



**HOUSE ARMED SERVICES SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES
CURT WELDON, PENNSYLVANIA
CHAIRMAN**

PRESS RELEASE

For Immediate Release:
April 4, 2006

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Opening Statement of Chairman Curt Weldon

Tactical Air and Land Forces Subcommittee Posture Hearing on the Fiscal Year 2007 Budget Request for Future Combat Systems, Modularity & Force Protection Initiatives

WASHINGTON, D.C. – This afternoon the Tactical Air and Land Forces Subcommittee meets to receive testimony on the land component programs in the Fiscal Year 2007 budget request. We have two panels of witnesses: For the first panel, Government Accountability Office and Congressional Budget Office witnesses will provide the Subcommittee with their views on the Future Combat Systems program and the Army's Modularity Initiative. During the second panel, representatives of the Departments of the Army and the United States Marine Corps will provide testimony on the Future Combat Systems, Modularity, force protection, and unfunded requirements associated with equipping our current forces into the future. Specifically, testimony is to focus on the most significant issues that the subcommittee will likely consider this year -- force protection for our warfighters, the Army's Modularity Initiative, and the Future Combat Systems program.

No issue has taken a higher priority for our committee and our individual subcommittees than force protection for the warfighters. We have held five full committee hearings, six full committee classified briefings, and four Tactical Air and Land Subcommittee hearings on force protection.

It was this committee that first highlighted the need early in 2004 for additional funding to the budget request and a critical need for an early fiscal year 2005 supplemental, with a large vehicle and body armor component. The committee added nearly \$1.4 billion for vehicle and body armor to the fiscal year 2005 budget request. We again in fiscal year 2006 provided for an early supplemental which included nearly \$700 million for vehicle and body armor. As I have mentioned before, Chairman Hunter and the ranking member, Mr. Skelton, have been hands on, on the force protection issue, providing outstanding leadership.

We as a committee need to be reassured that all body and vehicle armor programs are being accomplished expeditiously, the Services are communicating with one another, and that every effort is being considered to meet new force protection requirements. Every day, we must be able to confidently say that we are doing everything possible to provide our warfighters the protection they need.

The vehicle armor situation has steadily improved since the strategy for armoring vehicles was implemented. Almost 100 percent of the vehicles in theater have factory produced armor and no vehicle leaves a secure area without armor. We expect to hear from our service witnesses regarding the status of transitioning from existing armored vehicles to those with even higher levels of protection.

Regarding body armor, all military personnel serving in Iraq have been issued, at the minimum, the basic body armor configuration with enhanced armor plates to meet the projected threat. We understand the Army and Marine Corps are now directing their efforts toward supplementing the basic body armor, with side torso armor. These theater requirements need to be fulfilled and properly resourced. We look forward to hearing the Army and Marine Corps strategy for effectively and efficiently meeting all body armor requirements and learning how this strategy impacts the current industrial base.

The Army's Modularity Initiative is intended as a total redesign of its organization structure into a more lethal, flexible force, and moves the Army away from a division-centric structure, to one built around brigade combat teams. These brigade combat teams will include heavy brigades of Abrams tanks and Bradley fighting vehicles; light Infantry brigades; and those built around Stryker combat vehicles.

While conceptually supporting modularity, the subcommittee continues to have questions about the details of the modularity initiative, not the least of which is its escalating costs, especially considering other costly procurement programs. Does this new initiative meet the needs of the Combatant Commanders? If it does, what are the initiative's specific requirements? And finally, how does the Army intend to fully resource the modularity initiative within its budget and the Future Years Defense Plan? What we see is the number of projected brigade combat teams going down: first 77, now 70; while the costs keep going up: first \$20 billion, now \$52.5 billion.

The Army testified last year that the Army's modular initiative required to support the National Military Strategy would require 77 Brigade Combat Teams (BCTs), with a possibility of growing to 82. And within these 77 BCTs, 35 BCT's would include heavy brigades of Abrams tanks and Bradley fighting vehicles. Now, with the receipt of the fiscal year 2007 budget we are being told that only 70 brigade combat teams are required to support the National Military Strategy. And within these 70 BCTs, 33 BCTs would include heavy brigades of Abrams tanks and Bradley fighting vehicles. Even more recently, it is our understanding that the current Army plan is for 31 heavy brigades.

According to the Government Accountability Office (GAO), modularity costs are "substantial and likely to grow." Army cost estimates have increased significantly since January 2004 when the Army provided an initial rough estimate that it would cost \$20 billion to fund 48 active Army brigade combat teams. In July 2004, the Army added \$8 billion to reorganize the reserve component — bringing the estimated cost for the entire force to \$28 billion. In March 2005, the Army revised its estimate again, bringing the new total to \$48 billion from FY2005-FY2011 -- a 71 percent increase over the earlier \$28 billion estimate. In March 2006, the Army updated its cost estimate to \$52.5 billion to reflect \$4.5 billion in construction costs that were excluded from the original estimate. According to the Army, this estimate includes the cost to implement modular brigade combat teams, support units and headquarters units throughout the Army—including the active component, National Guard, and Army Reserve. The Army believes that the expected cost of the program -- currently \$52.5 billion -- will not change. GAO asserts that given the degree of uncertainty in the Army's modularity cost estimates, and the likely cost growth from another high-cost program -- the Future Combat Systems program -- that the Army's modularity program is at risk of becoming unaffordable.

The Army has testified that the procurement funding for modularity is within the Future Years Defense Plan and the procurement funding for FCS is beyond the Future Years Defense Plan. But based on the information we have been given to date, the numbers just don't add up. If we don't understand what the requirements and necessary funding are for modularity, how confident should we be about the requirements and cost projections of the Future Combat Systems program?

Regarding the Future Combat Systems program, we appreciate that the program is the cornerstone of the Army's modernization plans. However, because of the unusual manner in which the program began -- with the Office of the Secretary of Defense waiving several entry requirements

into Systems Development and Demonstration -- the subcommittee has been tracking its progress very closely.

Although the program has made progress, we continue to have major concerns. Just because we ask hard questions does not mean that we have a fundamental objection to Army modernization requirements. We ask hard questions because it is our responsibility to provide oversight on Department of Defense (DOD) programs and ensure taxpayer dollars are spent productively. We in Congress believe that the soldiers on the battlefield deserve the best available technology as soon as possible. But what good is the technology if at the end of the day that the Department has spent so much of the budget on R&D, there is little left for procurement -- our experience in far too many programs.

Too many programs are being initiated with unrealistic program cost and capability projections and we continue to pay an ever increasing price for this failure of process. Too often Milestone B entry requirements are also being waived with costly program impacts later in the process. The Future Combat Systems is a case in point. The FCS Acquisition Decision Memorandum, approving the program's entry into SDD, was signed in May 2003. The ADM directed that there be a Milestone B update in November 2004 and that prior to the Milestone B update the OSD Cost Analysis Improvement Group would provide an updated Independent Cost Estimate. The first point is that a program is either ready for milestone B or it isn't. The fact that the program needed a milestone B update leads one to believe that the program was not ready to enter SDD. Secondly, almost three years later there has been no milestone B update. And although OSD was directed by Congress for the past two years to provide an independent cost estimate, Congress has yet to receive one.

We must consider the long term and the overall DOD budget. Given the overall national fiscal realities, and the Army's challenge of simultaneously funding reset and modularity, the question is: "How do we reduce the risk in developing FCS so that we can afford to provide funding for FCS without sacrificing the capability of the current force?"

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