

**STATEMENT BY**

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**BEFORE THE**

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**ON ARMY ACQUISITION PROGRAMS AND STRATEGY**

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## **Introduction**

Chairman Abercrombie, Ranking Member Saxton, and distinguished members of the committee, on behalf of the United States Army and our great Soldiers, I thank you for your invitation to appear before you today to discuss the Army's long-term Army Acquisition program and strategy, to include program funding for the President's fiscal year 2009 budget request.

The Army's mission is to provide ready land forces with full spectrum capabilities to the Combatant Commanders in support of the Nation Security Strategy, the National Defense Strategy and the National Military Strategy. We are engaged in the seventh year of combat against cunning, ruthless and agile enemies who abhor our basic values and threaten our way of life. These enemies take a long view of history and are quite willing to wait years to achieve their objectives. These facts have led us to conclude that we are in an era of persistent conflict; an era that will pose repeated challenges to our vital national interests. In order to prevail in such a conflict, we must ensure that our Army remains the preeminent Landpower on earth, capable of conducting missions across the full spectrum of operations. To maintain our dominance and ensure full-spectrum capabilities, we are committed to an Army Equipment Strategy – that restores and upgrades equipment during our Reset process, a Modernization program that stresses continuous improvement and responsiveness to the current threat, and ensures that our Soldiers have the best equipment for the next unforeseen contingency while prudently balancing current and future requirements and risks.

My testimony today will focus on long term Army acquisition programs and strategy. I will also respond directly to those specific questions that you have asked us to address.

The Army Reset program has sustained current operations for the last 6 years with equipment operational availability at 90% for ground and 75% for aviation platforms. Our equipment on hand posture, currently at 79% (85% AC, 79% ARNG, and 74% USAR) continues to improve as a result of the investment you have made in our Army.

The Army Modernization Strategy has as its primary objective the maintenance of the Army as the preeminent Landpower on earth, one with full-spectrum capabilities. To shrink from this goal in the current international security environment is to invite risk to our national security and other vital national interests. We never want our Soldiers to be in a fair fight. We seek to achieve this enduring objective of dominance by emphasizing four principal means or what we have called the four elements of modernization:

First, rapidly field the best new equipment to the *Current Force*.

Second, upgrade and modernize existing systems within modular formations to ensure all Soldiers have the equipment they need.

Third, incorporate new technologies derived from Future Combat Systems research and development as they become available.

Fourth, begin to field Future Combat Systems Brigade Combat Teams.

Army modernization should not be, and is not, done in a vacuum. On the contrary, it is an integral part of the Army's overall transformation efforts. Modernization is the equipment element of transformation. It complements our organizational redesign efforts that have taken us from large, rigid divisional structures to an emphasis on developing agile brigade combat teams beginning in January 2004.

The scope of Army modernization expanded in September 2007, when the Secretary of Defense approved the Chief of Staff of the Army's initiative to accelerate the Active Component (AC) and Army National Guard (ARNG) End Strength growth to FY 2010 and to accelerate the growth of a sixth additional AC BCT, completing BCT modular conversion and assisting in the restoration of balance in the force by 30 September 2011. At the end of September 2007, the Army had completed or begun conversion of 210 of 303 brigades (69%), to include 65 BCTs and 145 Support Brigades. Army modular conversion is on a schedule for completion by the end of FY 2013.

We have also rebalanced the force mix in the active and reserve components and, with the strong support of this committee, we have made

historic strides in improving the quantity and quality of equipment provided to our reserve components, enabling them to begin the transformation from a strategic to a true operational reserve. We are fielding more than 518,000 items to the Army National Guard and Army Reserve from January 2008 to December 2009. This represents 46 percent of all Army distributions. In addition, the equipment they are receiving is materially improving the capability of the Army Guard to conduct Homeland Security and Homeland Defense missions.

Army modernization has evolved during the last seven years of war, continuously incorporating lessons learned from these operations, ensuring that our modernization efforts kept pace with the evolution of our most current doctrine embodied in Field Manual 3-0, *Operations*, which was just released in February 2008. This means that this new doctrine is already supported by our existing modernization programs. We ask that you continue to support our ongoing efforts to modernize with which you are intimately familiar and that have, indeed, been shaped by your wise counsel.

I would now like to focus on the specific concerns the Committee asked me to address in your letter of invitation to testify.

Existing Vehicles Upgrades. The Army's Combat Platform modernization is focused on standardizing 31 Heavy Brigade Combat Team (HBCT) sets with two variants of the Abrams tank and Bradley Infantry Fighting Vehicle. This modernization will provide 27 operational HBCTs, and 4 strategic HBCTs. The Army has almost completed fielding modularized HBCTs, which gives every brigade a common structure. The short term modernization goal is to populate these brigades with only two variants of the Abrams and the Bradley. The Abrams M1A2 Sep is being paired with its partner the Bradley M2A3 and the Abrams M1A1 AIM SA is being teamed with the Bradley M2A2ODS. This modernization plan aligns compatible Combat Platforms with common modular formations. Funding in Program Budget Review (PBR) 09-13 completes the Army's 2010 Abrams-Bradley 2-variant fleet strategy. The Army has requested \$351 million for the Abrams Upgrade program and \$172 million for Bradley in the FY09 budget request.

Stryker has planned procurement of 3,324 vehicles. The Stryker program received a Full Rate Production decision on eight of the ten configuration variants; these include the Infantry Carrier Vehicle, Reconnaissance Vehicle, Commander Vehicle, Mortar Carrier Vehicle, Fire Support Vehicle, Anti-tank Guided Missile Vehicle, Engineer Squad Vehicle, and Medical Evacuation Vehicle. The remaining two variants, the Nuclear, Biological and Chemical Reconnaissance Vehicle and the Mobile Gun System, are in Limited Rate Production. The Secretary of Defense authorized, and the Army has funded, the procurement and fielding of seven Stryker Brigade Combat Teams (SBCTs) to fulfill National security requirements. This will equip seven brigade-size units including maintenance floats, a strategic pool of ready-to-fight systems, Institutional Training Base, Test Articles, an Equipping Force Pool managed by the Army Materiel Command, other operational requirements, and Nuclear Biological and Chemical Reconnaissance Vehicles to fill non-SBCT armored Chemical, Biological, Radiological and Nuclear requirements.

The long term goal for the HBCT and SBCT Combat Platforms is to operate on the future battlefield and to be compatible with Future Combat Systems Brigade Combat Systems. Modernization upgrades to Current Force platforms are essential to increasing the capabilities of the Current Force. As part of modernization, the Army has a comprehensive plan to upgrade ground combat vehicles to the most modern variants while displacing the oldest and least modernized variants with FCS Manned Ground Vehicles

Tactical Wheeled Vehicles. Modernizing the Army's Tactical Wheeled Vehicle (TWV) fleet is a critical step in providing the Soldier the best possible protection, payload and performance in each vehicle of the fleet. The TWV strategy will balance competing factors including support to current operations and future readiness while synchronizing our wheeled vehicle procurement, recapitalization and sustainment efforts. The strategy seeks to strengthen fleet viability and combat effectiveness for the next three decades. A modernization plan is being refined for each category of the Tactical Wheeled Vehicle fleet: light, medium, and heavy wheeled vehicles and trailers.

The Mine Resistant Ambush Protected (MRAP) vehicle has proven to be extremely effective in protecting our Soldiers against improvised explosive devices (IEDs) and explosively formed penetrators (EFPs). The MRAP does have certain performance limitations and is not a replacement for the Up-Armored HMMWV. Rather, the MRAP will continue to be employed with units in the future to augment their capabilities where it meets mission requirements. As such, it is a component of the Army's Tactical Wheeled Vehicle Strategy and our continuing study.

Small Arms. The M-4 Carbine has proven its value in combat since its introduction in 1991. The M-4 is the primary individual combat rifle for the Army's BCTs, and Army Special Operations Forces. The Army began combat operations in 2001 with a mix of M16A2s, M16A4s, and some M-4 Carbines. All M-4s initially issued did not include the full suite of enhancements now available. Now, all have been updated to include current M-4 fielding (Adapter rails, collapsible butt stock, 3-point sling, back-up iron sight, close combat optic, and seven new magazines). The M-4 is the most requested item on theater Operational Needs Statements, meets all Army carbine requirements, and will continue to be enhanced with future technology improvements. The Army has requested \$151.1 million as part of the FY09 President's Budget Request for 88,964 M4 Carbines and combat optics.

The Armed Reconnaissance Helicopter (ARH) Program. We have made great progress in Army Aviation modernization. The ARH program provides a robust reconnaissance and security capability for the Joint combined arms air-ground maneuver team and was established to correct OH-58D capability gaps for use in reconnaissance. As a result of Aviation Focus Group analysis, in February 2004, the Army Chief of Staff identified the need for 368 ARH aircraft to replace the existing OH-58D fleet. The requirement has since grown to 512 aircraft due to the conversion of four AH-64A National Guard Apache battalions to the ARH-70A.

The ARH program had its first flight on July 20, 2006. A Limited User's Test was conducted in November 2007 with a subsequent LUT expected in February 2009 followed by its Milestone C decision in May 2009. A Full Rate

Production decision review is expected in 1st quarter FY11 with the First Unit Equipped in 4th quarter FY11. The \$358.1 million in FY08 funds the production of 10 production-representative aircraft (\$185.6 million research, development, test and evaluation and \$174.5 million in aircraft procurement). The Army has also requested \$136 million in FY09 Army research, development, test and evaluation funds to complete the System Demonstration and Development phase of the program. In addition, we have requested \$439 million in FY09 aircraft procurement funds to procure 28 Low Rate Initial Production aircraft, as well as long lead materials and items to support production.

Joint Life-Cycle Management of the Joint Cargo Aircraft. The Joint Cargo Aircraft is a joint Army/Air Force program to procure a small/medium aircraft to support Time Sensitive/Mission Critical resupply of Army forces. The Army will procure 54 JCA and Air Force 24 JCA. The Services have agreed upon a common aircraft configuration; no Service-unique aircraft variations are planned.

The Army and Air Force are procuring the same version of the C-27 for the same price - approximately \$33 million each. The cost estimate in the draft Acquisition Program Baseline (APB) reflects a joint approach.

The primary factors driving the Average Procurement Unit Costs (APUC) calculations are essentially how differently the Services approach maintenance, training, engineering and stationing. Army training & sustainment are O&M funded – which are not part of APUC calculation

This funding approach was directed by the Office of the Secretary of Defense (OSD) for the APB. OSD has additionally directed the Services to conduct a Business Case Analysis during Low Rate Initial Production to establish a single support and training process. This long-term maintenance and training support is expected to be decided at the Full Rate Production decision in FY10.

The Services will benefit by sharing the same schoolhouse for training, the same depot structure, the same supply system, and the same maintenance certification standards, both FAA and military.

Modularity Unit Conversions. At the end of September 2007, the Army had completed or begun conversion of 210 of 303 brigades (69%), to include 65

BCTs and 145 Support Brigades. Army modular conversion is on schedule and will culminate in a total of 76 BCTs and approximately 227 Support Brigades across all three components by the end of Fiscal Year 2013. Although the Army will complete modular design by FY 2013, full fielding of some items of equipment will take longer.

Procurement Reset Funding. The Army has experienced a tremendous amount of wear and tear of its equipment in theater as well as substantial battle losses. Our successful efforts to replace, repair and recapitalize equipment as part of equipment reset would not be possible without the considerable support of Congress which has provided funding in response to previous Army's Supplemental requests. The budget request continues our investment in the programs of tomorrow. Our highest modernization priority, Future Combat Systems, continues to be funded in the base budget and will shape the Army of the future while spinning out technologies into today's fight.

Missile Modernization. The Army's missile capability is unsurpassed. However, the Army has initiated a missile capability gap analysis to address emerging capability gaps to make certain that the U.S. maintains the appropriate industrial base capacity to counter future emerging threats. In the realm of Close Combat missile capabilities, the Army will continue replenishing existing missiles. The FY09 budget requests \$259.5 million for the Javelin program (920 Command Launch Units and 605 missiles) and \$223.1 million for the Tube-Launched, Optically-Tracked, Wire-Guided Missile (TOW) program (206 Improved Target Acquisition Systems and 1,585 missiles).

Army Air Missile Defense (AMD) is currently transforming missile system capabilities so that they operate in an integrated manner. This will facilitate the Joint force commander's ability to fully leverage the family of sensors and shooters at his disposal, optimizing their capabilities while mitigating their inherent limitations. This strategy is necessitated by the complex and changing operational environment where increased ballistic and cruise missiles, manned and unmanned aerial vehicles, and rockets, artillery and mortars, coupled with



weapons of mass destruction (WMD) payloads are plausible for use against the homeland from inside and outside a Joint force commander's area of operation.

To prepare for these challenges, Army Air Defense is changing the way it organizes and fights with the development of composite ADA units that are modular, multifunctional and more readily provide the spectrum of AMD combat potential. These units offset the limitations of a single system, significantly increase the effectiveness of the area air defense commander's defense design, enhance modular or task force operations, reduce the limitations created by autonomous operations and the potential for fratricide, and increase the engagement battlespace against AMD threats. The Army will determine the way ahead based on the outcome of the missile capability gap analysis and address the requirements in future resources.

Mr. Chairman, Mr. Saxton, and Members of the Committee, on behalf of our Soldiers, we greatly appreciate the tremendous support we receive from this Congress and the American people. In order to successfully implement the plans we have shared with you today, we urge you to provide full, timely and predictable funding.

The Army is modernizing, while simultaneously conducting two major wartime operations, and preparing for the future defensive challenges. Our goal is to balance these current and future requirements and risks to make certain that we can defend the Nation today and tomorrow. With the continued support of this Congress and the American people, the United States Army will remain the preeminent Landpower on earth, an expeditionary Army, capable of full-spectrum operations – The Strength of the Nation.