MAY 8, 2013

OVERSIGHT: ARMY MODERNIZATION

U.S. SENATE COMMITTEE ON ARMED SERVICES

ONE HUNDRED THIRTEENTH CONGRESS, FIRST SESSION

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Deputy Chief of Staff of the Army (G-8)
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RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL WILLIAM N. PHILLIPS
PRINCIPAL MILITARY DEPUTY TO THE ASSISTANT SECRETARY OF THE ARMY
FOR ACQUISITION, LOGISTICS AND TECHNOLOGY AND
DIRECTOR, ACQUISITION CAREER MANAGEMENT

BEFORE THE

SUBCOMMITTEE ON AIRLAND
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ON ARMY MODERNIZATION
FIRST SESSION, 113TH CONGRESS

MAY 8, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

Introduction

Chairman Manchin, Senator Wicker, and distinguished Members of the Subcommittee on Airland, we thank you for this opportunity to discuss the Fiscal Year 2014 (FY14) budget and overseas contingency operations requests as they pertain to Army Modernization as well as your steadfast support and shared commitment in this endeavor on behalf of the Secretary of the Army, the Honorable John McHugh and the Army Chief of Staff, General Ray Odierno. I would also like to thank you for help in providing the Army the means to award multi-year contracts through the passage of the Appropriations Bill which funds the Department of Defense through the rest of the Fiscal Year. This alone will save the Taxpayer over two billion dollars in cost avoidance. 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 nearly twelve years, who have relied on us to provide them with world-class weapon systems and equipment to ensure mission success.

Army Equipment Modernization Strategy

As we look to the future, our priority is to maintain the best equipped Army in the world and to ensure we are postured to fight and win the next conflict. We recognize the need to shape the Army with an understanding of both our national security obligations, the strategic rebalancing to the Asia-Pacific region, and current fiscal constraints. The theme of our Equipment Modernization Strategy is “versatile and tailorable, yet affordable and cost-effective.”

The centerpiece of this strategy is the Soldier and Squad, ensuring that we continue to maintain advantages in mobility, logistics, command and control, and intelligence. The Soldier and Squad must be enabled through the Network, facilitating decision-making across the Joint Force, and delivering this capability with focused investments in key enabling technologies. The Soldier and Squad Investment Plan provides our small units with a range of equipment including individual and crew-served weapons, next generation optics and night vision devices, body armor and advanced individual protection equipment, providing lethality and force protection to the Soldier on the

ground. Our combat and tactical vehicle fleets are also being developed to network this more capable squad, provide increased lethality and mobility, while optimizing survivability through the use of armor packages that can be scaled to meet mission requirements. In the same manner, aviation improvements will provide our forces with greater mobility and responsiveness. Currently the Army is conducting a comprehensive study of the tactical wheeled vehicle fleet. At the completion of this study and pending force structure decisions, the Army will update its Tactical Wheeled Vehicle Strategy.

This approach helps achieve the optimal balance between obsolescence of existing capabilities, innovation, and overmatch capabilities through new technologies and weapon systems. As a result, our approach must be agile and strategic moving forward, reflecting the need to modernize equipment in key portfolios, leveraging mature capabilities where appropriate, and addressing the needs of the Industrial Base. Maintaining technological advantage over our adversaries will be paramount, so our strategy must include a balanced investment between mature technologies for system upgrades, and research investments between evolutionary and disruptive technologies.

To achieve this strategy within our fiscal constraints, we must make focused investments in capability. As such, we are engaged in a detailed assessment of our various equipment portfolios to determine our future investment, sustainment, and divestiture posture. This will be the first time we have projected out 30 years, ensuring that we understand the threat and associated capability gaps, and from that developing our investment strategy across Science and Technology and Acquisition Programs of Record. Alignment across this process, as well as affordability, will be key. Maintaining critical Industrial Base sectors and preserving the capacity to surge when the need arises will also be a priority.

Our approach must consider rapid changes in technology, and where our traditional process does not suffice, we must institutionalize new processes for rapid acquisition that allow us to be responsive to the threat and agile in delivering new capability. We

will leverage the government, academic and commercial sectors to deliver this capability, and will continue to execute efforts like the Network Integration Evaluations. These evaluations ensure a holistic approach to integration that assesses the latest, innovative technologies while creating efficiencies across our test programs.

Key principles within our Equipment Modernization Strategy include:

- Fostering competition to reduce cost and improve quality
- Reducing complexity to the Soldier to use and maintain equipment, thus reducing our training requirement
- Emphasizing interfaces and interoperable standards with our joint and coalition partners
- Divesting equipment as a means to modernize with limited resources
- Balancing modernization with changing threats, missions and technologies, as we manage impacts on training and sustainment

Army Network and Ground Systems Modernization Programs The President's Budget for FY14 supports the 2013 Army Equipment Modernization Plan, which identifies the Army's highest modernization priorities. Nearly half of them are associated with the network, which the Army is committed to developing and fielding as a single entity. Network Modernization seeks to provide the same basic capabilities from home station to the lone dismounted Soldier in theater. The Army is also striving to become hardware agnostic by focusing on software applications that meet our unique needs. These applications must be able to operate on existing hardware, and meet requirements for interoperability with other applications.

A major contributor to the successful development of new network capabilities is the Network Integration Evaluation (NIE), conducted on a semi-annual basis at Fort Bliss, Texas. Our latest NIE just began on May 4 and is scheduled to conclude on May 27, 2013. The NIE provides an operational venue to evaluate and integrate new commercial technologies and network capabilities for possible inclusion into the network before it is

fielded to operational units, thereby relieving those units of the integration burden. Resources have been added to the FY14 budget request to allow procurement of commercial products evaluated and recommended for fielding based on NIE results.

Warfighter Information Network-Tactical (WIN-T) WIN-T provides a secure and reliable broadband network that supports tactical communications (voice, data, and video), enabling mission command while on-the-move. It features the latest technology to plan, manage, fight and defend the network. This capability will be delivered in incremental stages. WIN-T Increment 1 fielding was completed in FY12 and the budget request supports planned technology upgrades to enhance interoperability with subsequent increments. WIN-T Increment 2, which delivers a mobile network capability from Company level to theater, is currently being fielded to deploying units. The budget will procure WIN-T Increment 2 equipment for 4 Brigade Combat Teams and 2 Division Headquarters. The budget request supports WIN-T Increment 3 continued development of the full networking capability, including additional connectivity via employment of an airborne tier.

Family of Network Tactical Radios The Family of Network Tactical Radios, to include the former Joint Tactical Radio System (JTRS) and the Mid-Tier Networked Vehicular Radio (MNVR) programs, is the future deployable mobile communications family of tactical radios, providing advanced joint tactical end-to-end networking data and voice communications to dismounted troops, aircraft, and watercraft platforms. The FY14 budget request provides an interoperable family of advanced single and dual-channel radios providing Soldiers, sensors and platforms with tactical, lower tier networking communications capability.

Ground Combat Vehicle (GCV) GCV is the Army's replacement for Bradley Infantry Fighting Vehicles in Armored Brigade Combat Teams (ABCTs). Modernization imperatives include improved protection, mobility, capacity for a full nine Soldier infantry squad, and sustainment; built-in growth capacity; and network integration. The FY14 budget request will allow the refinement of the GCV requirements set, close out the

Technology Development phase, and allow the awarding of an Engineering and Manufacturing Development (EMD) contract.

Stryker The Stryker Double V-Hulls (DVH) have provided exceptional protection in Afghanistan and are directly contributing to saving the lives of Soldiers. The Army is procuring DVH Strykers through new production and flat bottom Stryker exchange. As of December 2012, remaining new production consists of nine Anti-Tank Guided Missile Variants scheduled for completion June 2013. Fifty-two Stryker DVHs were completed in April 2013 though the exchange process. The Army has validated the enduring requirement for the DVH Stryker configuration and an analysis is being conducted to determine distribution of the current DVH vehicles within the nine Stryker Brigade Combat Teams. The Army has approved Phase II of the Stryker Engineering Change Proposal effort (design, prototype build, and test) focused on improving electrical and engine power, enhancing the suspension and integrating an in-vehicle network. A production decision for Phase II is projected for the FY17 timeframe.

M1 Abrams The Abrams tank remains the best tank in the world as a result of significant improvements over the last two decades. The Army will have produced enough tanks to fully meet its requirement to equip all ABCTs by June 2013. Currently the average age of the fleet is three to four years old. A slow-down in Abrams Tank production has already begun and will likely continue until the next major recapitalization of the Abrams tank resumes in the FY19 timeframe. The Army is assessing mitigation alternatives, including the affordability of accelerating production of the Abrams Engineering Change Proposal (ECP) improvements with the next Abrams recapitalization, to provide a sustaining work load at the Anniston Army Depot and Joint Systems Manufacturing Center for the foreseeable future. In the meantime, the Army continues to aggressively apply mitigation measures to preserve critical skills and the vendor/supplier base.

M2 Bradley The Army will have produced enough Bradley vehicles to fully meet its requirements to equip all Armored Brigade Combat Teams (ABCT) by September 2013. At this point, the average Bradley A3 and Operation Desert Storm-Saudi Arabia fleet age

is four years old. The Army awarded the contract to convert and digitize 61 M3 Cavalry Fighting Vehicle variants to the standard M2 Infantry Fighting Vehicle in the second quarter of FY13. The Army has two ECP efforts planned for the Bradley. ECP 1 began in FY14 and includes mobility improvements (Improved track and suspension) to restore lost platform capability due to survivability enhancements. ECP 2 is scheduled to begin in FY17 and includes Size, Weight, Power and Cooling improvements to accommodate inbound technologies (improved engine, transmission and alternator; network and power improvements). The Army will conduct an analysis to determine the right combination of field modifications, production at York, and work at the depot to complete the planned ECPs.

Paladin Integrated Management (PIM) The PIM program replaces the current M109A6 Paladin and M992A2 Field Artillery Ammunition Supply Vehicle by incorporating Bradley common drive train and suspension components with a new chassis design. 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. The budget request supports continued PIM Developmental Testing and Low Rate Initial Production of 18 PIM systems and non-recurring costs for the production contract.

Rotorcraft Acquisition and Modernization

The past decade of conflict has identified challenges faced by rotary wing aircraft conducting operations in high, hot conditions, limits to aircraft/passenger survivability, and high operational costs. The Army's recent aviation modernization investments maximize AH-64 and UH-60 fleet performance.

OH-58D/F Kiowa Warrior The OH-58D Kiowa Warrior provides essential aerial reconnaissance and security of ground maneuver forces and has the highest operational demand of any Army rotary wing aircraft. The budget request supports the OH-58F Cockpit and Sensor Upgrade Program (CASUP) and continues OH-58D fleet upgrades to include manned-unmanned teaming, weight reduction, and resolution of current obsolescence issues. To address long-term obsolescence in the Kiowa Warrior,

the OH-58F CASUP improves avionics through modernization of: interoperability; Aircraft Survivability Equipment (ASE); armament and sensors; digital cockpit display, improved processor; navigation guidance; and communication and identification. The OH-58F CASUP capability improvements are largely centered on the Nose-Mounted Sensor (NMS), which will replace the much less capable Mast-Mounted Sensor (MMS). Additionally, CASUP will fully integrate several aircraft systems that are currently federated, redesigns, and replace the entire aircraft wiring harness, and add a capability to integrate future digital weapon systems.

Improved Turbine Engine Program (ITEP) ITEP is the next generation engine being developed to reduce fuel usage, increase performance, improve reliability, and lower maintenance. The ITEP program is striving for a 25 percent specific fuel consumption decrease, 35 percent production and maintenance cost decrease, 65 percent horsepower to weight increase with 20 percent engine life design increase, and may incorporate a Condition Based Maintenance plus (CBM+) package.

CH-47F/MH-47G Chinook The Army is fully committed to the procurement of 533 Army CH-47F Chinook and U.S. Special Operations Command (SOCOM) MH-47G aircraft, which are meeting or exceeding all expectations in theater. The Army plans to sign a second 5-year multi-year contract to procure the CH-47F Chinook, which will yield a cost avoidance of 19.2 percent, or $810M.

UH-60 Black Hawk The Black Hawk program continues to move forward with continued investments in modernization to keep the Blackhawk fleet relevant through 2035. Current modernization efforts include cockpit digitization and development and integration of the Improved Turbine Engine. The Army awarded the 8-year multi-year contract for Black Hawk, which has realized a cost avoidance of 15 percent, or $1.4B.

Armed Aerial Scout (AAS) The Army conducted a Voluntary Flight Demonstration (VFD) from June to November 2012 to determine if industry had an aircraft readily available that could satisfy AAS requirements. Five submissions for potential AAS

solutions provided aircraft for demonstration. The Army is currently reviewing information obtained through the VFD and industry responses to Requests for Information. The Army will consider the limitations of the Kiowa Warrior, potential capabilities of the AAS, and affordability in developing its recommendation to the Undersecretary of Defense (Acquisition, Technology and Logistics). The Army projects that it will make a recommendation in the third quarter FY13.

As budgets decline, we recognize that it will be difficult to resource Army Aviation at the same level in the future. We continue to successfully modify, upgrade, and remanufacture existing platforms to extend the life of our aircraft and keep our aircrews safe.

Defense Industrial Base (DIB)

The Army's Commercial and Organic Industrial Base (OIB) will adjust to a new environment of constrained resources and reduced demand. The current fiscal environment poses a number of concerns for the Army to include the possible loss of critical skill sets, the loss of suppliers at all tiers, and an increase in the number of single point failures in the supply chain affecting Army logistics and OIB operations. The Army is evaluating how to leverage facility modernization efforts to preserve needed capabilities in the OIB. We continue to work with the Office of the Secretary of Defense (OSD) on the Sector by Sector – Tier by Tier (S2T2) Survey to evaluate impacts on all DIB sectors.

The Army produces Industrial Base Baseline Assessments that assess current operations, risks, and issues in the Army Industrial Base. The Army has implemented long-range facilities and construction planning for arsenals and ammunition plants, which include modernization projects to upgrade facilities, and modernizing equipment and manufacturing processes. Phase 1 of the S2T2 Survey is complete, with initial data from the Army Industrial Base under review to determine critical impacts to skills, manufacturing capabilities, and expertise the Army needs.

The Army is also conducting a comprehensive Combat Vehicle Portfolio Industrial Base Study through A.T. Kearney, a global management consulting firm. The 21-week study, expected to be completed in June 2013, is assessing the commercial and organic combat vehicle industrial base, viable strategic alternatives, and sustainment of the combat vehicle industrial base in a constrained fiscal environment.

Acquisition Transformation

The Army continues to prioritize affordability, sound program management, and achievable requirements in our acquisition efforts. The Army has taken specific steps to address and avert the leading causes of program cancellations in the past. Requirements and acquisition strategies in our major programs (GCV, for example) have been carefully tailored to mitigate risk and facilitate achievable results. An Army blue ribbon panel review in 2010 recommended long-term improvements to our processes. Implementation is nearly complete on this effort (55 of 63 recommendations have been implemented to date). The Army has also embraced OSD Better Buying Power initiatives designed to address cost and schedule risk in programs and achieve better value for the taxpayer.

Ongoing improvements include revising our requirements development process to facilitate cost-informed decisions on a collaborative and timely basis. The Army is also revising requirements approval processes to focus on truly “must-have” capabilities in an effort to control costs. We are also expanding the use of multi-year contracts to achieve efficiency, increasing our emphasis on mature technologies, and improving the availability of analytic research in acquisition decisions to achieve best value for the Army.

The Stryker program is one example of the effective application of “should-cost” estimates, incentivizing efficiency, and lower overall costs. The Army achieved considerable savings combining the Double-V-Hull and the Nuclear, Biological, Chemical Reconnaissance Vehicle buys, while pursuing efficiencies gained in test

methodology. Existing test data was effectively utilized and test events were also combined to achieve efficiency.

Closing Comments

These are challenging times for the nation and our Army. The next several years will be pivotal for Army Ground Systems and Rotorcraft. The resources provided to the Army to conduct on-going operations while modernizing and posturing for the next generation of Warfighter capabilities will determine our continued ability to accomplish our mission and meet future commitments. To execute these plans, we need your continued advice and support.

We can assure the Members of this Subcommittee that 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 in uniform, our Army Civilians, and their Families.

RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL JAMES O. BARCLAY III
DEPUTY CHIEF OF STAFF OF THE ARMY, G-8

BEFORE THE

SUBCOMMITTEE ON AIRLAND
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ON

ARMY MODERNIZATION IN REVIEW OF THE FISCAL YEAR 2014 ANNUAL BUDGET AND OVERSEAS CONTINGENCY OPERATIONS REQUEST

FIRST SESSION, 113TH CONGRESS

MAY 8, 2013

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Introduction

Chairman Manchin, Ranking Member Wicker, distinguished Members of the Subcommittee on Airland, thank you for this opportunity to discuss the Army's Fiscal Year 2014 (FY 14) President's Budget (PB) as it pertains to Army Modernization. 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 you for your steadfast support and commitment to your Army and our Soldiers.

The generous support of the American people and the Congress over the past eleven-plus years of conflict has provided us the resources necessary to defeat our Nation's enemies, while protecting our Soldiers and sustaining the Force. It has also allowed us to modernize the Army, while reducing pre-2001 equipment shortages. We have significantly increased modernization levels over the past 11 years in all of our Army Components.

Equipment shortages have been reduced significantly, particularly in the Army National Guard (ARNG) and U.S. Army Reserve (USAR). In 2001, the Active Component (AC) had 85% of its equipment on hand, the ARNG had 81% on hand and the USAR had 75% on hand. As of 2012, AC equipment on hand stood at 91%, ARNG at 89% and USAR at 86%. The Army today is better modernized and equipped than at any time in recent memory.

Yet today's fiscal realities endanger the progress we have made in equipping. If the reductions in discretionary caps from FY14 – FY21 as outlined in current law—and known as sequestration—take effect, the Army may lose balance between end strength, readiness, and modernization resulting in a hollow force.

To provide a guide for equipping our Army during these uncertain fiscal times, we have developed a flexible Army Equipment Modernization Strategy (AEMS). The AEMS is designed to account for normal cyclical downturns in defense spending that occur after every war. The reductions caused by sequestration however, are occurring much sooner and at a much steeper rate than anticipated. As a result, all acquisition priorities and many equipment modernization programs may face unanticipated schedule or cost impacts in the out years.

Equipment Modernization

The AEMS focuses our efforts on supporting our Soldiers and small unit formations with the network, vehicles and other enablers, while maintaining our advantages to deter and defeat potential adversaries by: 1) identifying achievable requirements; applying best practices in acquisition and sustainment; seeking incremental improvements; and harnessing network enabled capabilities to solve near-term needs, while 2) investing in military-unique revolutionary and evolutionary technologies to solve future needs. The key to this strategy is procuring equipment that is "versatile and tailorable" yet cost-effective and affordable.

As a part of this strategy, the Army provides a wide range of capabilities as an indispensable member of the Joint Force. Every day, the Army maintains deployable contingency forces, employs forward-based capabilities and conducts multilateral exercises with partners and allies. The Army also provides humanitarian assistance when necessary. Army forces set theaters for the Combatant Commanders, constantly maintaining the critical logistical, communications, intelligence, medical and inland ground transportation infrastructure to support all U.S. Armed Forces plans and contingencies. Army units provide space, air and missile defense capabilities for the Joint Force. We build and operate communication networks that connect our own units, the Joint community, and interagency and multinational partners. Soldiers provide essential logistics infrastructure, delivering food, fuel, ammunition, materiel and medical support that sustain Joint operations ranging from combat to humanitarian assistance. In addition, the Army collects and analyzes the intelligence that informs our actions and measures our progress, and provides the majority of the forces in U.S. Special Operations Command.

We will take advantage of government and commercial technologies to buy and integrate mature incremental improvements in the near-term, while investing in revolutionary and evolutionary technologies for the future. Through this approach, we will become more efficient, pursuing smaller procurement objectives, leveraging the results of experiments and demonstrations.

For example, the Network Integration Evaluation (NIE) provides the Army with valuable Soldier-driven evaluations and assessments of network technologies, while

also aiding in the development of tactics, techniques, and procedures for network capability. NIE also informs the Army's capability requirements, and better informs industry on how to refine and mature new and existing capabilities. Several industry systems that participated in prior NIEs incorporated Soldier feedback into updated versions featuring both software and hardware enhancements. NIE provides insights from multiple organizations and stakeholders simultaneously, yielding better information to decision makers faster. Unfortunately under Sequestration, the Army may be forced to reduce the scope of NIE, resulting in fewer systems, vehicles, and industry participation, which will in turn result in fewer operational test scenarios and less data collected. This will ultimately delay the production and fielding of some acquisition programs.

Capability-based Portfolios

The Army manages equipment modernization through capability-based portfolios. The strategy for each portfolio is different and is dependent on many factors to include the modernization level within the portfolio, the threat gaps across the portfolio, and the status of the industrial base. Each portfolio will look out over the near, mid and far term to determine investments and divestments across the Army.

In order to provide our Soldiers with unparalleled advantage, our equipment portfolios will incorporate incremental improvements by integrating technologies and applications that empower, protect, and unburden Soldiers and formations by improving our Network in order to enable decision-making across the Joint Force; improving our vehicle fleet capabilities by increasing lethality and mobility while optimizing protection and sustainability; and improving our aviation platforms with digitization and additional procurement of unmanned aviation systems.

The Soldier and the Squad

The centerpiece of our equipment modernization program is the Soldier and the Squad. Our investment plan provides our small units with a range of equipment including individual and crew-served weapons, next generation optics and night vision devices, body armor and advanced individual protection equipment, providing lethality

and force protection to the Soldier on the ground. Tactical overmatch will be created by a suite of small-unit systems including unmanned aircraft systems, ground based robots, counter-IED devices, and the latest surveillance systems. The Army equipment modernization goal is to build outwards from the Soldier and Squad and to sustain our advantages in mobility; logistics; and command, control, communications, computers and intelligence (C4I) at the tactical, operational and strategic levels.

Planned improvements for dismounted Soldiers include a mission command system that allows Soldiers to see each other's positions, collaboratively mark hazards and provides on-the-move broadband voice, data and video. This unprecedented situational awareness, coupled with advanced sensors and lightweight small arms systems, will ensure that our Soldiers are unmatched on the battlefield.

One of our highest priorities is to off-load weight and complexity from the Soldier, easing physical, training and maintenance burdens, standardizing mechanical and software interfaces and developing consistent cognitive and physical ergonomics that maximize safety and resilience. In the near term, the Soldier and Squad portfolio will prioritize the modernization of existing weapons, leveraging "off the shelf" technologies, and invest in the development of new weapons. In the area of protection and mobility, the Army will incrementally improve ballistic protection against existing enemy weapons while lightening the Soldier's load. For example, the female size Generation III Improved Outer Tactical Vest (IOTV) continues to provide the same unsurpassed ballistic protection of existing Army body armor, while providing eight additional sizes in conjunction with other modifications designed to provide a better fit.

Mission Command

Our Mission Command portfolio is an integrated and interoperable network that connects all echelons from the Soldier to the Joint Task Force. It is designed to provide the right information from a myriad of sensors and data sources, in time to enable Soldiers to make sound tactical decisions. The network also provides the squad connectivity to other Army and Joint assets, allowing access to multiple firepower, intelligence and combat support systems even in the most demanding physical terrain and complex human environments. The result is our smaller forces are empowered

with network-enabled capabilities. Our FY14 budget request will provide four Brigade Combat Team (BCT) sets of Warfighter Information Network-Tactical (WIN-T) Increment II, Joint Battle Command-Platform (JBC-P), Nett Warrior, Rifleman Radio, Mounted and Dismounted tactical networking radios, and the Maneuver Network Vehicular Radio for Capability Set FY15, while continuing to develop WIN-T Increment 3, which includes an aerial layer and increased bandwidth. WIN-T funding was increased in PB 14 to acquire additional quantities needed to support testing and networking on-the-move capability. The WIN-T Increment 2 networking on-the-move capability was recently validated by 3rd Brigade, 10th Mountain Division in a Mission Rehearsal Exercise (MRE).

Ground Movement and Maneuver

The Ground Movement and Maneuver portfolio provides Soldiers the protected mobility required to deliver them safely to, on and from the battlefield. The Army's priority combat and tactical vehicle programs are the Ground Combat Vehicle (GCV) and the Armored Multipurpose Purpose Vehicle (AMPV). We will continue to make the necessary adjustments in the GCV program -- particularly as budget uncertainty continues -- to ensure that we deliver an effective and affordable replacement for the aging Infantry Fighting Vehicle variant of the Bradley. We will select one contractor in the Engineering and Manufacturing Design phase of the GCV program, saving significant Army Research, Development, Test, and Evaluation (RDTE) resources that we will reinvest in other modernization programs.

In the case of AMPV, it is a model program for cost constraints– utilizing mature technologies, strict cost limits, and rigorous analysis of requirements. Replacing our Vietnam-era M113 Personnel Carrier is crucial to our Armored Brigade Combat Teams by providing survivable, network enabled combat support vehicles with the necessary protection and mobility.

Abrams funding in FY14 provides continued RDT&E funding for Abrams Engineering Change Proposal development, which will buy-back power deficiencies, improve protection, and provide the ability to accept future network and protection upgrades. Abrams procurement funding supports continued Armor production, safety modifications, and operational field modifications.

Fiscal Year 14 funding for the Bradley Family of Vehicles program includes procurement of Engineering Change Proposal 1 for track and suspension upgrades, transmission upgrades to ensure the vehicle can be safely operated at full combat weight and completing fielding of Operation Desert Storm–Situational Awareness (ODS-SA) variants to the Army National Guard.

In regard to Stryker, the Army has validated the enduring requirement for the Double V-Hull (DVH) Stryker configuration and an analysis is being conducted to determine distribution of the current DVH vehicles within the nine Stryker Brigade Combat Teams.

Tactical Wheeled Vehicle Strategy

Our objectives are to progressively modernize the TWV fleet to improve performance, payload and protection, and integrate the Mine Resistant Ambush Protected Family of Vehicles into our force structure. Currently, the Army is moving forward with developing the Joint Light Tactical Vehicle (JLTV) with the Marine Corps to fill capability gaps in the light vehicle fleet by carefully balancing performance, payload and protection. All JLTV are produced armor-capable, and when armored can provide the same level of protection as the Mine Resistant Ambush Protected All Terrain Vehicle (M-ATV), better network integration than the High Mobility Multipurpose Wheeled Vehicle (HMMWV) and better mobility and transportability than the M-ATV.

Affordability is at the forefront of all decisions in this portfolio. Solutions must carefully balance protection against cost and mobility. Additionally, our strategy will take advantage of the young fleet age and divest tens of thousands of wheeled vehicles to reduce sustainment costs.

Aviation

The Army has a continuing requirement for a light, armed helicopter for manned, armed aerial reconnaissance, surveillance and light attack missions. Currently this role is filled by the OH-58 Kiowa Warrior. The Army is currently considering whether to compete a new start Armed Aerial Scout program or to recapitalize the OH-58.

To address obsolescence and safety concerns until a viable replacement is procured, the Army is investing in the Cockpit and Sensor Upgrade Program (CASUP) for the

Kiowa Warrior. It is a priority Army aviation program due to the persistent high operational demand for this capability and the need to modernize 1970s platforms.

The Army will procure remanufactured AH-64Es and will defer the procurement of new build AH-64Es beyond FY19, pending a review of attack helicopter force structure. Both the Kiowa Warrior and the Apache AH-64E platforms have been instrumental in both theaters, and modernizing and remanufacturing them enhances our battlefield capabilities while also reducing overall costs to the taxpayer. Finally, the CH-47F multi-year procurement contract II, will fill all Army, Army National Guard and Army Reserve Chinook requirements.

Fiscal Realities and Modernization

Fiscal realities have caused the Army to make tough choices by delaying, restructuring and terminating programs in FY14. We will continue to revalidate modernization requirements, reexamine programs' affordability and cost effectiveness, and determine if there are alternatives that can satisfactorily meet the need at less cost.

In addition, the Army is continuously assessing its requirements and resourcing processes. We have instituted processes in several large programs, which involve the acquisition and requirements communities working in close collaboration to screen requirements, and identify areas where risk can be mitigated by adjusting requirements to avert unnecessary cost or schedule impacts. The focus is on discerning the true "must-have" capabilities in pursuit of affordable and achievable programs. The GCV and the JLTV are two recent examples. In the case of the Ground Combat Vehicle, high risk requirements were eliminated, and in the case of the JTLTV, requirements were prioritized to give industry the needed flexibility to perform on budget.

Closing Comments

The goal of our Equipping Modernization Strategy is to ensure Soldiers are equipped for the current fight as well as 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 capable Force that will prevail on any battlefield against any enemy. In some cases this requires the procurement of

newly designed combat vehicles that incorporate the lessons learned from the past eleven plus years of conflict, and the ability to incorporate new networked technologies. In other cases it requires modernizing equipment to account for new power, weight or obsolescence, and in some cases it only requires resetting existing equipment to roll back years of excessive wear and tear as it returns from Operation Enduring Freedom.

These continue to be challenging times for our Nation and for our Army, and I assure you, the members of this Subcommittee, that the Army's senior leaders are working hard to address these challenges and to meet the needs of the Nation now and in the future.

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.