



# Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress

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## Summary

The Joint Light Tactical Vehicle (JLTV) is being developed by the Army and the Marine Corps as a successor to the High Mobility, Multi-Wheeled Vehicle (HMMWV) that has been in service since 1985. On October 28, 2008, awards were made for the JLTV Technology Development (TD) Phase to three industry teams: (1) BAE Systems, (2) the team of Lockheed Martin and General Tactical Vehicle, and (3) AM General and General Dynamics Land Systems. Once testing was completed and technology requirements established, a full and open competition was expected to be conducted in the late summer of 2011 for the Engineering and Manufacturing Development (EMD) Phase; the Department of Defense (DOD) planned to award two contracts for the EMD phase, which was scheduled to last 24 months.

In February 2011, it was announced the award of the EMD contract would be delayed until January or February 2012 because the Army changed requirements for the JLTV. DOD had planned to award two contracts for the EMD phase, which was scheduled to last 24 months, but instead proposed a 48-month-long EMD. There will be two JLTV variants—a Combat Tactical Vehicle (CTV) that can transport four passengers and carry 3,500 pounds and a Combat Support Vehicle (CSV) that can transport two passengers and carry 5,100 pounds.

On January 26, 2012, the Army issued the Request for Proposal (RFP) for the JLTV's EMD phase. Up to three EMD contracts could be awarded, and contract award was scheduled for June 2012. The EMD phase was planned to last 27 months, and vendors would be required to provide 22 prototypes for testing 12 months after contract award. The target cost for the base vehicle is \$250,000 excluding add-on armor and other kits.

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million. The three companies awarded the EMD contracts were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI). Australia is reportedly "not committed" to participating in the EMD phase, and the new RFP has no Australia-specific requirements—such as right-hand drive. Furthermore, the Australian Ministry of Defense (MOD) is said to be looking at a domestic variant of the JLTV, although they stated that they would continue to monitor the JLTV program.

The FY2013 Budget Request for JLTVs is \$72.3 million for Army Research, Development, Test and Evaluation (RDT&E) and \$44.5 million for Marine Corps RDT&E, for a program total of \$116.8 million. The House and Senate Armed Services Committees as well as the House Appropriations Committee have recommended fully funding the Administration's FY2013 JLTV Budget Request. The Senate Appropriations Committee recommended cutting \$5.9 million from the FY2013 Budget Request due to a two-month contract award delay.

Potential issues for Congress include clarification of foreign participation in the JLTV program, given Australia's apparent non-participation, and how the Army's upcoming study to revise overall tactical wheeled vehicle requirements might affect the JLTV program. Reported possible JLTV budget shortfalls starting in FY2015 might also be of congressional concern. This report will be updated.

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## Background<sup>1</sup>

The JLTV is an Army-led, multi-service initiative to develop a family of future light tactical vehicles to replace many of the HMMWVs used by the armed services today. HMMWVs, which first entered service in 1985, were developed during the Cold War when improvised explosive devices (IEDs) and other anti-vehicle explosive devices were not a major factor in military planning. The HMMWV's demonstrated vulnerability to IEDs and the difficulties and costs experienced in "up-armoring" HMMWVs already in the inventory have led to renewed emphasis on vehicle survivability. DOD officials have emphasized that JLTVs are not intended to replace HMMWVs "one for one."<sup>2</sup>

## JLTV Program

### What Is the JLTV?<sup>3</sup>

The JLTV program is a joint Army/Marine Corps effort to develop and produce both vehicles and associated trailers. Originally, there were three variants, but now there are two planned JLTV variants: a four-passenger Combat Tactical Vehicle (CTV) and a two-passenger Combat Support Vehicle (CSV). As planned, JLTVs would be more mechanically reliable, maintainable (with on-board diagnostics), all-terrain mobile, and equipped to link into current and future tactical data nets. Survivability and strategic and operational transportability by ship and aircraft are also key JLTV design requirements.

### Program Structure<sup>4</sup>

The JLTV is an Acquisition Category (ACAT) 1D program.<sup>5</sup> The Army bears the overall responsibility for developing the JLTV through its Joint Program Office within the Army's Tank, Automotive, and Armament Command (TACOM) in Warren, MI. Marine participation is centered

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<sup>1</sup> Alan L. Gropman, "Combat Vehicle Sector Could be Headed for Turbulent Times," *National Defense*, April 25, 2008, and James P. Miller, "Race is On to Replace Humvee," *Chicago Tribune*, June 21, 2008.

<sup>2</sup> Kris Osborn, "DOD's JLTV Becoming an International Effort," *Defense News*, August 4, 2008. Headquarters, Department of the Army, "Army Truck Program (Tactical Wheeled Vehicle Acquisition Strategy) Report to the Congress," June 2010, p. 5.

<sup>3</sup> Information in this section is taken from the Army Product Manager, Joint Light Tactical Vehicle website, <http://peocess.tacom.army.mil/pmJLTV.html>, last visited March 2, 2011, and Marine Corps PEO Land Systems Joint Light Tactical Vehicle website, <http://www.marcorsyscom.usmc.mil/peolandssystems/jltv.aspx>, last visited March 2, 2011, and Tony Bertuca, "PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant," *InsideDefense.com*, February 11, 2011.

<sup>4</sup> CRS Report RL34026, *Defense Acquisitions: How DOD Acquires Weapon Systems and Recent Efforts to Reform the Process*, by Moshe Schwartz, provides an extensive discussion of the defense acquisition process.

<sup>5</sup> The 12<sup>th</sup> Edition of the *Defense Acquisition University Glossary*, July 2005, defines an ACAT 1D program as "a Major Defense Acquisition Program (MDAP) which is estimated by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) to require the eventual expenditure for Research, Development, Test, and Evaluation (RDT&E) of more than \$365 million (FY2000 constant dollars) or the procurement of more than \$2.19 billion (FY2000 constant dollars)."

on a program office under the supervision of the Program Executive Officer Land Systems (PEO LS) Marine Corps at Quantico, VA.

## **Program History**

In November 2006, the Joint Chief of Staff's Joint Requirement Oversight Council (JROC) approved the JLTV program. On December 22, 2007, the Under Secretary of Defense for Acquisition, Technology, and Logistics USD (AT&L) signed an Acquisition Decision Memorandum (ADM) directing the JLTV Program to move from the Concept Refinement Phase into the Technology Development (TD) Phase of the DOD System Acquisition Process. The Army and Marines had intended to issue a Request for Proposal (RFP) for Technology Development Phase as early as October 2007. Concerned with funding adequacy, technical maturity, and shifting requirements, the Pentagon's acquisition executive, John Young, disapproved the issuance of the RFP and directed the Army and Marines to "go back to the drawing board and develop a robust technology development phase."<sup>6</sup> On February 5, 2008, an RFP for Technology Development Phase was issued to industry.<sup>7</sup> The RFP stated the government desired to award three contracts for the JLTV Technology Development Phase. The RFP stipulated that proposals would be due April 7, 2008, and the TDP would last 27 months. Contractors would build four test sub-configurations during the first 15 months, followed by 12 months of testing.

## **Technology Development Contracts Awarded<sup>8</sup>**

On October 28, 2008, three awards were made for the JLTV TD Phase for a total of \$166 million. The three industry teams were (1) BAE Systems Land and Armaments, Ground Systems Division, Santa Clara, CA, and NAVISTAR Defense, Warrenville, IL; (2) General Tactical Vehicles, Sterling Heights, MI—a joint venture between General Dynamics Land Systems and AM General; and (3) Lockheed Martin Systems Integration, Oswego, NY, BAE Systems, Alcoa Defense, Pittsburgh, PA, and JWF Defense Systems, Johnstown, PA.

## **JLTV Contracts Protested**

On November 7 and November 12, 2008, protests were filed with the Government Accountability Office (GAO) against the TD contract awards by the Northrop Grumman-Oshkosh team and the Textron-Boeing-SAIC team alleging there were "unintended discrepancies" in how the government rated bids in terms of the criteria of systems maturity, logistics, and costs.<sup>9</sup> As a result

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<sup>6</sup> Jason Sherman, "Pentagon Halts JLTV Competition, Directs Revised Strategy," *InsideDefense.com*, September 24, 2007.

<sup>7</sup> JLTV Request for Proposal, W56HZV-08-R-0210, February 5, 2008, and Marjorie Censer, "JLTV Solicitation Calls for Three Contractors: Officials Say More are Possible," *InsideDefense.com*, February 5, 2008.

<sup>8</sup> Unless otherwise noted, information in this section is taken from TACOM's JLTV Program website, <http://contracting.tacom.army.mil/MAJORSYS/JLTV/jltv.htm>, accessed March 2, 2011, and the Marine Corps PEO Land Systems JLTV website, <https://www.marcorsyscom.usmc.mil/peolandsystems/jltv.aspx>, accessed March 2, 2011.

<sup>9</sup> Marjorie Censer, "Following Northrop's Lead, Boeing-Textron Team Files JLTV Protest," *InsideDefense.com*, November 12, 2008 and Ann Roosevelt, "Textron-Team Protests Army JLTV Awards," *Defense Daily*, November 13, 2008; and Daniel Wasserbly, "U.S. GAO Rejects JLTV Protests," *Jane's Defence Weekly*, February 25, 2009, p. 12.

of the protest, work on the JLTV program by the three winning teams was suspended. On February 17, 2009, GAO rejected the JLTV protests and the stop work orders were lifted.

## **Change in Requirements, Program Schedule, and Variants<sup>10</sup>**

In February 2011, the JLTV Program Office announced the award of the EMD contract would be delayed until January or February 2012 because the Army changed requirements for the JLTV to have the same level of under body protection as the Mine-Resistant, Ambush-Protected All-Terrain Vehicle (M-ATV). DOD had planned to award two contracts for the EMD phase, which was scheduled to last 24 months,<sup>11</sup> but instead opted for a 48-month-long EMD phase before awarding Production and Deployment contracts in the second quarter of FY2016. In addition, the Category B variant was eliminated because it proved to be too heavy to meet the required weight of approximately 15,639 pounds to make it transportable by Army CH-47F and Marine Corps CH-53K helicopters. Now there will be two variants—a Combat Tactical Vehicle (CTV), which can transport four passengers and carry 3,500 pounds, and a Combat Support Vehicle (CSV), which can transport two passengers and carry 5,100 pounds.

## **Army Issues RFP for EMD Phase<sup>12</sup>**

On January 26, 2012, the Army issued the RFP for the JLTV's EMD Phase. Industry proposals for the EMD contract must be filed with the Army by March 13, 2012. The RFP stipulates up to three EMD contracts can be awarded, and contract award occurred in June 2012. These contracts will be capped at \$65 million per contract. The duration of the EMD performance period will be 27 months starting with contract award. Vendors will be required to provide 22 prototypes for testing 12 months after contract award, and the target cost for the base vehicle configuration is \$250,000 (FY2011 constant dollars), excluding add-on armor kits and other kits identified in the RFP.

## **Possible Acquisition Targets<sup>13</sup>**

### **Army**

The EMD RFP calls for at least 20,000 JLTVs for the Army with the option to procure additional vehicles.

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<sup>10</sup> Information in this section, unless otherwise noted is taken from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011 and Tony Bertuca, "PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant," *InsideDefense.com*, February 11, 2011.

<sup>11</sup> DOD Briefing: "JLTV EMD Industry Day," April 26, 2010.

<sup>12</sup> Solicitation, Offer, and Award, Number W56HZV-11-R-0329, U.S. Army Contracting Command, January 26, 2012.

<sup>13</sup> Information in this section is from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011 and the Army Tactical Wheeled Vehicle Strategy, undated but obtained from the Army in September 2010 and Michael Hoffman, "U.S.: JLTV to Beat Cost Prediction," *Defense News*, October 3, 2011.

## **Marines**

The Marines' procurement quantity is planned for 5,500 vehicles, with 4,650 being CTVs and 850 CSVs. This procurement quantity is likely dependent upon reducing vehicle cost and weight.

## **Navy**

The Navy has recently expressed a desire to participate in the JLTV program. If the Navy does participate, it would require from 400 to 500 CTVs and from 150 to 200 CSVs.

## **Air Force and Special Operations Command (USSOCOM)**

The Air Force and USSOCOM might also participate in the JLTV program, but USSOCOM's participation might be limited as it has its own Family of Special Operations Vehicles Program to develop a wide range of special operations-unique vehicles, including light tactical vehicles.

## **Foreign Participants**

### **United States and Australia Agree on Joint JLTV Development<sup>14</sup>**

In February 2009, the Pentagon and the Australian Department of Defense signed an agreement to coordinate the technology development for the JLTV. Under this agreement, 30 JLTV prototypes would be developed, with the United States funding the development of 21 prototypes and Australia funding 9. Australia reportedly has a need for about 1,300 to 1,400 vehicles with requirements similar to the JLTV, although Australian defense officials note Australia's participation in JLTV technology development does not automatically mean they will eventually procure JLTVs. At a February 2011 conference, Australian defense officials noted their current planned procurement quantity for right-hand drive JLTVs was 1,300, with about 900 for general purposes and 400 for utility missions.<sup>15</sup>

### **Australia Reportedly "Not Committed to JLTV EMD Phase"<sup>16</sup>**

A report suggests Australia has yet to commit any funds to the EMD phase and might be pursuing its own developmental effort. The Army's recent EMD RFP did not include any requirements that would be unique to Australia, such as a right-hand drive requirement, and in December 2011, the Australian government reportedly selected a vehicle developed by Thales-Australia for possible development, with production work in Australia commencing as early as 2016. Reports from the

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<sup>14</sup> Daniel Wasserbly, "U.S. and Australia to Join Forces on JLTV Programme," *Jane's Defence Weekly*, March 4, 2009, p. 12 and Marjorie Censer, "DOD Inks Formal JLTV Agreement with Australia; More Partnerships Planned," *InsideDefense.com*, February 26, 2009.

<sup>15</sup> Information is from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011.

<sup>16</sup> Information in this section is taken from Tony Bertuca, "Australians Still not Committed to the Joint Light Tactical Vehicle EMD Phase," *InsideDefense.com*, February 3, 2012.

Australian Ministry of Defense (MOD) suggest a final decision has not yet been made and the MOD would continue to monitor the JLTV program. It was also noted Australia did not participate in the TD phase initially and it is still possible it might opt to participate in the EMD phase. The 1,300 JLTVs that Australia planned to buy are valued at about \$1.5 billion.

## **Additional Foreign Participants<sup>17</sup>**

According to the JLTV Program Office, in addition to Australia, Israel, Great Britain, and Canada participated in the TD phase in various capacities. The Program Office has established working groups with Israel, Great Britain, and Canada, although the extent of the participation as well as the number of JLTVs they might consider procuring was not made public.

## **Program Activities**

### **Marines Might Defer JLTV Acquisition Until Late 2020s<sup>18</sup>**

Marine leaders reportedly testified to the House Armed Services Subcommittee on Tactical Air and Land Forces on November 16, 2011, if significant budget cuts are enacted due to sequestration of the defense budget under the provisions of the Budget Control Act of 2011, P.L. 112-25, the Marines would defer acquisition of the JLTV until the late 2020s. The Marines would instead develop and procure the Amphibious Combat Vehicle (ACV) before acquiring any JLTVs. Experts suggest if the Marines defer until the late 2020s, the per vehicle cost for the Army's JLTVs—which it hopes to begin procuring in 2015—would increase and possibly endanger the overall program.

### **Ford Motor Company Involvement with the JLTV Program**

In late 2011, Ford Motor Company, the second-largest U.S. automaker, began discussions with DOD about competing to build the JLTV.<sup>19</sup> Ford left the military tactical vehicle business in the early 1980s after more than two decades of producing Jeeps and other trucks. Ford believed it could leverage its commercial truck line and, in partnership with a defense contractor, develop the JLTV quicker and cheaper than current proposals.<sup>20</sup> Ford and its teammates, including Raytheon, contended among other things:

- Given a total order of 20,000 vehicles over six to eight years (2,000 to 3,000 vehicles per year) Ford's JLTV version (named the Joint Marine Army Vehicle, or JMAV) would cost \$225,000 or less per vehicle under a firm, fixed-price contract, \$200,00 or less in quantities above 50,000.

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<sup>17</sup> Information is from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011.

<sup>18</sup> Information in this section is taken from Roxana Tiron and Brendan McGarry, "Marines May Delay Light Combat Vehicles Program to Late 2020s," *Bloomberg.com*, November 6, 2011, and Michael Hoffman, "Cuts Could Delay U.S. Marines' JLTV," *Defense News*, November 21, 2011.

<sup>19</sup> Jason Sherman and Tony Bertuca, "Ford Eying Entry into JLTV Competition, Influenced DOD Move to Lower Cost Target," *InsideDefense.com*, December 9, 2011.

<sup>20</sup> *Ibid.*



- The Ford team would bear the entire cost of approximately \$400 million to build production-ready prototypes, meaning that no EMD phase would be required.
- JMAV production could start by late 2015, sooner if DOD accelerates JLTV testing and evaluating schedules.<sup>21</sup>

Reportedly, Ford would need an additional 14 months to produce prototypes required under the current RFP.<sup>22</sup> The Army reportedly was not receptive to modifying the EMD RFP to accommodate Ford, noting “we have to be fair to industry as a whole ... should we structure the program around one potential vendor based on where they’re at in their design process?”<sup>23</sup> The Army Program Manager for JLTV noted the EMD RFP would be closed on March 13, 2012, as stated in the RFP.<sup>24</sup> In addition to difficulties with the RFP deadline, Ford reportedly took issue with the EMD RFP, noting “no credit will be given for proposed performance above threshold or at objective levels” as Ford contends the JMAV would meet or exceed RFP performance requirements.<sup>25</sup> Given these and other concerns, Ford reportedly decided not to compete in the JLTV EMD phase.<sup>26</sup> On March 26, 2012, it was reported due to the JLTV program timelines, that Ford had entered an agreement with the BAE Systems JLTV Team to provide the Ford Power Stroke 6.7 liter turbo charged engine (similar to its F-Series Super Duty Truck engine) for the BAE Team variant, noting that these engines would be “very affordable” for DOD.<sup>27</sup>

## **January 26, 2012, Administration Major Strategic and Budget Decision Briefings<sup>28</sup>**

On January 26, 2012, senior DOD leadership unveiled a new defense strategy, based on a review of the current defense strategy and budgetary constraints. This new strategy envisions among other things:

- a smaller, leaner military that is agile, flexible, rapidly deployable, and technologically advanced; and
- rebalancing global posture and presence, emphasizing where potential problems are likely to arise, to Asia-Pacific and the Middle East.

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<sup>21</sup> December 12, 2011 Briefing provided to CRS by Ford Motor Company/Future Force Innovation representative.

<sup>22</sup> Tony Bertuca and Jason Sherman, “Move to Ignore Superior Designs Played a Role in Ford Decision to Skip JLTV,” *InsideDefense.com*, February 15, 2012.

<sup>23</sup> Tony Bertuca, “Tactical Vehicle PM Rebutts Criticism on JLTV, Digs in On RFP Closure,” *InsideDefense.com*, February 24, 2012.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Tony Bertuca, “Ford Motor Co. to Supply JLTV Engine for BAE Team,” *InsideDefense.com*, March 26, 2012.

<sup>28</sup> Information in this section is taken from U.S. Department of Defense News Transcript, “Major Budget Decisions Briefing from the Pentagon,” presented by Secretary of Defense Leon E. Panetta and Chairman of the Joints Chiefs of Staff General Martin E. Dempsey, January 26, 2012; U.S. Department of Defense News Transcript, “Major Budget Decisions Briefing from the Pentagon,” presented by Deputy Secretary of Defense Ashton B. Carter and Vice Chairman of the Joint Chiefs of Staff Admiral James A. Winnefeld Jr., January 26, 2012; U.S. Department of Defense Publication, *Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense*, January 2012; and U.S. Department of Defense Publication, “Defense Budget Priorities and Choices,” January 2012.

The Administration's new strategy and budget priorities specifically reference the JLTV, noting DOD intends to "protect" the JLTV program and HMMWV modernization would be terminated so that resources could be focused on the JLTV. These decisions are viewed by many as highly supportive of the JLTV program and represent a commitment to developing and fielding the JLTV.

## **Revised Army Tactical Wheeled Vehicle Requirements<sup>29</sup>**

Given the Administration's decision to decrease the Active Army by 80,000 soldiers and eliminate at least eight Brigade Combat Teams (BCTs), the Army is planning to reduce its tactical wheeled vehicle fleet. While details of this study have not been publically released, it was reported the Army projects it will reduce its overall tactical wheeled vehicle fleet by more than 60,000 vehicles. It is not yet known what the study will recommend in terms of numbers and types of JLTVs the Army will require in the future, but it can be assumed—based on the aforementioned DOD budgetary commitment to the JLTV—that required JLTV quantities will not be reduced significantly and might possibly increase due to de-emphasis on HMMWV modernization.

## **A Change to JLTV Competitors<sup>30</sup>**

Based on what is viewed as increased support by Congress and DOD, as well as changes to the JLTV program schedule, requirements, and cost, additional teams submitted bids on March 27, 2012, for the EMD phase contract. The six teams that submitted bids were

- AM General;
- a Lockheed Martin-led team including BAE Systems;
- Oshkosh;
- Navistar;
- General Tactical Vehicles ( a joint venture between AM General and General Dynamics Land Systems); and
- a BAE Systems-led team including Northrop Grumman.

While increased competition for the EMD contracts could result lower per unit costs for the JLTV, one defense analyst suggests it is also indicative of fewer opportunities for defense industry to design and manufacture new Army ground vehicles in the future.

## **JLTV EMD Contracts Awarded**

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million.<sup>31</sup> The three companies awarded the EMD contracts

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<sup>29</sup> Tony Bertuca, "Army Preps for Tactical Wheeled Vehicle Cuts, Readies Humvee for Sustainment," *InsideDefense.com*, February 24, 2012 and "Ground Services Targeting Cut of More Than 60,000 Tactical Wheeled Vehicles," *InsideDefense.com*, April 20, 2012.

<sup>30</sup> Information in this section is taken from Kate Brannen, "Competition Upended in U.S. JLTV Program," *Army Times*, March 31, 2012.

were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI). The period of performance is for 27 months, with each contractor receiving initial funding between \$28 million to \$36 million per contractor, with the balance of funding up to the full contract amount being provided in FY2013 and FY2014. In 12 months, each team will be required to deliver 22 full-up prototypes and contractor support for a 14-month comprehensive government testing program, which will include blast, automotive, and user evaluation testing. The overall EMD Phase is scheduled to last 33 months. According to the Army, “the EMD Phase is designed to test and prepare the next-generation vehicles for a Limited User Test, Capabilities Production Document and Milestone C procurement decision in FY 2015.”<sup>32</sup>

Unsuccessful bidders, Navistar Defense, BAE Systems, and General Tactical Vehicles (a team of General Dynamics and AM General), are permitted to continue developing JLTV candidate vehicles at their own risk and expense, if they notify the government within 30 days of the EMD contract award.<sup>33</sup> Reports suggest some bidders might consider continuing development of JLTV candidates for submission for production source selection.<sup>34</sup>

## **JLTV Program After the EMD Phase<sup>35</sup>**

According to the Army, the goal at the end of the EMD Phase is for the Army and Marines to down-select to a single vendor and move into Low Rate Initial Production (LRIP) by 2015. Current plans then call for three years of LRIP, followed by five years of full-rate production resulting in incremental delivery of the JLTV.

## **Budgetary Issues**

### **FY2013 JLTV Budget Request<sup>36</sup>**

The FY2013 Budget Request for JLTVs is \$72.3 million for Army Research, Development, Test and Evaluation (RDT&E) and \$44.5 million for Marine Corps RDT&E, for a program total of \$116.8 million.

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<sup>31</sup> Information in this section is from U.S. Army Message, “Army Awards Three Joint Light Tactical Vehicle Engineering & Manufacturing Development Phase Contracts,” Warren, Michigan, August 22, 2012.

<sup>32</sup> Kris Osborn, Office of the Secretary of the Army for Acquisition, Logistics, and Technology, “JLTV Program Moves into EMD Phase,” *Army News Service*, October 18, 2012.

<sup>33</sup> Tony Bertuca, “Three JLTV Winners Announced; Losing Companies Still May Have a Shot,” *InsideDefense.com*, August 23, 2012.

<sup>34</sup> *Ibid.*

<sup>35</sup> Kris Osborn, Office of the Secretary of the Army for Acquisition, Logistics, and Technology, “JLTV Program Moves into EMD Phase,” *Army News Service*, October 18, 2012.

<sup>36</sup> United States Department of Defense Fiscal Year 2013 Budget Request Program Acquisition Costs by Weapon System, February 2012, p. 3-2.

## **H.R. 4310, National Defense Authorization Act for FY2013<sup>37</sup>**

The House Armed Services Committee recommended fully funding the Administration's FY2013 Budget Request for the JLTV program.

## **S. 3254, National Defense Authorization Act for FY2013<sup>38</sup>**

The Senate Armed Services Committee recommended fully funding the Administration's FY2013 Budget Request for the JLTV program.

## **H.Rept. 112-705, Conference Report, National Defense Authorization Act for FY2013<sup>39</sup>**

Committee conferees recommended fully funding the Administration's FY2013 Budget Request for the JLTV program.

## **FY2013 Defense Appropriations Bill<sup>40</sup>**

The House Appropriations Committee has recommended fully funding the Administration's FY2013 Budget Request for the JLTV program.

The Senate Appropriations Committee recommended cutting \$5.9 million from the FY2013 Budget Request due to a two-month contract award delay.

## **Reported Potential FY2019 JLTV Budget Shortfall<sup>41</sup>**

A report suggests that draft DOD budget documents reveal the Army might require an additional \$1.1 billion in FY2019 to produce 1,917 JLTVs and avoid a "break in JLTV production."<sup>42</sup> This document recommends \$27 million of the funding request for FY2017 be shifted from RDT&E accounts to other procurement accounts to fund 71 JLTVs. The DOD budget planning document reportedly suggests the JLTV Program Office is unsure how much it will cost to install the network and associated computing and communications equipment on the JLTV and these costs will remain unknown until the LRIP contract is executed in FY2015. These alleged recommendations and observations suggest current JLTV program budget projections could increase significantly when DOD submits its next Program Objective Memorandum (POM).

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<sup>37</sup> H.R. 4310, National Defense Authorization Act for FY2013, Rules Committee Print 112-22, May 10, 2012.

<sup>38</sup> S. 3254 (Report No. 112-173), National Defense Authorization Act for FY2013, June 4, 2012.

<sup>39</sup> H.Rept. 112-705, Conference Report, National Defense Authorization Act for FY2013, dated December 18, 2012.

<sup>40</sup> Press Release, "House Appropriations Committee Releases Fiscal Year 2013 Defense Appropriations Bill, May 7, 2012 and Department of Defense Appropriations Bill, 2013, Report 112-196, August 2, 2012, p. 175.

<sup>41</sup> Paul McLeary, "JLTV's Coffers Run Dry in 2019, Budget Projection Shows," *Defense News*, December 3, 2012.

<sup>42</sup> Ibid.

## **Potential Issues for Congress**

### **Clarification on Foreign Participation**

With questions about Australia's commitment to the JLTV EMD phase, Congress might wish to further explore foreign interest in the JLTV with DOD. The Administration's commitment to the JLTV program might serve as an inducement to those countries who have already expressed an interest in the JLTV and possibly other countries with whom the United States wishes to further engage as part of the strategic shift to the Asia-Pacific and Middle Eastern regions.

### **Army's Revised Tactical Wheeled Vehicle Requirements**

While it is not expected that the Army's JLTV requirements will vary greatly under the Army's forthcoming study of tactical wheeled vehicle requirements, Congress might opt to review revised Army JLTV requirements. It has been suggested the Army could eliminate as many as 13 BCTs<sup>43</sup>—five more than the DOD-mandated eight BCTs to be cut under FY2013 budget guidelines—and an unspecified number of headquarters and support units and these cuts should be reflected in the Army's soon-to-be-released study. It has also been reported that based on downsizing, the Army plans to reduce its overall tactical wheeled vehicle fleet by 60,000 vehicles. With the possible restructuring of Army BCTs, it is also possible there might be additional requirements for different JLTV variants and these requirements should also be reflected in the Army's study. In addition, the Army's study might also be scrutinized to ensure that currently planned JLTV production matches the Army's plans to downsize and reorganize its forces.

### **Potential JLTV Budget Shortfalls**

The aforementioned report suggests the possibility of JLTV budget shortfalls, which could start as early as FY2015 when the JLTV LRIP decision is to be issued. While it is anticipated that DOD's FY2014 Budget Request will provide additional details addressing these potential shortfalls, Congress might choose to address these concerns with DOD before the FY2014 Budget Request. With the possibility of unanticipated defense budget cuts, it could be beneficial to examine future possible funding shortfalls and cost "unknowns" such as the cost of JLTV network and computer installation to determine if the JLTV program will be financially viable in the long term.

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<sup>43</sup> Reporter's Notebook, "Drop to 32 Brigades," *Defense News*, February 27, 2012, p. 14.