

RECORD VERSION

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**SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES
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UNITED STATES HOUSE OF REPRESENTATIVES**

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ACQUISITION PROGRAMS**

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Introduction

Chairman Bartlett, Congressman Reyes, distinguished Members of the Subcommittee on Air and Land Forces we thank you for this opportunity to discuss the Fiscal Year 2013 (FY13) budget request as it pertains to Army Acquisition and Modernization. We are pleased to represent U.S. Army leadership, members of the Army Acquisition workforce, and the more than one million courageous men and women in uniform who have deployed to combat over the past ten-plus years, and who have relied on us to provide them with world-class weapon systems and equipment to ensure mission success. On behalf of our Secretary, the Honorable John McHugh and our Chief of Staff, General Ray Odierno, we would like to take this opportunity to thank the members of this committee for your steadfast support and shared commitment in this endeavor.

Support to the Warfighter in Afghanistan

The FY13 President's Budget (PB 13) fully funds priority Warfighter equipment requirements and supports a successful conclusion of Army missions in Afghanistan. PB 13 Overseas Contingency Operations funding procures replacement aircraft, missiles, rockets and C4I equipment; specialized Distributed Common Ground System-Army (DCGS-A) equipment for Intelligence units; Carl Gustav Recoilless Rifles for selected units; Enhanced Combat Helmets, and OEF Camouflage Pattern clothing for deployers. PB 13 Base funding procures seismic/acoustic intrusion devices for deploying Military Police and Engineer Companies, Brigade Combat Teams (BCT) and Special Operations units; Command, Control, Communications and Intelligence equipment for Civil Affairs units; Enhanced AN/TPQ-36 (EQ-36) Radars and Lightweight Counter Mortar Radars; M2 and M240 Machine Gun modifications; and Precision Guided Artillery Fuzes for example.

Army Equipment Modernization Strategy

Today we are faced with uncertain strategic and operational environments coupled with declining resources. The Army's equipment modernization strategy reflects the need to

be able to support the current fight, respond to uncertainties and implement the emerging Army strategy for the force in 2020. The PB 13 Research and Development budget request reflects the Army's priority materiel programs and highlights the critical capabilities we need to give our Soldiers and units the decisive edge in the range of military operations. This strategy is focused on equipment needed to (1) empower, unburden, and protect our Soldiers; (2) network the force; and (3) replace, improve or transform our combat platforms in order to deter and defeat hybrid threats.

We must set priorities, make prudent choices, and modernize in ways that provide the best force for the Nation with the resources available. To meet the challenges of strategic, operational, and fiscal realities, the Army is scrutinizing its major equipping programs and their contributions to core competencies and required capabilities.

The Army aims to develop and field a versatile and affordable mix of equipment to enable Soldiers and units to succeed across a full range of missions today and tomorrow and to maintain our decisive advantage over any adversary we face. "Versatile" encompasses the characteristics of *adaptable* (to changing missions and environments); *expansible* (able to add, update or exchange capabilities in response to changed circumstances); and *networked* (to enable interoperability within our formations and with those of our partners). "Affordable" relates to making fiscally informed decisions that provide greatest capability value in accordance with senior leader priorities, within projected resources and within acceptable risk parameters.

Our Equipment Modernization Strategy is a balanced approach and features:

- Integrated Portfolios that align the modernization community to ensure integration across requirements, acquisition, resourcing and sustainment.
- Incremental Modernization to deliver improved capabilities as necessity clarifies, technology matures, or resources are available.
- Army Force Generation (ARFORGEN) Equipping to improve or maintain core capabilities and provide mission specific capabilities in accordance with ARFORGEN cycles.

We recognize we must shape the Army with an understanding of both our national security obligations and current fiscal constraints. The emerging strategy for the Army of 2020 describes strategic requirements and aligns the ends, ways, and means to develop and field a versatile and affordable mix of the best equipment available to enable Soldiers to succeed in current and future complex operational environments.

This entails four lines of effort:

- Modernize. Develop and acquire new equipment or improve, upgrade or adapt existing equipment to meet identified capability gaps and to achieve dominance in core capabilities while evaluating modernization efforts for redundancy.
- Sustain. Close capability gaps or avoid creating them by extending the useful life of existing equipment and divest or store equipment providing less value.
- Mitigate. Procure mission-specific equipment for immediate capability needs.
- Distribute. Provide the appropriate quantity and type of equipment to Soldiers and units at the proper time in accordance with the ARFORGEN readiness model and Army priorities to enable training, preparation and employment for mission success.

Priority Army Programs in FY13

Based on the Equipping Modernization Strategy, the priority equipment modernization programs in our PB 13 request are:

Warfighter Information Network-Tactical (WIN-T). Provides the broadband backbone communications necessary for the tactical Army. It extends an Internet Protocol (IP) based satellite and line-of-sight communications network through the tactical force, supporting voice, data, and video. Increment 1 fielding is completed in FY12. Increment 2 extends the network to the Company and provides on-the-move IP communications for the first time. It begins fielding in FY 13. PB 13 will procure 7 new Brigade Combat Team (BCT) sets and fund fielding Increment 2 systems to 9 BCTs and procuring upgrades for 32 additional brigades to provide interoperability with Increment 2 systems.

Joint Tactical Radio System (JTRS). Provides the future deployable mobile communications family of tactical radios. It provides advanced joint tactical end-to-end networking data and voice communications to dismounted troops, aircraft and watercraft platforms. PB 13 procures Handheld / Manpack Small Form Fit (HMS) and Rifleman Radios to provide voice/data communications to 8 BCTs. These radios will link mounted and dismounted Soldiers and leaders into a robust network of sensors, platforms and command posts. The Ground Mobile Radio (GMR) was the primary JTRS vehicular radio. This program was re-structured in favor of a more competitive Non-Development Item (NDI) program called the Mid-Tier Networking Vehicle Radio (MNVR) using the government owned programmable waveforms developed as part of the JTRS program. This change in acquisition strategy will allow rapid delivery of capabilities (fielding in FY 14) at lower cost while meeting the mobility requirement of the restructured GMR program.

Joint Battle Command-Platforms (JBC-P). Provides a foundation for achieving information interoperability on current and future battlefields and will be the principal Command and Control/Situational Awareness system for the Army and Marine Corps at the brigade-and-below level. Leverages our investment in 88,000 Force XXI Battle Command Brigade and Below (FBCB2) systems (all maneuver formations) with improved situational awareness capabilities. JBC-P is the incremental improvement to the already fielded Blue Force Tracker (BFT) family of systems.

Nett Warrior. Provides an integrated situational awareness system to the dismounted leader which allows for fast and accurate decisions in the tactical fight. This program underwent a re-baselining of requirements and acquisition strategy to achieve a smaller, lighter handheld capability at reduced cost to the Army. PB 13 funds delivery of this capability to maneuver BCTs in support of next deployers.

Distributed Common Ground System-Army (DCGS-A). Provides integrated intelligence, surveillance, and reconnaissance processing, exploitation, and dissemination of data from airborne and ground sensor platforms. DCGS-A satisfies 100 percent of the Army

intelligence enterprise requirements by pulling data from over 300 DoD and National databases. No other system completely addresses the broad range of intelligence requirements satisfied by the DCGS-A program. PB 13 funds development of the Army Common Operating Environment and Command Post Environment and procures equipment for one Army Service Component Command, 10 theater commands, three division headquarters, 14 BCTs, one Special Forces Group, and 15 support brigades.

A major contributor to the successful development of new Network capabilities is the Network Integration Evaluations (NIE) we conduct at Fort Bliss, TX. FY 13 PB fully funds the semiannual NIE which provides an operational venue to evaluate new commercial technologies and network capabilities for possible inclusion into the Network. This provides the Army an opportunity to integrate Network equipment before it is fielded to operational units, thereby relieving those units of the integration burden. Previous NIEs have informed decisions that resulted in restructuring Army programs of record, such as Nett Warrior and JTRS, resulting in significant cost savings and improved capabilities. Resources have been added to the FY13 PB request to allow procurement of commercial products evaluated and recommended for fielding based on NIE results.

Ground Combat Vehicle (GCV). The Ground Combat Vehicle is the U.S. Army's replacement for Infantry Fighting Vehicles in Heavy Brigade Combat Teams (HBCTs). Modernization imperatives include improved protection, mobility and sustainment; built-in growth capacity; and network integration. PB 13 funds two competitive Technology Development (TD) contracts leading to a Milestone B decision in 1st Quarter 2014 and Engineering and Manufacturing Development (EMD) Phase. The Milestone B decision will be informed by a comprehensive analysis, an examination of non-developmental vehicles, and progress made during the current TD phase.

Joint Light Tactical Vehicle (JLTV). Provides Army and Marine Corps Warfighters more payload, protection and network capability than High Mobility Multipurpose Wheeled Vehicle (HMMWV), and more fuel efficiency than the HMMWV or Mine Resistant Ambush Protected (MRAP). PB 13 fully funds JLTV Engineering & Manufacturing

Development (EMD) using an acquisition strategy that maximizes full and open competition opportunities for interested companies and reduces EMD costs and schedule. The program is scheduled for a Milestone B decision in July 2012.

Paladin Integrated Management (PIM). The Paladin Integrated Management (PIM) program replaces the current M109A6 Paladin and M992A2 Field Artillery Ammunition Supply Vehicle by incorporating Bradley common drive train and suspension components. PIM addresses a long standing capability gap in the self-propelled artillery portfolio brought about by an aging fleet and the termination of prior modernization efforts. PB 13 funds continued development and integration of Bradley common components (Engine, Transmission, and Suspension System) into prototype vehicles for government testing. The program remains on schedule to meet a Milestone C in June 2013.

Armored Multi-Purpose Vehicle (AMPV). The AMPV program is an essential element of the Army's Combat Vehicle Modernization strategy to replace an aging M113 fleet that lacks protection, mobility, and the ability to accept future upgrades. The AMPV will provide required protection, mobility, and networking capabilities for critical enablers (mortars, medical evacuation and treatment, mission command, and company command and control) of the combined arms team. PB 13 funds competitive source selection preparation to include government-furnished material and technical data package. The AMPV program is an essential element of the Army's Combat Vehicle Modernization strategy.

Kiowa Warrior. PB 13 funds continued development of the Cockpit and Sensor Upgrade Program (CASUP) and procurement of fielded fleet upgrades and CASUP long lead items. A decision to pursue either the development of a new aircraft to replace Kiowa Warrior or a Service Life Extension Program (SLEP) of Kiowa Warrior will be made in FY13.

Major Program Changes in FY13

Fiscal realities caused us to make significant changes in almost 100 programs. Nevertheless, the Army is committed to maintaining the most capable Army in the world with the resources the American people provide us through Congress. In order to do so in an era of decreasing resources, we must make hard choices to maintain balance. To that end, we continuously examine programs to find where we may have overlapping or joint capabilities that meet the need, or where programs are simply unaffordable or where the resulting capability risk is acceptable. We believe that even with these changes, we still have balance in our equipping strategy and are on track to equip the Army of 2020. However, further reductions run the risk of upsetting that balance and force us to make very hard choices about where we sacrifice capabilities for the Army of 2020.

Among the changes in our PB 13 request is the restructure of over 20 programs, primarily due to honed requirements or availability of off-the-shelf items. These include Nett Warrior, JTRS, Joint Land Attack Cruise Missile Defense Elevated Netted Sensor (JLENS), Joint Air-to-Ground Missile (JAGM) and JLTV. In more than 50 programs we accepted risk by slowing deliveries of systems based on the current operational environment. These include EQ-36 radars, Heavy Expanded Mobility Tactical Trucks (HEMTT), and Apache III Attack Helicopters. Finally, funding will cease for eight programs. These include: Mounted Soldier System; Long Range Advanced Surveillance Systems (LRAS3); Knight Targeting Under Armor; Liquid Logistics Storage and Distribution (Camel); HMMWV Recap; Family of Medium Tactical Vehicles (FMTV); Joint Precision Approach and Landing Systems (JPALS); and Airborne Common Sensor and Enhanced Medium Altitude Reconnaissance and Surveillance system (EMARSS).

We also accelerated 11 programs to provide new capabilities to our Warfighters faster. Examples include: Improved Target Acquisition System for Soldiers, Patriot PAC-3 Missiles, and Combat Communications for Casualty Care (MC4)

Acquisition Transformation

Over the past year, the Army has continued to make progress on changing the paradigm for acquisition. Overall, the Army is taking a fundamentally different approach to acquisition – one which emphasizes affordability throughout the acquisition cycle. We are challenging costly or unrealistic requirements, implementing smarter test and evaluation strategies, embracing commercial innovation and industry feedback, supporting increased competition and rewarding technological maturity.

This approach is evident in several programs, to include JLTV, Nett Warrior and GCV, where we have already shown success in revising military requirements to avoid unnecessary cost and to develop executable strategies. For instance, in the JLTV program, a thorough review enabled us to revise our Acquisition Strategy which reduced the schedule for the next development phase from 48 to 33 months while reducing the projected cost of the vehicle by \$400 million, a 50 percent reduction.

The Stryker Double-V Hull (DVH) program is yet another example. In the DVH program, we partnered with the testing community to efficiently conduct simultaneous test and production on an expedited basis. By taking a more collaborative approach, we provided Soldiers with critical improvements and enhanced protection on a timely and effective basis. In a recent trip to Kandahar, Afghanistan, we saw and heard first-hand from Soldiers the remarkable capability the DVH provides.

Finally, during the Army's Network Integration Exercise (NIE) at Fort Bliss, Texas, Soldiers found the configuration of Nett Warrior cumbersome and recommended the system focus on the Rifleman Radio and a commercially available smart-phone type product. As a result of Soldier feedback the Army de-scoped the requirements and the Nett Warrior program has realized a significant savings: 70 percent reduction in weight for the Leader configuration and a 60.5 percent reduction in total procurement costs.

Equipping Strategy

The equipping strategy establishes goals and metrics for achieving a balance between requirements and resources. It addresses the rotational and non-rotational Operational Force and the Generating Force. The strategy is a dynamic and flexible document that addresses the divergent needs and requirements for the Total Army. The strategy's goals and objectives are achieved using three lines of operation: (1) unit-based equipping; (2) managing friction, and (3) building long-term readiness.

- **Unit-Based Equipping.** The Army's equipping goal is to ensure that Soldiers and units always have the equipment they require to execute assigned missions. It measures success in doing so using a series of equipping goals or Aim Points (AP). This line of operation also includes tailoring equipment distributions to better manage shortages and maximize capabilities, maintaining the Army National Guard's Critical Dual Use and Generating Force equipping levels to no less than 80 percent.
- **Managing Friction.** Friction is caused by a significant percentage of Army equipment that is unavailable to fill unit authorizations because it is in transit, reset, or filling other critical Army requirements such as equipment sets. Success in managing friction is measured by how well the Army can see its own equipment inventories and make informed management decisions about how to allocate that inventory to build Army readiness. The Army is committed to continuing to improve our ability to minimize friction and achieve equipment transparency.
- **Building Long-term Readiness.** The Army will continue to focus on management policies and structure to bring resources, resourcing processes, requirements validation, and priorities into better synchronization with cyclic equipping readiness requirements. Ensuring documents accurately reflect equipping status, updating the readiness reporting system, and examining the relevance of long-standing equipping programs and policies are some of the methods the Army is using to build long-term readiness.

The goal of our Equipping Strategy is to ensure Soldiers are equipped for the current fight and for future contingencies. Although we are a force in transition during a period of declining resources we must continue to provide the Army with the best equipped, most modernized and most highly capable units that will prevail on any battlefield against any foe.

Closing Comments

These continue to be challenging times for our Nation and for our military. We 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, we 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. We look forward to your questions.