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## FCS Is Dead; Programs Live On

U.S. Army To Dissolve Flagship Acquisition Effort

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Some six weeks after U.S. Defense Secretary Robert Gates announced that he was killing the vehicle portion of the Army's \$160 billion Future Combat Systems, service officials are poised to announce that the entire program will be broken up, Army spokes-man Paul Mehney said.

Many parts of the world's largest land warfare weapons program - overseen by a Boeing-SAIC team - will be swept into a new servicewide modernization effort, Mehney said.

Service leaders are still working out the contours of the successor program, which is to be called Army Brigade Combat Team Modernization (ABCTM). It will be asked to take over buying new vehicles - perhaps with wheels, not the rubber-band tracks of the FCS vehicles. And it will have a much bigger hand in the effort, now that FCS lead system integrator Boeing-SAIC has been yanked off the job.

Army sources say the firms will receive roughly \$350 million in cancellation penalties.

ABCTM's name reflects the final death of the original vision of FCS: a program that would create a group of brand-new super-brigades and outfit them with next-generation, hyper-connected vehicles and gear.

Instead, the breakup highlights the philosophical shift that began with plans to spin out UAVs and networking equipment to existing units. Henceforth, the fruits of FCS will flow, in principle, to all of the Army's Brigade Combat Teams.

"The Future Combat Systems program is transitioning to an Army Brigade Combat Team effort which still encompasses a good percentage of FCS capabilities, but will not be limited to only FCS capabilities," Mehney said.

One analyst downplayed the changes.

"What comes out of this process will be fundamentally indistinguishable from FCS as we know it. You will still have a servicewide modernization effort," said Tom Donnelly, a resident fellow at the American Enterprise Institute, a Washington-based think tank.

And Boeing officials offered hopeful words.

"Boeing and its partners are meeting all FCS program milestones established by our customer, and our focus remains on continuing to execute to the Army's plan," Boeing spokesman Matt Billingsley said. "We look forward to building on the substantial investment and progress made to date on the program in support of Army modernization objectives and our nation's soldiers."

### REVAMPING PLANS

Army leaders are scrambling to revamp their acquisition plans for the new vehicles and the FCS command-and-control equipment, radios, UAVs, sensors and other gear.

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In April, they sent a preliminary list of goals for the new efforts to Pentagon acquisition chief Ashton Carter. The service is awaiting a response from Carter's office, as well as DoD's office of Program Analysis and Evaluation.

Meanwhile, the Army is laying more detailed plans to set up the new program office.

Yet the Army less than two weeks ago sent Congress a 2010 budget request that included \$2.9 billion for FCS work. That number is down from the \$3.6 billion the service received for FCS in 2009, and it's also less than the \$3.6 billion that it had planned to request this year.

The missing \$700 million was cut primarily from the Manned Ground Vehicle account, leaving \$368 million - basically enough to cover the anticipated cancellation penalty.

According to the list, other FCS-related items in the 2010 request include:

- \$1 billion for systems engineering.
- \$749 million for network hardware and software.
- \$125 million for Unmanned Ground Vehicles.
- \$88 million for the Non-Line-of-Sight Launch System.
- \$68 million for UAVs and other airborne reconnaissance gear.
- \$58 million for the Non-Line-of-Sight Cannon.
- \$26 million for Unattended Ground Sensors.

Army officials say they hope they will receive strong congressional support for their new approach.

"There is broad-based support for IBCTs [infantry brigade combat teams] and good support for the incremental strategy that is being worked now to deliver spinouts to all 73 BCTs [Brigade Combat Teams] between now and 2025," Mehney said.

One House Armed Services Committee member said lawmakers want to know more.

"We are all ears and awaiting details. Nobody on the committee will be surprised that FCS is being restructured," said Rep. Jim Marshall, R-Ga.

One congressional source said adjustments to the budget submission are likely.

"The one thing out of the whole program that has strong member support is spinout EIBCT," the source said. EIBCT refers to the items that the Army has been calling Spinout 1, the source said.

"With all the contract changes proposed, will that stay on schedule?" he asked.

#### **NEW VEHICLES**

The Army has asked for \$100 million in 2010 to launch the ABCTM effort, according to a list of FCS-related items in the 2010 budget request. A copy of the list was obtained by Defense News.

Program officials, led by Rickey Smith, who directs the Army's Capabilities Integration Center-Forward, are already drawing up requirements for the new vehicles.

The new vehicles might run on wheels instead of the tracks envisioned for the MGVs, Gen. George Casey, the Army chief of staff, told the House Armed Services Committee on May 14. They will include at least some FCS technology, he said.

Service officials intend to present preliminary requirements to Carter by Labor Day, Mehney said.

The Army aims to field its first vehicle within five to seven years, according to

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Lt. Gen. James Thurman, the Army's deputy chief of staff for operations.

At least one analyst doubts that.

"You will probably see a minimum of a two- to five-year delay from the production date of 2013," said Jim McAleese, principal associate with McAleese and Associates, a Virginia-based law firm.

#### **CONTRACTING CHANGES**

It's not yet clear how much the breakup of FCS will affect industry. Army officials are already talking with Boeing-SAIC about the early-termination charges for the cancelled vehicles, and will soon open formal talks.

"With any procurement and development contract, there are standard termination liabilities. We will enter into a negotiation period to discuss the contract," Mehney said.

A Boeing-SAIC spokesman declined to confirm the Army source's figure of roughly \$350 million.

The Army planned to spend \$87 billion over 15 years to develop and build the eight variants of the now-cancelled Manned Ground Vehicle. Experts estimate at least \$10 billion to \$15 billion has been spent since FCS got off the ground in 1999.

Boeing-SAIC, which has been paid about \$4 billion to date for its FCS work, stood to have taken a good chunk of the remaining vehicle funding, but much of that money would have gone to subcontractors such as BAE Systems, which is currently testing prototypes of the Non-Line-of-Sight Cannon.

Under the new ABCTM program, the Army will deal directly with vehicle suppliers, leaving Boeing-SAIC out.

"The immediate downside for Boeing is approximately a 15-percent loss in profit from the \$750 million which was in the 2010 plan for MGCV," McAleese said.

But McAleese said Boeing-SAIC will still have a critical role in the new vehicles because they will carry FCS networking gear, requiring support and training.

"Those vehicles will host the FCS network. They will be integrally involved," he said.

And Boeing-SAIC will remain lead systems integrator (LSI) for the spinout technologies, network and other gear, an Army official said.

Donnelly said the Army would be well-served by keeping an LSI for the new vehicles.

"If you don't design the vehicle around the network, you will go back to the old traditional contractor-determined vehicle design," he said. "At the end of the day, you still will have to have a force that talks to each other. The whole idea of an LSI is to make changes across the whole force as opposed to having individual systems.

"You will still need an electric-drive engine to run all the widgets. I doubt we will build a 70-ton tank again. If you are looking for a family of vehicles to build a force around, there are a lot of questions regarding whether a big tank is what you need."

Another analyst said the breakup of FCS was the right move for the Army.

"It will be better for the ground forces to have FCS broken up. Conventional insurgencies turn out to be situations where you want heavy vehicles," said Ben Friedman, research fellow in defense and homeland security studies with the CATO Institute, a Washington D.C.-based think tank. "We don't need to get there that fast, you can get to theater on sealift. It is probably good that the Pentagon is adjusting to realities that turn out to be different." ■

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