MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES


Reference: (a) USD(AT&L) Memorandum, “Implementation of Section 2366a of Title 10, United States Code,” May 2, 2006, hereby cancelled

Section 812 of the National Defense Authorization Act for FY 2008 (Pub. L. No. 110-181) amended section 2366a of title 10, United States Code, “Major defense acquisition programs: certification required before Milestone B or Key Decision Point B approval.” The amended section 2366a requires the Milestone Decision Authority (MDA) for a Major Defense Acquisition Program (MDAP) to make certain certifications and to receive a business case analysis, which must be the basis for four of those certifications.

To fulfill this requirement, the MDA, without the authority to delegate, shall sign a memorandum with the subject “Program Certification,” prior to signing the Acquisition Decision Memorandum (ADM) to approve Milestone B (or Key Decision Point B in the case of a space program). This certification memorandum shall be prepared “for the record,” and shall include the statements in the attachment, without modification. If the program is initiated at a later decision point, e.g., Milestone C, a similar memorandum shall be prepared, as a matter of policy. The certification memorandum shall be
submitted to the congressional defense committees, as defined at 10 U.S.C. 101(a)(16), with the first Selected Acquisition Report for the program after completion of the certification.

The MDA without the authority to delegate may, at the time of Milestone B approval (or Key Decision Point B approval in the case of a space program), waive the applicability of one or more components of the certification requirement to an MDAP, if the MDA determines that, but for such a waiver, the Department would be unable to meet critical national security objectives. The MDA shall submit the waiver, the determination, and reasons for the determination, in writing, to the congressional defense committees within 30 days of authorizing the waiver.

Section 812 also adds the requirement to section 2366a that the program manager (PM) for an MDAP that has received such certification shall immediately notify the MDA of any changes to the program that:

- alter the substantive basis for the certification of the MDA relating to any component of such certification; or

- otherwise cause the program to deviate significantly from the material provided to the MDA in support of such certification.

Upon receipt of such information, the MDA may rescind Milestone B approval (or Key Decision Point B approval in the case of a space program), if the MDA determines that such approval is no longer valid. A summary of the information that the PM provided to the MDA, and a description of the actions taken as a result of such information, shall be submitted with the first SAR submitted after the MDA has received the PM’s information.

In addition to the certification, the MDA will include the following statement in the ADM: “I have reviewed the program and the business case analysis and have made the certifications required, or executed a waiver of the applicability of one or more of the components of the certification requirement as authorized, by section 2366a of title 10, United States Code. The Program Manager shall notify me immediately of any changes to the program that alter the substantive basis for the certification relating to any component of such certification or otherwise cause the program to deviate significantly from the material provided to me in support of such certification.”

The Director, Acquisition Resources and Analysis (ARA), will work with the OSD principals, the Joint Staff, and the Military Departments to develop draft guidance within 30 days for my consideration on the content of the required business case analysis. With respect to any MDAP ACAT ID requiring Milestone B approval (or Key Decision
Point B approval for space programs), prior to the completion of that effort, the program manager shall work with the Director, ARA; the OIPT leader; and other officials as determined by the Director, ARA, to: identify the information that collectively provides the business case basis for the program to support the four certifications for which a business case analysis is required; prepare an analysis based on that material; and to provide the results in a supporting memorandum to me. In the case of an ACAT IC program, the appropriate MDA shall be responsible for the requisite business case analysis. This same approach applies during this interim period to programs that are initiated after Milestone B.

This policy shall apply to all MDAPs and went into effect January 28, 2008. It shall be reflected in the next revision to DoD Instruction 5000.2.

Attachment:
As stated
MEMORANDUM FOR RECORD

SUBJECT: Milestone B Program Certification

As required by section 2366a of title 10, United States Code, (1) I have received the business case analysis for the (name of program) and certify on the basis of the analysis that:

(A) the program is affordable when considering the ability of the Department of Defense to accomplish the program's mission using alternative systems;
(B) the program is affordable when considering the per unit cost and the total acquisition cost in the context of the total resources available during the period covered by the future-years defense program submitted during the fiscal year in which the certification is made;
(C) reasonable cost and schedule estimates have been developed to execute the product development and production plan under the program; and
(D) funding is available to execute the product development and production plan under the program, through the period covered by the future-years defense programs submitted during the fiscal year in which the certification is made, consistent with the estimates described in subparagraph (C) for the program; and

(2) I further certify that:

(A) appropriate market research has been conducted prior to technology development to reduce duplication of existing technology and products;
(B) the Department of Defense has completed an analysis of alternatives with respect to the program;
(C) the Joint Requirements Oversight Council has accomplished its duties with respect to the program pursuant to section 181(b) of this [title 10], including an analysis of the operational requirements for the program;
(D) the technology in the program has been demonstrated in a relevant environment;
(E) the program demonstrates a high likelihood of accomplishing its intended mission; and
(F) the program complies with all relevant policies, regulations, and directive of the Department of Defense.

Attachment

For Official Use Only – Pre-Decisional