



**Thoughts on Various Topics
and TWV from a Last
Minute,
but ... Exceptional, Stand In**

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BIG THOUGHTS

- 3.8 Trillion → significant deficits → 725B
Medicare / Medicaid → 708B DEFENSE

DEFENSE SPENDING MAY HAVE PEAKED AND
WILL STABILIZE AT CURRENT LEVEL

- A volunteer Army manned, trained, and equipped to defeat “hybrid” threats is “much” more expensive than the pre-2003 force and where you accept risk in capabilities is a difficult decision.



THOUGHTS ON TWVs

- A proven essential capability that has captured more market share:
 - Route clearing
 - Mobility/survivability for “light” fighters
 - You can probably think of others!!
- Platforms (light thru heavy) that have proven to be very adaptable to integrating NEW capabilities without “unacceptable” degradation in overall performance
- Because of “2nd thought” and budget pressures will have a FUTURE of remanufacturing/upgrades, depot overhaul, and 10/20 RESET with no new starts
- OK, what about MRAP AND JLTV? Good question!



Final BIG THOUGHT

If you are a Leader in Defense (government or contractor) and you have not thought through the impact of the Acquisition Reform Legislation and its implementation by DOD on the **DEFENSE BUSINESS**, you are derelict in your duties!

WHY??

Major Changes to Acquisition Policy and Procedure

1. Analysis of Alternatives Study Guidance
- ★ 2. Acquisition Strategies to Ensure Competition
- ★ 3. Competition and Considerations for the Operation and Sustainment (O & S) of Major Weapon Systems
4. Competitive Prototyping
5. Cost Estimation
6. Developmental Test and Evaluation (DT&E)
7. Systems Engineering
8. Performance Assessments and Root Cause Analysis (PARCA)
9. Assessment of MDAP Technologies
10. Preliminary Design Reviews (PDR)
- ★ 11. Certification IAW 10 USC 2366a and 2366b
12. Critical Cost Growth
13. Revised MDAP Definition

I REST MY CASE !!



BACK - UP

DOD Programs

| Gross Cost (\$mil) (Base+OCO) | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|-------------------------------|---|------------|------------|------------------------|----------|----------|----------|----------|
| HMMWV | Procurement (USA) | \$1,511.00 | \$1,344.00 | \$ - | \$202.60 | \$ - | \$ - | \$27.70 |
| | Units (#) | 9202 | 8120 | | | | | |
| | Recap (USA) | \$510.00 | \$2.90 | \$989.10 | \$ - | \$ - | \$ - | \$62.30 |
| | Units (#) | 8594 | 46 | 9270 | | | | 336 |
| | RDTE (USA) | \$ - | \$ - | \$2.00 | \$ - | \$ - | \$ - | \$ - |
| | Procurement (USN) | \$77.80 | \$79.30 | \$123.50 | \$32.10 | \$34.00 | \$35.00 | \$34.70 |
| | Units (#) | 278 | 255 | 435 | 128 | 136 | 140 | 139 |
| | Procurement (USMC) | \$131.00 | \$37.60 | \$17.80 | \$0.70 | \$2.50 | \$21.80 | \$48.10 |
| | Units (#) | 591 | 213 | 94 | | 3 | 118 | 236 |
| | Procurement (USAF) | \$16.30 | \$63.00 | \$68.40 | \$33.90 | \$28.90 | \$26.80 | \$29.40 |
| MTVR | Procurement (USMC) | \$30.80 | \$141.80 | \$92.30 | \$11.80 | \$1.70 | \$137.30 | \$137.40 |
| JLTV | RDTE (USA) | \$20.50 | \$32.00 | \$52.90 | \$66.80 | \$51.50 | \$52.50 | \$53.30 |
| | RDTE (USMC) | \$38.70 | \$57.70 | \$31.80 | \$130.30 | \$73.90 | \$31.90 | \$35.60 |
| | Procurement (USA) | \$ - | \$ - | \$ - | \$ - | \$153.00 | \$478.10 | \$858.40 |
| | Procurement (USMC) | \$ - | \$ - | \$ - | \$ - | \$33.80 | \$516.80 | \$713.80 |
| FMTV | Procurement (USA) | \$631.50 | \$1,359.60 | \$1,434.50 | \$408.40 | \$396.90 | \$486.20 | \$381.20 |
| | Units (#) | 1877 | 4349 | 4651 | 1118 | 812 | 1229 | 916 |
| | RDTE (USA) | \$2.20 | \$5.70 | \$3.70 | \$5.70 | \$5.80 | \$5.90 | \$6.00 |
| FHTV | Procurement (USA) | \$1,975.00 | \$1,414.20 | \$738.40 | \$705.00 | \$73.70 | \$68.10 | \$160.80 |
| | Units (#) | 30137 | 20645 | 12227 | 7792 | 2401 | 2032 | 2309 |
| | RDTE (USA) | \$ - | \$5.70 | \$2.10 | \$ - | \$ - | \$ - | \$ - |
| MRAP | Procurement | \$1,961.00 | | | | | | |
| | MRAP Fund | | \$7,996.00 | \$3,415.00 | TBA | TBA | TBA | TBA |
| | Sustainment | | | \$2,300.00 | | | | |
| | Retrofit upgrade/overhaul Testing | | | \$1,000.00 \$100.00 | | | | |