

RECORD VERSION

STATEMENT BY

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BEFORE THE

SUBCOMMITTEE ON AIRLAND
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ON FISCAL YEAR 2002 ARMY BUDGET,
MODERNIZATION AND TRANSFORMATION

JULY 19, 2001

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

INTRODUCTION

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Fiscal Year 2002 (FY02) Army budget request and the status of Army Modernization and Transformation. It is our privilege to represent The Army leadership and America's soldiers who rely on us to provide them with the capabilities they need to execute our National Military Strategy throughout the world. The programs, schedules, and funding levels described in this statement, however, may change as a result of Secretary Rumsfeld's strategy review, which will guide future decisions on military spending.

We thank the Members of this Subcommittee for your important role in support of the ongoing Army Transformation initiative that began in October 1999. Your support has allowed The Army to begin concrete measures to implement the goals and objectives of the Transformation and to ensure that The Army remains the world's preeminent land force. This Transformation will continue over the next several decades. Your continued advice and support are vital to our success.

One of the chief reasons that The Army Transformation has enjoyed widespread support is the recognition of the complex and changing strategic environment that we currently face. A transformed Army is designed to meet the challenges of the 21st century operational environment by employing advanced warfighting concepts and using new equipment that features significantly enhanced capabilities derived from leap-ahead technologies. The combination of new warfighting concepts, future combat systems and highly skilled soldiers will ensure that The Army maintains full spectrum dominance and is capable of fighting and winning our Nation's wars – decisively.

Military power alone is not sufficient to face the security challenges of today and tomorrow, but there is also no doubt that a national and international effort to secure and advance our interests cannot succeed without a prudent and ready capability to use military power. Security challenges know no boundaries, and the post-Cold War world presents its share of instability. We do enjoy, however, a period of relative strategic calm without a single immediate major military threat to our vital interests. We also face a period of dramatic technological proliferation and advanced capabilities that offer both promise for us as well as future risks. This overall environment provides The Army the opportunity and the need to, as President Bush said, "...move beyond marginal improvements to harness new technologies that will support a new strategy."

NEAR AND FAR-TERM READINESS – MAINTAINING THE BALANCE

In the 1990's, The Army faced declining budgets, downsizing, and an operational tempo that has increased threefold since the fall of the Berlin Wall. This has resulted in the sacrifice of far-term readiness to pay for our non-negotiable, near-term readiness contract with the American people. The mismatch between requirements and resources forces us daily to prioritize among operations, force structure, readiness, and modernization. The Presidents Budget for Fiscal Year 02 is taking the initial steps to address this mismatch. In the final analysis, The Army has had no other recourse than to mortgage its future, in terms of modernization and installation support, to maintain near-term readiness. This imbalance between near and far-term readiness needs to be corrected. Future readiness, along with the current readiness of our force and the related quality of life of our soldiers and their families, depend on creating the proper balance.

We have articulated a vision for the future that we believe addresses both our near and far-term readiness challenges and meets the demands of the future operational environment with a transformed, strategically responsive force ready to accomplish its mission throughout the spectrum of operations. The Vision is about three interdependent components—People, Readiness, and Transformation. The Army is people—Soldiers, civilians, veterans, and families—and Soldiers remain the centerpiece of our formations. Warfighting readiness is The Army’s top priority. The Transformation will produce a future force, the Objective Force, founded on innovative doctrine, training, leader development, materiel, organizations, and Soldiers. The Vision weaves together these threads—People, Readiness, and Transformation—binding them into what will be The Army of the future. Within the latter of these, is the Transformation of The Army’s operational force; this is the focus of our testimony today.

ARMY TRANSFORMATION

The budget for FY02 enables The Army to continue the Transformation, though not at the optimal level. Army Transformation focuses its main effort on an endstate—the Objective Force. Two adjoining vectors support this main effort. The first is the Legacy Force, which is the current force in The Army, both light and heavy. We must allocate sufficient resources to reverse the downward trend of mission capable rates for some of our systems, and we plan to do this by modernizing and recapitalizing the Legacy Force. We will modernize by selectively procuring new systems and will recapitalize by returning remaining systems to a near zero time/zero mile standard, thus restoring them to a like-new condition. The other adjoining vector is the Interim Force, comprising six brigade combat teams. These combat formations are designed to meet

an immediate warfighting requirement by filling a capabilities gap at the mid-point in the spectrum of operations that neither our light nor heavy forces can fill at this time.

Transformation represents the essence of The Army's Vision and the necessary change required to make sure The Army of the future is prepared to meet expected requirements by fielding adaptable and highly capable units. The ability to harness the revolutionary advances in technology, coupled with an understanding of the changing nature of war and the overall strategic environment, creates the opportunity and imperative for The Army to make dramatic changes in Transformation. This Transformation will not occur overnight, but will require a period of up to 30 years to identify, develop, produce, and field new capabilities throughout The Active and Reserve Components. Transformation will be a continuous process throughout this period, but its completion will be phased because of the time needed to develop, evaluate, and incorporate revolutionary technologies; the limitations in resources available to fund the effort; and the concurrent requirement to maintain the readiness of The Army at all times.

MODERNIZATION STRATEGY

The Army has developed a Modernization Strategy to implement Transformation while at the same time assuring adequate readiness of The Army throughout this decades-long process. This Modernization Strategy is a coordinated and comprehensive approach of focusing all efforts and programs on building capabilities by equipping and organizing forces. This strategy is best described as one of "balanced modernization", which seeks to develop and field combat-capable units through an appropriate mix of selective fielding of new equipment (modernization), rebuilding and

upgrading existing equipment (recapitalization) and preserving needed elements of current equipment (maintenance).

A key process that is integral to this balanced modernization is Unit Set Fielding. It is both a process and a strategy that modernizes the force through a family of systems approach to fielding. Unit Set Fielding involves the synchronization of individual system fielding plans into a single unit fielding schedule to streamline the fielding process. Unit Set Fielding represents an important shift in emphasis in The Army toward providing improved capabilities as a package to organizations and not just fielding isolated systems. As part of a coordinated array, this disciplined modernization strategy goes beyond just equipping Army units. It also incorporates the manning, sustaining, training, organization and installation requirements to ensure that an increased capability is being fielded, and not just pieces of equipment. The Army leadership has made their preference clear—we are even willing to field fewer individual systems in the future in order to ensure that more coordinated sets of systems and capabilities are incorporated into Army units, thereby significantly increasing overall force effectiveness.

Specifically, this balanced modernization strategy consists of the following major components and priorities: 1) science and technology efforts to enable timely fielding of the future Objective Force and, in particular, the Future Combat Systems (FCS), which will be the foundation of that force; 2) fielding of immediate operational capabilities through the Interim Brigade Combat Teams (IBCT), which are outfitted with the new Interim Armored Vehicles; and 3) maintaining and improving essential warfighting

capabilities of the existing Legacy Force which is needed to preserve unquestionable military superiority for possible missions in the near term.

OBJECTIVE FORCE AND FCS

The Army's ultimate goal for Transformation is the Objective Force. Operating as part of a joint, combined, and/or interagency team, it will be capable of conducting rapid and decisive offensive, defensive, stability and support operations, and be able to transition among any of these missions without a loss of momentum. It will be lethal and survivable for warfighting and force protection; responsive and deployable for rapid mission tailoring and the projection required for crisis response; versatile and agile for success across the full spectrum of operations; and sustainable for extended regional engagement and sustained land combat. It will leverage joint and interagency reach-back capabilities for intelligence, logistical support, and information operations while protecting itself against information attacks. It will leverage space assets for communications; position, navigation, and timing; weather, terrain, and environmental monitoring; missile warning; and intelligence, surveillance, and reconnaissance. The Objective Force will provide for conventional overmatch and a greater degree of strategic responsiveness, mission versatility, and operational and tactical agility. With the Objective Force, The Army intends to deploy a combat capable brigade anywhere in the world in 96 hours, a division in 120 hours, and five divisions in 30 days. Our ability to quickly put a brigade-size force on the ground, with the balance of a division following a day later, fills a current gap for credible, rapid deterrence. The Objective Force will offer real strategic options in a crisis and changes the strategic calculations of our

potential adversaries. The Army with Objective Force capability will provide the National Command Authorities with a full range of strategic options for regional engagement, crisis response, and land force operations in support of the nation.

Future Combat Systems is one of the essential components for The Army's Objective Force. The FCS is more than just a single combat platform. Rather, it is the collective, related family of systems that pull advanced technologies designed for future use to the present so that we provide desired combat capabilities early, with the ability to add planned enhancements over the life of the systems. The FCS is envisioned as a digitized land combat capability and system-of-systems, which will have a multi-mission role. It will include mounted and dismounted teams, manned and unmanned systems, and air and ground components—all linked within a network of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR). It will be capable of destroying an enemy by fires, maneuver, and assault, and is also capable of seizing and controlling terrain. Additionally, the FCS is intended to be as lethal and survivable as our current heavy forces, yet much more deployable and strategically responsive. Over the next six years, The Army will demonstrate and validate FCS functions and exploit high-payoff core technologies, including composite armor, active protection systems, multi-role (direct and indirect fire) cannons, compact kinetic energy missiles, hybrid electric propulsion, human engineering, and advanced electro-optic and infrared sensors.

At this point, The Army investment is in the form of aggressive science & technology (S&T) efforts to identify and develop the leap-ahead technologies needed as the basis for revolutionary change and improvements in the Objective Force. Army S&T

funding and efforts are partnered with the Defense Advanced Research Projects Agency (DARPA) in a collaborative effort to give the greatest impetus to this priority effort. The FY02 budget funds FCS demonstrations of system-of-systems functions and cost sharing technologies. The Army's goal is to identify the technological solutions in the 2003-2004 time frame to permit production and fielding of the FCS by the end of this decade. These are ambitious goals, and therefore The Army is devoting 96% of its total S&T funding directly to support programs needed to develop Objective Force technologies, with 37% of this amount specifically in support of the FCS. Overall, as an indication of the priority being placed on the future force, The Army is devoting 64% of its total Research, Development and Acquisition funding for the next six years to systems that are projected to be part of the Objective Force.

The Comanche reconnaissance and attack helicopter will be the first Army Objective Force system to be fielded and is the air component of the FCS. The FY02 budget continues our efforts toward achieving this important capability. The Comanche is a uniquely capable system that incorporates the latest technology available, especially in the area of digitization, sensors, and Low Observable technology advances. Although Comanche will be fielded as part of the Objective Force, its digitization will be compatible with Legacy and Interim Force systems. Comanche will provide a lethal combination of reconnaissance and firepower.

The Army Battle Command System (ABCS) is currently envisioned as the internetted network that will enable the C4ISR capabilities of the Objective Force. ABCS is The Army's component of the Global Command and Control System (GCCS) and is a complex system of systems that provides the mechanism to receive and

transmit information among the Joint forces. This advanced capability will significantly advance the ability to expand situational awareness of the battlefield to every echelon of the force, thus dramatically improving the ability to increase the speed and effectiveness of all tactical decisions.

INTERIM FORCE

To fulfill an immediate operational requirement and provide a capability that does not presently exist, The Army is also in the process of organizing and equipping Interim Combat Brigade Teams (IBCTs) as the basis for an Interim Force to provide valuable capabilities to the regional CINCs as well as the National Command Authorities. These organizations will make use of existing off-the-shelf technologies along with more rapidly deployable equipment and structure to provide a responsive and capable force that effectively complements other existing forces. The IBCTs will offer great potential for use in a wide array of possible contingencies, ranging from peace enforcement missions such as in Bosnia and Kosovo to warfighting missions like those in Panama and Desert Shield/Desert Storm.

The equipment foundation of the IBCT will be a family of Interim Armored Vehicles (IAVs) which will be capable of being transported by C-130 type aircraft and also have enhanced characteristics for greater effectiveness in a variety of operational missions. Last year, the Congress supported the IBCT concept with an additional \$600M for IAV procurement and for organizing the second IBCT. We are very grateful for this support. Thus far, The Army has already reorganized two brigades at Fort Lewis, Washington, into the IBCT structure, has awarded a contract for the initial procurement of the IAVs, and has made the necessary fiscal decisions, aided by Congressional

support, to provide funding for fielding six IBCTs. The Army will train and test Soldiers and Leaders in the doctrine and organization of these new units to ensure that they can respond to operational requirements. An IAV-equipped battalion-sized element will undergo training and initial operational testing and evaluation to guarantee system suitability and effectiveness. Innovative applications and technology insertion in supporting forces will complete the IBCT package and enable initial operational capabilities for the first IBCT in 2003, and full operational capabilities by 2005. The FY02 budget procures 326 IAVs with operational fielding of the first IBCT beginning in 2002. The IBCTs are projected to remain an invaluable component of The Army for more than 20 years.

LEGACY FORCE

While the development of the Objective Force and fielding of the Interim Force are critical components of The Army's Transformation and Modernization Strategy, they will take many years to implement fully. Throughout this period, The Army continues to balance its enduring commitment to readiness and its obligation to support any and all missions assigned by the National Command Authorities. The current or Legacy Force is the means of fulfilling that commitment to the Nation, and The Army's Modernization and Investment Strategies devote the resources required to maintain adequate readiness while the evolution of The Army to a technologically advanced force takes place over the coming decades. For the next 15 to 20 years, the existing force will represent the bulwark of the land forces of the United States, and they must be maintained in sufficient readiness and capability to perform all potential missions. The nucleus of this force will be the Counterattack Corps, which is based upon The Army's

III Corps in Fort Hood, Texas. In balancing its resources, The Army decided that this Corps will receive the highest priority for recapitalization and modernization efforts in order to ensure its peak readiness and capability for warfighting missions. As a result, it will receive modernized systems such as the M1A2 System Enhancement Program (SEP) Abrams tank, the M2A3 Bradley, Crusader, as well as other new or upgraded systems in a variety of areas. III Corps consists of both Active and Reserve Components, all of which will be modernized to ensure that the Counterattack Corps is ready for any and all missions. While all of the systems planned for the modernization and recapitalization of the Counterattack Corps are important, The Army believes the Crusader is crucial to our ability to decisively win the Nation's wars.

The Legacy Force is an aging one due to the impact of a skipped modernization cycle that was one of the results of the "peace dividend" associated with the end of the Cold War. Currently, 75 percent of major combat systems exceed engineered design half-life and will exceed design life by 2010. Many of our major systems are, or soon will be, older than the soldiers who may be taking them into combat. We therefore find ourselves in a downward spiral of devoting more and more resources to maintaining aging equipment, with commensurate fewer dollars to procure new equipment to meet emerging national security requirements. The end result is that The Army must devote sufficient resources to preserve the combat capability and superiority of our forces as a strategic hedge during the period of Transformation. The Army's Modernization and Investment Strategies accomplish this by supporting a combination of very limited but critical modernization programs, rebuilding and upgrading currently fielded systems to

extend their useful life, and, finally, maintaining those other systems needed for continued readiness of the force.

In the area of limited modernization programs, some systems warrant emphasis as significant contributors to the quality and effectiveness of the Legacy Force. The first of these is the Crusader, a fully digital and networked fire support system that provides major increases in the range, accuracy, rate of fire, lethality, mobility, and survivability over the current M109 series of cannon artillery. This advanced system is also a technology carrier for future systems and will employ more than two-dozen cutting-edge technologies for the first time in a ground combat vehicle. For example, the state of the art cockpit, the fully automated ammunition handling system, the integrated composite armor, the advanced electronics architecture and the revolutionary new cannon assembly are a partial list of some of the new technologies being introduced in Crusader. The technologies in Crusader allow the Army to employ tactics and doctrine for the first time that rely on cockpit automation, robotics, and information exploitation in lieu of soldier performed tasks.

Another new system of particular importance is the High Mobility Artillery Rocket System (HIMARS), which is a wheeled version of battle-tested and proven Multiple Launcher Rocket System (MLRS) that is transportable by C-130 aircraft. This more deployable version will provide tremendous early-entry firepower and flexibility and will be capable of using the entire range of MLRS rockets and missiles, including the longer range Army Tactical Missile System (ATACMS) munitions. This system will also continue to serve in the future as an important means of responsive fire support for both Interim and Objective Force units.

The rebuild and upgrade of key existing systems, recapitalization, is a significant and essential component of the overall Modernization Strategy. The FY02 budget takes a step in this direction by providing additional funding to depot maintenance in preparation for recapitalization. The Army has determined that we preserve readiness best and most cost effectively when we retire or replace warfighting systems on a 20-year Department of Defense (DoD) modernization cycle. Today, 12 of 16 critical weapons systems exceed this targeted fleet average age. Recapitalization expenditures improve safety, supportability, readiness and warfighting capabilities and have the additional benefit of reducing operations and support costs that otherwise would be far higher. The recapitalization process, while addressing selected and critical systems, is focused on building combat capable units. The Army will recapitalize its fleet unit by unit to ensure maximum warfighting capability. The Army has established a selective recapitalization program that will restore aging systems to like-new condition and allow upgraded warfighting capabilities for a fraction of the replacement cost. So far, The Army has made final decisions regarding the recapitalization of its aviation platforms, Apache, Blackhawk and Chinook. In arriving at the conclusions, Army leadership looked at various cost factors, available funding, and length of time expected to keep the system in inventory. For example, The Army is buying what is needed in terms of capability, safety and reliability to keep the Apache platform flying until we introduce Comanche. This is called Focused Recapitalization. With Chinook, because a replacement for this platform is much further in the future, we will fully recapitalize the system. A lack of resources, though, prevents us from recapitalizing the entire Chinook fleet. Along with conducting cost/benefit analyses on Abrams and Bradley, the Army

also added the dimension of orchestrating their fielding only where the configurations complemented one another. For example, M1A2 SEPs will only be fielded with M2A3 Bradleys. This decision will reinforce the Unit Set Fielding concept, which results in the most capability given the available resources.

Although The Army recognizes it may not have sufficient resources to recapitalize all of our fleets to the same capability level, it is our intent to seek sufficient resources to ensure we upgrade or rebuild to a near zero time/zero mile standard as many Active and Reserve Component units as practical. We must maintain the readiness of the Legacy Force until the Objective Force is operational.

INVESTMENT STRATEGY

To implement The Army's Modernization Strategy in support of Transformation, The Army prioritizes its investment of limited resources over time. Implementation of Transformation requires hard decisions and clear priorities among competing needs, and that is the essence of The Army's Investment Strategy. This strategy represents a paradigm shift and is characterized by a new emphasis on the development of systems and technologies that will support the future Army, the Objective Force.

To accomplish this, The Army has already made tough choices. We have canceled or restructured seven major Army procurement programs and a significant amount of planned spending between FY01 and FY05 has already been shifted internally to focus efforts and directly support our Transformation initiatives. Once again, this is not devoid of risks—many of these cancelled or restructured programs remain valid warfighting requirements, and their absence may place our soldiers at higher risk in combat.

PROGRESS TO DATE—SUMMARY

The Army has made great strides in implementing the Transformation process, which was announced by The Army leadership only a short time ago in October 1999. Tough decisions have been made to reprioritize resources to support these new priorities. The Army has taken aggressive steps to accelerate essential S&T efforts to identify revolutionary new technologies for our future Army. Two brigades have been reorganized at Fort Lewis as the foundation for the new IBCTs, and they are presently undergoing training to develop the appropriate warfighting tactics, techniques and procedures for their missions. The Army has awarded a contract for a family of IAVs to equip these units and provide invaluable new capabilities for use by regional CINCs and the National Command Authorities. Finally, and very importantly, The Army has made the needed decisions to maintain and extend the combat superiority and readiness of the current force until the future force is completely fielded. Congress and the Department of Defense have responded positively by providing both strong support in principle as well as essential additional resources to help establish critical momentum. There is still much work to be done, but The Army has moved out.

This statement today is intended to reinforce and add to the understanding of what The Army is doing now and planning to do in the future to make Transformation a reality. Continued support will be required to preserve the momentum of Transformation while simultaneously preserving The Army's capability to fulfill its enduring responsibility and commitment to the Nation to deliver decisive victory on the ground when our national interests are threatened.

Mr. Chairman and distinguished members of the Subcommittee, we thank you once again for this opportunity to discuss with you today the FY02 Army budget request and the status of Army Modernization and Transformation. We look forward to your questions.