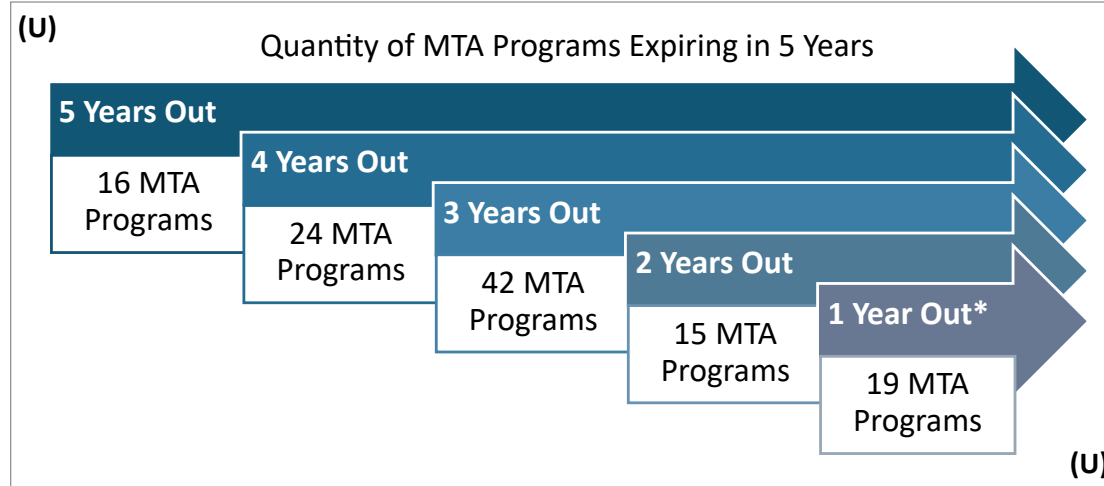
¹⁹ (U) Management Acquisition Reports are required for MTA programs. These reports are generated by the program office for submission to the ASA (ALT) and contain cost, schedule, and performance information.

²⁰ (U) Modernized Selected Acquisition Reports are a new acquisition reporting system that the DoD uses to report cost, schedule and performance information for major defense acquisition programs to Congress. The LTAMDS program is expected to be a major defense acquisition program once it enters the MCA pathway.

(CUI) The program office last reported in DAVE, closing out the MTA pathway, on March 22, 2024. Program officials stated that they would not report on LTAMDS again until the program entered the MCA pathway, which would not occur until at least January 2025. Without assurance that the program will not experience additional delays in its transition or a requirement to report in DAVE outside of a pathway, the next time program officials will submit updated program reporting information is unknown. Therefore, the DoD and Congress may lack oversight on the plan to spend up to [REDACTED] while the Army develops LTAMDS outside of an acquisition pathway.

(U) Furthermore, as of November 1, 2024, the DoD managed 116 active MTA programs in the rapid prototyping and fielding pathways, with the Army managing 32 of those MTA programs. The 116 active MTA programs included 34 MTA programs that will be required to transition to another pathway within 2 years. Without adequate policies to guide the transition of programs between pathways, these programs are also at risk of operating outside of a pathway and subverting the requirements of the AAF. Figure 5 shows the quantity of MTA rapid prototyping programs and the time remaining until they reach their 5-year limit.

(U) Figure 5. Quantity of MTA Rapid Prototyping Programs Approaching the 5-Year Time Limit



(U) *This includes 10 MTA programs past the 5-year time limit.

(U) Source: The DoD OIG.

(U) The AAF provides program managers with flexibilities that allow them to deliver new capabilities faster. Acquisition pathways allow program managers to develop acquisition strategies and employ acquisition processes that match the characteristics of the capability being acquired. This flexibility allows programs to accelerate capability maturation before transitioning to another acquisition pathway.

(U) However, this flexibility should not extend to developing weapon systems outside of the AAF pathways without guidance on how to do so, including reporting valuable up-to-date program information for oversight.

(U) Each pathway has unique policies, procedures, documentation, and oversight reporting requirements. Acquisition programs operating outside a pathway are circumventing the requirements of the

(U) Acquisition programs operating outside a pathway are circumventing the requirements of the AAF.

AAF. This practice could lead to a situation in which a program receives little or no oversight by the DoD and Congress.

(U) Acquisition oversight responsibilities for weapon programs are shared between the Office of the Secretary of Defense and the Military Departments, with specific roles and responsibilities varying to some extent based on pathway and program size. If programs are allowed to operate outside of the AAF, program data may not be available and could ultimately affect access to complete information on acquisition efforts that the DoD and Congress need to perform oversight and make critical funding decisions on DoD acquisition programs.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend that the Under Secretary of Defense for Acquisition and Sustainment define pathway requirements for weapon system acquisitions and either:

- a. (U) Update and implement DoD policy to require weapon system acquisitions to only operate within the six Adaptive Acquisition Framework pathways, or
- b. (U) Update and implement DoD policy to provide guidance on how acquisition programs are to operate and report outside of the six Adaptive Acquisition Framework pathways, including:
 - (U) scenarios and timelines for which operating outside of a pathway is acceptable;
 - (U) alternative paths for acquisition programs to transition into;
 - (U) expectations on the length of time a transition should take; and
 - (U) reporting requirements for acquisition programs to report timely information for DoD and congressional oversight.

(U) Under Secretary of Defense for Acquisition and Sustainment Comments

(U) The Director of Acquisition Policy and Innovation, responding for the Under Secretary of Defense for Acquisition and Sustainment, partially agreed to implement Recommendation 1.b to update and implement DoD policy to provide guidance on how acquisition programs are to operate and report outside of the six Adaptive Acquisition Framework pathways. Specifically, the Director of Acquisition Policy and Innovation agreed to implement the first and second bullets of Recommendation 1.b, to provide guidance on scenarios and timelines for which operating outside of a pathway is acceptable and alternative paths for acquisition programs to transition into. The Director stated that they are currently working on providing guidance for programs transitioning between acquisition pathways through a combination of guidance updates and Defense Acquisition University training.

(U) The Director disagreed with the third and fourth bullets of Recommendation 1.b, to provide guidance on the length of time a transition should take and reporting requirements for acquisition programs. The Director stated that they believed providing expectations on the length of time for a transition would artificially create timelines when each program's timeline is uniquely subject to and dependent on fact-specific circumstances. Furthermore, the Director also stated that reporting requirements are already in place through the submission of budgetary data in the Service Justification Books and in the annual public report on weapon system program acquisition costs from the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD.

(U) Our Response

(U) Comments from the Director partially addressed the recommendation; therefore, this recommendation is unresolved. We appreciate the Director being proactive in making timely updates to guidance and on training staff on acquisition policies. DoDI 5000.02 allows programs to transition between acquisition pathways so that a program can take advantage of the six acquisition pathways, but it does not address acceptable scenarios that allow a program to exist outside of an acquisition pathway. The updated guidance should clarify that programs are to either operate within the six pathways or transition between the six pathways. If other scenarios exist that allow programs to operate outside the six acquisition pathways, then guidance and training should specify those scenarios and timelines.

(U) We understand the Director's viewpoint that setting expectations on the length of time a transition should take may create artificial timelines when each program is unique. However, the lack of guidance may allow programs to operate outside of

(U) a pathway indefinitely. We agree that each program is unique, but DoD guidance has stringent requirements for all programs operating in a pathway, which includes universal timelines in some instances. For example, although each program is unique, DoDI 5000.02 states that programs using the MTA rapid fielding pathway are to begin production within 6 months and complete fielding within 5 years of the MTA program start date. The DoD's requirements for each pathway are designed to ensure quality, cost-effective, and timely delivery of critical capabilities. Therefore, if a program operates outside of a pathway for an extended period without these requirements, it increases the risk that the acquisition will not achieve its performance requirements, will go over budget, or will not be fielded in a timely manner. Nevertheless, we understand that setting exact parameters in guidance may be difficult and that each program may require different flexibilities in its transition schedule. Therefore, we recommend that the Defense Acquisition University discuss transition timelines in its updated training and clarify that programs operating outside of a pathway are to transition into an acquisition pathway as soon as possible.

~~(CUI)~~ Regarding the Director's statement that reporting requirements for programs operating outside of a pathway are already in place, we disagree that they provide the information necessary for adequate oversight. Specifically, the information included in the Service Justification Books and in the annual public report from the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD is primarily related to the budget and does not include the detailed schedule and performance risks that programs operating in a pathway are required to report through other means. In addition, the limited schedule information that was included in the Army Justification Book submission for LTAMDS was inaccurate, which further highlights that the reports are primarily focused on budget. [REDACTED]

[REDACTED] However, the FY 2025 Army Justification Book, dated March 2024, contains outdated information stating that the program will transition to the MCA program in second quarter FY 2024. The decision to delay the LTAMDS transition to MCA 1 year was not in these reports.

(U) DoDI 5000.02 requires programs within the MTA and MCA pathways to report timely schedule and performance information. This information provides the DoD and Congress with the status and risk to the program, which is critical in ensuring these stakeholders are informed and can prioritize critical funding decisions. Therefore, it is necessary that the updated policy require programs operating outside of a pathway to report the same schedule and performance information as if the program had been in a pathway.

(U) We request that the Director of Acquisition Policy and Innovation provide additional comments that describe how the updated guidance and Defense Acquisition University training will address the unresolved recommendation within 30 days of the final report.

(U) Recommendation 2

(U) We recommend that the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) update and implement Army policy to reflect the DoD's updated policy on transitioning acquisition programs and reporting required information.

(U) Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

(U) The Director of Acquisition and Reporting Assessments, responding for the Assistant Secretary of the Army (Acquisition, Technology, and Logistics), agreed with the recommendation, stating that the Army will issue policy to reflect changes to DoD policy no later than 120 days following the publication of the updated DoD policy. The Director also stated that the Army believes that current policy provides sufficient guidance for the use of multiple acquisition pathways and for reporting program information to support DoD and congressional oversight. Specifically, the Director stated that DoDI 5000.02, "Operation of the Adaptive Acquisition Framework," allows programs to transition between acquisition pathways or use multiple acquisition pathways at the same time.

(U) The Director stated that the LTAMDS program adjusted its transition plan as circumstances changed, and that LTAMDS program officials detailed these changes in various acquisition decision memorandums and coordinated with the Office of the Under Secretary of Defense for Acquisition and Sustainment. While the Director acknowledged that a program operating outside of an Adaptive Acquisition Framework pathway is not subject to specific pathway reporting requirements, the Director stated that there are other oversight mechanisms in place to provide information on programs to Army and DoD leadership and Congress. The Director stated that the Army continues to work with the DoD and congressional stakeholders to ensure this continued oversight.

(U) Our Response

(U) The Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We agree that the Army coordinated and documented their decision to operate the LTAMDS program outside of a pathway with the appropriate decision authorities and submitted information, including budgetary documents, to Army, DoD, and congressional stakeholders. However, as currently written, DoDI 5000.02 does not allow for a

(U) program to operate outside of an acquisition pathway. In addition, DoD and Army policies do not have reporting requirements for programs operating outside of an acquisition pathway.

(U) As noted in our response to the Director of Acquisition Policy and Innovation above, operating outside of a pathway without guidance increases the risk that an acquisition program will not achieve its performance requirements, will go over budget, or will experience delays in fielding the capability. In addition, without any reporting requirements, the DoD and Congress may not have the information that is necessary to make informed funding decisions. The Director of Acquisition Policy and Innovation stated that they are currently in the process of updating DoD guidance. We will close the recommendation once we verify that management has updated Army guidance to reflect the updates to DoD guidance.

(U) Appendix

(U) Scope and Methodology

(U) We conducted this performance audit from March 2024 through December 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

(U) Review of Documentation and Interviews

(U) To answer our audit objective and determine whether Army officials effectively transitioned LTAMDS, we reviewed the following LTAMDS program documentation.

- (U) ASA(ALT) LTAMDS MTA Acquisition Decision Memorandum, September 25, 2018
- (U) ASA(ALT) LTAMDS Acquisition Decision Memorandum, May 12, 2023
- (U) ASA(ALT) LTAMDS Middle Tier of Acquisition Rapid Prototyping (MTA-RP) Outcome Determination Acquisition Decision Memorandum, October 31, 2023
- (U) ASA(ALT) LTAMDS Pre-Milestone C Transition Activities Acquisition Decision Memorandum, November 1, 2023
- (U) LTAMDS Simplified Acquisition Management Plan, June 5, 2019
- (U) LTAMDS Acquisition Strategy Update, January 28, 2022
- (U) LTAMDS Acquisition Strategy Course of Action Discussion, February 27, 2023
- (U) LTAMDS MTA-RP [Rapid Prototyping] Transition / Performance Update, August 28, 2023
- (U) Draft LTAMDS Simplified Acquisition Management Plan, February 13, 2024
- (U) LTAMDS Middle Tier of Acquisition Program Status Submission, March 26, 2024
- (U) Draft LTAMDS Systems Engineering Plan, April 30, 2024
- (U) FY 2023 Annual Report, Director, Operational Test and Evaluation, January 2024

(U) To answer our audit objective, we reviewed the following guidance.

- (U) DoD Directive 5000.01, "The Defense Acquisition System," September 9, 2020 (Change 1 Effective July 28, 2022)
- (U) DoDI 5000.02, "Operation of the Adaptive Acquisition Framework," January 23, 2020 (Change 1 Effective June 8, 2022)
- (U) DoDI 5000.80, "Operation of the Middle Tier of Acquisition," December 30, 2019
- (U) DoDI 5000.85, "Major Capability Acquisition," August 6, 2020 (Change 1 Effective November 4, 2021)
- (U) Army Regulation 70-1, "Army Operation of the Adaptive Acquisition Framework," November 28, 2023
- (U) Army Regulation 71-9, "Warfighting Capabilities Determination," June 29, 2021
- (U) Under Secretary of Defense for Acquisition and Sustainment Memorandum, "Middle Tier of Acquisition (Rapid Prototyping/Rapid Fielding) Interim Authority and Guidance," April 16, 2018
- (U) Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Memorandum, "Middle Tier of Acquisition Policy," March 20, 2020
- (U) Middle Tier of Acquisition (MTA) Playbook: Implementation of ASA(ALT) MTA Policy (Change Effective August 20, 2024)
- (U) Under Secretary of Defense for Research and Engineering Prototyping Guidebook, "Prototypes and Experiments," October 2022

(U) We also reviewed the following laws.

- Public Law 117-81, "National Defense Authorization Act for Fiscal Year 2022," December 27, 2021
- Public Law 115-91, "National Defense Authorization Act for Fiscal Year 2018," December 12, 2017
- Public Law 114-92, "National Defense Authorization Act for Fiscal Year 2016," November 25, 2015

(U) We conducted a site visit to the STARE Project Office in Huntsville, Alabama. We met and interviewed LTAMDS program management officials to understand the LTAMDS program and their plan to transition from the MTA pathway to the MCA pathway. We also interviewed officials from the following organizations.

- (U) Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology)
- (U) Office of the Under Secretary of Defense for Acquisition and Sustainment
- (U) Missile Defense Agency

(U) Internal Control Assessment and Compliance

(U) We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. Specifically, we assessed control activities related to the Army's management of the LTAMDS program to effectively transition the program from the MTA pathway to the MCA pathway. We identified an internal control weakness in which the ASA(ALT) transitioned the LTAMDS program outside of an acquisition pathway for at least 14 months because the USD(A&S) and the ASA(ALT) did not develop or provide sufficient guidance for weapon system acquisitions to transition to a different pathway. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

(U) Use of Computer-Processed Data

(U) We used computer-processed data to perform this audit, but we did not rely on that data for our finding. Specifically, we used DAVE to identify current MTA programs and their start dates. DAVE provides an integrated foundation for the DoD Acquisition community, delivering improved security, performance, reusability, interoperability, scalability, and maintainability of acquisition data. DAVE provides the DoD timely access to accurate, authoritative, and reliable data to support insight, analysis, and decision-making. We used the "Acquisition Data Sets" capability to extract a "Middle Tier of Acquisition Data Collection" spreadsheet. We used this spreadsheet to identify the 116 MTA programs and to calculate the quantity of days until the end of the MTA's 5-year time frame.

(U) Prior Coverage

(U) During the last 5 years, the DoD Office of Inspector General (DoD OIG), GAO, and Army Audit Agency issued six reports discussing acquisition programs transitioning between pathways. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.army.mil/aaa>.

(U) DoD OIG

(U) Report No. DODIG-2023-118, “Audit of the Acquisition of the U.S. Air Force Three-Dimensional Expeditionary Long-Range Radar,” August 24, 2023

(U) The DoD OIG determined whether the Air Force effectively used the MTA pathway for the prototyping and fielding of the Three-Dimensional Expeditionary Long-Range Radar. The DoD OIG concluded that the Air Force did not effectively use the MTA pathway because the program office did not complete the exit criteria during MTA rapid prototyping before entering rapid fielding and did not plan to field all systems within the rapid fielding 5-year time frame.

(U) GAO

(U) Report No. GAO-22-104687, “Additional Actions Needed to Implement Proposed Improvements to Congressional Reporting,” February 2022

(U) The GAO reviewed the DoD’s proposal for a new reporting methodology for its acquisition programs, described the DoD’s proposed methodology, and assessed the extent to which the DoD is prepared to implement the proposed approach. The GAO reviewed the DoD’s proposal, as well as policies and other relevant documentation, and compared the DoD’s planning efforts to its proposal and to leading reform practices from prior GAO work. The GAO also interviewed DoD officials. The GAO found that the DoD’s initial planning for its proposed approach did not fully address the leading practices that that GAO’s past work has shown support successful agency reforms, including practices associated with implementation planning.

(U) Report No. GAO-22-104513, “Leading Practices: Agency Acquisition Policies Could Better Implement Key Product Development Principles,” March 2022

(U) The GAO examined the principles that guide leading companies’ product development efforts and the extent to which acquisition policies reflect the companies’ key principles and result in similar outcomes. The GAO found that

(U) many programs have planned acquisition approaches that, unless properly managed and overseen, could result in cost and schedule challenges similar to those that the GAO has reported on for the past 2 decades.

(U) Report No. GAO-23-105008, “Middle-Tier Defense Acquisitions, Rapid Prototyping and Fielding Requires Changes to Oversight and Development Approaches,” February 2023

(U) The GAO assessed the extent to which the: (1) DoD effectively implemented policies, guidance, and processes to provide the DoD with reliable data for MTA oversight; and (2) Military Components’ MTA policies and selected programs implemented leading principles for product development. The GAO found several factors hindering effective implementation and oversight of the MTA pathway. The GAO also found that DoD Components provided the Under Secretary with inaccurate data.

(U) Report No. GAO-24-106831, “Weapon Systems Annual Assessment,” June 2024

(U) The GAO assessed the characteristics and performance of 108 of the DoD’s costliest weapon programs, including 20 MTA programs. The GAO found that while the DoD plans to invest more than \$2 trillion to develop and acquire its costliest weapon programs, it continues to struggle with delivering innovative technologies quickly.

(U) Army Audit Agency

(U) Report No. A-2023-0009-AXZ, “Audit of Long-Range Hypersonic Weapon Acquisition Strategy,” November 22, 2022

(CUI) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(U) Management Comments

(U) Under Secretary of Defense for Acquisition and Sustainment



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR
GENERAL

SUBJECT: Audit of the Lower Tier Air and Missile Defense Sensor (LTAMDS) Program's
Pathway Transition

The Office of the Under Secretary of Defense for Acquisition and Sustainment appreciates the opportunity to provide comments on Recommendation 1 of the LTAMDS audit.

Recommendation 1:

We recommend that the Under Secretary of Defense for Acquisition and Sustainment define pathway requirements for weapon system acquisitions and either:

- a. Update and implement DoD policy to require weapon system acquisitions to only operate within one of the six Adaptive Acquisition Framework pathways, or
- b. Update and implement DoD policy to provide guidance on how acquisition programs are to operate and report outside of the six Adaptive Acquisition Framework pathways, including:
 1. scenarios and timelines for which operating outside of a pathway is acceptable;
 2. alternative paths for acquisition programs to transition into;
 3. expectations on the length of time a transition should take; and
 4. reporting requirements for acquisition programs to report timely information for DoD and congressional oversight.

Since 1a and 1b are presented as an either/or option, we request deleting 1a and we choose to implement 1b, with comments. We are currently working to provide guidance for programs as they transition between pathways. This will occur with a combination of guidance updates and training in collaboration with the Defense Acquisition University. Therefore, we accept sub-bullets 1 and 2.

We recommend deleting sub-bullets 3 and 4. We believe providing expectations on the length of time a transition will take will artificially create timelines when each program's timeline is uniquely subject to and dependent on fact-specific circumstances. We also believe that the reporting requirements because certain reporting for these programs is already in place with budgetary data in the OSD Comptroller and Service justification books and in the OSD Comptroller annual public report on weapon system program acquisition costs.

The Department appreciates the opportunity to comment on the audit recommendations. My point of contact for this effort is [REDACTED].

[REDACTED]
[REDACTED]
Director, Acquisition Policy and Innovation

(U) Assistant Secretary of the Army (Acquisition, Logistics, and Technology)



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON, DC 20310-0103

SAAL-ZS

10 December 2024

MEMORANDUM FOR Office of Inspector General, Department of Defense

SUBJECT: Audit of the Lower Tier Air and Missile Defense Sensor Program's Pathway Transition, Draft Audit Report D2024-D000AU-0100.000 dated 2 December 2024

1. The Army received the above-referenced Department of Defense Office of Inspector General (DoD OIG) draft report with a request for comment on the recommendation provided to the Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology) (OASA(ALT)).
2. The DoD OIG draft report included the following recommendations for the Undersecretary of Defense for Acquisition and Sustainment (USD(A&S)) and ASA(ALT):

Recommendation 1: The USD(A&S) define pathway requirements for weapon system acquisitions by either:

- a. Updating and implementing DoD policy to require weapon system acquisitions to only operate within one of the six Adaptive Acquisition Framework pathways, or
- b. Updating and implementing DoD policy to provide guidance on how acquisition programs are to operate and report outside of the six Adaptive Acquisition Framework pathways, such as:
 - a. scenarios and timelines for which operating outside of a pathway is acceptable;
 - b. alternative paths for acquisition programs to transition into;
 - c. expectations on the length of time a transition should take; and,
 - d. reporting requirements for acquisition programs to report timely information for DoD and congressional oversight.

Recommendation 2: The ASA(ALT) update and implement Army policy to reflect the DoD's updated policy on transitioning acquisition programs and reporting required information.

3. OASA(ALT) Response to recommendation 2: The Army concurs with comment on DoD OIG's recommendation #2 of the subject report. The Army will issue policy guidance to appropriately reflect changes to DoD policy issued to implement recommendation #1 no later than 120 days following publication of the updated DoD policy. However, the Army also believes current policy provides sufficient guidance for the use of multiple acquisition pathways and for reporting program information to support DoD and congressional oversight. The Army provides the following comments:
 - a. The Adaptive Acquisition Framework (AAF) and respective pathways were designed to enable tailoring of acquisition strategies based on the unique

(U) Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (cont'd)

characteristics of each program to satisfy user requirements. Per DoDI 5000.02, Decision Authorities and Program Managers have broad authority to plan and manage their programs consistent with sound business practice; this may include transitioning between acquisition pathways or using multiple acquisition pathways at the same time to provide value not otherwise available through the use of a single pathway. The AAF and its associated policies provide these flexibilities to ensure programs have options for addressing their capabilities' specific needs while the appropriate authorities maintain oversight to ensure the responsible use of taxpayer dollars. Therefore, acquisition strategies, to include transition plans and associated timelines, are uniquely designed for each program and require authoritative decision-making on a case-by-case basis, especially as circumstances may change over time.

- b. As the subject report acknowledges, LTAMDS adjusted its transition plan when the circumstances changed (e.g., the transition to Milestone C was delayed due to unforeseen integration challenges and supply chain delays). In accordance with DoD and Army policy, these decisions were codified in acquisition decision memorandums (ADMs), some of which were referenced in the subject report; these ADMs provided specific direction for the program's funding and activities prior to Milestone C. Most recently, the Army Acquisition Executive signed an ADM in the first quarter of Fiscal Year (FY) 2025 that dictates the program's funding and activities for FY2025 until the Milestone C decision review (*this ADM was not referenced in the subject report*). This approach was coordinated with the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) prior to signature.
- c. The findings of this audit state that the LTAMDS program was authorized to spend additional funding "without the required reporting necessary for DoD and congressional oversight" (page 3 of the subject report). However, while a program operating outside of an AAF pathway is not subject to specific pathway reporting requirements (e.g., Defense Acquisition visibility Environment (DAVE), Modernized Selected Acquisition Reports (MSARs)), there are other robust oversight mechanisms in place to provide information on these programs to Army leadership, Office of the Secretary of Defense (OSD), and Congress (e.g., ADMs; program reviews in accordance with OSD and Army requirements; budget justification documents, which are required as part of the annual budget request process for OSD review and approval, and for congressional review and authorization of funds).
- d. Several mechanisms have been utilized to ensure appropriate oversight of LTAMDS. To-date, there have been nineteen engagements with senior Army acquisition leadership, to include the Army Acquisition Executive, on the program's approach; engagements include program reviews, knowledge points, and decision meetings. The LTAMDS program has also met with OUSD(A&S) leadership on at least two occasions, to include an Integrated Program Review in January 2024. As mentioned in paragraph 3.b. above, the current approach to LTAMDS was coordinated with OUSD(A&S) prior to

(U) Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (cont'd)

signature and execution of the ADM. The Army continues to work with OSD and congressional stakeholders to ensure appropriate oversight of LTAMDS.

4. The point of contact for this memo is [REDACTED] at [REDACTED] or [REDACTED]

[REDACTED]
[REDACTED]
Director, Acquisition Reporting &
Assessments

(U) Acronyms and Abbreviations

AAF	Adaptive Acquisition Framework
AR	Army Regulation
ASA(ALT)	Assistant Secretary of the Army (Acquisition, Logistics, and Technology)
DAVE	Defense Acquisition Visibility Environment
DoDI	DoD Instruction
DoD OIG	Department of Defense Office of Inspector General
FOIA	Freedom of Information Act
GAO	Government Accountability Office
LDC	Limited Dissemination Control
LTAMDS	Lower Tier Air and Missile Defense Sensor
MCA	Major Capability Acquisition
MTA	Middle Tier Acquisition
RDT&E	Research, Development, Test, and Evaluation
STARE	Search, Track, Acquire, Radiate, Eliminate
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USINDOPACOM	U.S. Indo-Pacific Command

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