

NOT FOR PUBLICATION UNTIL RELEASED
BY THE SENATE ARMED SERVICES
COMMITTEE SUBCOMMITTEE ON
SEAPOWER

STATEMENT

OF

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BEFORE THE

SUBCOMMITTEE ON SEAPOWER

OF THE

SENATE ARMED SERVICES COMMITTEE

ON

MARINE CORPS ACQUISITION PROGRAMS

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SUBCOMMITTEE ON SEAPOWER

Introduction

Chairman Reed, Senator Wicker, and distinguished members of this Subcommittee, we are honored to appear here today. We want to thank you for your continued support to our Sailors, Marines, and their families, and we appreciate the opportunity to address Marine Corps acquisition programs.

As America's Expeditionary Force in Readiness, the Marine Corps' ground modernization investments support our Nation's ability to be prepared for all manner of crises and contingencies. As a "middleweight force," Marines do not seek to supplant any Service or "own" any domain. Rather, Marine forces transit in a "lane" that passes through all domains—land, sea, air, space and cyber—operating capably and freely throughout the spectrum of threats, whether they be conventional, irregular or the uncertain hybrid areas where they overlap. Key is the ability to deploy and employ from the sea in austere environments at a time and place of our choosing — a significant asymmetric, strategic and operational advantage that has been used more than 130 times in the past two decades.

Our ground investments allow us to develop and sustain a ready, middleweight force that is easily deployable, energy efficient, and highly expeditionary. Complementary to our ground investment, we are making parallel investments in amphibious ships, amphibious combat vehicles, connectors such as the landing craft air cushion (LCAC) and landing craft utility (LCU), naval surface fire support assets, mine counter measures, radars, command and control, vertical lift, and fixed-wing, short take off and vertical landing (STOVL) aircraft, and many other programs critical to maintaining tactical and operational readiness. These investments are designed to provide a full range of complementary capabilities for our Nation's Expeditionary Force in Readiness.

The Department of the Navy and its Marine Corps are fully aware of the fiscal challenges facing our Nation and have critically examined and streamlined our capabilities for the future. We have accepted our share of the additional risk associated with reduced resources; however, we have also sought innovative and practical means to mitigate that risk. We leverage programs, technologies, technical skills and competencies of other Services to ensure we deliver the most effective and affordable combat capability to our Marines. We also seek to capitalize on our industrial base to identify and pursue innovative and ground-breaking solutions to meeting the warfighter's needs and to reduce acquisition and sustainment costs of our systems.

Operating Environment

During the past year, the Navy and Marine Corps have responded to a rapid succession of unpredicted political upheavals, natural disasters, social unrest, piracy and emerging threats in various unstable areas of the world's littoral regions. Marines were first on the scene to provide humanitarian assistance and disaster relief in Japan in the wake of a monumental tsunami; were the first to fly air strikes over Libya; evacuated noncombatants from Tunisia; and reinforced our embassies in Egypt, Yemen and Bahrain. While accomplishing all of that, Marines continued sustained combat and counterinsurgency operations in Afghanistan.

History has shown that crises usually come with little or no warning; stemming from the same conditions of uncertainty, complexity and chaos continue as risks across the world today. Regardless of the financial pressures placed on governments and markets today, crises requiring military intervention undoubtedly will continue tomorrow. In this environment, physical presence and readiness matter significantly. As a maritime nation, dependant on the sea for the free exchange of ideas and trade, America requires security both at home and abroad. Since the 1990s, America has been reducing its foreign basing and presence, bringing forces back home. This trend is not likely to change in the face of the strategic and budget realities we currently face. There remains an enduring requirement to balance presence with cost. In the past, the Nation has chosen to depend on the Navy and Marine Corps to provide a lean and economical force of an expeditionary nature, operating forward and in close proximity to potential trouble spots. Investing in naval forces that can respond to a wide range of crisis situations creates options and decision space for our Nation's leaders.

Role of the Marine Corps

New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current budget. The guidance calls for a future force that will “remain capable across the spectrum of missions, fully prepared to deter and defeat aggression and to defend the homeland and our allies in a complex security environment.” As America's force in readiness, the Marine Corps provides efficient and effective insurance against the unexpected with an adaptive, multi-capable force that has the reach to defend American citizens, commerce and our vital national interests.

Bridging a seam in our Nation's defense between heavy conventional and special operations forces (SOF), the United States Marine Corps is light enough to arrive rapidly at the scene of a crisis, but heavy enough to carry the day and sustain itself upon arrival. Operating in a state of persistent forward presence aboard amphibious warships, your Marine Corps remains the most economical, agile and ready force immediately available to deter aggression and respond to crises. This flexible and multi-capable force maintains high readiness levels and can mitigate risk; satisfy the standing strategic need for crisis response; and, when necessary, spearhead entry and access for the Joint Force. Given likely future operations set forth in the new guidance -- ranging from defeating rogue actors to responding to natural disasters - the Nation should invest in the small premium it pays for high readiness levels within its naval amphibious forces. Because our Nation cannot afford to hold the entire Joint Force at such high rates of readiness, it has historically ensured that Marines remain ready, and has repeatedly relied on Marines to fill gaps, buy time for decision makers, ensure access, or respond when and where needed.

As a “middleweight force,” the Marine Corps is optimized for rapid deployment, versatile employment, and self-sustainment via Marine Air-Ground Task Forces (MAGTF), which are balanced, combined-arms formations under a single commander. All MAGTFs consist of four core elements: a Command Element, Ground Combat Element, Aviation Combat Element, and Logistics Combat Element. MAGTFs are scalable in size and capability.

Both the Secretary of Defense and the Secretary of the Navy have reaffirmed the necessity of the Marine Corps' amphibious assault mission. Accordingly, we must develop an affordable and capable amphibious combat vehicle to project Marines from sea to land in permissive, uncertain, and hostile environments. We ask for your continued support to reach this goal.

In order to adapt to the future operating environment and address access challenges, the Navy and Marine Corps are pursuing a number of other programs that leverage operational lessons learned and adopt acquisition best practices.

Reset

Reset is a subset of reconstitution and comprises the actions taken to restore units to a desired level of combat capability commensurate with the units' future missions; and after more than a decade of combat, this will require an unprecedented level of effort.¹ The Marine Corps is resetting its forces "in stride" with fighting the war in Afghanistan and transitioning to the new Defense Strategic Guidance. Unlike previous post-conflict periods, such as after Operation DESERT STORM, we do not anticipate taking an "operational pause" to reset as we transition from OEF.

The Marine Corps' *Operation Enduring Freedom Ground Equipment Reset Strategy*, which was released in January 2012, helps to identify the equipment we will reset or divest. We currently estimate, subject to change, that the ground equipment reset liability is in excess of \$3 billion.² This forecast is primarily based on the replacement of combat losses, the repair of items to serviceable condition, and the extension in service life of selected items. The Strategy prioritizes reset requirements along with investment and modernization decisions to develop our middleweight force, per the Defense Strategic Guidance.

Our reset effort is already underway and it maximizes the Marine Corps' depot capacity, where we expect the bulk of reset execution to occur for two to three years after our equipment's return to the depot. The continued availability of our total ground equipment depot capacity at both Barstow, California and Albany, Georgia is essential for timely reset, our ability to generate readiness, and to surge in response to wartime demand. Continued Congressional support to our long-term reset challenge is critical to reset the Marine Corps' equipment.

¹ Reconstitution refers to actions beyond reset, taken during or after operational employment, to restore and/or upgrade combat capability to full-spectrum operational readiness. Reconstitution includes personnel, equipment, and training. Force reconstitution includes activities from normal sustainment (rearm, refuel, recover (dwell), repair, and replace), through reorganization and regeneration of units to redeployment. As to equipment, our reconstitution efforts include reset, replenishing tables of equipment, and modernization.

² This \$3B liability is our "strategic" reset – which is the cost to reset our Afghanistan equipment to a zero-hours/zero-miles condition. In addition to strategic reset, we have a \$1.3B OCO request in FY 13 - primarily to cover cost of war issues; but some of which is slated for strategic maintenance for reset. The precise amount of the \$1.3B to be used for reset depends on the quantity of equipment that flows out of Afghanistan and our depot capacity.

We are examining future equipment requirements with an on-going comprehensive review of the Marine Corps' equipment inventories. This effort will validate reset strategies, future acquisition plans, depot maintenance programming, and required modernization initiatives. This review will incorporate the lessons we learned from over a decade of combat to upgrade our tables of equipment to reflect the way we fight today and our warfighting requirements of tomorrow.

Modernization

In conjunction with reset efforts, the Marine Corps is undertaking several initiatives to conduct only essential modernization of the Marine Corps Total Force. This will place the Corps on a sustainable course to achieve institutional balance. We are doing so by judiciously developing and procuring the right equipment needed for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. As such, we ask for continued Congressional support to modernize equipment and maintain a high state of readiness that will place us on solid footing in a post-Afghanistan security environment. While budgetary pressures will likely constrain modernization initiatives, we will mitigate pressure by continuing to prioritize and sequence both our modernization and sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. Modernization programs that require significant additional funding above current levels will be evaluated for continued operational requirement and capability/capacity modification.

Our force structure, and associated vehicles, are highly leveraged investments. They optimize strategic lift capability and provide aggregate utility across the range of military operations. Our ground modernization strategy is to sequentially modernize priority capabilities, reduce equipment requirements wherever possible, and judiciously sustain remaining equipment. The current baseline budget allows for equipment modernization on a reasonable timeline. Possible future reductions in the baseline budget will result in delay, modification or elimination of key modernization programs. Modernization in the following areas is critical to maintaining operational capabilities and readiness:

- Ground Combat and Tactical Vehicles;
- Aviation;
- Preparing for Future Battlefields;
- Amphibious and Pre-positioning Ships;
- Expeditionary Energy; and
- Intelligence, Surveillance and Reconnaissance.

Ground Combat and Tactical Vehicle Strategy

The programmatic priority for our ground forces is the seamless maneuver of Marines from the sea to conduct operations ashore whether for training, humanitarian assistance or combat. The Marine Corps' Ground Combat and Tactical Vehicle Strategy (GCTVS) is the basis for planning, programming and budgeting to provide balanced maneuver and mobility capabilities to operating forces. The GCTVS is focused on achieving the right mix of assets, while balancing performance, payload, survivability, fuel efficiency, transportability and cost.

Vehicles comprising the GCTVS include the entire inventory of wheeled and tracked vehicles, and planned future capabilities, including the Amphibious Combat Vehicle (ACV), Joint Light Tactical Vehicle (JLTV), and the Marine Personnel Carrier (MPC).

The current priorities within the GCTVS include the following:

- Develop a modern ACV;
- Develop and procure JLTV;
- Sustain a portion of the High Mobility Multipurpose Wheeled Vehicles (HMMWVs) through 2030;
- Initiate a legacy Assault Amphibious Vehicle upgrade as a bridge to ACV;
- Continue research and development in MPC through FY14 to identify the most effective portfolio mix of vehicles; and
- Limit procurement of vehicles to reduced Approved Acquisition Objective estimates as identified.

Our top ground modernization priority is the Amphibious Combat Vehicle (ACV). Based on our 10-year investment plan, we intend to address our light combat vehicle shortfalls both before and after development of the ACV. Our JLTV strategy depends on procuring those vehicles with the most demanding mission profiles before we turn our focus to ACV. The biggest risk to sequential modernization is schedule—not program schedules but rather decision schedules. If JLTV is delayed, we lose an opportunity that we cannot readdress until after ACV procurement in the late 2020s.

Throughout 2011 and informed by cost, we conducted a comprehensive systems engineering review of amphibious vehicle operational requirements. The review evaluated the requirements for water mobility, land mobility, lethality and force protection of the future environment. The identification of essential requirements helped to drive down both the production and the sustainment costs for future amphibious vehicles.

We are conducting an Analysis of Alternatives (AoA) to review six amphibious combat vehicle (ACV) options. The results of the AoA are expected to be complete in June of this year, and the results will inform the direction and scope of the ACV program. The MPC program is maturing as a wheeled armored personnel carrier that is complementary to the ACV as a solution to the general support lift requirements of Marine Forces operating in the littorals.

We are firmly partnered with the U.S. Army in fielding a Joint Light Tactical Vehicle to replace a portion of our legacy light lift utility vehicles. Our long-term participation in this program remains predicated on development of a cost-effective vehicle, whose payload integrates seamlessly with our expeditionary operations and likely amphibious and strategic lift profiles. The Joint Requirements Oversight Council approved the JLTV Capability Development Document, and the Department of the Navy is working with the Army to establish a program of record at Milestone B in the third quarter of FY12. Our approach to JLTV is as an incremental acquisition, and our objective for Increment I currently stands at 5,500 vehicles.

We are focused on developing and procuring Multiple Mission Role Variants of the JLTV family of light vehicles to modernize for the most demanding missions, providing increased payload, energy efficiency, performance and protection. The JLTV will replace thirty percent of the High Mobility Multipurpose Wheeled Vehicle (HMMWV) family. At this time, JLTV is on schedule, affordable, and performing to meet essential validated Marine Corps light combat capability gaps.

Last fall, the Marine Corps conducted an affordability review of the portfolio— which included the process of using Knowledge Points to tailor JLTV cost versus capability decisions. Our end-state is to develop a more relevant and affordable portfolio of combat and tactical vehicles. Through procurement and service-life extension, we will provide the capacity for Marine forces to respond to crises with up to a Marine Expeditionary Force-sized forcible entry operation, address irregular threats, and conduct sustained operations ashore when necessary.

Additional Modernization

To complement future ground and amphibious vehicles, the Marine Corps is investing in other key support areas. For example, the Corps is leading the way to build a next generation medium-range radar system called the Ground/Air Task-Oriented Radar (G/ATOR). This system will replace five radars, and will be significantly more advanced in its capabilities. It will improve threat detection and be more deployable, able to be set up in a fraction of the time compared with current systems. In addition, the Corps is investing in the Common Aviation Command and Control System (CAC2S), which will help better network our communications, radars, intelligence, and ultimately our forces. To better protect the Marine on patrol, we are also planning to replace electronic jamming equipment with the next-generation, open architecture JCREW 3.3 system. This system will ensure Sailors and Marines are better able to counter future IED threats. We are also investing in the Ground Renewable Expeditionary Energy System and Solar Portable Alternative communications Energy System. These systems will provide portable power, increasing self sufficiency, and reduce requirements for fuel resupply for small units operating at the forward edge.

Over the last 10 years of near continuous combat operations, the need for fuel and batteries on the battlefield has grown exponentially. Since 2001, the Corps has increased the number of radios infantry battalions use by 250 percent and the number of computers/information technology equipment by 300 percent. The number of vehicles has risen by 200 percent, with their associated weight increasing more than 75 percent as a result of force protection requirements. In the end, the force today is more lethal, but we have become critically dependent on fuel and batteries, which has increased the risk to our logistics trains. Moreover, a 2010 study found that one Marine is wounded for every 50 fuel and water convoys. To reduce risk and increase combat effectiveness, in March 2011, the Commandant issued the *“Marine Corps Expeditionary Energy Strategy and Implementation Plan”* to change the way the Corps thinks about and values energy. This is a “bases-to-battlefield” strategy, which means all Marines will be trained to understand the relationship between resource efficiency and combat effectiveness. Throughout the Navy and the Marine Corps, we will consider energy performance in all our requirements and acquisitions decisions.

FY13 Budget Request

The Navy and Marine Corps team is fully aware of the fiscal challenges facing our Nation and has critically examined and streamlined our force needs for the future. We continually strive to be good stewards of the public trust by maintaining the very best financial management practices. The Marines are proud of the reputation for frugality and remain one of the best values for the defense dollar. As a force-in-readiness, the Marine Corps must judiciously preserve readiness, manning and modernization with only 8.2 percent³ of DoD's budget—this amount includes all Marine and associated Navy accounts including amphibious ship construction and operation. Our ground forces modernization comprises only 9 percent of our total budget; and is only about \$2 billion a year.⁴

Conclusion

Through the support of Congress, our Marines and Sailors responding to crisis and in the fight have received everything necessary to ensure success over the past decade of near constant combat operations. As we begin to transition to the challenges and opportunities of the post-OEF world and reorient to the Pacific under our new Defense Strategic Guidance, the Marine Corps must begin to rebalance and modernize for the future. We must also keep faith with and provide the right resources for those who have served and sacrificed so selflessly in our all-volunteer force since 9/11. With the continued support of the Congress and the American people, we will ensure amphibious forces are well prepared to secure our national interests in an uncertain future. Thank you for the opportunity to be here today and we look forward to answering your questions.

³ This percentage is based on the FY-12 Defense budget authorization and is slightly larger than the 7.8 percent sum cited in the past. The percentage includes \$3 billion in FY-12 funding for amphibious warship new construction as well as Navy funding for chaplains, medical personnel, amphibious warships (operations and maintenance) and Marine Corps aircraft.

⁴ The 9 percent figure in this sentence is based on the FY-12 Defense budget authorization. The percentage includes procurement Marine Corps and RDT&E, and totals \$2.3 billion.