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MEMORANDUM

FROM: Les Aspin, Chairman

SUBJECT: A defense industrial base -- and a defense -- for the future

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For some time now, high technology has been the very core of our defense. One of the basic tenets of that defense was that we needed high tech to offset the quantitative edge of our potential adversary, the Moscow-led Eastern Block. The world has changed. The old system of developing and buying every new generation weapon is neither affordable nor needed.

I have outlined a four-point resource strategy aimed at maintaining critical areas of the defense industrial base. These elements will offer us the flexibility needed to deal with real threats in a post-Cold War, post Soviet World. I've developed these themes in the attached speech. I hope you have a chance to look it over.

Getting the Right Defense and The Industrial Base to Produce It

by

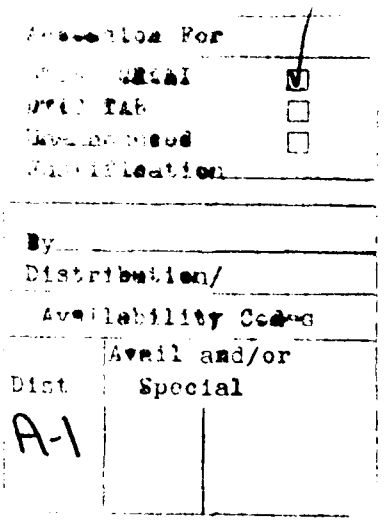
Rep. Les Aspin, Chairman
House Armed Services Committee

Before the

Washington Chapter,
Armed Forces Communication
and Electronics Association

City Tavern Club

April 28, 1992



It's a pleasure to be here tonight with the Washington Chapter of the Armed Forces Communications and Electronics Association to share with you some thoughts on these changing times. I want to focus tonight on high tech.

For some time now, high technology has been at the very core of our defense. One of the basic tenets of that defense was that we needed high technology to offset the quantitative edge of our potential adversary, the Moscow-led Eastern Bloc. And we never knew when we would have to use our forces, so we had to keep pushing new generations of weapons into the field to keep that high tech edge.

Well, things have changed.

First, we no longer have $300 billion defense budgets to finance this sort of thing.

But second and more importantly, we no longer have the need. There is no one out there we're remotely likely to fight who has a quantitative edge.

Given these changes, it's reasonable to ask if we still need the technological edge. The answer is yes. Operation Desert Storm made that clear. The technological edge means quicker victories with fewer casualties. In fact, I believe the U.S. technological edge means fewer casualties all around. Fewer on our side, fewer on the opposing side, and fewer from collateral damage. This is reason enough to maintain the edge, but there is more.

The American people are more likely to support the judicious use of force to protect our interests if they believe it will be done in the quickest time with the fewest casualties. This has been the lesson of every conflict since World War II.

But how do we do it? How do we maintain the edge when our old system of automatically fielding new generations of systems is neither needed nor affordable? I'm glad you asked.

Let me tell you about the resource strategy I've proposed. It has four parts. They are:

I. Selective Upgrading. This would allow improvement of weaponry without the expense of new systems, while helping to maintain needed elements of the defense production base.

II. Selective Low-rate Procurements. This would permit the purchase of current-generation systems and components as needed to keep vital, defense-unique suppliers alive to produce future systems.

III. Rollover-plus. This is a process of continuous prototyping and development, without a commitment up front to production. In essence, it involves "rolling" over technology from one development cycle to the next until the technology or system is needed in the field.

IV. Silver Bullet Procurements. Production of revolutionary weapons such as the F-117 that have the potential to alter the balance on the battlefield, but are not needed in large numbers.

Let me explain each of these prescriptions in greater detail, and then provide some examples of how we might apply this acquisition philosophy to specific programs in our upcoming committee markup.

Selective Upgrading: Critical portions of the production base for certain items can be maintained by upgrading systems or sub-systems. The advantages to performing such upgrades are three-fold: upgrading allows us to modernize systems where modernization through new production is no longer fiscally feasible. At the same time, upgrading requires production capacity that could also contribute to a surge potential in an emergency. And perhaps most importantly, upgrading sustains a base for production of future systems.

Two years ago, Congress directed a tank upgrade program to modernize the armor, electronics and cannons of existing tanks. This conversion program is a prime example of how upgrades can preserve critical components of our defense production base, at minimum risk, and at minimum cost. We think this is an important program, and that it is even more necessary now than when it was first introduced. Since we initially introduced the upgrade program, the so-called Block III tank program — our next generation tank — has been deferred until well into the next decade. This means that we will have no new tank production in this country for perhaps fifteen or more years.

Fifteen years is a long time to go without any capability to build, or even to improve the tank fleet we have, yet that is precisely the situation in which we find ourselves. But with the upgrade program, we keep the most important parts of our tank production base viable at minimum operating levels, create a more modernized tank force to carry us through the interim, and provide ourselves more time to assess the requirements for tank development of the future.

The same logic that has motivated Congress' tank upgrade program applies to other systems as well. We are currently examining the feasibility and desirability of establishing a similar program for the Bradley fighting vehicle. Like the tank program, new production of the Bradley is slated to end after FY92. As with the tank program, we have only one supplier of these infantry vehicles, and no plans for a follow-on system.

Selective Low-rate Procurements. For some systems, a strategy of upgrading will not be sufficient to maintain a viable production base. In such cases we should maintain low volume procurement rates to sustain critical suppliers.

Maintenance of a viable production base can also provide a near-term hedge against the uncertainties associated with future system development and production. The advanced helicopter improvement program or AHIP, and the F-16 are for this reason each candidates for low rate procurement.

— The Pentagon announced in its budget submission that it would delay production of the Army's Comanche Helicopter. Procurement of additional AHIP this year will provide us a hedge against possible development problems, or additional delays for the Comanche light helicopter program.

— The F-16 will soon be the only remaining Air Force fighter in production. Absent F-16 production, the Air Force will be completely dependent on the successful development of the Advanced Tactical Fighter (F-22) for the next generation fighter. We only need recall the cancelled Navy A-12 attack aircraft program to remind ourselves that such programs have risks.

There is perhaps an additional reason to consider limited procurements: the current system in production is one from which a "next generation" derivative evolves. Both F-18 C/D, from which the F-18 E/F will be derived, and the F-16, which we might want to use as the basis for the Air Force's next generation multi-role fighter, are examples of this principle.

"Rollover-plus." The first two approaches outlined above — upgrading and limited procurements — aim primarily at sustaining a minimal production capability in defense unique industries. Those two approaches cannot alone, however, ensure a healthy ability to explore and develop new technologies that will lead to advanced, next-generation systems. But as I have said, our current system for developing and fielding advanced systems is also no longer sustainable. The replacement is "rollover-plus" and a more detailed discussion is warranted here.

By "rollover-plus", we mean a process of technology and systems prototyping, which would continue through several development cycles until some fairly stringent production criteria are met. Those criteria are A) that the technology works, B) that it was required by development of the threat or C) represented a breakthrough that would alter battlefield operations. If, in any given cycle, those production criteria were not met, we would "rollover" the technologies and lessons learned into a further iteration of engineering, development and prototyping.

Let me provide two examples of systems I would consider for a "rollover-plus" development track: The Block III tank and the Comanche light helicopter program. Both the Block III tank and the Comanche are in the earliest phases of program development, and therefore lend themselves well to a rollover-plus development process.

Silver Bullet Procurements. Silver bullet procurements are just like they sound: highly capable systems procured in limited quantities and reserved for operations where a high-tech advantage could maximize U.S. leverage. F-117 operations in the Persian Gulf War might be viewed by some as an example of the use of a "silver-bullet." Technologically superior weapons clearly have the potential to save U.S. lives. But in the security environment of the future, our need for large quantities of such systems has diminished.

The B-2 was originally planned to be produced in numbers for a strategic mission. The Pentagon has now agreed with us that we need a small number aimed at a conventional role. That's the silver bullet approach.

We might consider procuring the F-22 as a silver bullet, both because of the reduced technological threats we now face after the disintegration of the Soviet Union, and to ease the affordability crunch we anticipate with the procurement of next-generation tactical aircraft.

And finally, the V-22 could serve as an ideal "silver-bullet" in support of special operations forces.

That's the program. I believe it does two important things:

First, it gives us the means to maintain critical areas of the defense industrial base and thus maintain our technological edge.

Second, it gives us a number of responses to changes in the threat. We can no longer afford a system that allows us no choice but to produce new generation after new generation.

Thank you.