



Highlights of [GAO-10-603T](#), a testimony before the Subcommittee on Airland, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

Since 2003, the Future Combat System (FCS) program has been the centerpiece of the Army's efforts to transition to a lighter, more agile, and more capable combat force. In 2009, however, concerns over the program's performance led to the Secretary of Defense's decision to significantly restructure and ultimately cancel the acquisition program. As a result, the Army is outlining a new approach to ground force modernization. This statement outlines the Army's preliminary post-FCS actions and identifies the challenges the Department of Defense (DOD) and the Army must address as they proceed. This testimony is based on GAO's report on the Army's Ground Force Modernization effort released on March 15, 2010. It emphasizes the December 2009 decision to begin low-rate initial production for Increment 1 of the Brigade Combat Team Modernization.

What GAO Recommends

In its March report, GAO recommended that the Secretary of Defense instruct the Army to correct the identified maturity and reliability issues prior to either fielding equipment or approving additional system procurement. GAO also recommended that the Secretary direct the Army to submit a comprehensive report to the Congress on its modernization investment, contracting, and management strategies. DOD concurred with GAO's recommendations.

[View GAO-10-603T](#) or [key components](#). For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

DEFENSE ACQUISITIONS

Opportunities and Challenges for Army Ground Force Modernization Efforts

What GAO Found

The Army is implementing DOD direction and redefining its overall modernization strategy as a result of the Secretary of Defense's decision to significantly restructure the FCS program. It is transitioning from the FCS long-term acquisition orientation to a shorter-term approach that biennially develops and fields new increments of capability within capability packages. It now has an approved acquisition program that will produce and field the initial increment of the FCS spinout equipment, which includes unmanned aerial and ground vehicles as well as unattended sensors and munitions. It has preliminary plans for two other major defense acquisition programs to (1) define and develop follow-on increments and (2) develop a new ground combat vehicle (GCV). The individual systems within Increments 1 and 2 are to be integrated with a preliminary version of an information network. Currently, the Army is continuing selected development work—primarily that related to Increments 1 and 2 and the information network—under the existing FCS development contract. The Army has recently released a request for proposals for the technology development phase of the proposed GCV development effort. The Army's projected investment in Increments 1 and 2 and GCV is estimated to be over \$24 billion through fiscal year 2015.

With these modernization efforts at an early stage, DOD and the Army face the immediate challenge of setting them on the best possible footing by buying the right capabilities at the best value. DOD and the Army have an opportunity to better position these efforts by utilizing an enhanced body of acquisition legislation and DOD policy reforms—which now incorporate many of the knowledge-based practices that GAO has previously identified—as well as lessons learned from the FCS program. Preliminary plans suggest that the Army and DOD are strongly considering lessons learned. However, DOD recently approved the first of several planned low-rate initial production lots of Increment 1 despite having acknowledged that the systems and network were immature, unreliable, and not performing as required. That decision reflects DOD's emphasis on quickly providing new capabilities to combat units. This decision did not follow knowledge-based acquisition practices and runs the risk of delivering unacceptable equipment to the warfighter and trading off acquisition principles whose validity has been so recently underscored.

The Army needs to seize the opportunity of integrating acquisition reforms, knowledge-based acquisition practices, and lessons learned from FCS into future modernization efforts to increase the likelihood of successful outcomes.