

STATEMENT OF

BRIGADIER GENERAL DANIEL J. O'DONOHUE
DIRECTOR
CAPABILITIES DEVELOPMENT DIRECTORATE
COMBAT DEVELOPMENT & INTEGRATION

AND

BRIGADIER GENERAL FRANK L. KELLEY
COMMANDER
MARINE CORPS SYSTEMS COMMAND

AND

MR. WILLIAM E. TAYLOR
PROGRAM EXECUTIVE OFFICER LAND SYSTEMS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES

CONCERNING

UNITED STATES MARINE CORPS ACQUISITION AND MODERNIZATION

ON

DATE: NOVEMBER 16, 2011

NOT PUBLIC UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES

Introduction

Chairman Bartlett, Ranking Member Reyes, and distinguished members of the Subcommittee, it is an honor to appear before you today. On behalf of all Marines and their families, we thank you for your extraordinary support.

The Marine Corps is the nation's expeditionary force in readiness. As such it is prepared for all manner of crises and contingencies. It recognizes the complex, highly adaptive threats that we face. Multiple regional powers and a host of lethal groups will exploit numerous seeds of instability, proliferating and increasingly lethal technology, extremist ideology and the advantages of networks hidden amongst the population. In an unpredictable, unstable and uncertain future security environment, there is an emphatic trend in warfare. That is the dynamic combination of conventional and irregular warfare by state, non-state and criminal threats that blurs traditional definition. The Marine Corps is manned, trained and equipped to continuously adapt to, deter and defeat this threat with increasingly discriminating and precise full spectrum operations. Through a comprehensive force structure review, we designed a post-Operation Enduring Freedom (OEF) force in readiness that mitigates hybrid threats, creates options and provides decision space for senior leadership, provides access and sets initial conditions for a joint, interagency and allied response. We operate as a Navy-Marine Corps team and are integrated with our partners in Special Operations Command.

Ten years ago today, under circumstances no one predicted, two Marine Expeditionary Units of 4,400 Marines and 6 amphibious ships were assembling to strike Al Qaeda after the horrific acts of 9/11. On short notice, this Task Force rapidly concentrated from widely dispersed forward engagement missions to decisively attack 450 nautical miles from the Arabian Sea to Kandahar and then another 300 miles to Kabul. Without special preparation, they conducted a full range of irregular and distributed operations against Al Qaeda in support of the Northern Alliance. These operations were completely integrated with SOF, the interagency, and our allies; and were conducted in an undeveloped theater with extremely limited infrastructure. No other force had the readiness, strategic mobility, self-sustainment, command and control, and scalable combat power to respond so quickly, discriminatingly and decisively. Notably this force attacked at a time and place of our choosing from amphibious ships with the strategic, operational and tactical mobility to extend the operating area beyond the enemy's ability to cope. The dynamic ability, at a moment's notice, to shape, deter, defeat, ensure access and deny our enemies sanctuary is emblematic of the crisis response capabilities that we continue to improve in our current and future force.

We recognize that the nation faces an uncertain security environment while facing tremendous fiscal challenges. While our nation moves to re-set its military in a post-Afghanistan world, it does so in increasingly complex security environments. As we explore Department of Defense (DoD) options to adjust to changing fiscal realities, there is a clear imperative for our nation to retain a credible means of mitigating risk. As the joint force-in-readiness, the Marine Corps provides efficient and effective insurance against the unexpected with an adaptive, multi-capable force that has the reach to defend American citizens, commerce and our vital national interests. Key is the ability to deploy and employ from the sea in austere environments at a time

and place of our choosing — a significant asymmetric, strategic and operational advantage that has been used 137 times since 1990.

Our unequivocal top priority is support to the 20,000 Marines in Afghanistan and the 10,000 others forward deployed. In stride, we are also transitioning to the post-OEF force laid out in our force structure review. Last February, the Secretary of Defense approved this review that will draw down and reshape the current 202,000 Marine Corps to a scalable, force-in-readiness that can respond to disasters such as in Japan, Pakistan, Haiti and Indonesia, crises such as Libya, major combat operations, counter-terrorism and counter-proliferation. Our modernization and equipping plans reflect this force structure review. The impact is primarily in the out years but we have already achieved savings by having a clear post-OEF direction.

In today's testimony, we will describe our plan for Balanced Modernization and our Ground Combat and Tactical Vehicle Strategy (GCTVS). We will also highlight the programs in which notable changes have been made over the course of this year – to include our efforts with the amphibious combat vehicle, the Joint Light Tactical Vehicle (JLTV), and the Assault Amphibious Vehicle survivability initiative upgrade (AAV Upgrade). Finally, we will address the potential impact of budget cuts at the level anticipated relative to sequestration.

Balanced Modernization

As a force-in-readiness, the Marine Corps must judiciously preserve readiness, manning and modernization within a budget that is only 7.8 percent of DoD's—which includes all associated Navy and Marine accounts. In order to ensure access for the joint force and meet Combatant Commander requirements, the overall Marine Corps modernization priorities are the Joint Strike Fighter, the Amphibious Combat Vehicle (ACV), a balanced Ground Combat and Tactical Vehicle portfolio and amphibious capability. This testimony focuses on our ground forces modernization which is only 14 percent of our budget and 0.6 percent of the DoD budget. Our ground procurement account is approximately \$2 billion a year to include equipment and ammunition.

Budget cuts to our relatively small ground modernization account have a disproportionate impact. This is magnified by new, exponentially larger costs to field a ground force due to the requirements of a more dispersed battlefield against a hybrid enemy that will employ increasingly lethal technology. To meet that threat, we must be able to disperse and concentrate, conduct full spectrum operations across all dimensions (air, land, sea, cyber and the electromagnetic) and provide protected mobility to both dismounted and mounted Marines. Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) capability guides operations, ensures coordinated action and provides for joint/coalition interoperability across a broad and complex operating area. Our challenge is to meet these costly trends in current and future warfare within fiscal constraints.

Our overall strategy is to accept risk as a forward deployed, crisis response force, capable of one major combat operation (MCO), that meets priority Combatant Commander requirements and accepts risk in extended operations ashore. Our supporting ground modernization strategy is to sequentially modernize priority capability, reduce equipment requirements wherever possible

and judiciously sustain remaining equipment. Our top ground modernization priority is the Amphibious Combat Vehicle (ACV). We intend to address our light combat vehicle shortfalls before and after ACV modernization. Our JLTV strategy depends on modernizing those vehicles with the most demanding mission profiles before we have to focus on ACV. The biggest risk to sequential modernization is schedule—not program schedule but rather decision schedules. If JLTV is delayed, we lose an opportunity that we cannot readdress until after ACV procurement in the late 2020s. We expect rigorous oversight and a responsible acquisition plan, but it must acknowledge the risk of unwarranted delay. This fall, the Marine Corps conducted a portfolio review for affordability - which included JLTV strategy supporting JLTV knowledge points. Today's testimony is an opportunity to provide the committee with the important developments from that review.

For both the ACV and JLTV, the Marine Corps has taken an aggressive approach to ensure we obtain the best value for the government while also ensuring program success. This approach is distinguished by:

- dealing with mature technology so the program focus is on integration and reduced cost, not technological risk;
- using affordability as a key performance parameter;
- extensive government testing;
- comprehensive system engineering and cost analysis;
- mature cost data;
- at inception, a close interaction between requirements and acquisition teams to make cost informed trades in requirements;
- a transparent, open dialogue with industry, OSD and Congress;
- streamlined acquisition process with an emphasis on competition; and
- programs considered within the entire portfolio for required capability and affordability.

Throughout all our programs, we conducted reviews to reduce requirements wherever possible. Although all of our units require a high state of readiness, not all units need to be equipped for every mission. We conducted and are refining an extensive review of core missions and associated equipment sets for all units. For core missions, such as an extended counterinsurgency, we will retain a select pool of equipment and divest remaining equipment rather than more broadly fielding the capability.

Ground Combat and Tactical Vehicle Strategy

This year the Marine Corps experienced three significant changes in its ground vehicle strategy. The year began with the cancellation of the Expeditionary Fighting Vehicle program, which had become unsustainably expensive. Later this year, we were able to work with the Army, dramatically reducing the cost estimates for the Joint Light Tactical Vehicle by identifying essential and non-essential common requirements for the vehicle. We also gained support from the Office of the Secretary of Defense for a streamlined acquisition schedule. Finally, with the fiscally constrained environment in which we are operating, we are reducing our inventory of vehicles by about 10,000 to create trade space for other investment priorities.

These three actions influenced the acquisition and modernization objectives of the Ground Combat Tactical Vehicle Strategy (GCTVS).

The Marine Corps' Ground Combat and Tactical Vehicle Strategy (GCTVS) is the basis for planning, programming, and budgeting to provide balanced maneuver and mobility capabilities to the Marine Corps' operating forces. The strategy guides our planning for the right mix of vehicles capable of supporting the full range of operations. This effort is evolutionary in approach; and includes combat vehicles such as the amphibious assault vehicles, light armored vehicles, and tactical vehicles such as the Joint Light Tactical Vehicle (JLTV). The strategic goals of the GCTVS are to field vehicles with the correct balance of performance, protection, payload, mobility, transportability, and fuel efficiency. This balance will enable rapid concentration and dispersion of Marine Air-Ground Task Force (MAGTF) combat power, support strategic deployment concepts, and meet and sustain worldwide Marine Corps commitments.

Our end-state is to develop a more relevant and affordable portfolio of combat and tactical vehicles. Through procurement, recapitalization, and service-life extension, we will provide the capacity for Marine forces to conduct irregular warfare and sustained operations ashore, and, when necessary, conduct Marine Expeditionary Force-sized forcible entry operations from the sea. The enduring challenge to the strategy is that the procurement and sustainment of new vehicles is exponentially more costly than previous vehicles.

The Marine Corps acquisition community is committed to delivering required warfighting capabilities to our Marines in a timely and affordable manner. The DoD has undertaken a number of efficiency initiatives, to include streamlining the acquisition process to focus on collaboration among stakeholders to properly align requirements and resources with acquisition strategies. Additionally, we are closely examining technological maturity of potential components and solutions in order to achieve realistic program goals. The Marine Corps is mindful of the need to leverage programs, technologies, technical skills and competencies of other Services to ensure we deliver the most effective and affordable combat capability to our Marines. We strive to be efficient in our program acquisition efforts in order to achieve programmatic goals and to yield the best value for the taxpayers. In addition to the procurement of equipment and services, our systems command conducts enterprise-level system engineering across product lines and product life cycles to ensure end-to-end integrated, interoperable, and certified warfighting capabilities. We are committed to using every resource available to maximize the overall combat effectiveness and survivability of our Marines while ensuring we are addressing the affordability needs of our Corps.

Modernization Overview

The Marine Corps is currently undertaking several initiatives to modernize the Total Force. The priority for our ground forces is the seamless transition of Marines from the sea to conduct operations ashore whether for combat operations or humanitarian assistance. Our ground combat and tactical vehicle strategy is focused on providing the right mix of assets - balancing performance, payload, survivability, fuel efficiency, transportability and cost.

On November 2, 2011, the Commandant of the Marine Corps, General Amos, testified before the House Armed Services Committee that the Amphibious Combat Vehicle and the Joint Light Tactical Vehicle are the priorities of our ground modernization initiatives. In particular, the Amphibious Combat Vehicle is crucial to our future ability to conduct surface littoral maneuver and seamlessly project Marine units from sea to land in hostile, uncertain, or permissive environments. Also, the Joint Light Tactical Vehicle will provide increased payload, performance, and protection and will replace the portion of the High Mobility Multipurpose Wheeled Vehicle (HMMWV) fleet that faces the most demanding environments. We remain firmly partnered with the U.S. Army in fielding a JLTV that lives up to its name while also being affordable.

Major New Initiatives in Fiscal Year 2012

In February of this year, the Marine Corps submitted its President's Budget request for fiscal year 2012. We appreciate the committee's support of our request. We have since made several program adjustments in light of new information and on-going development efforts.

Amphibious Combat Vehicle

Throughout calendar year 2011, the Marine Corps conducted a comprehensive systems engineering review of amphibious vehicle operational requirements in order to refine those requirements on a cost-informed basis. The review studied the requirements for water mobility, land mobility, lethality and force protection in order to develop trade-space to drive down both the production and the sustainment costs for the amphibious vehicles of the future. The results of that work informed the Amphibious Combat Vehicle (ACV) Initial Capabilities Document; and continued analysis, predictive modeling, testing, and the Analysis of Alternatives results will inform the Capability Development Document. The ACV remains the Marine Corps' #1 ground modernization priority.

Assault Amphibious Vehicle Survivability Upgrade

Since the February 2011 submission of the President's Budget, we have reevaluated the proposed program plan for the Assault Amphibious Vehicle (AAV) Survivability Upgrade and have recommended several changes. These changes are based on a revised and narrowed scope of the upgrade program to focus on critical survivability modifications.

Ultimately, the AAV Upgrade increases force protection and vehicle survivability levels of the current capability in order to conduct operations ashore against current threats and to extend its service life until replaced by the ACV.

Joint Light Tactical Vehicle

The Joint Light Tactical Vehicle (JLTV) is a joint program between the Marine Corps and the Army. We are focused on developing and procuring Multiple Mission Role Variants of the JLTV family of light vehicles to modernize those light combat vehicles for the most

demanding missions, providing increased payload, performance, and protection. The JLTV will replace a quarter of the High Mobility Multipurpose Wheeled Vehicle (HMMWV) family.

Since the budget was submitted in February, the Army and Marine Corps have agreed to a common set of requirements, a streamlined acquisition schedule that reduces the engineering design and development schedule by 15 months, and a competitive selection process to ensure affordability of the JLTV. JLTV's estimated cost, performance, and schedule have improved significantly the past six months. In addition, industry has demonstrated several competitive prototypes whose performance and projected cost have been verified by the government. At this time, JLTV is on schedule, affordable and performing to meet essential validated Marine Corps light combat capability gaps.

Also this year, the Marine Corps examined (through experimentation, testing and analysis) use of a High Mobility Multi-purpose Wheeled Vehicle (HMMWV) recapitalization program to improve survivability of the HMMWV and therefore meet our light fleet requirements. By July, we determined that with the added weight necessary to improve protection, HMMWV based platforms will not meet Marine Corps requirements in terms of reliability, payload, service life, mobility, ability to fit on Maritime Prepositioning Force shipping and growth potential. Therefore, the Marine Corps will reduce the scope of our 2011 HMMWV competitive survivability initiative to a HMMWV Modification program. The purpose of that effort is to extend the service life of our roughly 14,500 light tactical vehicle fleet out to 2030.

Potential Industrial Base Impacts

Cuts at the level anticipated with sequestration will likely cause damage to the Marine Corps as well as our industrial base. It will hollow the Marine Corps and cause us to be out of balance in manpower, procurement and modernization. Summarily reducing procurement accounts will damage the industrial base, which may not recover. The result of such cuts would weaken our nation's military superiority.

Sequestration would require the Department to revisit the National Security Strategy and reassess requirements for shaping the global environment in order to protect national interests. The nation would incur extra strategic and operational risk, which may prove dangerous the next time our nation is called upon to respond to a global crisis.

Conclusion

The Marine Corps has achieved efficiencies through a post-OEF, capabilities based review that are reflected in our ground modernization strategy. As the joint expeditionary force in readiness we achieve efficiencies by:

- mitigating risk and providing insurance to the joint force;
- providing and equipping a force that can scale from forward presence to crisis response to MCO and, if need be, sustained operations;
- efficiently optimizing increasingly scarce strategic lift as a middle-weight force;

- having a clear direction and strategy for manning, training and equipping the post-OEF Marine Corps;
- maintaining an efficient level of readiness in every unit; and
- efficiently providing strategic, operational and tactical mobility that provides options and decision space for national leaders and dilemmas for our adversaries.

As Congress and Department of Defense move forward with tough decisions on the future of our Armed Forces, the crisis response capabilities the Marine Corps provides our nation must serve as the compass in determining its ultimate end strength, equipping and training needs. Through it all, the Marine Corps will make the hard decisions and continue its commitment to provide the best fighting force at the lowest possible cost.

With the support of the Congress and the American people we can ensure our Navy and Marine Corps team is ready for the current fight and is well prepared to secure our nation and national interests in an uncertain future.