

**RECORD VERSION**

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**BEFORE THE**

**SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**FISCAL YEAR 2017 ROTORCRAFT MODERNIZATION PROGRAMS**

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## **Introduction**

Chairman Turner, Ranking Member Sanchez, and distinguished Members of the Subcommittee on Tactical Air and Land Forces, thank you for this opportunity to discuss the Fiscal Year 2017 (FY17) President's Budget request for Army Rotorcraft Modernization Programs. We are pleased to represent Army leadership, the military and civilian professionals of the Army acquisition workforce, and the courageous men and women in uniform who rely on us to provide them with aviation systems and equipment for mission success.

Aviation is the Army's largest portfolio, and an important element of the Joint, inter-organizational, and multi-national team. Aviation provides significant capabilities to maintain superiority over our adversaries by increasing lethality and survivability of the force, providing enhanced mobility into and within the theater of operations, and enabling unprecedented situational awareness and battlespace integration.

Over the past several years and into the near future, fiscal constraints and an unpredictable budget have caused the Army to reduce end strength and prioritize readiness at the expense of modernization programs. Aviation has been particularly impacted. The high level of operational demands combined with fiscal challenges contributed to a substantial reduction in Army Aviation funding. This situation continues to challenge Rotorcraft Modernization efforts to improve current capabilities while closing key operational capability gaps within the future Aviation force.

In FY17, the Army equipment modernization objective remains focused on maintaining technological overmatch in our combat formations to deter and defeat potential adversaries. We are working to achieve this by ensuring we have the proper mix of capabilities enabled by a flexible and rapid acquisition process by working with Congress. We are also exploring the activation of a rapid capabilities office to address the immediate and near-term equipping needs of our Warfighters through rapid programs of record. Currently, near-term capability gaps are mostly mitigated through

incremental improvements to existing platforms and systems, while we make prudent investments in emerging and breakthrough technologies to address future gaps.

While the Army's modernization budget remains near historic lows, our modernization mission remains essential. We must always ensure our Soldiers and Soldier Aviators have the right equipment, at the right time, and at the right place to accomplish the assigned mission.

On behalf of our Acting Secretary, the Honorable Patrick Murphy, and our Chief of Staff, General Mark Milley, we look forward to discussing with you the Army's FY17 Rotorcraft Modernization Programs.

### **Resourcing Army Modernization**

Because of fiscal constraints, today's Army prioritizes readiness while assuming risk to modernization. The Army cannot equip and sustain the entire force with the most modern equipment. Still, it is the Army's responsibility to address current and emerging threats and to ensure every deployed Soldier and Soldier Aviator is equipped to achieve decisive overmatch, regardless of the situation.

In FY17, the President's Budget request totals \$22.6 billion for the Army's Research, Development, and Acquisition (RDA) program, which includes \$15.1 billion for Procurement and \$7.5 billion for Research, Development, Test and Evaluation (RDT&E). The Army will continue to invest in Aviation to sustain fleet modernization and target other investments to close key capability gaps in survivability and lethality. Though Aviation Modernization is a priority, FY17 will reflect over \$2 billion in reduced funding when compared to FY16. This has caused the Army to decelerate fleet modernization by procuring fewer UH-60 Black Hawks, AH-64 Apaches, and CH-47 Chinooks in FY17.

In addition, the FY15 Bi-Partisan Budget Act continues to impact the Army in FY17 with more than a \$531 million cut in Aviation Modernization plans to support the

Army's total reduction of \$3.8 billion. Still, while accepting risk, the Army is able to move forward with its Aviation Modernization efforts at a slower pace.

Our FY17 RDA resources for Rotorcraft Modernization are focused on the following areas:

1. **Science and Technology (S&T).** Protected S&T funding ensures the next generation of breakthrough technologies can be rapidly applied to existing or new equipment designs. We are implementing a strategic approach to modernization that includes an awareness of existing and potential gaps; an understanding of emerging threats; knowledge of state-of-the-art commercial, academic, and Government research; and an understanding of competing needs for limited resources. In this area, the Army supports several critical S&T programs that will enable the next generation of rotary wing capability, including the Advanced Threat Detection System; the Joint Multi-Role Technology Demonstrator, which will inform affordable requirements and reduce risk for the Future Vertical Lift (FVL) planned Program of Record; and Degraded Visual Environment mitigation.
2. **New Systems.** The Army is making modest developmental investments based on critical operational requirements and capability shortfalls. In this area, the Fixed-Wing Utility Aircraft (FUA), a replacement for the C-12 and C-26 platforms, is projected to be selected and begin fielding in FY18.
3. **Modification/Modernization.** The Army must incrementally modify or modernize existing systems in order to increase capabilities and extend service life. In addition, the continuous improvement of existing systems helps to sustain the industrial base. In this area, we are focused on improving the Apache, Black Hawk, and Chinook helicopter fleets, as well as our Unmanned Aircraft Systems.

4. **Reset and Sustain.** Returning Army equipment to the required level of combat capability remains central to both regenerating and maintaining equipment near-term readiness for contingencies.
  
5. **Divest.** The Army divestment process seeks to identify equipment and systems that are excess across the Total Army in order to reduce and eliminate associated sustainment costs. In this area, the Army continues to divest its aging TH-67 training helicopters, as well as the OH-58A/C Kiowa, OH-58D Kiowa Warrior, and UH-60A Black Hawk aircraft fleets.

### **Aviation Restructure Initiative**

In response to declining budgets and an effort to maintain the most capable and available Aviation force, the Army presented the Aviation Restructure Initiative (ARI) as part of its budget plan in FY15. By reinvesting the savings and cost-avoidance garnered by ARI, Army Aviation was able to continue to field its most modernized aircraft while developing and fielding the right 'disruptive technologies' to improve mobility, lethality, survivability, and mission command. Because the recently released National Commission on the Future of the Army (NCFA) report contains recommendations in addition to ARI, resourcing and modernization may need to be adjusted. For example, the recommendation that the Army retain an 11<sup>th</sup> Combat Aviation Brigade stationed in Korea and retain four attack/reconnaissance battalions in the Army National Guard, each equipped with 18 AH-64s, will increase equipping costs in the Aviation portfolio by approximately \$2.4 billion. If accepted, these recommendations will require offsets from within the existing portfolio, other Army programs, or from elsewhere in DOD's budget to preclude significant impacts to Army Aviation.

## **FY17 Aviation Key Investments**

Army Aviation investments include required capability in the reconnaissance, attack, unmanned systems, utility, cargo, fixed wing, and aviation enabler systems mission profiles. Specific investments in this portfolio include the following:

The Army will pursue a Multi-Year Contract (MYC) in FY17 for the *AH-64 Apache* in order to achieve cost avoidance and efficiencies, while completing the AH-64E Apache Remanufacture Program. This program is designed to renew the current Apache fleet by incorporating current technologies and a new airframe to extend the aircraft's useful life and make it one of the most technologically advanced weapon systems on the battlefield.

The *UH-60 Black Hawk* continues to be the Army's workhorse and, at 2,135 total airframes, is our largest fleet of rotary wing aircraft. Fleet modernization efforts focus on the continued procurement of the UH-60M aircraft, recapitalization of UH-60A into UH-60L aircraft, the development of the UH-60V aircraft with a digital cockpit, and divestment of legacy aircraft. In FY17, the Army will enter into the ninth MYC to be awarded through FY21.

The *Improved Turbine Engine Program* is designed to provide significant horsepower and fuel savings to enable current AH-64 Apache and UH-60 Black Hawk fleets to meet worldwide operational requirements for high altitude and hot conditions. The program continues in FY17 with two vendors undergoing Preliminary Design Review, which will lead to a down select in FY18 to a single vendor for engine development.

The *CH-47 Chinook*, the Army's only heavy lift helicopter, is projected to remain in service through 2060, making it the Army's first, and only, aircraft in service for more than a century. The planned H-47 Block II upgrade to the H-47F/G will restore operational payload capability, efficiently incorporate engineering changes, and increase commonality between SOCOM and the conventional Army.

The Army has an *Unmanned Aircraft Systems* (UAS) fleet comprised of small (Raven and Puma), medium (Shadow), and large (Gray Eagle) components. All systems are existing programs of record and are under active acquisition programs to meet fleet size objectives over the next five years. Gray Eagle is a dedicated, assured, multi-mission UAS being fielded to all 10 Army divisions to support combat operations, as well as the National Training Center. Additionally, the Improved Gray Eagle, which achieves significant increases in payload, range, and station time through fuselage and engine enhancements, is fielded to Special Operations Forces and Intelligence organizations in support of global Department of Defense Intelligence, Surveillance, and Reconnaissance (ISR) requirements. Shadow is a dedicated Reconnaissance, Surveillance, and Target Acquisition UAS fielded to Army and Army National Guard Brigade Combat Teams, Special Forces Groups, the Ranger Regiment, and performs Manned-Unmanned Teaming with Apache in Combat Aviation Brigades to meet the Armed Aerial Scout requirements in lieu of the divested OH-58D Kiowa Warrior. Shadow Platoons are currently undergoing a major block upgrade that provides enhanced encryption, increased endurance, improved optics, and a high bandwidth, digital data link capable of support secure transmission of multiple payloads.

FY17 funds for the Army's fixed wing fleet include procurement of the FUA, which will begin replacing the current C-12 platforms and later the C-26 platforms.

The *Joint Air-to-Ground Missile* (JAGM) is an Army-led Acquisition Category 1D program with Joint interest from the U.S. Navy and U.S. Marine Corps. JAGM is the next generation of aviation launched missiles to replace the laser Hellfire II and the Longbow radar missiles. FY17 funds the first JAGM Low Rate Initial Production lot.

### ***Other Key FY17 Investments***

In the area of *Aircraft Survivability Equipment*, the FY17 budget request will accelerate the Common Infrared Countermeasure system and will begin fielding in the near-term. This will be coupled with the Advanced Threat Detection System (ATDS) to improve

infrared threat detection. Essential to protection of aircraft against emerging threats, the Army will pursue S&T efforts to develop follow on systems that are able to defeat a threat system irrespective of its targeting and guidance systems, propulsion means, or warhead type. In addition, FY17 funds the development of an ATDS (Detect) to replace the Common Missile Warning System.

Our S&T investments are essential in maintaining an advantage to enable us to never send Soldiers and Soldier Aviators into a fair fight, long into the future. Examples of these S&T investments in our aviation portfolio include the *Joint Multi-Role Technology Demonstrator* (JMR-TD) and *Degraded Visual Environment* (DVE) mitigation. We are pursuing the next generation of aircraft to fly faster and farther than our current aging rotorcraft fleet. In FY17, JMR-TD will fly demonstration aircraft to prove out FVL technology and inform requirements development. FVL will conduct an Analysis of Alternatives and begin development of the initial variant. A Materiel Development Decision for the first FVL variant will occur in FY17. Degraded visual environments have been the cause of a significant number of Army aviation accidents in the last decade. S&T efforts towards DVE mitigation explore the integration of flight controls, sensors, and cueing necessary to assist Army aviators in take-off, limited hover, and landing in both aircraft induced conditions such as brown-out and aircraft independent conditions such as smoke or fog. FY17 resources development activities for an integrated rotorcraft situational awareness augmentation system to facilitate operations in DVE conditions.

## **Conclusion**

The generous support from Members of Congress for our efforts to strengthen the Army Acquisition Workforce, a critical component in the success of a well-equipped, ready force, is greatly appreciated. With more than 37,000 Army military and civilian acquisition professionals worldwide, this dedicated component of the Defense acquisition workforce is comprised of engineers, scientists, logisticians, contract specialists, testers, program managers, cost estimators, and many other acquisition career field specialties who effectively manage the Army RDA enterprise in a



challenging budget environment. Army Acquisition Workforce professionals are the critical assets to the Army's ability to design, develop, and deliver capability to the Soldiers so they can dominate on the battlefield.

Your continued advice and support is also greatly appreciated. These are challenging times, and it is clear that the security challenges of tomorrow will be met with the Rotorcraft Modernization Programs we develop, improve, and procure today. Because adversaries will continue to invest in technology to counter or evade U.S. strengths and exploit vulnerabilities, resource reductions and insufficient Army Rotorcraft Modernization will place the Army's ability to overmatch its opponents at risk.

We can assure you that the Army's senior leaders are working hard to address current challenges, as well as the needs of the Army now and in the future. We are doing so with affordability as our watchword as we endeavor to remain good stewards of our nation's resources while meeting the equipping needs of our Soldiers.

Mr. Chairman and distinguished Members of this Subcommittee, thank you for your steadfast and strong support of the outstanding men and women in uniform, our Army Civilians, and their Families.