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Statement of Rep. Darrell Issa
Ranking Republican Member
Committee on Oversight and Government Reform
“The Future of the V-22 Osprey: Costs, Capabilities, and Challenges”
June 23, 2009

Thank you, Chairman Towns, for holding this hearing.

Today our Committee examines one of the most complex engineering and acquisition programs undertaken by the Department of Defense – the V-22 Osprey.

The V-22 is a unique aircraft – a hybrid helicopter-airplane – that takes off and lands vertically like a helicopter but flies like an airplane.

While we continue to conduct meaningful oversight of the Defense Department and specifically the Marine Corps as it relates to ambitious projects like the Osprey program, we do from time to time need to take a step back and be frank with ourselves. Have we done our job?

And I submit Mr. Chairman, the case of the V-22 Osprey is a case study in missed opportunities for real Congressional oversight.

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DOD awarded the first Osprey contract to the joint Bell-Boeing team in 1983. Since then, the V-22 has drawn on nearly 2000 suppliers in over 40 states and created jobs in 276 congressional districts.

While the Marine Corps was an early advocate for the V-22 Osprey as a replacement for their aging, Vietnam-era helicopters, DOD remained skeptical due to production delays, cost overruns, and the changing strategic environment. The Marine Corps has consistently taken the position that the Osprey was critical to its mission.

Bipartisan congressional action overrode DOD's repeated attempts to cancel, slow or reevaluate the program.

Obviously it does not take a genius to figure out that when a major program like the Osprey is creating jobs in 276 congressional districts, it is a program that is going to be very difficult to conduct hard hitting oversight on.

The three questions the Congress must always ask when conducting oversight into sophisticated acquisition programs are: Is the project on time; is it on budget; and when it's ready, will it be able to perform its mission as designed.

If the answer to any of these three questions is no, then we are obligated to find out why and determine what can be done to put the project back on the right track. If the derailed project is hopelessly delayed, hopelessly over budget, and not likely to perform as conceived, we ought to consider whether the program is worthwhile to continue.

We need to perpetually ask ourselves whether we are making a prudent investment on behalf of the taxpayers.

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The Osprey has been one of the most famously criticized DOD programs in history. Its development took 25 years, cost nearly \$20 billion, and claimed the lives of 30 people in four separate crashes. Numerous investigations have uncovered various scandals, including the falsification of maintenance records and quality documentation.

After finally making its combat debut in Iraq, we are now in a position to evaluate whether the Osprey performs as it was designed. After the three combat deployments to Iraq, the early returns are mixed; potential for improvements exist, but that is expected in any nascent aviation program.

We have learned its unique hybrid design presents some operational challenges but it also demonstrates the ability to “shrink the battlefield.” Many V-22 operators will admit that many of the capabilities have not been fully exploited. For example, its slow, helicopter-like take-offs and landings makes it vulnerable to ground fire, and its heaviness makes it difficult to maneuver quickly.

Despite some of its challenges, the Marine Corps has not been deterred. The Osprey remains the Marines’ top aviation priority.

Marine Corps leaders believe the Osprey provides an unprecedented capability to quickly and decisively move personnel and equipment. The aircraft is intended to perform troop and equipment transport, amphibious assault, search and rescue, and special operations.

Through FY2008, more than \$27 billion has been appropriated for the V-22 program. The Defense Department plans to acquire 458 aircraft at a total acquisition cost of \$54.2 billion. This translates to a per-unit cost of \$118.4 million per aircraft. In 1986, when the Osprey

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was first being conceived, the per aircraft cost was to be \$42 million. This represents nearly a 200% increase.

Today isn't the time to complain about why the Osprey development took so long, or cost so much. That is oversight that should have been occurring for the last 25 years.

Today is the day to hear about how the Osprey performs in theater and whether it is meeting the Marine Corps' needs, and more specifically whether at its current price point, the aircraft is a cost effective use of taxpayer dollars.

Thank you again. We look forward to today's testimony.