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Chairman Bartlett, Ranking Member Reyes, members of the Committee, thank you for the opportunity to testify on Army Acquisition and Modernization. We will provide the committee with an update of our Affordable Modernization Strategy process and changes in key programs since our last meeting in March 2011. On behalf of our Secretary, the Honorable John McHugh and our Chief of Staff, General Ray Odierno, I would like to take this opportunity to thank the members of this committee for your steadfast support and shared commitment in this endeavor to provide the more than one million men and women in our Army with world-class weapon systems and equipment to ensure mission success.

Update since March Hearing

In February of this year the Army submitted our President's Budget request of \$31.8B for Army Modernization programs. We very much appreciate this committee's support of our request. Since then there have been changes ranging from program changes due to having more and better information, to deficit reduction initiatives. We now know more about the status of some programs and have asked Congress to help us make changes. New technology has become available that could have significant payoff. Stryker Double V Hull is an example. In another instance, a development program matured faster than expected so we could bring key network on-the-move capabilities forward from within WIN-T to get the equipment to the Soldier faster, while reducing overall program cost and schedule. The most sweeping changes have been in response to the President's Debt Reduction initiative and the Budget Control Act of 2011.

Meeting the Challenges - An Affordable Equipment Modernization Strategy

The Army is meeting these challenges posed by changes to our programs using our Affordable Equipment Modernization Strategy. Our Army Equipment Modernization goal is to develop and field a versatile and affordable mix of equipment to allow Soldiers and units to succeed across the spectrum of conflict today and tomorrow and maintain our decisive advantage over any enemy we face. Our first priority is to win today's fight. We currently have approximately 70,000 Soldiers serving in Afghanistan and 50,000 Soldiers serving in Iraq. We must not forget them as they continue to serve in harm's way. Lessons Learned from the current fight have shown that we need to continue to improve protection for our Soldiers in both Soldier protective equipment and vehicles; we need a network down to the individual Soldier level for his situational awareness – essential to empowering our Soldier; and we need to lighten the Soldier's load when equipping him with improved protection, increased lethality, and improved situational awareness using the network, sensors and optics.

Our second priority is to prepare for the future. To do this, the Army is pursuing versatile materiel solutions which are adaptable – able to change in response to the situation (bolt on – bolt off armor); expandable – able to change over time as technology matures (Stryker systems); and networked – able to share information. In addition, the equipment must be affordable – providing the best value in line with senior leader priorities, within projected resources, and within acceptable risk parameters.

The strategy to meet this goal within current fiscal constraints is to balance requirements with resources and align acquisition programs with these approved requirements and resources. Our Affordable Modernization strategy to equip the force utilizes three tenets. The first tenet is to align the modernization community through Integrated Portfolios to ensure integration across the requirements, acquisition, and resourcing communities. This collaboration will balance current and future requirements with effective solutions within allocated resources to produce the best equipment available.

The second tenet of our Affordable Modernization strategy is Incremental Modernization, which will deliver improved capabilities as necessity clarifies them, technology matures, and resources become available. Our focus is on continual improvements to our enduring capabilities – Network, Soldier, Squad – preserving flexibility to make capability improvement decisions closer to need. The Army's night vision program is an ongoing example of procuring the latest technology for our deploying forces rather than trying to equip the entire force with devices which will be out of date in five years.

ARFORGEN Equipping is the third tenet in our Affordable Modernization strategy, which will improve or maintain core capabilities and provide mission-specific capabilities in support of operational employment cycles. This tailored equipping policy supports our incremental modernization programs while providing deploying forces with the best equipment available.

The Army is committed to improving its acquisition process. We are implementing sixty three separate Acquisition Reform recommendations in the Army Acquisition Review to address and avert the likely causes of cancelled acquisition programs. These efforts include greater collaboration between the acquisition, requirements and resourcing community in developing modernization programs, as well as instituting competition, innovative contracting strategies and a reliance on mature technologies in developing systems. These efforts complement the reforms under the Institutional Army Task Force to improve the materiel development and sustainment process, to manage and establish oversight of the service's acquisition and our efforts to diligently pursue and implement efficiencies and affordability through the DoD Better Buying Power initiatives.

Army Priority Modernization Programs Update

Network Portfolio

The Network provides a broadband capability to commanders on the move and to the Soldier. Multiple integrated programs provide the requisite portfolio capability.

Warfighter Information Network -Tactical (WIN-T) is a critical component of the network.

It allows Army commanders and other joint network users, at all echelons, to exchange information internal and external to the theater. This network arms Soldiers and mission partners with the right information, in the right format, at the right time, and at the right place. It ensures network services (voice, data & video) across all formations down to Company headquarters. This provides the Warfighter with seamless, secure, mobile

communications, along with advanced network management tools. The program is an example of the Army incremental modernization strategy. The current Increment 2 system provides increased capabilities over those fielded and tested in combat with Increment 1. The most significant capability increase is network communications on the move; using mature, low risk technology, the Army has developed a system that is ready for fielding. We have asked for your support to accelerate the Aerial Tier, Joint C4ISR (JC4ISR) radio, and Integrated NETOPS capabilities. These components will provide the Warfighter with robust communications links and the ability to manage multiple networks from a single computer application.

Joint Tactical Radio System (JTRS) is a cutting edge radio system that provides secure, reliable, multi-channel communications using new waveforms for mobile military users. It enables tactical commanders to view and understand the battle space, communicate intent, lead forces, and disseminate real-time information. This networked communications capability at the tactical level supports information sharing and combat readiness between the services and the individual Soldier. JTRS puts the full power of the Global Information Grid into the hands of the Warfighter. Another important network initiative is System of Systems Engineering (SoSE). SoSE is on schedule and is running our new, semi-annual Network Integration Events at White Sands Missile Range, New Mexico which places new equipment in the hands of Soldiers to provide an assessment of system strengths and weaknesses.

Nett Warrior is a program which improves Warfighter situational awareness. In keeping with the Affordable Modernization Strategy, the Army reviewed the requirements, materiel solutions, and resources and identified some lower cost design options. At the same time, the position location information classification requirements were modified by OSD. The requirement and design changes, allowed us to adopt a commercial off-the-shelf design that changes the weight from 13 lbs to 3 lbs and utilizes the proven Rifleman Radio.

Combat Vehicle Portfolio. Our combat vehicle strategy will increase the capability of the Brigade Combat Teams by acquiring the Ground Combat Vehicle to provide our Soldiers going into the most lethal fights a fighting vehicle with the best protection, mobility, and upgradeable design to hedge against uncertain future threats. We will replace the aging M113 Family of Vehicles with a platform able to meet the demands of today's environment. We are upgrading the Abrams, Bradley and Stryker to improve protection, mobility and allow integration of the network so they remain relevant and capable.

Ground Combat Vehicle is the U.S. Army's program for a highly protected and mobile fighting vehicle for an Infantry squad. The Army is taking a game-changing approach to acquire the right vehicle. While we pursue new technology, the Army will concurrently test existing vehicles to find the best solutions that provide Soldiers the highest quality and most affordable vehicle. This will be the first fighting vehicle developed to operate in Improvised Explosive Device (IED) and current and future hybrid threat environments.

Its priority requirements are: Force Protection, Capacity (Nine-Soldier Squad plus crew), Full Spectrum capability (Modular Armor, Open Architecture, and Growth), and Schedule (seven years to first production vehicle).

Armored Multipurpose Vehicle (AMPV). This program is essential to replacing the aging M113 fleet which cannot operate off the Forward Operating Base in today's IED environment. The Army must conduct an Analysis of Alternatives which will be the analytical basis for refining requirements and selecting options for evaluating existing or Non-Developmental vehicles potentially suited to the different M113 mission roles.

Paladin Integrated Management (PIM). This is a program to make our indirect fire capability better so it can support a range of potential combat operations as an integral part of the combat maneuver force. This program provides significant upgrades to the automotive capabilities of the current Paladin Howitzer. With these upgrades, the Paladin will "keep up" with other combat vehicles in maneuver formations. Improving the existing weapon system is considered to be the most cost-effective method to significantly improve sustainability and survivability on the battlefield as well as meeting long-term readiness and modernization needs.

Tactical Wheeled Vehicle Portfolio. Our Tactical Wheeled Vehicle strategy emphasizes the importance of blending an affordable path forward to develop the Joint Light Tactical Vehicle (JLTV), to replace legacy platforms with systems capable of meeting current and projected threats in parallel with recapitalization of current vehicles so they remain

relevant and deployable.

Joint Light Tactical Vehicle is a joint Army-USMC program to develop a family of vehicles capable of performing multiple combat mission roles. The vehicle is designed to provide protected mobility for personnel and payloads across the full range of military operations. Two significant changes have occurred since last March. First, the Army and USMC have agreed on a common requirement for the basic vehicle. Secondly, the Technical Development phase demonstrated which capabilities are both mature and affordable allowing us to revise our Acquisition Strategy for the Engineering and Manufacturing Development phase thereby reducing cost and schedule by approximately fifty percent. The new design will still increase fuel efficiency over that of the HMMWV and MRAP while providing greater payload, protection and network capability than the HMMWV, and provides the ability to grow future capability.

HMMWV Depot Recapitalization (RECAP) is an Army Program to restore payload and performance of Up Armored HMMWVs (UAH) to the latest configuration as they return from Theater. The recapitalization program currently conducted at our depots extends the vehicle service life by 20 years, reduces operating and support costs, and improves system reliability. If the Army is not able to recapitalize the vehicles and add upgrades, approximately nine IBCTs worth of Up-Armored HMMWVs (UAHs) will not be completed. The Depot RECAP is approximately \$100K per vehicle in FY12. RDTE efforts are underway for the Modernized Expanded Capability Vehicle (MECV) program (previously known as the HMMWV Competitive RECAP program) to provide 5,700

vehicles at a cost of \$180K per vehicle for the Army's Air Assault and Airborne units. If the MECV program proves itself in testing and meets the estimated \$180K cost, the earliest production would be in late FY13. The MECV alleviates the requirement for JLTV in Light and Airborne units.

Aviation Portfolio. Army aviation is experiencing unprecedented demands from Afghanistan and Iraq. As a result, we are expanding our aviation units to meet the high demand. The Apache Block III program and CH-47F program multi-year buy are on schedule and within cost as are the Blackhawk upgrades and A to L conversions for the ARNG. The Raven and Shadow Unmanned Aerial Systems (UAS) are being upgraded to meet growing demand while the Grey Eagle UAS is being fielded.

Kiowa Warrior (OH-58). The Army approved a plan to reinvest in the OH-58D, our aging armed reconnaissance workhorse that is heavily used in the current fight. The main thrust of that reinvestment is the Cockpit and Sensor Upgrade Program (CASUP). It will convert the OH-58D to an OH-58F by addressing obsolete instruments, safety, and weight reduction efforts to include a nose mounted sensor which performs more effectively in current combat environments. This plan provides a solution to upgrade and advance the aircraft until a viable replacement is obtained. With technology upgrades, the Kiowa Warrior fleet is projected to remain relevant well into the 2020s.

Armed Aerial Scout. The Army is conducting an Analysis of Alternatives (AoA). The ongoing AoA has identified options that need further review to reduce design risk. The

Army plans to evaluate alternative options using a demonstration flight in FY12 to identify viable, low risk options for development. This incremental approach will reduce technical risk and development costs in the next phase of acquisition of an Armed Aerial Scout.

Soldier Modernization Portfolio. The Army has made tremendous progress in providing the Warfighter with the best protection, lethality, and situational awareness. There have been nine body armor improvements; research and development towards an Enhanced Combat Helmet, and evaluation of ballistic under garments. Significant improvements in weapon lethality, functionality, and accuracy have resulted in improvement of the M4 Carbine to the M4A1 Carbine; improvement of the M240B Machine Gun to the M240L Machine Gun; conversion of the M24 Sniper Rifle to the XM2010 Sniper Rifle, improvement of the M2 .50 CAL Machine Gun to the M2A1 .50 CAL Machine Gun, development of the new lightweight .50 CAL, and development of the Counter Defilade Target Engagement semi-automatic air burst system. We have made incredible strides toward increased situational awareness that include the new Enhanced Night Vision Devices, the Family of Night Sights, and the Laser Target Locator Modules.

Successful Programs

Numerous programs that you have supported have been successful. For example, we have fielded nine improvements of body armor, three new sniper rifles, improved M4 carbines, lighter weight crew served weapons and new camouflage uniforms to the Warfighter. We have also fielded the new MRAP-ATV (MATV) in theater and continue

to deliver our warfighters improved protection with an Underbelly Improvement Kit. We've fielded four new systems to ensure American Soldier dominance – Enhanced Night Vision Goggles, Laser Target Locaters, Individual Gunshot Detection System, and micro laser range finders – going to our BCTs and Special Operations Forces. Also fielded in theater is the Stryker Double V Hull which is providing a significant improvement in protection for our Soldiers. Through twelve IED attacks, the most serious injury has been one broken ankle. Other successful programs include precision munitions, C-IED devices, UAS improvements of Raven UAS gimbaled payload and Shadow UAS performance enhancements, helicopter improvements of UH/HH-60M, CH-47F and AH-64D Block II aircraft and increased protection for medium and heavy tactical vehicles.

Meeting the Debt Reduction Challenges

Any large funding reductions will have a significant impact on the Army. They will have a disproportionate impact on modernization programs in the near term since they can be terminated or down sized rapidly unlike manpower adjustments. Modernization funding reductions will result in reduced scope and schedule slips for some priority programs and termination for other programs.

Preservation of critical Industrial Base capabilities will also be a consideration. The health of the industrial base is vital to maintaining our ability to invest in equipment for Soldiers. The Army is working closely with its Department of Defense counterparts and industry partners to continuously monitor all sectors of the industrial base, from the

smallest of sensors to the heaviest vehicles. Critical to ensuring our Warfighters have the capabilities they need, we must retain vital manufacturing capabilities, preserve the skilled workforce, and maintain the ability to surge production when the Nation requires it.

The Army goal is to achieve a smaller, but fully capable force. We are working to reach a balance across manpower, operations and training, modernization and equipping to achieve that goal.

Closing

These continue to be challenging times for our Nation and for our military. I can assure the members of this committee – your Army's senior leaders remain focused and are working hard to address current challenges and the needs of the Army now and in the future. We will do this with affordability as our watchword as we endeavor to remain good stewards of our Nation's resources.

Mr. Chairman, members of the subcommittee, I thank you again for your steadfast and generous support of the outstanding men and women of the United States Army, Army Civilians and their Families. I look forward to your questions.