

**Statement of John F. Tierney
Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives**

Hearing on “Defense Acquisitions: One Year after Reform”

As Prepared for Delivery

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Good morning. Today, the Subcommittee exercises one of its fundamental responsibilities: oversight of Defense Department spending. Specifically, we will be examining the acquisition of major weapon systems.

The United States has the most advanced military force in the world: our men and women in uniform operate the most sophisticated, highly developed, and technologically superior array of weapons systems this world has ever seen. This Subcommittee recently held hearings on one of the newest additions to the military’s toolbox, the unmanned aerial vehicle. New and improved weapons systems can help our military to be more effective and efficient, while keeping our troops out of harm’s way to the greatest extent possible.

However, fielding such a force has been difficult and costly, as seen by the numerous reports of cost overruns, schedule delays, and performance failures that have plagued our acquisitions programs for years and years. Numerous efforts to reform the acquisition system have been undertaken, including the Weapons Systems Acquisitions Reform Act of 2009 and the IMPROVE Acquisitions Act of 2010, which passed the House in late April and is currently being considered by the Senate. In addition, the Defense Department has made its own changes to its acquisition policy, and there have been countless recommendations made for improving acquisitions by various commissions, think tanks, and nongovernmental organizations. Still, as we will hear today, problems persist.

On April 29, 2008, the Subcommittee held a joint hearing with the full Oversight and Government Reform Committee that focused on the cost overruns and scheduling delays that persisted throughout DOD’s acquisition system. The centerpiece for that hearing was the Government Accountability Office’s 2008 *Assessment of Selected Weapon Programs*. At that time, GAO found that DOD’s largest weapon programs had exceeded their original costs by \$295 billion, and their 2009 report showed little improvement.

Today's hearing will focus on the conclusions and recommendations made in GAO's latest assessment, which was released in March. I understand that DOD has made progress since our 2008 hearing on implementing important reforms to its acquisitions programs and that the Department is genuinely trying to make improvements. However, in these tough economic times, when Americans are out of work and families are struggling to make ends meet, we must redouble our efforts to ensure that every precaution is in place to avoid wasting taxpayer money.

Contrary to GAO's longstanding recommendations, DOD has still not fully implemented a "knowledge-based approach" to its weapons acquisitions program. It boils down to the need for the Department to take some common-sense steps in its processes, such as testing prototypes to ensure that they meet all program requirements *before* starting production, confirming that manufacturing processes are "repeatable, sustainable, and capable of consistently producing" quality products, and making every effort to keep program requirements from changing in ways that cause increased costs and schedule delays. Instead, GAO found that *none* of the 42 programs assessed have attained or are on track to attain all the required amounts of knowledge at the critical phases in the acquisition system.

As an example, one of these programs – which Secretary of Defense Robert Gates designated as the Department's highest priority acquisition in 2007 – is the Mine Resistant Ambush Protected Vehicle, or MRAP, and its new lighter and more agile MRAP All Terrain Vehicle, or M-ATV. The cost of this critical program grew by 161% from 2007 to 2009, due in large part to problems that were discovered during testing that was initiated *after* production began. Nevertheless, according to GAO, the new M-ATV program still has concurrent production and testing schedules that are likely to require postproduction fixes and result in cost growth and scheduling delays. In fact, all 6,644 vehicles are scheduled to be delivered by the time developmental tests are scheduled to be completed. While I understand that the military has deemed this an urgent requirement, I question whether we need to be making the same costly mistakes twice.

On May 8th, Secretary Gates directed every component within the Department "to take a hard, unsparing look at how they operate," with the goal of finding real, long-term cost savings in the Defense budget. I applaud Secretary Gates for taking this important step. Congress, too, can do more to help this effort. The IMPROVE Act that was recently passed here in the House makes critical changes to help bring down the cost of our defense programs and to save taxpayer money. I hope that the Senate will act on this legislation soon.

As Secretary Gates noted, "given America's difficult economic circumstances and parlous fiscal condition, military spending on things large and small can and should expect closer, harsher scrutiny." That scrutiny continues today.