

RECORD VERSION

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Introduction

As the 2018 National Defense Strategy (NDS) states, the U.S. faces a return to great power competition as well as threats from terrorism and regional adversaries. Over the last two decades, the Army made the difficult and warranted choice to defer modernization to support combat operations. During that time, adversaries made intellectual, organizational, and materiel investments designed to give them advantage in future wars against our demonstrated strengths. Simultaneously, the world is experiencing faster rates of innovation coupled with increased rates of social and economic change. Today, we believe that our warfighting dominance is increasingly challenged and we can no longer afford to delay modernization without risking overmatch on future battlefields. Thanks to Congressional support, the Army has the means to modestly increase investments towards the future and organize properly for force modernization with Army Futures Command.

To maintain overmatch and continuously adapt our force to retain the advantage requires a unified, highly responsive, efficient modernization enterprise; a clear modernization strategy; and aggressive implementation. Army Futures Command is the vehicle the Army will use to break free of the current industrial age business model to move at the speed of the information age. Changing our underlying business model for modernization will allow the Army to adapt, innovate, and integrate technology at speed and scale, ensuring continued battlefield supremacy for our warfighters.

Army Futures Command: Modernizing our Army

As part of the Army's reform efforts, establishing Army Futures Command changes the core of our Army's institutional structure and challenges our organizational culture. The command's purpose is to set priorities for resource investment against all solutions to meet requirements found in the concept of how the Army will fight. Its focus is on the *future*, bridging the gap between the future force and the fielded force.

The command will address intellectual and materiel transformation by changing processes and organizations, but also the knowledge, skills, abilities, and culture of the people within them. The transformation upon which we have embarked will be the most significant since 1973, when the Army last reorganized to improve overall effectiveness against a peer competitor. Now, as then, time is of the essence.

Our antiquated processes are out paced by the technology refresh rate of the information age. Army Futures Command will lead the Army in the way we conduct force modernization from concept through solution. We will assess and integrate the anticipated operational environment, emerging threats, technologies to develop and deliver concepts, requirements, future force designs, and solutions. The command will set the strategic direction by integrating the Army's future force modernization enterprise, aligning resources to priorities, and maintaining accountability for modernization outcomes.

To accomplish these objectives, we are realigning modernization activities and relationships from Training and Doctrine Command (TRADOC), Army Materiel Command (AMC), and Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)) to Army Futures Command. This allows one command to lead the Army modernization and prioritization for concept development, requirements, research and development (R&D), combat capabilities development, and combat solution acquisition. Unity of command enables continuity through processes, flattens the organization, and drives results.

Changing internal processes and restructuring is only part of the solution in the establishment of Army Futures Command. We must also address our culture by going back to our roots of entrepreneurship with the American people. This requires the fusing of the United States Army with industry and academia by inserting ourselves into innovation hubs and academic institutions to pursue opportunities and shape culture not currently found in the Army. Injecting focused Army leaders into the private and academic sectors, through partnership, to solve our most emerging and complex problems, creates a unique ecosystem of critical thinkers, innovative developers, commercial investors, venture capitalists, scientists, and engineers. We expect to

generate a culture within the Army that embraces and embodies agility and pace of the private sector.

Current Army processes and organization do not effectively support the speed, culture, or integrated solutions needed for our warfighter. Integrating ourselves into industry and academia, while streamlining our processes for effectiveness and speed will ultimately reduce risk to our warfighters and maintain battlefield dominance.

Army Futures Command: Structure

Army Futures Command is a non-traditional command with a lean design that enables improved interaction with industry and academia, fostering a culture of innovative ideas and solutions with a focus on speed of solutions.

As a major Army command, it allows one command to function as the driver of major acquisition and materiel programs, while also addressing solutions to make combat formations effective on the battlefield. Equal footing with the other major Army commands establishes clear delineation of priorities and continuity within modernization efforts. Synchronization can occur at the Department of the Army level, vice the current way of doing business that requires adjudication at the Department of the Army level.

Futures Command will consist of three subordinate elements, each housing the core functions of force modernization and led by leaders hand-selected by the Secretary of the Army and the Chief of Staff of the Army:

- Futures and Concepts will describe the future operating environment and blueprint of the future Army force. They will identify and prioritize capability needs based on threat and technology and will publish a modernization strategy across the Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facilities, and Policy (DOTMLPF-P) Enterprise.
- Combat Development will identify requirements and develop solutions for critical capability shortfalls.
- Combat Systems and Solutions will refine, engineer, and develop material and non-materiel solutions.

The statutory acquisition authorities delegated to the ASA (ALT) will remain within ASA (ALT) as the Army identifies ways to accelerate the process within legal boundaries. To ensure integration of acquisition functions, Program Executive Offices will support the Army Futures Command and will continue to report through the acquisition chain of program management. The Army Acquisition Executive (AAE) will retain milestone decision authority and continue to be responsible for the overall supervision of the acquisition, logistics, and science and technology matters of the Army, and serve as the single office with sole responsibility for acquisition related functions for the Secretary of the Army.

The Army is reinforcing the momentum of the eight Cross-Functional Teams (CFTs) by integrating these organizations into Army Futures Command and aligning them with the six modernization priorities for the Army: Long Range Precision Fire, Next Generation Combat Vehicle, Future Vertical Lift, Army Network, Air Missile Defense, and Soldier Lethality. For continuity, the CFTs will continue to follow a developmental operations methodology and champion solutions across all three-subordinate elements of Army Futures Command. This methodology is defined as warfighters and developers working together to prepare sound capability documents to inform programs of record and enable the rapid and timely delivery of capabilities to the warfighter. The CFTs will develop requirements informed in appropriate cases by experimentation and technical demonstrations through teaming, agility, and rapid feedback. This process will ensure mature capability requirements using an iterative "design, build, test, and fix" construct, enabled by constant Soldier feedback.

Army Futures Command: City Selection

To achieve the purpose of Army Futures Command, we moved from behind the walls of traditional posts and forts and establish ourselves in the middle of an urban community. This is where collaboration, chance contact, and innovation happen daily at rates that cannot be duplicated on an Army post or in an industrial park. The Army sought to find the least distance between innovators, academia, industry, and the potential workforce. Following the theory developed by Dr. Thomas Allen, the Allen

curve, shrinking the distance between the workforce and innovators is important to increase communication, drive change, and increase the speed at which an organization can achieve its objectives. This is why we executed a nationwide search to seek out the best city to match our command's purpose and immerse Army Futures Command in the talent, potential, and culture needed to increase both our effectiveness and the speed at which we develop solutions.

Placing the Army Futures Command Headquarters in an entrepreneurial incubator hub of an urban community fosters the relationships we seek, around the best, brightest, and most innovative people in academia and industry. We believe this will make an immediate impact on achieving our modernization priorities. We seek to embrace a culture of disruptive innovation and collaboration to change Army culture. We are putting ourselves in an eco-system that is evolving and progressing at the speed of technology and striving to achieve the art-of-the-possible.

We do not have time to build this eco-system; it had to be ready now and that is what drove our final city site selection criteria. Density of industry and academic talent within an urban community allows us to quickly integrate innovation centers vertically within Army Futures Command to improve our operating concepts and potential solutions. To compete, we have to be in an environment that is fast, innovative, and will foster exponential growth.

The Army selected Austin, Texas to be the home of our Futures Command Headquarters because this city has a ready eco-system with the requisite density of talent, private sector innovation, strong academic science, technology, engineering, and mathematics (STEM) research and development, superb quality of life attributes, low costs, and strong local civic support. Austin demonstrated the mature entrepreneurial incubator hubs and a dense academic system supported by the entire state that aligns to our modernization priorities that we can imbed ourselves in now. The choice was very difficult, but we ultimately had to make a decision that we believe is best for our Army's future.

Establishing an Army Headquarters outside an Army post with a diverse mission to interface with industry and academia is outside our comfort zone. This move to Austin, Texas will force the Army to leverage American ingenuity and business entrepreneurs of Austin to teach and lead us through rapid innovation, to challenge our status quo, and to immerse us in a collaborative community of people that live to solve complex problems through innovative solutions.

We appreciate the local governments of each city we visited for their time and support in helping us understand what is best for our nation over the last several months as we searched for the right home for the Army Futures Command Headquarters.

Army Futures Command: Modernization Pathway

This approach to modernization and business is revolutionary for the Army. This move is disruptive and will certainly affect how we build the future force.

Over the past month we have had our advance team on the ground to begin working to integrate and build relationships with the City of Austin, the universities, local business leaders, and innovation hubs. Since the activation of Army Futures command on 24 August, we have begun to establish our physical footprint at the University of Texas Systems Building in Austin, the University of Texas at Austin, and local incubator hubs. The command will reach full operational capability by the summer 2019, with all subordinate organizations realigned and the command headquarters fully manned and established. The subordinate elements within Army Futures Command discussed previously will remain in their current physical location, executing their duties enabling the integration between the other Army Major Commands and Army Futures Command.

Finally, as Futures Command matures we will reform our Future Years Defense Program (FYDP) to ensure we invest in the Army's six modernization priorities. Futures Command will take lead on developing and then implement the Army's Modernization Strategy to develop and support delivery of new warfighting capabilities faster and more cost effectively.

Where Congress Can Help

As we change our process we may find the need to ask for the help of Congress to navigate unforeseen constraints to enable us to modernize our force at the speed of industry and have access to small business, academia, and entrepreneurs.

The Army is on a path to invest billions of dollars in FYDP into our six modernization priorities. However, we require fiscal stability to reassure the private sector that Army investments will not stop after only a few years. We believe we have the right six modernization priorities that will focus the Army to achieve the Army Vision by year 2028 in support of the 2018 National Defense Strategy.

Conclusion

Understanding that the success of Army Futures Command will be judged over the next generation, we believe this course of action and dramatic shift in business practices will allow our Army to successfully achieve our six modernization priorities despite budget uncertainties and the changing nature of the environment in which the Army must be prepared to operate. The only metric that matters is the ability to get next generation equipment into our formations to make Soldiers and units more lethal to deploy, fight, and win our Nation's wars.

We are intimately familiar with our challenges and our past failings and are investing heavily in Army Futures Command to address our modernization shortcomings. Army Futures Command postures the Army for the future by setting strategic direction, integrating the Army's future force modernization enterprise, aligning resources to priorities, and maintaining accountability. With the help of industry, academia, and Congress we can accelerate timelines and move at the speed of the information age.

Congressional support started the Army on this pathway of change, with particular emphasis and leadership by this committee. Your support enabled our Army to re-energize our Army's modernization efforts, capitalizing on the generous top line increases in FY18 and FY19. Your confidence in our ability to maximize the utility of every dollar is not lost on us. We are grateful for the continuing support.