



Highlights of [GAO-08-638T](#), a testimony before the Subcommittee on Air and Land Forces, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

The Future Combat System (FCS) program—which comprises 14 integrated weapon systems and an advanced information network—is the centerpiece of the Army's effort to transition to a lighter, more agile, and more capable combat force. The substantial technical challenges, the Army's acquisition strategy, and the cost of the program are among the reasons why the program is recognized as needing special oversight and review.

This testimony is based on GAO's two March 2008 reports on FCS and addresses (1) how the definition, development, and demonstration of FCS capabilities are proceeding, particularly in light of the go/no-go decision scheduled for 2009; (2) the Army's plans for making production commitments for FCS and any risks related to the completion of development; and (3) the estimated costs for developing and producing FCS.

## What GAO Recommends

In its March 2008 reports, GAO made several recommendations to the Secretary of Defense that included: establishing criteria that the FCS program will have to meet in the 2009 milestone review in order to justify continuation; identifying viable alternatives to FCS; and taking other actions. DOD concurred with GAO's recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-638T](#). For more information, contact Paul Francis at (202) 512-4841 or [francis@gao.gov](mailto:francis@gao.gov).

## DEFENSE ACQUISITIONS

### 2009 Review of Future Combat System Is Critical to Program's Direction

#### What GAO Found

Today, the FCS program is about halfway through its development phase, yet it is, in many respects, a program closer to the beginning of development. This portends additional cost increases and delays as FCS begins what is traditionally the most expensive and problematic phase of development. In the key areas of defining and developing FCS capabilities, requirements definition is still fluid, critical technologies are immature, software development is in its early stages, the information network is still years from being demonstrated, and complementary programs are at risk for not meeting the FCS schedule. It is not yet clear if or when the information network that is at the heart of the FCS concept can be developed, built, and demonstrated. Yet, the time frame for completing FCS development is ambitious; even if all goes as planned, the program will not test production-representative prototypes or fully demonstrate the system of systems until after low rate production begins.

Even though the development of FCS will finish late in its schedule, commitments to production will come early. Production funding for the first spinout of FCS technologies and the early version of the FCS cannon begin in fiscal years 2008 and 2009. Production money for the core FCS systems will be requested beginning in February 2010, with the DOD fiscal year 2011 budget request—just months after the go/no-go review and before the stability of the design is determined at the critical design review. In fact, by the time of the FCS production decision in 2013, a total of about \$39 billion, which comprises research and development and production costs, will already have been appropriated for the program, with another \$8 billion requested. Also, the Army plans to contract with its lead system integrator for the initial FCS production, a change from the Army's original rationale for using an integrator. This increases the burden of oversight faced by the Army and the Office of the Secretary of Defense.

While the Army's cost estimates for the FCS program remain about the same as last year—\$160.9 billion—the content of the program has been reduced, representing a reduction in buying power for the Army. The level of knowledge for the program does not support a confident estimate, and cost estimates made by two independent organizations are significantly higher. Competing demands from within the Army and DOD limits the ability to fund higher FCS costs. Thus, the Army will likely continue to reduce FCS capabilities in order to stay within available funding limits. Accordingly, FCS's demonstrated performance, the reasonableness of its remaining work, and the resources it will need and can reasonably expect will be of paramount importance at the 2009 milestone review for the FCS program.