

STATEMENT

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**BEFORE THE SUBCOMMITTEES ON
SEAPOWER AND EXPEDITIONARY FORCES
AND
AIR AND LAND FORCES
OF THE HOUSE ARMED SERVICES COMMITTEE**

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Mr. Chairmen, distinguished members of the Subcommittees, thank you for this opportunity to appear before you to discuss the Mine Resistant Ambush Protected Vehicle (MRAP) program. We are, as you know, taking steps across the Department to accelerate the delivery of these vehicles and deploy them to our troops as quickly as possible.

The Secretary of Defense has made MRAP his top priority. On May 30th, Secretary Gates directed the Department to establish an MRAP Task Force with one objective: “get as many of these vehicles to our Soldiers and Marines in the field as is possible in the next several months.” The Task Force’s focus is to ensure the Department acquires as many MRAPs as possible and prudent by the end of this calendar year. The Task Force draws its members from across the Department and the Services. I chair the Secretary’s Task Force, and I assure you the Task Force members are working with cooperation and determination to meet Secretary Gate’s objective. Task Force members are as committed to getting these new vehicles to the troops as is Secretary Gates.

The work of the Task Force is made much easier by the MRAP Vehicle Joint Program Office. Well before formation of the Task Force, the Marine Corps and Navy team (in close coordination with the Army and SOCOM) were competitively evaluating MRAP candidates and aggressively pursuing procurement of qualified MRAP vehicles. Additionally, industry has stepped up in many cases, buying materials in advance of contracts and at risk, in order to accelerate MRAP vehicle deliveries. New MRAP vehicles are being delivered today to Iraq because of the excellent, dedicated work of this government and industry team.

The strong support and commitment of your Committee and the Congress are the key to our success in fielding MRAP vehicles. We are able to take advantage of the excellent work of the MRAP program office and industry only because the Congress provided \$3.8 billion in FY 2007 Bridge and Supplemental Funds for MRAP vehicles. Your provision of an additional \$4.1 billion for MRAP vehicles in the House's version of the FY 2008 National Defense Authorization Bill is essential to the Department's efforts to maintain MRAP procurement momentum and to help us give the troops the tools they need to do the job and return home safely. Thanks to the continued support of Congress, the Department is finding ways to field as many vehicles as possible. In December 2006, we had an industrial capacity of less than ten vehicles per month. As of this month—July 2007—we have a capacity of at least 150 vehicles per month. With an aggressive test and evaluation program and industrial base ramp-up with multiple certified MRAP vehicle producers, this capacity will grow to more than 1,000 per month by the end of the calendar year.

The MRAP program office was originally created November 1, 2006, to respond to a validated CENTCOM Joint Urgent Operational Need Statement (JUONS). MRAP became a Major Defense Acquisition Program in February, with the Navy designated the Executive Agent. In January 2007, after full and open competition, the Marine Corps Systems Command awarded nine Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts for both Category I and Category II vehicles. The ID/IQ contracts required delivery of four vehicles each for ballistic and automotive testing. Decisions for follow-on production orders have been and will continue to be based on successful test results, production capacity, and operational requirements. Consistent with the urgent need of

our operational forces and Secretary Gates direction, the focus of the program office, industry and the Task Force is purchasing and delivering as many MRAP vehicles as possible during calendar year 2007.

The final requirements and inventory objective for MRAP vehicles will continue to evolve in response to operational experience. In March 2007, the Joint Requirements Oversight Council (JROC) indicated the initial requirement would evolve from the original JUONS requirement of 1,185 vehicles to more than 7,700. From February to April, production contract awards were made to multiple contractors to produce and ultimately deliver a total of 2,853 vehicles. In May 2007, the JROC validated the increase in the MRAP requirement to 7,774 vehicles. In the same month, the Congress increased the Supplemental budget in order to provide \$3 billion which allowed the Department to substantially increase production orders currently on contract.

MRAP vehicles are actually a family of vehicles that meet three major mission profiles. Category I (Cat I) vehicles are used for small unit combat operations in urban or confined areas. Mounted patrols, reconnaissance, communications, and command and control are typical Cat I vehicle missions. Category II (Cat II) vehicles are used for convoy security, combat engineering, ambulance, troop and cargo transportation. Most ground logistics support operations are Cat II. The largest MRAP vehicles are in Category III. These vehicles are used to clear routes of IEDs, mines, and other explosive devices. All three categories of MRAP vehicles provide protection that the HMMWV cannot, and versatility that the Ground Standoff Mine Detection System (GSTAMIDS) was not built for.

Our acquisition approach is designed for flexibility and speed. First, we are buying a mix of Cat I, II, and III vehicles. Our near term goal is to purchase and take delivery as many MRAP vehicles as industry can produce during calendar year 2007. Thus, our near term production plan is based on industrial capacity. The MRAP procurement plan includes appropriate off-ramps over the course of 2008 and beyond, so the Department can reevaluate the acquisition as force structure and threats change. We are giving industry incentives to ramp up their production rates, and we are working diligently to remove or reduce production bottlenecks. To be clear, this is an extremely aggressive acquisition program which presents challenges to the industry and government team. We are accepting the risk that we will encounter manufacturing or technical problems as we execute the MRAP production program and acceleration. The Defense Department's leadership wants to take every step to provide a more survivable MRAP to our forces rather than delay any efforts because of technical or manufacturing risk.

The Defense Department has executed a prudent level of expedited test and evaluation for the existing MRAP designs. The MRAP vehicle JPMO and the U.S. Army Aberdeen Test Center (ATC) have developed and implemented an innovative and comprehensive test program that ensures vehicles are survivable and usable, supports rapid procurement and fielding, and meets statutory requirements for life fire test and evaluation. This test strategy has been extraordinarily successful and has allowed us to qualify vehicles and confidently make production awards with unprecedented speed.

As previously mentioned, the Secretary of Defense directed establishment of the MRAP Task Force on May 30, 2007 to integrate the planning, analysis and actions necessary to accelerate acquisition of MRAP vehicles. The MRAP Task Force is

reviewing key aspects of the MRAP program: requirements, resources, and development; oversight of acquisition, contracting, testing, production and distribution; vehicle integration, transportation and delivery, training, support, and ultimately disposition.

The first Task Force efforts focused on determining whether there were potential industry bottlenecks that could limit the MRAP vehicle production rate. The Secretary of Defense approved a DX rating for the MRAP program on June 1, 2007, to assure priority access to available material. DX ratings, however, do not resolve fundamental production capacity. Currently, tire production capacity for MRAP class vehicles is less than 1,000 tires per month. The Task Force directed allocation of funds to two tire providers who are rapidly progressing toward a tire production capacity to meet MRAP vehicle production rates. The MRAP Task Force also reviewed, with the Defense Logistics Agency (DLA), the use of existing contract mechanisms to buy all available tire capacity as it becomes available to support MRAP vehicle production and sustainment. The DLA team has done a great job, working in conjunction with the Army and Marine Corps, and the tire production capacity and rate issues now appear manageable.

Production capacity for armor plate and high strength steel plate were also reviewed carefully. MRAP demand for special steel products at high volume production rates may create capacity shortages which could conflict with other defense programs. The reprogramming action before the Congress includes a request to purchase steel, reflecting the Task Force analysis and recommendation to mitigate the potential material shortfalls in steel plates. The Defense Department needs to acquire and temporarily stockpile steel in order to meet impending MRAP vehicle requirements and avoid inputs to other DoD production programs such as Stryker, combat surface ships and so forth.

The Department also convened a Priority Allocation of Industrial Resources (PAIR) Task Force. Composed of Joint Staff, OSD and buying activity members, the PAIR Task Force is actively evaluating current and projected DoD-wide requirements for material that may be in short supply. The Task Force is comparing aggregated DoD demand for MRAP-related components and materials, including armor and high strength steel plate with information already gathered on industrial capacities for these items. This enables a forecast of industrial constraints and develops risk mitigation strategies, including prioritizing operational requirements and adjusting delivery schedules as needed. The PAIR Task Force will advise the MRAP Task Force on matters associated with MRAP production capacities and priorities, who, in turn, try to find solutions to the potential shortages. For instance, the PAIR Task Force evaluated the issue of tire production, allowing the MRAP Task Force to focus on a solution.

One of the next priorities of the MRAP Task Force was the Government Furnished Equipment (GFE) for vehicles. GFE items include turrets, jammers, intra-vehicle communication systems, radios, and other items. In a remarkably collaborative Task Force session, leaders from the Army and Marine Corps agreed to standardize GFE turret and intra-vehicle communication systems while also adopting radio and jammer installation kits that will allow interchangeability.

The Task Force has also considered plans for future upgrades and additional vehicle testing to address changes in the threat and improving vehicle safety. While we work to field MRAP vehicles, we must also prepare for the future. We are well aware of emerging threats to our troops, and we are exploring our options to quickly react to threat

evolution. In response, the MRAP Vehicle Joint Program Office has issued a pre-solicitation for a follow-on process to identify and evaluate potential improvements.

This solicitation (MRAP II) will be based on an enhanced performance specification and statement of work. Performance requirements will be greater for MRAP II vehicles and components. These follow on test and evaluation efforts provide an avenue for new vendors to propose components or vehicles that can increase force protection for adaptive and emergent threats.

The Task Force team has also made significant progress in MRAP product support and sustainment. A dedicated MRAP Vehicle Support Integrated Process Team, manned by logistics experts from the Services and Defense Logistics Agency has reviewed and established processes and procedures to maximize equipment availability and readiness.

The cornerstone of the MRAP support concept is its joint nature—from the wholesale-level through the in-theater management structure, maintenance concepts, and integrated supply chain. MRAP vehicle support will initially use Contractor Logistics Support (CLS) augmented and managed by organic Government personnel in order to rapidly establish a support capability. This initial CLS-based support will transition to a largely organic capability over the next 12 – 24 months.

So far we have made the following progress in MRAP vehicle support:

- We have completed MRAP Supportability, Maintenance, and Fielding plans.
- We have established a Joint Training IPT and developed revised contract requirements to support rapid fielding and in-theater training requirements.

- We have formed Dedicated Supply Support Teams to catalog and procure maintenance critical items.
- We have trained and deployed the first group of Government depot mechanics and welders.
- We have established a Joint Service Distribution Management IPT to work directly with TRANSCOM on transportation and distribution.
- We have developed interim New Equipment Training (NET) material and courses.
- We have established a Joint Parts Allocation Board to expedite the most efficient allocation critical spare parts.
- We established a Joint Sustainment Management and Execution team.
- We obtained agreements to use all logistics facilities and capabilities throughout the Department in support of MRAP.
- We contracted for a third-party logistics provider in-theater to manage the rebuild and remanufacture of repairable items, especially battle damaged items.

Finally, and most importantly, the Task Force has aggressively pursued opportunities and methods to build and deliver more MRAP vehicles during calendar year 2007. The reprogramming action before you is a direct result of these deliberations. We contacted the senior leadership of all companies involved in the MRAP vehicle program. We asked companies with contracts to evaluate acceleration of production, and we asked the companies to consider expanded partnering with other MRAP vehicle producers. Our goal was to accelerate and increase as rapidly as possible production rates for successfully tested designs. The plans and proposals to date were reviewed by

the MRAP Joint Program Office and discussed in detail in the most recent MRAP Task Force meeting.

Based on the most recent meeting, the MRAP Task Force recommended to Secretary Gates last Friday that the Defense Department purchase an additional 2,650 MRAP's in FY 2007. Secretary Gates approved this recommendation and directed the almost immediate submission of a reprogramming action to support the accelerated MRAP procurement. The reprogramming action before you represents an opportunity to build and deliver about 1,514 additional MRAP vehicles by December 31, 2007. Prior to the MRAP Task Force meeting, MRAP vehicle production plans called for delivery of 2,438 vehicles by December 31, 2007. These proposed additions could potentially increase deliveries in calendar year 2007 by over 60%. Pursuit of accelerated production is not without risk. However, Secretary Gates has made crystal clear to the Task Force that it is totally unacceptable for us to lose lives because we failed to purchase MRAP vehicles that could be delivered to Soldiers and Marines.

I would request your extremely urgent review and action on the reprogramming request. The reprogramming request allows us to purchase another 2,650 vehicles – the number is greater than calendar year 2007 delivery number because we must buy deliveries into calendar year 2008 to maintain production rate and supplier base parts flows.

To summarize, we embarked on a streamlined yet rigorous joint testing regimen, testing all prototypes that meet MRAP requirements. We analyzed and incentivized the industrial capacity for producing these vehicles, paying particular attention to mitigating raw material shortages. We have reviewed plans for GFE equipment, GFE installation

process, MRAP vehicle transportation, MRAP fielding, and fielded vehicle sustainment. These efforts, accelerate procurement enabled by the reprogramming action, will give the government and industry teams an aggressive, coordinated plan to rapidly produce MRAP vehicles in response to the needs of our troops.

When I was asked to lead this Task Force, I could not have imagined the creativity, tenacity and professionalism of the personnel with whom I would come in contact. I can assure you, ladies and gentlemen, that everyone involved in this effort, both inside and outside the Department, shares the Congress' and Secretary Gates' goal of getting as many MRAPs in the troops' hands as quickly as possible.

The Department's highest priority is the combat effectiveness and force protection of our troops—ensuring that they have the best training and best equipment available to fight, win, and survive. We are absolutely committed to giving them the best force protection capabilities available: proven, tested and safe.

Before I close, I would like to thank the other members of the Task Force, the companies who competed for the opportunity to build these vehicles, and, especially, the men and women of the MRAP Vehicle Program Office. Paul Mann and his team have performed miracles under intense scrutiny, and I thank them for their patience as well as their competence, insight, and hard work. Finally, I would like to thank the Members of Congress and their staffs for their willingness to help us in this vital work. I thank you for your indulgence and cooperation as we navigate the funding challenges, reprogramming efforts and the finalization of the FY 08 budget pose. Thank you for your support for rapid fielding of MRAP vehicles in the numbers our Soldiers, Marines, Sailors and Airmen require.