



**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				