

Highlights of [GAO-07-376](#), a report to congressional committees

DEFENSE ACQUISITIONS

Key Decisions to Be Made on Future Combat System

Why GAO Did This Study

The Future Combat System (FCS) is central to Army transformation efforts, comprising 14 integrated weapon systems and an advanced information network. In previous work, GAO found that the elements of a sound business case—firm requirements, mature technologies, a knowledge-based acquisition strategy, a realistic cost estimate, and sufficient funding—were not present. As a result, FCS is considered high risk and in need of special oversight and review. Congress has mandated that the Department of Defense (DOD) decide in early 2009 whether FCS should continue.

GAO is required to review the program annually. In this report, GAO analyzes FCS development, including its requirements definition; status of critical technologies, software development, and complementary programs; soundness of its acquisition strategy related to design, production and spin-out of capabilities to current forces; and reasonableness of costs and sufficiency of funding.

What GAO Recommends

GAO is making recommendations to the Secretary of Defense that specific criteria should be considered during the 2009 milestone review and alternatives to the program analyzed should FCS fail to deliver needed capabilities when and as expected. DOD concurred with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-376.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul Francis, 202-512-4841, francis@gao.gov.

What GAO Found

The Army has been granted a lot of latitude to carry out a large program like FCS this far into development with relatively little demonstrated knowledge. Tangible progress has been made during the year in several areas, including requirements and technology. Such progress warrants recognition, but confidence that the program can deliver as promised depends on high levels of demonstrated knowledge, which are yet to come. Following the preliminary design review in 2009, there should be enough knowledge to demonstrate the soundness of the FCS business case. If significant doubts remain about the program's executability at that time, DOD will have to consider alternatives to proceeding with the program. Currently, GAO sees the FCS business case as follows:

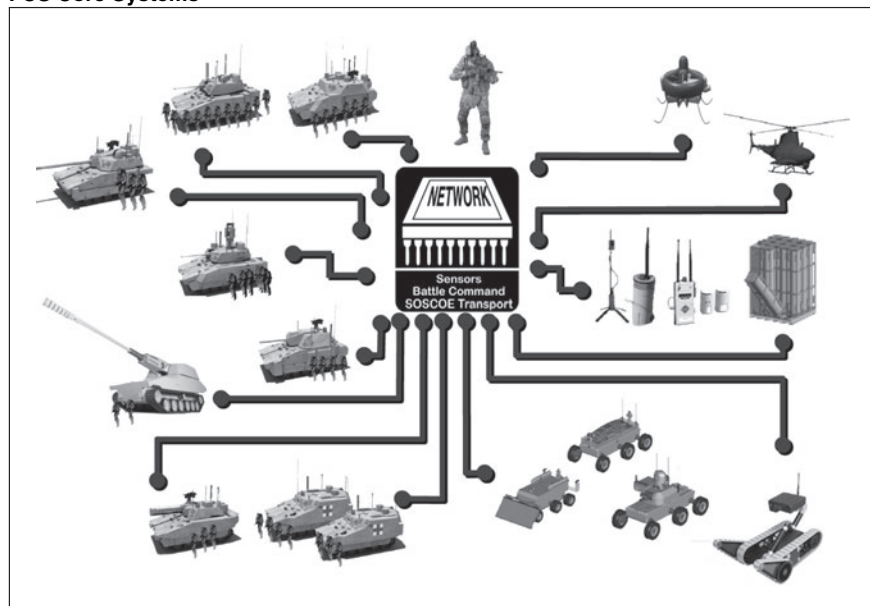
Requirements. Progress has been made in defining requirements and making some difficult trade-offs, but key assumptions about the performance of immature technologies and other technical risks remain to be proven.

Technology. The Army has made progress in maturing technologies, but it will take several more years to reach full maturity. All key technologies should have been mature in 2003 when the program began. FCS software has doubled in size compared to original estimates and faces significant risks. The Army is attempting a disciplined approach to managing software development.

Acquisition Strategy. The FCS acquisition strategy is compressed. Key testing to demonstrate FCS performance will not be completed, and maturity of design and production will not be demonstrated until after the production decision.

Program Costs. New estimates place FCS costs significantly above the current estimate of \$163.7 billion. The Army has recently proposed a plan to buy fewer systems and slow production rates. This recent program adjustment will affect program costs, but details are not yet available.

FCS Core Systems



Source: U.S. Army.