



Highlights of [GAO-10-406](#), a report to the Subcommittee on Air and Land Forces, Committee on Armed Services, House of Representatives

Why GAO Did This Study

Since 2003, the Future Combat System (FCS) program has been the centerpiece of the Army's efforts to transition to a lighter, more agile, and more capable combat force. In 2009, however, concerns over the program's performance led to the Secretary of Defense's decision to significantly restructure and ultimately cancel the program. As a result, the Army has outlined a new approach to ground force modernization. This report (1) outlines the Army's preliminary post-FCS plans and (2) identifies the challenges and opportunities the Department of Defense (DOD) and the Army must address as they proceed with Army ground force modernization efforts. To meet these objectives, GAO reviewed key documents, performed analyses, visited test facilities where the Army evaluated FCS equipment, and interviewed DOD and Army officials.

What GAO Recommends

GAO recommends that the Secretary of Defense instruct the Army to correct the identified maturity and reliability issues prior to either fielding equipment or approving additional system procurement. GAO also recommends that the Secretary direct the Army to submit a comprehensive report to the Congress on its modernization investment, contracting, and management strategies. DOD concurred with GAO's recommendations.

[View GAO-10-406](#) or [key components](#). For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

DEFENSE ACQUISITIONS

Opportunities Exist to Position Army's Ground Force Modernization Efforts for Success

What GAO Found

With DOD having canceled the FCS acquisition program, the Army has moved away from FCS as the centerpiece of ground force modernization. Although the Army is still refining its post-FCS plans, it has already taken a number of actions to comply with DOD directions and define new modernization initiatives. For instance, the Army has terminated FCS vehicle development and is preparing for a new ground combat vehicle program. Also, Army officials convened a special task force to refine future force concepts and formulate an expedited fielding strategy. The Army also announced preliminary plans for new acquisition programs.

With ground force modernization efforts at an early stage, DOD and the Army face the challenge of setting the emerging modernization efforts on the best possible footing by buying the right capabilities at the best value. They have an opportunity to position these efforts for success by effectively implementing the enhanced body of acquisition legislation and DOD policy reforms as well as lessons learned from the FCS program, including lessons that underscore the use of knowledge-based acquisition and disciplined contracting strategies. Preliminary plans suggest that the Army is moving in that direction, including expectations to begin future developments with mature technologies and utilizing competitive prototyping. However, DOD recently approved, with a number of restrictions, low-rate initial production of the first increment of FCS spinout equipment, such as new radios and sensors, despite having acknowledged that the systems were immature, unreliable, and not performing as required. The restrictions include required DOD reviews of Army progress toward improving the systems' maturity and reliability. The spin out equipment was being developed within the FCS program, and the decision to approve production reflects DOD and Army emphasis on providing new capabilities quickly to combat units. However, this decision runs the risk of delivering unacceptable equipment to the warfighter and trading off acquisition principles whose validity has been so recently underscored.

Detailed plans for most of the Army's new modernization efforts are still being developed and may not be available until at least later in fiscal year 2010. That will be a limiting factor as the Congress considers the Army's fiscal year 2011 budget request for these modernization efforts.