



**HOUSE ARMED SERVICES SUBCOMMITTEE ON TACTICAL AIR AND LAND FORCES
CURT WELDON, PENNSYLVANIA
CHAIRMAN**

PRESS RELEASE

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Contact: Josh Holly (HASC), 202-225-2539 or
John Tomaszewski (Weldon), 202-225-2011

Opening Statement of Chairman Curt Weldon
Joint Hearing with Technical and Tactical Intelligence
Subcommittee of the Permanent Select Committee on Intelligence
Aerial Common Sensor Program

WASHINGTON, D.C. – This afternoon the Tactical Air and Land Forces Subcommittee has the pleasure of meeting in a joint session with the Technical and Tactical Intelligence Subcommittee of the Permanent Select Committee on Intelligence to receive testimony on the Army and Navy's Aerial Common Sensor Program. This is a program the Subcommittee has been following for some time. I had asked the Government Accountability Office for a report on ACS and they reported back to us in September of 2004.

The ACS program was initiated as an attempt to upgrade and consolidate the capabilities of three current intelligence collection aircraft types of the Army and Navy: the Army's Guardrail Common Sensor and Airborne Reconnaissance Low programs and the Navy's EP-3.

The program was approved for entry into Systems Development and Demonstration, or S-D-D in July 2004. In August 2004 the Lockheed Martin-Embraer team was awarded an \$879 million, five year contract to develop electronics and sensors to be carried on a militarized version of the Embraer 145 regional jet aircraft. Total acquisition cost for the 38 aircraft Army program was estimated to be \$8 billion for 38 aircraft. Although the Navy was not a signatory to the Acquisition Decision Memorandum, the Navy budgeted for the program in FY 06 with an intended eventual procurement of 19 aircraft.

In the spring of this year it became apparent that weight growth in the mission package would cause the ACS to fall short in meeting its requirements. In September, Lockheed Martin was issued a stop work order, halting all work on ACS. Lockheed Martin was given 60 days to develop an alternative plan for the ACS program. The Army has recently stated that there is now a potential for a two year delay in fielding the ACS platform and that the development cost could double to \$1.8 billion.

In comparison to other much larger, complex programs, ACS could have been characterized as a low to medium risk program based on declared technology readiness levels when entering SDD. Yet less

than a year into the program we are at stop work, with all the attendant costs and schedule ramifications. And with many engineers having been reassigned to other programs, difficult to predict negative impacts to the program are highly probable due to discontinuity in the design teams, if the program is restarted.

Delay or cancellation of ACS has significant negative implications for Army and Navy intelligence, surveillance and reconnaissance program capabilities. There are potentially similar implications for other acquisition programs if this management failure is indicative of shortcomings in the acquisition system as a whole.

Our understanding is that the ACS problem was largely driven by something as simple as a significant underestimation of connecting cables and racks for the mission equipment, due to quote: "bad parametrics," end quote. We also understand that a \$4 million dollar cut in risk reduction on integration tasks to quote: "save money," end quote, potentially contributed to this \$800 million dollar, two year slip to the program. Further, it isn't like the present ACS circumstance comes as a total surprise. The January 2004 Director, Operational Test and Evaluation Report stated the following: "There are concerns about the size, weight, and power requirements of the aircraft required to carry and operate the multi-intelligence sensor payload. Associated with this issue, there are concerns about the growth potential of the aircraft to add additional systems and capabilities in the future, consistent with the growth experienced with most other U.S. aircraft platforms."

This is not a new story. The Joint Strike Fighter went through a restructure, with the development cost increasing from \$26 billion to over \$40 billion and adding over a year to the program, largely due to weight problems of fasteners, and also largely driven by quote: "bad parametric estimates" end quote. If the ACS history is symptomatic of larger acquisition system shortcomings, this also has potentially far greater negative implications for more complex programs like the Future Combat Systems program.

There is no question that we need to shorten the acquisition cycle, but we should not be rushing into SDD without technology and integration tasks being demonstrated in a relevant environment. DOD has its 5000 series acquisition regulations. No one is saying that we should not have flexibility in enforcement of the regulations, but OSD seems to too often default to waiving the regulations. As an example, the Future Combat Systems program was allowed to enter SDD long before technologies had matured. And the requirement for an independent cost estimate has yet to be met. The program was restructured again last November and we are being told that we won't get an answer on program price until well into 2006.

We have invited our witnesses here today to discuss these issues. We want to know how we got to where we are on ACS, what lessons have been learned, and determine what is being done to determine the proper path forward, for the benefit of this program as well as other programs.

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