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Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress

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Summary

The Joint Light Tactical Vehicle (JLTV) is being developed by the Army and the Marine Corps as a successor to the High Mobility, Multi-Wheeled Vehicle (HMMWV), which has been in service since 1985. On October 28, 2008, awards were made for the JLTV Technology Development (TD) Phase to three industry teams: (1) BAE Systems, (2) the team of Lockheed Martin and General Tactical Vehicle, and (3) AM General and General Dynamics Land Systems.

On January 26, 2012, the Army issued the Request for Proposal (RFP) for the JLTV's Engineering Manufacturing Development (EMD) phase. Up to three EMD contracts scheduled for June could have been awarded. The period of performance for EMD contracts was 27 months, and the overall EMD phase was scheduled to last 33 months. Vendors were required to provide 22 JLTV prototypes for testing 12 months after contract award. The target cost for the base vehicle was \$250,000, excluding add-on armor and other kits.

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million. The three companies awarded the EMD contracts were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI).

On September 3, 2013, the Army began JLTV testing at Aberdeen Proving Ground, MD; Yuma, AZ; and Redstone Arsenal, AL. The Army planned to select a single vendor by 2015, with the first Army brigade being equipped with JLTVs by 2018. FY2015 program plans anticipated a Milestone C (Production and Deployment Phase Approval) decision in the fourth quarter of FY2015, followed by Low Rate Initial Production (LRIP).

In June 2014, the Army issued a draft RFP for the JLTV Full-Rate Production Phase. The Secretary of Defense conducted an interim review of the JLTV program and found it is likely to meet all eight key performance parameters. Three companies who were picked in 2012 to build prototypes—Oshkosh, Lockheed Martin, and AM General—submitted their bids for the LRIP contract by the February 10, 2015, deadline.

On August 25, 2015, it was announced the Army had awarded Oshkosh a \$6.7 billion low rate initial production (LRIP) contract with eight options to procure the initial 16,901 vehicles for the Army and Marines. The JLTV is being produced in Oshkosh, WI.

It is also reported the Army plans to use the JLTV as the interim platform for its upcoming Light Reconnaissance Vehicle (LRV) program instead of procuring a new system. The British Army is reportedly trying to acquire 2,747 JLTVs through Foreign Military Sales (FMS). The Marines have also reportedly increased their JLTV requirement for a total of 9,091 JLTVs.

Preliminary Army and Marine JLTV fielding plans call for 500 JLTVs to be fielded to an Infantry Brigade Combat Team (IBCT) in the 10th Mountain Division at Ft. Drum, NY, and 65 JLTVs to an Infantry Battalion with the 2nd Marine Expeditionary Force (MEF) at Camp Lejeune, NC, in early 2019. The Department of Defense (DOD) reports both the Army and Marines have extended their procurement profiles due to program strategy changes, primarily due to updating the mix of vehicle variants and kits. A redacted May 2, 2018 DOD Inspector General (IG) report noted the services have not demonstrated effective test results to prepare the JLTV program for full rate production but the JLTV Program Office has plans to address this concern.

The major potential issues for Congress include whether an increase in endstrength and force structure might result in an increase in overall JLTV requirements, and possible effects of JLTV Foreign Military Sales.

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Background¹

The JLTV is an Army-led, multiservice initiative to develop a family of future light tactical vehicles to replace many of the High Mobility, Multi-Wheeled Vehicles (HMMWVs) used by the armed services today. HMMWVs, which first entered service in 1985, were developed during the Cold War when improvised explosive devices (IEDs) and other anti-vehicle explosive devices were not a major factor in military planning. The HMMWVs' demonstrated vulnerability to IEDs and the difficulties and costs experienced in "up-armor" HMMWVs already in the inventory have led to renewed emphasis on vehicle survivability. DOD officials have emphasized that JLTVs are not intended to replace HMMWVs "one for one."²

JLTV Program

What Is the JLTV?³

The JLTV program is a joint Army/Marine Corps effort to develop and produce both vehicles and associated trailers. Originally, there were three variants, but now there are two JLTV variants: a four-passenger Combat Tactical Vehicle (CTV) and a two-passenger Combat Support Vehicle (CSV). As planned, JLTVs would be mechanically reliable, maintainable (with on-board diagnostics), all-terrain mobile, and equipped to link into current and future tactical data nets. Survivability and strategic and operational transportability by ship and aircraft are also key JLTV design requirements.

Program Structure⁴

The JLTV is an Acquisition Category (ACAT) 1D program.⁵ The Army bears the overall responsibility for developing the JLTV through its Joint Program Office, which reports to the Program Executive Office (PEO) for Combat Support & Combat Service Support (PEO CS&CSS) in Warren, MI, which reports to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA[AL&T]). Marine participation is centered on a program office

¹ Alan L. Gropman, "Combat Vehicle Sector Could be Headed for Turbulent Times," *National Defense*, April 25, 2008, and James P. Miller, "Race is On to Replace Humvee," *Chicago Tribune*, June 21, 2008.

² Kris Osborn, "DOD's JLTV Becoming an International Effort," *Defense News*, August 4, 2008. Headquarters, Department of the Army, "Army Truck Program (Tactical Wheeled Vehicle Acquisition Strategy) Report to the Congress," June 2010, p. 5.

³ Information in this section is taken from the Army Product Manager, Joint Light Tactical Vehicle website, <http://peocss.tacom.army.mil/pmJLTV.html>, last visited March 2, 2011, and Marine Corps PEO Land Systems Joint Light Tactical Vehicle website, <http://www.marcorsyscom.usmc.mil/peolandssystems/jltv.aspx>, last visited March 2, 2011, and Tony Bertuca, "PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant," *InsideDefense.com*, February 11, 2011.

⁴ CRS Report RL34026, *Defense Acquisitions: How DOD Acquires Weapon Systems and Recent Efforts to Reform the Process*, by Moshe Schwartz, provides an extensive discussion of the defense acquisition process.

⁵ The 12th Edition of the *Defense Acquisition University Glossary*, July 2005, defines an ACAT 1D program as "a Major Defense Acquisition Program (MDAP) which is estimated by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) to require the eventual expenditure for Research, Development, Test, and Evaluation (RDT&E) of more than \$365 million (FY2000 constant dollars) or the procurement of more than \$2.19 billion (FY2000 constant dollars)."

under the supervision of the Program Executive Officer Land Systems (PEO LS) Marine Corps at Quantico, VA.

Early Program History

In November 2006, the Joint Chiefs of Staff's Joint Requirement Oversight Council (JROC) approved the JLTV program. On December 22, 2007, the Under Secretary of Defense for Acquisition, Technology, and Logistics USD (AT&L) signed an Acquisition Decision Memorandum (ADM) directing the JLTV Program to move from the Concept Refinement Phase into the Technology Development (TD) Phase of the DOD System Acquisition Process. The Army and Marines had intended to issue a Request for Proposal (RFP) for Technology Development Phase as early as October 2007. Concerned with funding adequacy, technical maturity, and shifting requirements, the Pentagon's acquisition executive disapproved the issuance of the RFP and directed the Army and Marines to "go back to the drawing board and develop a robust technology development phase."⁶ On February 5, 2008, an RFP for Technology Development Phase was issued to industry.⁷ The RFP stated the government desired to award three contracts for the JLTV Technology Development Phase. The RFP stipulated that proposals would be due April 7, 2008, and the TD Phase would last 27 months. Contractors would build four test sub-configurations during the first 15 months, followed by 12 months of testing.

Technology Development Contracts Awarded⁸

On October 28, 2008, three awards were made for the JLTV TD Phase for a total of \$166 million. The three industry teams were (1) BAE Systems Land and Armaments, Ground Systems Division, Santa Clara, CA, and NAVISTAR Defense, Warrenville, IL; (2) General Tactical Vehicles, Sterling Heights, MI—a joint venture between General Dynamics Land Systems and AM General; and (3) Lockheed Martin Systems Integration, Oswego, NY, BAE Systems, Alcoa Defense, Pittsburgh, PA, and JWF Defense Systems, Johnstown, PA.

JLTV Contracts Protested

On November 7 and November 12, 2008, protests were filed with the Government Accountability Office (GAO) against the TD contract awards by the Northrop Grumman-Oshkosh team and the Textron-Boeing-SAIC team alleging there were "unintended discrepancies" in how the government rated bids in terms of the criteria of systems maturity, logistics, and costs.⁹ As a result of that protest, work on the JLTV program by the three winning teams was suspended. On February 17, 2009, GAO rejected the JLTV protests and the stop-work orders were lifted.

⁶ Jason Sherman, "Pentagon Halts JLTV Competition, Directs Revised Strategy," *InsideDefense.com*, September 24, 2007.

⁷ JLTV Request for Proposal, W56HZV-08-R-0210, February 5, 2008, and Marjorie Censer, "JLTV Solicitation Calls for Three Contractors: Officials Say More are Possible," *InsideDefense.com*, February 5, 2008.

⁸ Unless otherwise noted, information in this section is taken from TACOM's JLTV Program website, <http://contracting.tacom.army.mil/MAJORSYS/JLTV/jltv.htm>, accessed March 2, 2011, and the Marine Corps PEO Land Systems JLTV website, <https://www.marcorsyscom.usmc.mil/peolandsystems/jltv.aspx>, accessed March 2, 2011.

⁹ Marjorie Censer, "Following Northrop's Lead, Boeing-Boeing Team Files JLTV Protest," *InsideDefense.com*, November 12, 2008 and Ann Roosevelt, "Textron-Team Protests Army JLTV Awards," *Defense Daily*, November 13, 2008; and Daniel Wasserbly, "U.S. GAO Rejects JLTV Protests," *Jane's Defence Weekly*, February 25, 2009, p. 12.

Change in Requirements, Program Schedule, and Variants¹⁰

In February 2011, the JLTV Program Office announced the award of the EMD contract would be delayed until January or February 2012 because the Army changed requirements for the JLTV to have the same level of under-body protection as the Mine-Resistant, Ambush-Protected All-Terrain Vehicle (M-ATV). DOD had planned to award two contracts for the EMD phase, which was scheduled to last 24 months,¹¹ but instead opted for a 48-month-long EMD phase before awarding Production and Deployment contracts in the second quarter of FY2016. In addition, the Category B variant was eliminated because it proved to be too heavy to meet the required weight limit of approximately 15,639 pounds to make it transportable by Army CH-47F and Marine Corps CH-53K helicopters. It was decided that there would be two variants—a Combat Tactical Vehicle (CTV), which can transport four passengers and carry 3,500 pounds, and a Combat Support Vehicle (CSV), which can transport two passengers and carry 5,100 pounds.

Army Issues RFP for EMD Phase¹²

On January 26, 2012, the Army issued the RFP for the JLTV's EMD Phase. Industry proposals for the EMD contract were to have been filed with the Army by March 13, 2012. The RFP stipulated that up to three EMD contracts could be awarded, and contract award occurred in June 2012. These contracts would be capped at \$65 million per contract. The duration of the EMD performance period would be 27 months starting with contract award. Vendors would be required to provide 22 prototypes for testing 12 months after contract award, and the target cost for the base vehicle configuration was \$250,000 (FY2011 constant dollars), excluding add-on armor kits and other kits identified in the RFP.

Contract-Related Program Activities

JLTV EMD Contracts Awarded

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million.¹³ The three companies awarded the EMD contracts were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI). The period of performance was for 27 months, with each contractor receiving initial funding between \$28 million and \$36 million per contractor, with the balance of funding up to the full contract amount being provided in FY2013 and FY2014. In 12 months, each team was required to deliver 22 full-up prototypes and contractor support for a 14-month comprehensive government testing program, which included blast, automotive, and user evaluation testing. The overall EMD Phase was scheduled to last 33 months. According to the Army, “the EMD Phase is designed to test and prepare the next-generation vehicles for a

¹⁰ Information in this section, unless otherwise noted is taken from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011 and Tony Bertuca, “PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant,” *InsideDefense.com*, February 11, 2011.

¹¹ DOD Briefing: “JLTV EMD Industry Day,” April 26, 2010.

¹² Solicitation, Offer, and Award, Number W56HZV-11-R-0329, U.S. Army Contracting Command, January 26, 2012.

¹³ Information in this section is from U.S. Army Message, “Army Awards Three Joint Light Tactical Vehicle Engineering & Manufacturing Development Phase Contracts,” Warren, Michigan, August 22, 2012.

Limited User Test, Capabilities Production Document and Milestone C procurement decision in FY 2015.”¹⁴

Unsuccessful bidders Navistar Defense, BAE Systems, and General Tactical Vehicles (a team of General Dynamics and AM General) were permitted to continue developing JLTV candidate vehicles at their own risk and expense, if they notified the government within 30 days of the EMD contract award.¹⁵ Reports suggested some bidders considered continuing development of JLTV candidates for submission for production source selection.¹⁶

Army Releases Final RFP for JLTV Full-Rate Production¹⁷

On December 12, 2014, the Army reportedly released the final RFP for JLTV low-rate initial production and full-rate production and gave competitors until February 10, 2016, to refine and submit their bids. The Army—on behalf of itself and the Marines—planned to select a winner and issue a single contract award in late summer 2015.

The winning contractor would build approximately 17,000 JLTVs for the Army and Marines during three years of low-rate initial production, followed by five years of full-rate production. The first Army unit would be equipped with JLTVs in FY2018, and the Army’s complete acquisition of JLTVs would be completed in 2040. The Marines would begin acquiring their 5,500 JLTVs at the beginning of production and would be completed by FY2022.

Bids Submitted for JLTV Low-Rate Initial Production (LRIP)¹⁸

It was reported that the three companies who were picked in 2012 to build prototypes—Oshkosh, Lockheed Martin, and AM General—submitted their bids for the LRIP contract by the February 10, 2015, deadline. It was also reported that none of the three competitors have said publicly if they included in their proposals an option for the Army to purchase a technical data package for their vehicles. If the Army acquired the technical data package, theoretically the Army could use that data for future production runs, which could enhance competition and possibly result in better prices for the government.

Army Awards JLTV Contract¹⁹

On August 25, 2015, the Army awarded Oshkosh a \$6.7 billion low rate initial production (LRIP) contract with eight options to procure the initial 16,901 vehicles for the Army and Marines. The JLTV is to be produced in Oshkosh, WI.²⁰ A full rate production decision is planned for FY2018, and calls for the production of 49,100 JLTVs for the Army and 5,500 for the Marine Corps.

¹⁴ Kris Osborn, Office of the Secretary of the Army for Acquisition, Logistics, and Technology, “JLTV Program Moves into EMD Phase,” *Army News Service*, October 18, 2012.

¹⁵ Tony Bertuca, “Three JLTV Winners Announced; Losing Companies Still May Have a Shot,” *InsideDefense.com*, August 23, 2012.

¹⁶ *Ibid.*

¹⁷ Information in this section is taken from Megan Eckstein, “Army Releases Final RFP for JLTV; Bids Due Feb. 10,” *Defense Daily*, December 15, 2014.

¹⁸ Information in this section is taken from Sebastian Sprenger, “Companies Submit Bids for Joint Light Tactical Vehicle,” *InsideDefense.com*, February 10, 2015.

¹⁹ Joe Gould, “Oshkosh Wins JLTV Award,” *Defense News*, August 25, 2015.

²⁰ Courtney McBride, “Oshkosh Receives JLTV Order,” *InsideDefense.com*, March 23, 2016.

Lockheed Martin's JLTV Protest

Lockheed Martin Files Protest with the Government Accountability Office (GAO)²¹

On September 8, 2015, Lockheed Martin reportedly planned a protest with GAO, with a program spokesman stating the following:

After evaluating the data provided at our debrief, Lockheed Martin has filed a protest of the award decision on the JLTV program. We firmly believe we offered the most capable and affordable solution for the program. Lockheed Martin does not take protests lightly, but we are protesting to address our concerns regarding the evaluation of Lockheed Martin's offer.²²

Army Stops Work on the JLTV Contract²³

On September 10, 2015, the Army reportedly issued a stop-work order to Oshkosh, with a GAO spokesman noting, "the Federal Acquisition Regulation requires contracting officers to automatically suspend performance on an awarded contract, following appropriate notification of a protest from GAO."²⁴ On December 11, 2015, Lockheed Martin informed GAO that it would file its JLTV protest instead with the U.S. Court of Federal Claims. On December 15, 2015, GAO closed Lockheed Martin's protest "without further action." With the GAO protest dismissed, the Army lifted its stop-work order to Oshkosh on December 15, 2015.²⁵ The U.S. Court of Federal Claims denied Lockheed Martin's stop-work request on February 11, 2016, meaning Oshkosh could continue work associated with the JLTV contract until the court resolved the contract award dispute.²⁶

Lockheed Martin Withdraws JLTV Protest from United States Court of Federal Claims²⁷

On February 17, 2016, Lockheed Martin reportedly withdrew its JLTV protest in the U.S. Court of Federal Claims.

²¹ Lee Hudson and Justin Doubleday, "Lockheed To File GAO Bid Protest After Losing JLTV Contract," *InsideDefense.com*, September 9, 2015.

²² Ibid.

²³ Sebastian Sprenger, "Newly Awarded JLTV Work Comes To A Halt Amid Auditors' Review," *InsideDefense.com*, September 10, 2015.

²⁴ Ibid.

²⁵ Sebastian Sprenger, "New Lockheed Suit Means JLTV Protest remains Undecided for Now," *InsideDefense.com*, December 16, 2015 and United States Government Accountability Office (GAO) Decision on the Matter of Lockheed Martin Corporation, December 15, 2015.

²⁶ Sebastian Sprenger, "Lockheed Martin Loses JLTV Stop-Work Request," *InsideDefense.com*, February 12, 2016

²⁷ Jen Judson, "Lockheed Withdraws JLTV Complaint with U.S. Federal Court," *Defense News*, February 17, 2016.

JLTV LRIP Production Begins²⁸

On March 22, 2016, the Army reportedly placed a \$243 million order with Oshkosh Defense to build 657 JLTVs, as well as 2,977 installation kits and related vehicle support LRIP items. The first JLTVs were delivered in September 2016.²⁹

Delay in JLTV Initial Operating Capability (IOC)³⁰

Primarily due to program disruption resulting from the Lockheed Martin protest, the JLTV will not reach IOC in mid-2019 as originally planned. Instead, the Army anticipates a six-month delay in IOC until the end of 2019, and the Marine Corps IOC, originally expected for the fourth quarter of FY2018, will now be a year later in the first quarter of FY2020. Although these delays are significantly longer than the protest period, officials from both services noted their respected IOCs were adjusted to reflect delays in scheduled testing.

Army Places \$100 Million Order for JLTVs³¹

The Army reportedly ordered 258 JLTVs and 1,727 associated components in December 2017 for a total of \$100.1 million, with the estimated contract completion date May 31, 2019. According to Oshkosh Defense, it has delivered more than 1,000 vehicles since October 2016, and soldiers and marines are expected to start receiving JLTVs for operational use in FY2019. Also in FY2019, a full-rate production decision is expected, with an Army and Marine Initial Operating Capability (IOC) expected in early FY2020.

Other JLTV Program-Related Developments

Army Selects JLTV to Serve as Its Interim Light Reconnaissance Vehicle (LRV)³²

The Army has reportedly decided to use the JLTV as the platform for its upcoming Light Reconnaissance Vehicle (LRV) program, instead of procuring a new system. Army officials note the JLTV is an interim solution, largely based on costs associated with developing a new system, and, in the future, the Army could opt to pursue an original design for its LRV. It is not known whether additional JLTVs will need to be acquired under the Army's JLTV contract to meet LRV requirements. Reportedly, some Army officials want JLTVs that will serve as an LRV to have two more seats to accommodate scouts as well as a weapon larger than a .50 caliber machine gun, such as a 30 mm cannon.³³ These modifications are viewed as necessary to increase the

²⁸ Information in this section is taken from Dan Parsons, "Army Cuts Oshkosh \$243 Million Check for First JLTV Production Lot," *Defense Daily*, March 24, 2016 and Courtney McBride, "Oshkosh Receives JLTV Order," *InsideDefense.com*, March 23, 2016.

²⁹ Connie Lee, "Oshkosh Receives JLTV Order; Schedules First Delivery," *InsideDefense.com*, September 27, 2016.

³⁰ Information in this section is from Jen Judson, "Humvee Replacement Delayed for Army and Marine Corps," *Defense News*, April 13, 2016.

³¹ Ashley Tressel, "Army Places \$100 Million Order for JLTVs," *InsideDefense.com*, December 21, 2017.

³² Information in this section, unless otherwise noted, is taken from Stew Magnuson, "Army Selects JLTV Truck for Light Recon Vehicle Program," *National Defense*, May 11, 2016.

³³ Matthew Cox, "JLTV Needs Bigger Gun, More Seats for Scout Mission: Maneuver Leaders," *Military.com*, August

effectiveness of scout platoons as well as provide sufficient firepower to destroy enemy reconnaissance formations.

Air Force JLTV Acquisition³⁴

In the near term, the Air Force plans to replace HMMWVs with JLTVs in its security forces, explosive ordnance disposal, pararescue, tactical air control, and special tactics units. Reportedly, the Air Force eventually would like to replace its entire 3,270 HMMWV fleet with JLTVs, but Air Force budget documents detail JLTV procurement only from FY2019 through FY2022.

Marines Increase JLTV Requirement to 9,091 Vehicles³⁵

The Marines reportedly plan to increase their JLTV requirement from 5,500 vehicles to 9,091 vehicles—about a 65% increase over the Marines’ original approved acquisition objective. Marine leadership reportedly wants to acquire these additional vehicles as quickly as possible, budget permitting. In June 2017, Marine Corps officials reportedly noted that it would take “a couple of years” to formally adjust its approved acquisition objective (AAO), meaning that eventually, JLTVs would account for approximately half of the Marine’s light tactical vehicle fleet.

British Foreign Military Sales (FMS) Purchase of JLTV³⁶

The British Army will reportedly acquire 2,747 JLTVs, valued at more than \$1 billion, through the Foreign Military Sales (FMS) process.³⁷ The sale also includes an armor kit, spare tires, and fording gear, as well as training for vehicle operators and maintainers.

Preliminary Army and Marine JLTV Fielding Plans³⁸

In early 2019, the Army will reportedly field 500 JLTVs to an Infantry Brigade Combat Team (IBCT) in the 10th Mountain Division at Ft. Drum, NY, and 65 JLTVs to an Infantry Battalion with the 2nd Marine Expeditionary Force (MEF) at Camp Lejeune, NC.

25, 2016.

³⁴ Rachael Karas, “Air Force to Begin JLTV Buy in FY-17 to Replace HMMWVs,” *InsideDefense.com*, June 223, 2017 and Valerie Insinna, “Air Force’s Surprise JLTV Buy in FY 18 Could be Start of Larger Procurement Effort,” *DefenseNews.com*, August 4, 2017.

³⁵ Lee Hudson, “Marine Corps Official Says Commandant Seeks More Than 9,000 JLTVs,” *InsideDefense.com*, May 17, 2017 and “Marines Will Adjust JLTV Quantity Requirement in a Couple of Years,” *InsideDefense.com*, June 19, 2017.

³⁶ Matthew Cox, “UK Plans to Buy \$1 Billion Worth of JLTVs,” *Military.com*, July 10, 2017.

³⁷ For additional information on FMS, see CRS In Focus IF10392, *Foreign Military Sales Congressional Review Process*, by Paul K. Kerr.

³⁸ Connie Lee, “Army to Equip First Unit with JLTVs in 2019,” *InsideDefense.com*, June 15, 2017 and Matthew Cox, “Pentagon Selects 1st Army, Marine Units to Receive JLTV,” *Military.com*, June 14, 2017.

JLTV Procurement Extended One Year and Increased Total Program Cost³⁹

DOD reports both the Army and Marines have extended their procurement profiles due to program strategy changes, primarily due to updating the mix of vehicle variants and kits. The Army now plans to conclude its procurement in FY 2036 and the Marines in FY 2023. Total program costs have also increased to \$28.03 billion (a 10.9 percent increase) primarily due to the increase in procurement profiles, increase in Marine Corps quantities to 9,091 vehicles, updates in vehicle configuration and kit mix for the Army, updates in vehicles and kits based on the vehicle configuration mix for the Marines, and an increase in other support and initial spares for the Army and Marines.

DOD Inspector General (IG) Report and JLTV Production⁴⁰

A redacted May 2, 2018 DOD IG report notes while the Army and Marine Corps developed adequate test plans, the services have not demonstrated effective test results to prepare the JLTV program for full rate production. The IG’s review of test results in August and September of 2017 determined the JLTV failed to meet all maintenance-related performance requirements. The IG suggested certain capabilities be developed to address the shortfall but specifics were redacted in the public version of the report. The JLTV Program Executive Office (PEO) noted in response that the program would equip all JLTVs with the unspecified capability cited in the IG’s report.

Department of Defense (DOD) FY2019 Budget Request⁴¹

The FY2019 presidential budget includes RDT&E and procurement funding requests, as well as FY2019-requested quantities in the base budget. There is no JLTV Overseas Contingency Operations (OCO) budget request for FY2019.

Table 1. FY2019 DOD Budget Request—JLTV

Funding Category	Base Budget	Base Budget	OCO Budget	OCO Budget	Total Request	Total Request
	\$M	Qty	\$M	Qty	\$M	Qty
RDT&E USA	2.7	—	—	—	2.7	—
RDT&E USMC	2.3	—	—	—	2.3	—
Procurement USA	1,319.4	3,390	—	—	1,319.4	3,390

³⁹ Department of Defense Comprehensive Selected Acquisition Reports (SARs) for the December 31, 2017 Reporting Requirement as Updated by the President’s FY 2019 Budget, p. 4 and Ashley Tressel, “JLTV Procurement Stretched by One Year,” *InsideDefense.com*, April 5, 2018.

⁴⁰ Department of Defense Inspector General, Army and Marine Corps Joint Light Tactical Vehicle, May 2, 2018 and Ashley Tressel, “DOD IG Concerned with JLTV Preparedness,” *InsideDefense.com*, May 8, 2018.

⁴¹ Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Program Acquisition Cost by Weapon System: United States Department of Defense Fiscal Year 2018 Budget Request, May 2017, p. 3-2.

Funding Category	Base Budget	Base Budget	OCO Budget	OCO Budget	Total Request	Total Request
Procurement USAF	30.1	81	—	—	30.1	81
Procurement USMC	607.0	1,642	—	—	607.0	1,642
TOTAL	1,961.5	5,113	0	0	1,961.5	5,113

Source: Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Program Acquisition Cost by Weapon System: United States Department of Defense Fiscal Year 2019 Budget Request, February 2018, p. 3-2.

Notes: \$M = U.S. Dollars in Millions; Qty = FY2019 Procurement Quantities.

FY 2019 National Defense Authorization Act (H.R. 5515)⁴²

Congress recommended fully funding the Army’s and Marine’s FY 2019 JLTV RDT&E budget requests. While Congress recommended fully funding the Marine’s and Air Force’s FY 2019 JLTV Procurement budget requests, it recommended decreasing the Army’s FY 2019 procurement request by \$32.036 million, as it was reportedly believed the Army’s request was higher than it needed to be, given the program’s execution rate.⁴³

Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (H.R. 6157)⁴⁴

Congress recommended not appropriating funds for the Army’s and Marine’s FY 2019 JLTV RDT&E budget request citing in both instances “funds in excess of need.”⁴⁵ Congress recommended a \$39.999 million reduction in funds appropriated for Army FY 2019 JLTV Procurement, citing “unit cost growth, engineering change proposal (ECP) cost growth, and maintaining test support level of effort.”⁴⁶ Congress recommended a \$7.737 million reduction in funds appropriated for Marine FY 2019 JLTV Procurement, citing “unit cost growth.” Congress recommended a \$1.450 million reduction in funds appropriated for Air Force FY 2019 JLTV Procurement, citing “unit cost adjustment.”⁴⁷

⁴² Conference Report 115-874 to Accompany H.R. 5515, John S. McCain National Defense Authorization Act for Fiscal Year 2019, July 25, 2018 and Ashley Tressel and Jason Sherman, “Senate Panel Cuts \$250 M from Army’s JLTV Request,” *InsideDefense.com*, May 25, 2018.

⁴³ Ashley Tressel and Jason Sherman.

⁴⁴ Conference Report 115-952 to Accompany H.R. 6157, Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019, And For Other Purposes, September 13, 2018.

⁴⁵ *Ibid.* p. 378 and p. 401.

⁴⁶ *Ibid.*, p. 278.

⁴⁷ *Ibid.*, p. 346.

Potential Issues for Congress

Will an Increase in Endstrength and Force Structure Result in an Increase in Overall JLTV Requirements?

The Administration's FY2019 budget request proposes endstrength increases in Active and Reserve Components for all of the services.⁴⁸ The Army's FY2019 plans call for converting an existing Infantry Brigade Combat Teams (IBCT) to an ABCT, activating three new Security Force Assistance Brigades (SFABs), establishing an additional ABCT equipment set in Europe, and creating a number of unspecified enabling units.⁴⁹

Although it remains to be seen whether the services will grow to the levels proposed by the Administration, as well as create the additional force structure described above, some growth in force structure seems likely. As part of this growth, it is likely overall JLTV requirements for the services would increase correspondingly. In this regard, as force structure changes become clearer, it might be beneficial for oversight if the services issue revised requirements for JLTV procurement.

JLTV Foreign Military Sales

As previously noted, the British Army will reportedly acquire 2,747 JLTVs, valued at more than \$1 billion, through the Foreign Military Sales process.⁵⁰ It is possible that additional nations might also opt to procure JLTVs through FMS. If additional FMS of JLTVs is a possibility, a number of potential questions could arise:

- Will increased foreign sales affect the delivery schedule of JLTVs to the services?
- Will increased foreign sales result in a decreased JLTV per unit cost, thereby resulting in a cost savings or the ability for the services to acquire more JLTVs than originally planned for?
- How will FMS JLTVs increase allied interoperability?
- What sort of export control considerations will apply to FMS JLTVs?

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⁴⁸ Office of the Under Secretary Defense (Comptroller)/Chief Financial Officer, U.S. Department of Defense Fiscal Year 2019 Budget Request, February 2018, p. 7.

⁴⁹ Assistant Secretary of the Army (Financial Manager and Comptroller), FY 2019 President's Budget Highlights, February 2018, p. 15 and Office of the Under Secretary Defense (Comptroller)/Chief Financial Officer, U.S. Department of Defense Fiscal Year 2019 Budget Request, February 2018, p.12.

⁵⁰ Matthew Cox, "UK Plans to Buy \$1 Billion Worth of JLTVs," *Military.com*, July 10, 2017.

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