

**EUGENE GHOLZ**

Associate professor of public affairs  
Lyndon B. Johnson School of Public Affairs  
University of Texas at Austin



*(Editor's note: From 2010 to 2012, Gholz served as senior adviser to the deputy assistant secretary of defense for manufacturing and industrial base policy.)*

**The Army needs** a political game-changer. Too many of its proposed acquisition budget adjustments have foundered in Congress. For its part, Congress has seen too many well-intentioned but overambitious investment plans end in technological failures. Representatives are inclined to

go with what they know works, which also happens to prop up government spending in their districts. Meanwhile, prime contractors' experience tells them that continuing production is the reliable way to profits. The industry's poor working relationship with its DOD customers in recent years makes it hard to trust an alternative path forward.

So when the Army proposes to temporarily suspend the production of tanks, infantry fighting vehicles or

trucks—the warfighter has enough right now—the legislative process recoils. Rather than giving the Army authority for targeted investments to right-size facilities, improve the manufacturing process or allow workers to practice critical skills, Congress directs spending for procurement of long-lead items and otherwise ties the industrial base to current production.

The Army and the nation would be much better off with the targeted investments. This alternative would cost less, because it would not require as much material or large-factory overhead. And each dollar spent would be much more likely to go to a critical capability, whether in engineering, facilities improvement or high-end workforce skills. The Army would still allow prime contractors to profit. Critical subcontractors would also work directly with the team.

Everyone wants to help fragile niches in the defense industry. But instead of a three-way working relationship among industry, Congress and the Army, the Army has been the odd man out of the political coalition. The key remedy is for the Army to rebuild trust with its industry partners; if industry and the Army are on the same page, Congress will follow.

The Army has been working on it for several years, but the job is far from done. Badgering industry for short-term overhead savings, blaming industry for program difficulties and trying to shift program risk to contractors all just reinforce industry's embrace of traditional lobbying strategies. It is time for a new partnership.

