**RECORD VERSION**

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**BEFORE THE**

**SUBCOMMITTEE ON AIRLAND**
**COMMITTEE ON ARMED SERVICES**
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## INTRODUCTION

Chairman Kelly, Ranking Member Cotton, distinguished members of the Subcommittee, thank you for your continued support to our Soldiers, Civilians, and Families. On behalf of the Secretary of the Army, the Honorable Christine E. Wormuth, and the Army Chief of Staff, General Randy A. George, we thank you for the opportunity to appear before you today to discuss the Army's modernization program.

The Army's Fiscal Year (FY) 2025 budget reflects the Army's comprehensive approach to modernization, so the Army can adapt to the challenges of an unpredictable era marked by rapid and disruptive technological innovation and great power competition. The budget request sustains momentum in our modernization initiatives, including the ability to invest faster in rapidly developing technology, while simultaneously prioritizing our role as the Joint Force linchpin in the Indo-Pacific, improving our Nation's industrial base and relationships with its innovation base, and continuing to support our Allies and partners. Most importantly, this request will provide our Soldiers the materiel solutions needed to fight and win our Nation's wars as part of the Joint Force.

## THE SECURITY ENVIRONMENT

The security environment is marked by efforts of the People's Republic of China (PRC) and Russia to reshape the international system to suit their authoritarian aspirations and coercive methods and by accelerating technological innovation that is proving to be the locus of the great power competition for technological superiority and economic and military advantage.

As highlighted in the 2022 National Security Strategy, while Russia remains an immediate and ongoing threat, the PRC is the nation's most consequential strategic competitor and the pacing challenge. The PRC is the only revanchist great power with both the stated intent to reconfigure the international system and the diplomatic, informational, military, economic, and technological instruments of national power to do so.

The PRC is leveraging innovative technology not just to modernize its military and create asymmetric advantages across all the warfighting domains and the electromagnetic spectrum, but also transform it by effectively aligning its military Doctrine, Organization, Training, Materiel (including weapons systems), Leadership and Education, People, Facilities, and Policy.

The Russia's war against Ukraine and events in the Levant demonstrate how the character of war continues to change rapidly and unpredictably. The unrelenting pace of technological innovation in these conflicts, as well as the competition between great powers, is placing a premium on the ability of nations, governments, and military institutions to adapt materially (including the industrial base), conceptually, and fiscally while also leveraging the comparative advantages of their citizen-soldiers and private sector innovation base. What we are seeing in Ukraine and Israel validates our six modernization initiatives: Long Range Precision Fires, Air and Missile Defense, Next Generation Combat Vehicles, Soldier Lethality, Future Vertical Lift, and the Network.

## MODERNIZING AND TRANSFORMING OUR ARMY

Materiel modernization is an essential part of the Army's broader transformation effort. Transforming our Army to ensure war-winning future readiness requires more than just fielding materiel solutions such as new technologies and platforms. It requires "continuous transformation," which is a framework for exploring opportunities particularly with the private sector's innovation base and reshaping the institutional processes to invest in and realize leap-ahead capabilities faster than our adversaries. Those opportunities and enabling processes may be different according to the time frame — whether in the next 18–24 months, the next 2–7 years (the time frame for defense budget planning), or concept-based capabilities in the decade beyond that.

The balance of current and future readiness requires advanced analytical methodologies to understand more comprehensibly the trade-offs and associated risks

between Modernization, Enduring, and Legacy program requirements and associated Army budgetary bins. To fully realize the potential of new capabilities on the battlefield requires integrating materiel modernization with non-materiel efforts. These include Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facilities, and Policy.

Only by transforming and modernizing our Army in such a holistic, formation-centric manner and leveraging the Nation's industrial and innovation bases can we deliver more rapidly the relevant capabilities, such as human-machine integrated formations, needed to ensure the Army will continue to dominate the land domain in a period of disruptive technological innovation and great power competition.

## MODERNIZING THE FORCE

The FY 2025 budget request puts the Army on a sustainable path to equip today's Soldiers with modern equipment while we invest in the technologies and systems necessary to build the Army of 2030-2040. We have also ensured that our requested resources are synchronized with the Secretary of the Army's six operational imperatives around which we are building the Army of 2030-2040:

- First, to sense deeper and more persistently than our enemies at all echelons.
- Second, to concentrate combat forces from dispersed locations to overwhelm our adversaries.
- Third, to deliver long range precision fires as part of the Joint Force.
- Fourth, to deliver air and missile defense at echelon to protect our forces.
- Fifth, to reliably communicate amongst ourselves and our Joint and coalition partners and secure ourselves from enemy cyber and electronic attack.
- Last, to sustain the fight for whatever the duration.

Front and center in this effort is our sustained commitment to our key modernization portfolios – Long Range Precision Fires, Next Generation Combat Vehicle, Future

Vertical Lift, Network, Air and Missile Defense, Soldier Lethality, Synthetic Training Environment, All Domain Sensing, and Contested Logistics – and we are grateful to Congress for the stable funding provided to advance these initiatives.

Long Range Fires Programs:

- The Army demonstrated the Precision Strike Missile's (PrSM) capability to achieve ranges well beyond the legacy Army Tactical Missile System and began production qualification testing in 4Q FY 2023.
- We successfully tested the Land Based Anti-Ship Missile seeker and the Extended Range Propulsion ramjet, setting conditions for subsequent increments of the PrSM program.
- The Army concluded the Extended Range Cannon Artillery (ERCA) Middle Tier of Acquisition (MTA) Rapid Prototyping effort in October 2023, with a determination that the current effort required further maturation and redesign. As part of a shift in strategy, the Army is planning a "commercial off the shelf" performance demonstration in the summer of 2024 that will provide decision makers a better understanding of the artillery systems available and capable of meeting the Division Artillery Lethality capability gaps validated by Army Futures Command led Tactical Fires Study.
- The Army's Rapid Capabilities and Critical Technologies Office, in partnership with the Navy, is on track to deliver the first Long-Range Hypersonic Weapon (LRHW) battery in CY 2024.
- We delivered the Army's Mid-Range Capability (MRC) initial hardware in 1Q FY 2023 and are on track to equip three MRC batteries between FY 2024 – FY 2026. The MRC prototype effort leverages existing Service missiles, launchers, software, and offers a maritime strike capability. MRC is projected to operate in the U.S. Indo-Pacific Command (USINDOPACOM) area of responsibility (AOR).

Next Generation Combat Vehicle Programs:

- The Army remains fully committed to the XM30 (Formerly Optionally Manned Fighting Vehicle) program, executing a multi-phased acquisition approach to maximize competition. In 3Q FY 2023, the Army awarded the competitive contract to two vendors for the Phase 3 (Detailed Design) and Phase 4 (Prototype and Test) portions of program. Final vendor selection targeted for 2Q FY 2028.
- The Robotic Combat Vehicle (RCV) program continues to make progress, informed by extensive experimentation with the RCV Full-System Prototype effort. At the end of FY 2023, the Army awarded four contracts for demonstrator vehicles. Final vendor selection is scheduled to occur in 2Q FY 2025.
- The M10 Booker (Formerly Mobile Protected Firepower) program began low-rate initial production in 3Q FY 2022, with the first LRIP vehicles arriving in 2Q FY 2024 and fielding planned for FY 2025.

Future Vertical Lift Programs:

- The Army is committed to the Future Long Range Assault Aircraft (FLRAA), which remains our highest aviation modernization priority. FLRAA will provide effective assault and MEDEVAC capabilities, with significantly increased speed, range, and endurance.
- The Future Tactical Unmanned Aerial System (FTUAS) is leveraging a competitive rapid prototyping approach to deliver transformational reach to ground forces with an organically sustained, rapidly deployable, runway-independent, and on-the-move control platform. FTUAS provides the BCT organic airborne reconnaissance and security with real-time situational awareness and effects vital to cross-domain maneuver at the speed required in Multi-Domain Operations. FTUAS will use an open systems approach to continually upgrade the system with the latest technology.
- The Army continues development of Launched Effects, a family of operationally consumable Uncrewed Aircraft Systems that are launched from both air and ground platforms to extend tactical and operational reach across multi-domain operations

and enhance the overall range of lethal and non-lethal effects. This will include loitering munitions, additional sensors, and a vast array of payloads to support varying mission requirements.

Network Programs:

- The Army is transforming our command and control (C2) network to ensure we have the right capabilities at echelon to fight and win in Large Scale Combat by delivering simpler, more intuitive, lower signature, and more flexible capabilities.
- The Army is adapting its electromagnetic spectrum training, operations, and technology for Large Scale Combat, including equipping commanders with the materiel they require to see, understand, and reduce their electronic signature to manage risk to mission.
- Over the next year, deployed Army units will conduct real-world experiments to reduce network complexity and get the right capability in place at the right echelon.
- The Army is also accelerating delivery of the Unified Network through unified requirements, unified governance, a realigned PEO, and centralized delivery of services.
- FY 2025 continues the fielding of modernized C2 network capability while evolving to more agile methods of development and deployment.
- In FY 2025, the Army is investing in key capabilities that increase network resiliency, modernize backhaul, and upgrade post/camp/station network infrastructure worldwide.
- In total the Army is fielding more than 450 Army, Army Reserve and Army National Guard units with modernized network and/or C2 capability in FY 2024 – 2025.

Air and Missile Defense (AMD) Programs:

- The Army fielded the Initial Operational Capability for the Integrated Air and Missile Defense Battle Command System (IBCS) in 3Q FY 2023 and recently completed the Full Rate Production decision for this critical Air and Missile Defense system that will link Army and Joint sensors to shooters.

- The Army is improving the Maneuver-Short Range Air Defense capability, which was fielded to the first battalion, with the second battalion fielded in 1Q FY 2024.
- The Army continues to make progress on its Directed Energy Maneuver - Short Range Air Defense (DE M-SHORAD) effort, a 50 kilowatt-class laser on a Stryker. Four prototypes have been accepted by the Army.
- We are advancing directed energy efforts for Indirect Fire Protection Capability (IFPC) by developing high-energy lasers (HEL) and high-power microwaves (HPM) for a layered defense of fixed and semi-fixed sites against an array of threats. As of 2Q FY 2024, the Army has accepted four IFPC-HPM prototypes. Two prototype IFPC-HEL 300kW-class laser weapon systems will be delivered by the end of FY 2025.
- Six Lower Tier Air and Missile Defense Sensor (LTAMDS) prototypes have been manufactured and are in developmental testing, with residual operating capability first demonstrated in 1Q FY 2024. Testing will continue to validate additional capabilities through an Operational Assessment with Warfighters in 1Q FY 2025.
- In November 2023, the United States Government leased the two Iron Dome Defense System Army (IDDS-A) Batteries to the Government of Israel for a period not to exceed 11 months.
- The Army has accepted the first set of Indirect Fire Protection Capability (IFPC) launchers for test and evaluation and is on path to complete delivery of all 16 launchers to begin an operational assessment in 4Q FY 2024.
- The Army continues to procure Counter-small Unmanned Aircraft Systems (C-sUAS) to address Unmanned Aircraft Systems threats. In 1Q 2024, the Army began procuring one Division C-sUAS set with 172 Coyote interceptors, complete with procurement of 59 fixed sites that cover globally prioritized critical sites. In FY 2025, the Army will procure a second Division set of C-sUAS systems, seven Family of Counter-Unmanned Aircraft Systems to provide C-sUAS capabilities for USASOC, continue to field C-sUAS capabilities to protect Secretary of Defense approved covered facilities and assets, and support emergent requirements in support of Joint

Urgent Operational Needs. Additionally, the Army will finish fielding C-sUAS capabilities to the first two Army Combat Divisions.

Soldier Lethality Programs:

- Based on results from Integrated Visual Augmentation System (IVAS) FY 2022 operational testing, the Army conducted a program re-plan to address areas of improvement. The Army and Microsoft have identified solutions to address these areas through refinements driven by Soldier-centered design. The Army initiated IVAS 1.0 fielding to Training and Doctrine Command (TRADOC) units in late FY 2023, and is on pace to field IVAS 1.1 systems to the Combat Training Centers in FY 2024. The Army intends to field IVAS 1.2, the full rate production goggle, to the Close Combat Force as early as 4Q FY 2025.
- The Army has procured approximately half of its Enhanced Night Vision Goggle Binocular (ENVG-B) procurement objective. Additional procurement funding in FY 2023, along with programmed funding in FY 2024, facilitated the purchase of an additional 10K ENVG-B systems and maintains ENVG-B production through 4Q FY 2026.
- Production of the Next Generation Squad Weapon (NGSW) Rifle, Automatic Rifle, Fire Control, and General Purpose Ammo began in FY 2022, and First Unit Equipped occurred in 2Q FY 2024.

Synthetic Training Environment (STE) Programs:

- STE Software (STE-SW) and Reconfigurable Virtual Collective Trainers (RVCT) delivered initial prototype capabilities in FY 2023 and is on track for First Unit Equipped (FUE) in 4Q FY 2024 to Army Fort Cavazos, Fort Moore, and Fort Novosel. One World Terrain, a key component of STE-SW, is in the hands of Soldiers now providing operational battlefield visualization.
- We continue progress on the Squad Immersive Virtual Trainer which remains aligned with IVAS, with development focused on hardware productization, cybersecurity, reliability, and other enhancements.

- The Army's Live Training System (LTS) to conduct force-on-force and force-on-target live training will deliver initial capability to the Joint Readiness Training Center in FY 2024.
- The Soldier Virtual Trainer (SVT) conducted its first Soldier Touchpoint in 1Q FY 2023, with a second STP scheduled for 3Q FY 2024. The program is on track to deliver initial capability in 1Q FY 2025.

All Domain Sensing Programs:

- The Army transitioned to M-Code Global Positioning System (GPS) and alternative Position, Navigation, and Timing (PNT) beginning in FY 2022, following the first fielding of Dismounted Assured PNT Generation I Quick Reaction Capability System, fulfilling the Directed Requirement.
- The Mounted Assured PNT System Generation II Program of Record, an M-Code GPS capable system, will initiate fielding in FY 2024.
- Success in the APNT/S Cross-Functional Team (CFT) allowed the Army to transition the team and its efforts into the All-Domain Sensing (ADS) CFT. The ADS CFT will address multi-sensor dominance, sensing architecture, advanced processing and dissemination, and other operational enablers to facilitate successful understanding and decision-making in multi-domain operations.
- The Army continues to invest in the ground segments of space-based technologies that close operational gaps in deep sensing and targeting activities. The Army prototyped and live-fire demonstrated the first-ever use of Low-Earth Orbit Satellite-based Alternative Navigation technology to guide a Precision Guided Munition in a totally GPS-denied environment and successfully engage a target at long range.

Contested Logistics Programs

- AFC instituted the Contested Logistics Cross-Functional Team (CL CFT) to lead a deliberate transformation effort by developing Army and Joint Signature Sustainment Modernization Capabilities aligned to pacing threats associated with contested Multi-Domain Operations (MDO) and Large-Scale Combat Operations (LSCO).

- The CL CFT reached Full Operational Capacity (FOC) on 31 OCT 2023.
- The CL CFT is currently addressing the challenges presented in a contested environment through four key portfolios: Precision Sustainment, Human Machine Integration (HMI) Supply & Distribution Systems, Advanced Power, and Demand Reduction.
- Recently, an Army Requirements Oversight Council (AROC) approved Predictive Logistics with an initial focus on firing platforms, specifically Abrams, Paladins, and Bradleys.
- The CL CFT pursues continuous transformation with autonomous/robotic solutions and HMI to increase operational reach and endurance for commanders.

The Army's budget request also continues procurement and modernization of our key systems for our operational aviation platforms, Ground Combat Systems, Intelligence programs, Logistics, Armaments, and Ammunition. We carefully balanced the overall Research, Development, and Acquisition portfolio, including fine-tuning between Research, Development, Test and Evaluation funding, and Procurement funding, as we transition from enduring systems to our new modernized systems.

The Aviation portfolio strikes a balance between prudent investments to maintain the viability of the enduring fleet, while also investing in future aircraft and capabilities designed to provide reach, standoff, and overmatch against peer competitors in Multi Domain Operations. Beyond investments in FLRAA, the Army is making key investments in Apache, Black Hawk, and Chinook helicopter modernization, to include CH-47F Block II for conventional units and MH-47G for special operations units. The Army also continues investments in munitions and aircraft protection by sustaining Joint Air-to-Ground Missile production, an improved lethality option to the current Hellfire missile, and through continued investment in Aircraft Survivability Equipment, a suite of systems that protect Army aircraft from threat infrared missiles, radar guided missiles, and lasers through detection and defeat systems.

Armored Brigade Combat Team modernization and combat vehicle protection remain a priority. With this budget, the Army will procure 30 Abrams M1A2SEPv3s Tanks, 51 Strykers, 20 Self-Propelled Howitzer Paladin Integrated Management (PIM) vehicle sets, and 26 Joint Assault Bridges.

The Intelligence and Electronic Warfare (IEW) Portfolio enables Commanders to see and sense more, at greater distance, and more persistently at every echelon. The IEW portfolio is making key investments in critical Multi-Domain Intelligence capabilities to provide better analytics, Deep Sensing, and Indications and Warning (I&W) in support of Targeting. These investments include the Terrestrial Layer System which will provide electronic warfare and cyber enabled effects; the Army Intelligence Data Platform (AIDP) that is the Army's first cloud native web based intel program of record; The Multi-Domain Sensing System- High Accuracy Detection and Exploitation System (MDSS-HADES), which will provide collection at extended ranges; and the Tactical Intelligence Targeting Access Node (TITAN), which will provide processors to exploit and disseminate critical intelligence, at every echelon. These critical investments are required to meet our pacing threat challenges.

The Air and Missile Defense portfolio invests in integrated command and control, sensors, and shooters to provide 360-degree, tiered, layered defensive fires against a wide range of air and missile threats. It continues to invest in Counter-small Unmanned Aircraft Systems (C-sUAS), Lower Tier AMD Sensor prototypes, Patriot radar upgrades, and procurement of critical AMD munitions, such as the Patriot Missile Segment Enhanced. The Fire Support portfolio continues to invest in modernization priorities to address long-range missiles fires and capabilities needed for today, with a focus on the INDOPACOM AOR. In FY 2025, we will procure 236 PrSM Increment 1 missiles, support PrSM Increment 2 seeker development, and begin procurement of 19 Maritime Strike Tomahawks (MST) to support the priority theater.

The Command and Control portfolio continues to align resources required for networks and command posts to be simpler, more intuitive, lower signature, and more flexible. The portfolio will increase Command Post mobility and survivability through investments in modular command posts, on-the-move and low earth orbit SATCOM, and secure wireless capabilities. The portfolio procures modernized radios to meet the National Security Agency cryptographic modernization requirements and joint and coalition interoperability; continues investments in Unified Network Operations, software-defined network capabilities, and network security to enable data centricity. It will also continue to procure and develop Assured Position, Navigation, and Timing capabilities.

The Logistics portfolio invests in Army Watercraft, a combat multiplier in support of Army operational concepts and the Geographical Combatant Commander in large scale combat operations; invests in contested logistics capabilities to reduce demand and provide point of need production and sustainment; and realigns funding to support critical ammunition program lines and Army Training Strategies to ensure contractual requirements are met to maintain Industrial Base Minimum Sustainment Rate capacities; and procures of 1,353 Joint Light Tactical Vehicles, 16 High Mobility Multipurpose Wheeled Vehicles (HMMWVs) and 2,167 HMMWV antilock braking system/electronic stability control kits to improve our existing tactical wheeled vehicle fleet.

Finally, the Human Machine Integration (HMI) portfolio consolidates Army efforts to bring autonomous and machine learning advantages to our tactical formations. Integrating virtual training capacities in emerging weapon systems and enduring systems with add on modules/effects ensures continuous training of Soldiers and formations to operate efficiently and effectively as part of the joint force. Observations from ongoing conflicts in Europe and the Middle East, as well as an understanding of the significant threats in INDOPACOM demonstrate a need to rapidly develop an HMI capability inside our Army formations at echelon. Our investments in autonomous and semi-autonomous ground and aerial systems are essential to extend our battlefield effects, maintain an advantage over the enemy, and enhance the lethality and

survivability of our formations. The Army will employ robotic systems to offload risk from Soldiers onto machines and leverage autonomy and machine learning to reduce Soldier mental and physical loads. This allows our number one asymmetric advantage, the U.S. Army Soldier, to focus on those tasks that only humans can do – the ethical application of force, utilize curiosity and intuition, and apply the art of command. The ability to make first contact with the enemy using a robot instead of a Soldier is essential to continue to protect our most precious resource. Investment in the HMI portfolio allows the Army to do this.

## MODERNIZING OUR BUSINESS PRACTICES

The Army has embraced industry best practices, such as the use of Soldier-centered design and rigorous experimentation with prototypes, to enable feedback from Soldiers and commanders earlier in the development process. This is accomplished in phases – first by getting prototype equipment into the hands of Soldiers from the operational force early, through Soldier touchpoints, to refine requirements before more investments are made. In subsequent phases of experimenting with prototypes in increasingly complex scenarios, we assess how we would organize and fight using this technology. This provides the Army not only valuable feedback on the technology itself, but we learn how we need to train and integrate across Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facilities, and Policy.

The Army continues Project Convergence, a Joint and multi-national experimentation campaign of continuous learning to inform capability design with Soldier touchpoints that culminates in a major field experiment. Working closely with our counterparts from the other Services, we identify Joint warfighting problems to solve. Experimentation objectives, operational scenarios, and data collection plans are managed by the Project Convergence Board of Directors, which includes representatives from all the Services, the Joint Staff, and coalition partners. Events range from field experimentation with the signature modernization capabilities from the Army's Cross-Functional Teams to embedding experimentation objectives in annual operational exercises, such as

Northern Edge, Valient Shield, Balikatan, and Avenger Triad. These events include focused learning on integration with multi-national partners, including FVEY, NATO, and many Pacific partners (Japan, Republic of Korea, Philippines, Singapore, etc.). The PC series also features a Capstone event that establishes an Army-hosted Joint experimental venue. The Capstone event is designed to inform the Joint Warfighting Concept, the OSD vision for CJADC2, and CCMD priority areas (such as the Joint Fires Network from INDOPACOM).

The Army continues to implement and employ the reform initiatives granted by Congress that were designed to streamline and gain efficiencies in the acquisition process. In recent years, Congress has authorized more flexible approaches to acquisition, which have resulted in the establishment of DoD's Adaptive Acquisition Framework (AAF). The AAF provides the Army with six acquisition pathways that enable the acquisition workforce to tailor strategies to deliver better solutions faster. For example, the Army is judiciously using Middle Tier Acquisition (MTA) rapid prototyping authority to experiment with innovative, mature technologies to quickly demonstrate new capabilities. The Army is using MTA rapid fielding authority to quickly field production quantities of new or upgraded systems with minimal development, potentially resulting in faster capability delivery and lower costs. In all, the MTA pathway enables a "try before we buy" framework that reduces risk, reduces cost, and accelerates capability development and deployment. The Army currently has 32 programs executing MTA rapid prototyping or rapid fielding efforts and is using these authorities to accelerate select Army modernization priorities including FLRAA, XM30, MRC, and IFPC.

The Army also benefits from the establishment of the Software Acquisition Pathway (SWP). The SWP is a new acquisition pathway used to facilitate rapid and iterative delivery of custom software capabilities to users, recognizing that technology development cycles are more rapid in software systems. Programs using the SWP will demonstrate the viability and effectiveness of the capability within one year. The Army currently has 17 programs executing on the SWP, and we continue to seek more opportunities to use this tailored pathway. In addition to the SWP, the Secretary of the

Army issued a new policy in March 2024 to drive adoption of agile software development practices. The directive institutionalizes modern software development approaches across the Army, in line with industry best practices. These approaches – which include agile and lean practices – focus on iterative development and delivery of software in close coordination with users. This type of development allows software to be rapidly developed and refined over time, accelerating the Army's ability to deliver needed capabilities to Soldiers. To enable broad adoption of these modern approaches, the directive reforms many of the institutional processes that underpin the software development lifecycle, from requirements through sustainment, which have historically been cumbersome and time intensive. This represents one of the first significant efforts across the Department to comprehensively adjust legacy software development processes in line with private sector best practices.

Rapid Acquisition Authority (RAA) continues to enable the Department to quickly acquire and deploy capabilities in response to urgent operational needs. This authority applies to capabilities that can be fielded within two years and are based on already proven or available technologies, or to capabilities that can be developed or procured under MTA authority. RAA significantly streamlines acquisition requirements to enable a rapid response to existing threats. The Army most recently used this authority to award a production contract for 600 Coyote Interceptors to help protect U.S. forces from Unmanned Aerial System attacks. Congress further enhanced RAA in the FY 2024 National Defense Authorization Act (NDAA) to better enable the Department to respond to emergent technological advancements or threats, or to U.S. allies and partners who have been subject to an armed attack by a "country of concern," respectively.

The Army also benefits from expanded use of Other Transaction Authority (OTA), which can include follow-on production awards. OTAs are contractual instruments other than standard procurement contracts (i.e. FAR), grants, and cooperative agreements that lend themselves to working with small companies and non-traditional defense contractors, two known sources of technological innovation. The Army effectively uses OTAs to streamline the acquisition of basic and advanced research activities, prototype

projects, and follow-on production efforts. In FY 2023, the Army awarded more than 1,767 OTA agreements valued at $6.9 billion. The Army updated its OTA Policy in February 2024 to address recent statutory changes, including the expanded definition of prototype efforts and incorporate innovative pilot programs to use OTAs for construction.

Congress also made permanent the authority for Commercial Solutions Opening (CSO) in the FY 2022 NDAA. Since its establishment as a pilot program, the Army has leveraged the CSO authority to obtain innovative commercial products and solutions to fulfill requirements, close capability gaps, and provide technological advances. The streamlined nature of the CSO procedures also serves to lower barriers to entry and incentivize small and non-traditional vendors who have not previously worked with the Department. The Army used CSO authority extensively as part of its pandemic response efforts.

In addition, in the FY 2016 NDAA, Congress encouraged delegation of Milestone Decision Authority (MDA) for most acquisition programs from the Office of the Secretary of Defense to the Military Departments. The Army further delegated MDA for some of these programs to the Program Executive Officer level, when appropriate. This delegation allows the Army to appropriately align program oversight with risk, resulting in reduced bureaucracy and increased efficiency.

Lastly, Congress recently provided temporary authorities to streamline acquisition and contracting requirements to support Ukraine, Taiwan, and Israel, and to replenish domestic stocks of equipment. Section 1244 of the FY 2023 NDAA, as amended by section 1242 of the FY 2024 NDAA, enables the Army to reduce procurement lead times by several months. It also provides streamlined multiyear procurement authority for select munitions, which the Army is using to stabilize the industrial base. These flexibilities have been critical in helping the Army move quickly to deliver capabilities in response to Russia’s war against Ukraine and to replenish U.S. stocks.

All these initiatives, individually and in combination, allow for better and faster modernization decisions and faster requirements development.

## CONCLUSION

The Army is modernizing and adapting to ensure we can deliver leading-edge capabilities to our Soldiers at the speed of relevance and innovation. With continued support from Congress, we are building a force capable of competing across the spectrum of competition and conflict to deter war and, failing that, prevail in war. With stable funding, newly enacted authorities, forward-leaning leadership, and fiscally agile processes, as well as a rigorous technology experimentation regime, we are even further down the modernization path than envisioned at this point last year. Modernization is a central element of Army transformation, translating materiel modernization into capability and lethality in our formations. The nature of our adversaries and their ability to harness if not control the direction and pace of technological innovation to achieve overmatch across the warfighting domains demands that we adapt continuously in how we modernize and transform. With your support, we are committed to doing that.

Thank you again for this opportunity to discuss Army Modernization and for your strong support of our Soldiers, civilians, and their families.