Opening Statement of Chairman Curt Weldon

Tactical Air and Land Forces Subcommittee Hearing on Fiscal Year 2007 Budget Request for Navy and Air Force Aviation Acquisition Programs

WASHINGTON, D.C. – This afternoon the subcommittee will receive testimony regarding Department of Defense tactical aviation issues. We will hear in the first panel from Government Accountability Office witnesses and in the second panel from witnesses from the Office of the Secretary of Defense, the Department of the Navy, and the Department of the Air Force.

We have asked our witnesses to address the status of the Navy and Air Force tactical aviation acquisition programs, the health of legacy fleets, and to provide an update on tactical aviation safety. Specifically, testimony is to focus on the most significant issues that the subcommittee will likely consider this year -- the F-22 procurement and funding profile and the proposed cancellation of the Joint Strike Fighter’s alternate engine program.

In past years, the Department of Defense has emphasized the need for program and funding stability within its acquisition programs. Over the past two years, Department of Defense procurement plans and budget requests for the F-22 have been anything but stable. For fiscal year 2005, a total procurement of 277 F-22s were planned with a projected procurement of 32 aircraft in 2007. That procurement plan changed last year to 179 total aircraft, with 29 aircraft being projected for procurement in fiscal year 2007. The F-22 budget request before us now for fiscal year 2007 has changed significantly from what Congress, the Air Force, and the F-22 industrial base planned on last year. The fiscal year 2007 F-22 budget request includes $584 million for research and development and $2.3 billion for procurement. While the budget request for research and development is very close to last year’s projected plan for fiscal year 2007, the procurement request is about $2.6 billion less. Moreover, last year’s plans called for the production of 29 F-22s in fiscal year 2007, but this year’s budget request does not include any aircraft. Instead, the $2.3 billion F-22 procurement request would provide for advance procurement, modifications and subassembly work on 20 F-22s planned for procurement in fiscal year 2008. We understand that this budget request assumes the authorization of a three-year multiyear procurement of 60 F-22s, 20 per year, between fiscal years 2008 and 2010. Further, a recent newspaper report suggests that there could be structural problems in F-22 aft fuselage...
sections, potentially impacting projected aircraft life. We understand that both the Air Force and the contractor are working together to resolve this issue. The Air Force will need to convince the subcommittee that the F-22 design is stable, as well as providing the other required analysis, before we can recommend a multiyear procurement authorization.

We hope to learn from today’s testimony how these significant changes will affect Air Force capabilities, costs of F-22s, and the industrial base that supports this production. We also hope to get a better understanding of F-22 engine cost trends. Requests to the Air Force on cost projections and trends have gone unanswered.

A second significant issue for the committee in this year’s budget request is the proposed cancellation of the Joint Strike Fighter’s alternate engine program. This proposed action has considerable implications for future JSF costs and capability as well as for the international JSF partnership.

The alternate engine program would provide for a competition between JSF engine manufacturers. The information we have been provided, particularly on the F100 and F110 engine programs, is that experience with large production runs is that competition has provided for cost savings and increased engine reliability and maintainability.

Since 1997, the Department of Defense has requested approximately $1.1 billion for the alternate engine program, and Congress has added $157 million to this amount for a total of $1.3 billion authorized and appropriated through fiscal year 2006. We understand that, based on an on-going contract which began in fiscal year 2005, $2.4 is required to execute the development of an alternate engine.

The alternate engine program for the JSF reminds long-time committee Members of the competition between the F100 and F110 engines--each made by a different company--and used on the F-15 and F-16 fleets. A review of committee documents from the mid-1980s indicates that, in a competition of 1800 F-15 and F-16 engines, the Department saved about $4 billion in life cycle costs, compared to baseline estimates of $18.8 billion in 1983 dollars. That’s a 21 percent savings in life cycle costs. Currently, 2,581 Joint Strike Fighters are planned for procurement, and future foreign military sales could increase that number of aircraft to over 3,000. It seems intuitive to the subcommittee that similar life cycle cost savings, and potential engine performance increases, could be achieved if the Department were to continue to provide a competition between manufacturers for the JSF’s engine. That is why this subcommittee and our committee have been supporters of this program for the last ten years. I assume that is also why the Department of Defense has been a supporter of the alternate engine program, with two senior level review groups, one in 2000 and one again in 2002 supporting continuation of the program. Further, I assume that is why the Defense Acquisition Board, one of the most senior decision making groups in the Pentagon, supported entry into Systems Development and Demonstration for the alternate engine last summer.

We therefore ask, since we all have believed for the past ten years that the alternate engine was the proper course, that all of our Department of Defense witnesses today speak to this issue and help the committee understand the Department’s rationale behind the proposal to cancel the JSF alternate engine in this year’s budget request. Competition, as you Secretary Krieg have pointed out frequently, is a good thing and unless there is a very good reason to sole source an estimated 5,000 to 6,000 JSF engines over the JSF
program life time, it is something we want to continue. Our concern is that while, given the dollar pressures in today’s budget, this decision may look like the right one to those in DOD for the short term, it may not be appropriate decision to eliminate competition for one of the largest engine acquisitions in the history of the Department.

The Department seeks stability in programs. We seek stability in programs. And if we want industry to give us affordable equipment, industry needs stability in programs. We cannot continue to have on again, off again programming as has been the recent record. To name a few programs subjected to unstable development or procurement plans: we watched last year as the C-130J program was terminated, then reinstated; the $6 billion Joint Unmanned Combat Aerial System, first being a DARPA-led program, then an AF led program, and now a Navy only program; a projected buy of 29 F-22s last year turning into zero F-22s this year; the proposed termination of the alternate JSF engine; cancellation of Air Force participation in the Joint Stand-Off Weapon program; the B-52 stand-off jammer program, which was started two years ago, being cancelled this year; the Joint Common Missile being cancelled shortly after entry into SDD, and other actions that amount to billions of dollars in programs and money spent without providing any war-fighting capability.

Too many programs are being initiated with unrealistic program cost and capability projections and we continue to pay an ever increasing price for this failure of process. Too often Milestone B entry requirements are also being waived with costly program impacts later in the process. And too often concurrent R&D and procurement schedules are permitted -- again, with costly consequences. As the GAO points out: “Over the past five years, the Department has doubled its planned investments in new weapon systems from $700 billion in 2001 to nearly $1.4 trillion in 2006. At the same time, research and development cost growth on new weapons continues to be about 30 to 40 percent.”

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