DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2013

WEDNESDAY, MARCH 14, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Feinstein, Johnson, Cochran, Hutchison, Alexander, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. MICHAEL B. DONLEY, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. The subcommittee meets this morning to receive testimony on the fiscal year 2013 budget request for the United States Air Force. I am pleased to welcome the Secretary of the Air Force, Michael B. Donley, and the Chief of Staff of the Air Force, Norton Schwartz. Gentlemen, thank you for being here with us to today and for sharing your perspectives.

The Air Force's fiscal year 2013 base budget request is $110 billion, about $5 billion less than last year's enacted base budget. The Air Force is also requesting $12 billion for overseas contingency operations, which is a decrease of $2 billion from last year's enacted amount.

To aid in the Governmentwide deficit reduction efforts, the Air Force laid in significant fiscal reductions and realigned resources to correspond with newly developed strategic guidance. Obviously taking risk in certain mission areas was unavoidable, so in the fiscal year 2013 budget the Air Force requests divestiture of aircraft, decreases in end-strength, and delays to some modernization efforts.

In fiscal year 2013 alone, the Air Force plans to retire 227 aircraft by reducing fighter squadrons, less capable mobility aircraft, and older tanker refueling aircraft. Additionally, the Air Force proposes to retire some of its intelligence, surveillance, and reconnaissance aircraft to include the Global Hawk Block 30 unmanned aircraft and an economically unrepairable Joint Surveillance Target

Attack Radar System aircraft. I know there is great consternation across the Senate regarding loss of mission assets and, in particular, changes to the Guard and Reserve forces. I hope to hear from you on how you plan to mitigate these losses with new mission assets to ensure our Guard and Reserve forces maintain high-readiness levels.

In line with these aircraft reductions are decreases in manpower. The Air Force will reduce to the smallest force since its establishment in 1947. By the end of fiscal year 2013, the Air Force will reduce military forces to 501,000. I look forward to hearing how you plan to achieve this end-strength reduction without causing undue hardship on those airmen who have served our country so dutifully.

In the fiscal year 2013 request, the Air Force protects high-priority modernization programs such as the KC–46 refueling tanker, the Joint Strike Fighter, the Long Range Bomber, and critical space assets. Unfortunately, there are many other modernization programs that you propose to terminate or restructure. I hope you will explain how you determined the appropriate risk levels for these programs.

Gentlemen, there is no doubt that we are entering another period of decreased defense spending similar to what we experienced at the end of previous wars. I look to your expertise and vision to ensure our Air Force remains the most effective Air Force in the world. I believe this is the fourth time the two of you have testified together in front of this subcommittee. I sincerely thank you for your service to our Nation and for your continued unity and professionalism during this difficult fiscal environment. We are also deeply grateful for the dedication and sacrifices made daily by the men and women in our Air Force. I look forward to working with you to ensure that the fiscal year 2013 appropriations bill reflects the most optimal balance between resources and risk to best meet the needs of the United States Air Force.

Your full statements will be included in the record. I now turn to the Vice Chairman, Senator Cochran, for his opening statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I join you with pleasure in welcoming the Secretary and the Chairman to the hearing and all of you who are attending this very important review of the budget request for the Department of the Air Force for the next fiscal year.

We thank you for your service to the country and your dedication to your role in helping protect the security interests of our great country.

Thank you.

Chairman INOUYE. Thank you very much. And may I now call upon the Secretary, Michael Donley.

Mr. DONLEY. Mr. Chairman, Vice Chairman Cochran, members of the subcommittee, it is a pleasure to be here today representing more than 690,000 Active Duty, Reserve, Guard, and civilian airmen. I'm also honored to be here today with my teammate, who is now the dean of the Joint Chiefs of Staff and certainly one of America's finest public servants, General Norty Schwartz.

General Schwartz and I are joined today by Lieutenant General Charlie Stenner, the Chief of the Air Force Reserve, and Lieuten-

ant General Bud Wyatt, who is the Director of the Air National Guard.

For fiscal year 2013, the U.S. Air Force is requesting $110.1 billion in our baseline budget and $11.5 billion in the overseas contingency operations supplemental appropriation to support our work. This budget request represents the culmination of many hard decisions taken to align our fiscal year 2013 budget submission with the new strategic guidance and with the cuts required by the Budget Control Act over the next 10 years.

Finding the proper balance between force structure readiness and modernization is our guiding principle. In short, we determined that the Air Force's best course of action is to trade size for quality. We will become smaller in order to protect a high-quality and ready force, one that will continue to modernize and grow more capable in the future.

The capabilities resident in the Air Force missions set are fundamental to the priorities outlined in the new strategic guidance. And in assessing how to adjust Air Force programs and budgets in the future, we've taken care to protect the distinctive capabilities we bring to the table—control of air, space, and cyberspace; global intelligence, surveillance, and reconnaissance (ISR); rapid global mobility; and global strike—all enabled by effective command and control.

The Air Force and our joint interagency and coalition teammates and partners rely on these capabilities, and though we will be smaller, we intend to be a superb force at any size, maintaining the agility and flexibility that is inherent in our air power capabilities, and ready to engage a full range of contingencies and threats.

This budget protects the Air Force's top priorities. We protect the size of the bomber force. We are ramping up our remotely piloted aircraft force to a total of 65 combat air patrols with the ability to surge to 85. We protect our special operations forces' capabilities, largely protect our space programs, and protect our cyber capabilities.

But, as we get smaller, it is not possible to protect everything. Our proposed force structure changes include the reduction of 286 aircraft over the future year's defense plan (FYDP), including 123 fighters, 133 mobility aircraft, and 30 ISR platforms.

Many of these changes correspond to adjustments in the overall size of the Armed Forces, especially the Army and Marine Corps ground forces, which is the case for the proposed reduction in A–10s.

Our smaller force structure has also led us to favor divesting smaller niche fleets, such as the C–27J, and emphasizing multirole capabilities that will provide operational flexibility across the spectrum of conflict demonstrated by our C–130s and by our choices in fighter force structure, which include a smaller A–10 fleet and plans for the F–16 service life extension.

We also emphasize common configurations, which can be seen in adjustments to the C–5 fleet and C–17 fleet and in ongoing efforts to seek common configuration within the F–22 and F–15C fleets.

Because force structure changes have a ripple effect on manpower needs, our budget proposal calls for a reduction of 9,900 Air Force military personnel. By component, this amounts to reduc-

tions of 3,900 in Active Duty, 5,100 in Air National Guard, and 900 Air Force Reserve personnel.

Fighter mobility and other force structure changes have been strategy driven, based on change requirements, and consistent with that strategy, especially where Air National Guard units are affected. We've proposed to re-mission units where feasible. We've carefully balanced our Active and Reserve component changes to make sure that we can meet the demanding operational tempos, including both surge and rotational requirements that are part of the current and projected strategic environment.

As our force gets smaller, all of our components get smaller together and will become even more closely integrated. We remain fully committed to our total force capability and have proposed several initiatives to strengthen integration of effort, including increasing the number of active Reserve component associations from 100 to 115 units.

Our intention is to protect readiness at any level, because if we're going to be smaller, we have to be prepared. To that end, we put funds in critical areas such as flying hours and weapon systems sustainment. We also support the Air National Guard readiness reset, which balances manpower across the States from lower-demand units to new high-demand ISR missions and increases readiness in 39 units. We're committed to ensuring that our military forces do not go hollow, and readiness bears close watching as we move forward.

Modernization, Mr. Chairman, is our most significant concern, especially as our fleets age and new technologies drive new investment needs. In this year's budget proposal, we slow modernization as we protect programs that are critical to future capabilities. We also restructure or terminate some major programs to protect key priorities.

Protected modernization priorities include the long-range strike bomber, the new KC–46 refueling tanker, and key space programs, such as the space-based infrared and extremely high-frequency satellites, follow-on global positioning system capabilities, and advanced ISR.

We remain fully committed to the F–35 Joint Strike Fighter, which is the future of the fighter force, but we reduce the rate of procurement for a few years, because in our judgment, Lockheed Martin is not ready to ramp up to full-rate production. Due to recent delays in the F–35 program, we also proceed with an F–16 service life extension program.

Among the programs slated for termination are the Global Hawk RQ–4 Block 30 aircraft, because, among other reasons, we couldn't justify the cost to improve the Block 30 sensors to achieve capability that already exists in the U–2, and the Defense Weather Satellite System, a termination initiated by the Congress, but one we can accept for now, because that program is early to need.

As noted earlier, we decided to divest the C–27J, but we have a good alternative to this aircraft, with the multirole capable C–130, which has demonstrated its ability to provide the direct support mission in Iraq and Afghanistan. We remain committed to providing this support to the Army.

In other cases, we eliminated programs that were judged to be nonessential in the current budget environment, such as the light mobility aircraft and the light attack and armed reconnaissance aircraft. Through more disciplined use of resources, the Air Force continues to ring savings out of overhead, squeeze discretionary spending, and find more efficient ways of doing business.

In fiscal year 2012, we committed to $33.3 billion in efficiencies across the FYDP. In this year's budget, we identified about $3.4 billion in efficiencies and another $3.2 billion in programmatic adjustments to add on top of that original $33.3 billion.

In keeping with our enduring obligation to take care of our people, we will keep faith with airmen and their families. Doing right by our servicemembers is key to our ability to recruit and to retain a high-quality force. Nevertheless, the impact of increasing personnel costs continues to be a serious concern. Therefore, we support the military compensation program reforms in the President's budget, which include a modest pay raise, proposals to control healthcare cost growth, and calls for a commission to recommend reforms in retired pay. We must continue to seek and develop reforms to ensure the long-term sustainability of the benefits our men and women in uniform have earned.

Mr. Chairman, identifying $487 billion in Defense cuts to comply with the current requirements of the Budget Control Act has been difficult. Our Air Force will get smaller, but we are confident we can build and sustain a quality force that is ready for the contingencies ahead and will improve in capability over time.

However, further cuts, through sequestration or other means, will put at risk our ability to execute the new strategy. To get this far, we made tough decisions to align, structure, and balance our forces in a way that can meet the new strategic guidance. If substantially more reductions are imposed on Department of Defense (DOD), we will have to revisit the new strategy. We cannot afford the risk of a hollow force.

PREPARED STATEMENT

General Schwartz and I feel deeply that our leadership team has inherited the finest Air Force in the world. It is our obligation to keep it that way, so that our Joint and coalition partners know they can count on the United States Air Force to deliver the capabilities that we need to meet the security challenges ahead, and so that our future airmen remain confident, as we are today, that they are serving in the world's finest Air Force. Mr. Chairman, that is our obligation going forward, and we are going to meet that obligation.

We certainly remain grateful for the continued support and service of this subcommittee, and we look forward to discussing our proposed budget.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL B. DONLEY

INTRODUCTION

Since the first clash of battle, warriors have relied on breaking through the lines to achieve victory. However, once the airplane was used over the battlefields of World War I, the battle itself was forever revolutionized. In the 65 years since the

establishment of the United States Air Force as a separate service, its technological, strategic, and tactical innovations have been elemental in shaping the way the United States engages in war, deters aggression, and maintains peace. Because America's airmen characteristically view defense challenges differently, our Air Force has pioneered advancements that have been essential in ensuring our Nation's security while reducing the overall casualty counts inflicted by war. As the Department of Defense (DOD) faces fiscal pressures and an evolving strategic environment, America will continue to depend on the Air Force to contribute innovative strategies and systems to conduct our most important military missions.

During the past decade, the United States has engaged in a prolonged war aimed at disrupting, dismantling, and defeating al Qaeda and its network. A major part of this effort involved long-term and large-scale presence on the ground. The withdrawal of combat forces from Iraq and the drawdown in Afghanistan signal the beginning of a new chapter for America in which we will rely more heavily on airpower to complement innovative, lower-cost, lighter footprint approaches around the world. As the Nation sustains its global presence with a renewed emphasis on the Asia-Pacific region, in addition to continued focus on the Middle East, we must maintain the best military in the world—a force capable of deterring conflict, a force capable of projecting power, and a force capable of winning wars. We will preserve the capability and expertise in irregular warfare that we developed over the past decade, and we will invest in fielding appropriate amounts of new and existing military capabilities in order to meet the national security challenges of today and the future.

Despite new challenges and fiscal stress, America is and will unquestionably remain the global leader. The strategic choices embodied in the proposed fiscal year 2013 budget reflect 21st century defense priorities and will enable your Air Force to play a critical role in sustaining that leadership. As the DOD's recently released strategic guidance articulates, the Joint Force of the future must be smaller and leaner but agile, flexible, ready, and technologically advanced. The Air Force will leverage the innovative ability and technological acumen of its airmen as we conduct the military missions that protect our core national interests:

—defeating al Qaeda and its affiliates and succeeding in current conflicts;
—deterring and defeating aggression, including those seeking to deny our power projection;
—countering weapons of mass destruction;
—operating effectively in cyberspace and across all domains;
—maintaining a safe and effective nuclear deterrent; and
—protecting the homeland.

Air Force contributions to Total Joint Force effectiveness make us indispensable in carrying out these missions and overcoming existing and emerging threats in this strategic environment.

STRATEGIC ENVIRONMENT

After 10 years of sustained large-scale overseas operations, major changes in the strategic environment required a reshaping of defense strategy and priorities. Over the last several months, the Air Force, together with our joint partners, has reassessed our future military strategy and posture to determine how the Air Force will best contribute to achieving U.S. security objectives, including freedom of action in the global commons.

The major factors and trends of the strategic environment identified in the 2010 Quadrennial Defense Review (QDR) continue to affect the security environment and inform its trajectory. The rise of new powers, the growing influence of nonstate actors, the proliferation of weapons of mass destruction (WMD), the proliferation of conventional arms, and the transfer of other destructive enabling technologies are all trends that still require focused attention when considering how the Air Force will execute America's national security strategy.

Since the release of the QDR, however, we have witnessed events that further inform our strategy. The Arab Awakening in the Middle East and North Africa has brought about regime changes in some nations in the region and challenged the stability and security of others. The global economic crisis has made some nations reluctant to support international cooperative military efforts as they have shifted their focus towards domestic issues. The economic crisis continues to contribute to the economic and political shift toward the Asia-Pacific region, although we will continue to place a premium on U.S. and allied military presence in—and support for—partner nations in and around the Middle East. The demise of Osama bin Laden and other senior al Qaeda leaders has led to deterioration in the organization's leadership and impaired its strategic coherence, although the threat of extremism re-

mains. We are also transitioning out of the post-cold war world where our military could easily gain access to the battlefield and operate major systems unimpeded. Today, adversaries are developing ways to prevent our access to the battlefield and deny our freedom of action once there.

As a result of these factors, DOD undertook a comprehensive strategic review and recently released new strategic guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense". The new guidance notes the importance of recalibrating Joint Force capabilities and investments to succeed in the following key military missions:

—counterterrorism and irregular warfare;
—deter and defeat aggression;
—project power despite anti-access/area denial (A2/AD) challenges;
—counter weapons of mass destruction;
—operate effectively in cyberspace and space;
—maintain a secure and effective nuclear deterrent;
—defend the homeland and provide support to civil authorities;
—provide a stabilizing presence;
—conduct stability and counterinsurgency operations; and
—conduct humanitarian, disaster relief, and other operations.

In determining development of the force required to meet these missions, the Secretary of Defense has directed that we maintain a broad portfolio of capabilities that, in the aggregate, offer versatility across this range of missions. Other factors that are important to the implementation of the new strategy include understanding which investments must be made now and those that can be deferred, maintaining a ready and capable force, reducing "the cost of doing business", examining how the strategy will influence existing campaign and contingency plans so that more limited resources are better tuned to their requirements, determining the proper Active and Reserve component mix, retaining and building on key advances in networked warfare on which the Joint Force has become truly interdependent, and maintaining the industrial base and investment in promising science and technology.

Airpower—the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives—has been a necessary component of successful U.S. military operations for many decades, and a reasonable assessment of the strategic environment suggests an even greater role for those capabilities. Since the end of the cold war, the Air Force's contributions to national security have evolved with the times. We have become not only more effective, but also increasingly intertwined with the successful operation of the Joint Force. We have now reached a point where no other service operates independently of the Air Force; we are a necessary catalyst for effective U.S. and Coalition military operations. As we realign our resources to support the new strategic guidance, the capabilities that underpin these contributions on which the Joint Force depends will be protected.

REALIGNMENT TO THE NEW DEFENSE STRATEGIC GUIDANCE

The Air Force has made the hard choices to closely align with the new strategic guidance by trading size for quality. We will be a smaller, but superb, force that maintains the agility, flexibility, and readiness to engage a full range of contingencies and threats.

New Concepts

One way in which the Air Force is posturing itself for the future in light of the strategic guidance is through our pursuit of the Air-Sea Battle (ASB) concept in partnership with our sister services. The rise of near peer capabilities—such as fifth-generation fighters, air defense systems, and ballistic missiles—evince emerging A2/AD threats. The ASB concept will guide the services as they work together to maintain a continued U.S. advantage against the global proliferation of advanced military technologies and A2/AD capabilities. ASB will leverage military and technological capabilities and is guiding us to develop a more permanent and better-institutionalized relationship between the Military Departments that will ultimately shape our service organizations, inform our operational concepts, and guide our materiel acquisitions.

Enduring Air Force Contributions

The Air Force will also continue to bring four enduring and distinctive contributions to the Nation's military portfolio to support the new strategic guidance:

—air and space control;
—global intelligence, surveillance, and reconnaissance (ISR);
—global mobility; and

—global strike.

These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging A2/AD threats.

Air and Space Control

From the World War II Pacific island-hopping campaign to the success of liberation forces in Libya, control of the air has been and remains an essential precondition for successful land and maritime operations. Today, control of the air and space, along with assured access to cyberspace, allows U.S. and Coalition forces to take advantage of unique capabilities in mobility, strike, and ISR and permits surface forces freedom of action without the threat of adversarial attack from above. Whether friendly naval forces are helping to secure vital lines of communication and transit, marines are conducting amphibious operations, special operations forces are executing counterterrorism missions, or ground forces are engaged in combined-arms maneuvers, these operations all fundamentally depend on the Air Force to provide mission-essential control of air and space. In the coming decade, our ability to assert control in all domains will be increasingly at risk as sophisticated military technology proliferates. The new strategic guidance demands that we forge ahead and maintain the air and space power advantages that will enable our entire Joint Force to deter and defeat aggression, operate effectively in space and cyberspace, defend the homeland, and conduct stability operations.

Global ISR

Combat experience over the last decade has shown how important ISR capabilities are to the counterterrorism and irregular warfare missions and has also made it increasingly clear that these capabilities will be required in contested environments in future conflicts and as we take an active approach to countering extremist threats. Through a mix of aircraft and satellite sensors and corresponding architecture for exploitation and dissemination, Air Force ISR affords U.S. leaders an unparalleled decisionmaking advantage on which commanders rely—from supporting national strategic decisionmaking to successful outcomes in life-and-death tactical situations. Moreover, airmen provide expert processing and exploitation of staggering volumes of raw data and timely dissemination of usable intelligence. In the past 10 years, Air Force ISR contributions have been ascendant, particularly from our space-enabled remotely piloted systems. But power projection in the future strategic environment will require extending today's ISR capability into contested battle spaces. This demands significant and sustained attention to modernization of our ISR capabilities.

Global Mobility

The capability to get friendly forces to the fight and to extend the range of airborne strike platforms is a unique Air Force contribution that not only enhances joint effectiveness, but also embodies the Nation's global reach and power. The military's ability to deter and defeat aggression, project power, provide a stabilizing presence, conduct stability operations, and conduct humanitarian and other relief operations depends on the airlift and in-flight aerial refueling that the Air Force provides. We ensure that joint and coalition assets get to the fight and remain in the fight, posing a potent threat to adversaries and a persuasive presence to allies. Our airlift fleet transports massive amounts of humanitarian-relief supplies and wartime materiel to distant locations around the world in impressively short-time periods. Furthermore, in-flight aerial refueling is the linchpin to power projection at intercontinental distances. Global mobility also provides for persistent pressure and over-watch once we arrive, as demonstrated last year in the skies over Libya.

Global Strike

Finally, the Air Force's ability to conduct global strike—to hold any target on the globe at risk—will be of growing importance in the coming decade. Our conventional precision strike forces compose a significant portion of the Nation's deterrent capability, providing national leaders with a range of crisis response and escalation control options. Our nuclear deterrent forces provide two-thirds of the Nation's nuclear triad, competently forming the foundation of global stability and underwriting our national security and that of our allies. However, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort exemplified by the long-range strike family of systems. A key element of this effort is the long-range strike bomber (LRS–B) which will strengthen both conventional and nuclear deterrence well into the future.

Collectively, these capabilities, and the Air Force's ability to command and control the air, space, and cyber systems, provide the Nation with the global vigilance, global reach, and global power necessary to implement the new strategic guidance.

ADAPTING TO CONSTRAINED RESOURCES

Although the contributions that the Air Force provides to the Joint Force have increased in relevance over time, there has not been a corresponding proportional increase in resources. The Air Force has entered this era of fiscal austerity with significantly fewer uniformed personnel, with older equipment, and with a smaller budget share than any military Department in one-half a century. The Air Force has been continuously engaged in combat for more than two decades and has taken on a range of new missions. Yet over that same time period, our aircraft inventory and end strength declined. Since 2001, we have reduced our inventory by more than 500 aircraft and have added new missions, while end strength has come down by thousands of airmen, leaving us next year with the smallest force since our inception in 1947. Meanwhile, the average age of Air Force aircraft has risen dramatically:

—fighters stand at 22 years;
—bombers, 35 years; and
—tankers, 47 years.

Reduced manpower, full-scale operations, and reduced training opportunities have pushed our readiness to the edge. The budget increases that have occurred in the last decade were primarily consumed by operational expenses, not procurement. There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come.

We are mindful, however, of the current fiscal situation and recognize that we must contribute to Governmentwide deficit reduction as a national security imperative. Our ability to make proper investments to modernize and sustain the capabilities of the Air Force is directly tied to the economic health of the United States. In addition, as respectful stewards of the American taxpayer's dollars, the Air Force is committed to achieving audit readiness and meeting Secretary Panetta's accelerated goal to achieve auditability of the Statement of Budgetary Resources by 2014. Over the last year, the Air Force has made real progress, receiving clean audit opinions on two important components of our budget and accounting processes from independent public accounting firms. In the coming year, the Air Force expects to have independent auditors examine the audit readiness of our military equipment inventories, our base-level funds distribution process, and our civilian pay process.

The Air Force fiscal year 2013 budget request reflects aggressive prioritization of limited resources, heavily informed by the new strategic guidance, with regard to both capability and capacity of our forces—that is, both what capabilities we should buy and how much of them. The budget brings together strategic guidance with fiscal constraint. Its guiding principle was balance. To retain critical core Air Force capabilities and the ability to rapidly respond to mission demands, the Air Force balanced risk across all mission areas.

Although we will be smaller and leaner, we will not sacrifice readiness. Selected reductions in force structure and modernization programs were based on careful assessments reflecting the requirements to address potential future conflict scenarios and to emphasize the Middle East and Asia-Pacific regions. Force and program development choices were also influenced by the need to protect our ability to regenerate capabilities to meet future, unforeseen demands. Our budget request seeks to leverage strong relationships with allies and partners, including the development of new partners. Finally, the fiscal year 2013 budget request honors and protects the high-quality and battle-tested professionals of the All-Volunteer Force.

Force Structure

The fiscal reality and strategic direction mean that the Air Force will continue the long-term trend of accepting a smaller force to ensure high quality. In planning for a smaller force, our decisions favored retention of multirole platforms over those with more narrowly focused capabilities—for example, F–16s over A–10s and F–15Cs, and C–130s over C–27s. Where feasible, we sought to divest smaller fleets with niche capabilities and stressed common configurations for key platforms in order to maximize operational flexibility and minimize sustainment costs.

Aircraft

In meeting the force sizing requirements of the new strategic guidance and to remain within the constraints of the Budget Control Act, the Air Force made the difficult choice of divesting 227 aircraft from our combat and combat support aircraft fleets in the fiscal year 2013 budget request. Total divestitures rise to more than 280 aircraft over the fiscal year 2013–2017 future years defense plan (FYDP) period. These divestitures will result in $8.7 billion in savings across the Active and Reserve components.

In order to balance current and future requirements in the Combat Air Forces (CAF), we are reducing the total number of combat-coded fighter squadrons from 60 to 54 (31 Active squadrons and 23 Reserve component squadrons). As part of a broader strategy to reshape the Air Force into a smaller, yet capable force, we divested 21 F–16 Block 30 aircraft in the Reserve component and 102 A–10s (20 Active and 82 Reserve component) from the total aircraft inventory. In making these difficult choices, we considered several factors:

—the relative operational value of weapon systems to counter capable adversaries in denied environments;

—fleet management principles, such as retiring older aircraft first and prioritizing multi-role aircraft; and

—operational flexibility, forward-basing, and host-nation commitments.

The allocation of reductions between the Active and Reserve components took into consideration the Air Force's surge requirements as directed by the new strategic guidance, the expected future deployment tempo, the need to increase means to accumulate fighter pilot experience, and the imperative to ensure that the Reserve component remains relevant and engaged in both enduring and evolving missions.

In the Mobility Air Forces (MAF), we sized the fleet to a total of 275 strategic airlifters—52 C–5Ms and 223 C–17s.

We will seek legislative approval to retire 27 C–5As across fiscal year 2013–2016, going below the fiscal year 2012 National Defense Authorization Act (NDAA) strategic airlift floor of 301 aircraft. This will avert higher sustainment costs for aircraft with substantially less reliability than the C–17 or C–5M. For our intra-theater airlift, the fleet was sized to meet the airlift requirements of the new strategy, including our direct support requirements of ground forces. We will retire 65 C–130Hs across fiscal year 2013–2017 and are divesting the C–27J fleet. After these retirements, we will maintain a fleet of 318 C–130s (134 C–130Js and 184 C–130Hs). Our air refueling fleet is being reduced to 453 tankers after retiring 20 KC–135s. The development and procurement of the KC–46A is on-track for initial delivery in fiscal year 2016 with the strategic basing process underway.

In our ISR aircraft fleet, we plan to divest all 18 RQ–4 Global Hawk Block 30 aircraft and retain the U–2S Dragon Lady program. Due to the reduction in high altitude ISR combat air patrol (CAP) requirements, the need for RQ–4 upgrades to meet current U–2 sensor operational performance levels, and the high-operational costs of the RQ–4, continued investment into the U–2 is both the fiscally and operationally responsible choice. Transferring the MC–12W Liberty from the Active component to the Air National Guard (ANG) reflects the assessment that the ANG is the appropriate place for long-term, scalable support of medium-altitude ISR. The Active component will retain association with the ANG units. The MC–12W will also perform the mission of the divested RC–26 fleet. Finally, we will retire one E–8C Joint Surveillance Target Attack Radar System (JSTARS) aircraft that is damaged beyond economical repair.

Air Force leaders recognize that proposals to retire aircraft are often contentious and that the Congress has at times written legislation blocking or delaying proposed retirements. We are committed to faithfully executing the law; however, we urge the congressional defense committees and the Congress as a whole to be especially cautious about proposals to block or delay aircraft retirements that do not provide the additional human and financial resources needed to operate and maintain those airframes. Retaining large numbers of under-resourced aircraft in the fleet in today's fiscally constrained environment will significantly increase the risk of a hollow force. After the intense efforts to find efficiencies over the past few years, the Air Force has only a limited ability to reallocate resources and personnel to uncovered operations without creating major disruption in other critical activities.

End Strength

In correlation to the reductions in our aircraft force structure, we are also adjusting our end strength numbers. Since 2004, our Active, Guard, and Reserve end strength has decreased by more than 48,000 personnel. By the end of fiscal year 2013, end strength will be reduced a further 9,900 from 510,900 to 501,000. This will result in a reduction in Active Duty military end strength from 332,800 to

328,900, Reserve military end strength will decrease by 900 to 70,500, and ANG military end strength will decrease by 5,100 to 101,600. Although the reductions in aircraft and personnel carry risk, we are committed to managing that risk and ensuring successful execution of the new strategic guidance.

Reserve Component

The Air Force has enjoyed great success in leveraging our Total Force Enterprise to present our enduring core capabilities to the Joint warfighter. The ANG and Air Force Reserve are integrated into all major Air Force mission areas, train to the same high standards as the Active component, and are invaluable partners in helping us meet our many and varied commitments. This will not change—we will rely on our Air Reserve Component (ARC) as both a strategic and operational reserve. A strategic reserve can be employed to mobilize significant numbers of airmen in the event of a significant national crisis while an operational reserve will still be used to augment day-to-day operations.

Maintaining the appropriate mix of forces between the Active and Reserve components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands within a smaller overall force. Over the years, we have adjusted the mix between Active and Reserve components to ensure we maintained a ready and sustainable force and could meet our surge and rotational requirements. The Air Force has successfully met the demand of increased operations tempo through a combination of volunteerism, selective mobilization, and the establishment of Classic, Active, and ARC associations to better manage high-activity rates. However, two decades of military end strength and force structure reductions in our Active component have shifted the ratio of Active to Reserve component forces. In 1990, the Reserve component represented 25 percent of total force end strength; today that percentage is at 35 percent. Reserve component aircraft ownership also increased from approximately 23 percent to 28 percent over the same period.

The total Air Force leadership carefully considered the ratio between the Active and Reserve components for the proposed force structure reductions in the 2013 budget request. The expected deployment tempo, and the need to increase pilot seasoning drove the allocation of reductions between components. The proper ratio between components must be achieved to maintain acceptable operations tempo levels within each component and to preserve the ability of a smaller Air Force to meet continued overseas presence demands, and the rapid deployment and rotational force requirements of the strategic guidance.

While the Air Force Reserve and ANG are significantly affected by the proposed 2013 Air Force budget request, they remain essential elements of our total force. Due to the magnitude of the budget decline, our programmed reductions are wide-ranging, directly impacting more than 60 installations. Thirty-three States will be directly impacted, but all 54 States and territories will be affected in some way by the proposed aircraft and manpower reductions. Although some squadrons will actually grow larger, it is unlikely that there will be a 100-percent backfill of personnel or alternative mission for every location. Without the total force re-missioning actions we are proposing, these reductions would have significantly affected 24 units and left eight installations without an Air Force presence.

In close coordination with our ANG and Air Force Reserve leaders, we have developed a detailed plan that will mitigate the impact by realigning missions to restore 14 of the 24 units. Nine of the remaining ten units have existing missions, or the mission will transfer from the ANG to the Air Force Reserve. Our plan also maintains an Air Force presence on seven of the eight affected installations. This plan will allow us to preserve an appropriate Active to Reserve component force mix ratio and minimizes the possibility of uncovered missions. The aircraft force structure changes also presented an opportunity for the ANG to realign manpower to ensure proper mission resourcing while simultaneously bolstering ANG readiness. The fiscal year 2013 adjustments in strategy, force structure, and resources allowed us to realign manpower within the ANG to properly source its growing MC–12W and MQ–1/9 missions.

After the proposed force reductions and mitigations, Reserve component end strength will make up 33 percent of total force military personnel, a reduction of 2 percent from the fiscal year 2012 numbers. Within the CAF, the Reserve component will have 38 percent of total aircraft which is 4 percent lower than fiscal year 2012. For the MAF, the Reserve component shares shifts from 51 percent to 46 percent. In order to maintain capability, the Air Force intends to grow the number of total force Integration associations from 100 to 115. This will enable the seasoning of our Active Duty personnel while improving the combat capacity of our Reserve component.

Readiness

Readiness is comprised of complementary components, such as flying hours, weapon system sustainment, and facilities and installations. A good readiness posture depends on health in all of these key areas. In spite of aircraft divestments and reduction in personnel, we are committed to executing the Defense strategy and will ensure America's Air Force remains ready to perform its mission every day. High operations tempo has had some detrimental effects on our overall readiness, particularly in the context of aging weapons systems and stress on our personnel.

Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations Iraqi Freedom and New Dawn and more than 350,000 sorties in support of Operation Enduring Freedom. In 2011, our airmen averaged approximately 400 sorties every day, with December 17, 2011, marking the first day in 20 years that the Air Force did not fly an air tasking sortie in Iraq. Maintaining our ability to be ready across the full spectrum of operations has been challenging in recent years, especially for the CAF and certain limited-supply/high-demand units. We will continue to revise our readiness tracking systems to provide increasingly accurate assessments and mitigate readiness shortfalls. Preserving readiness and avoiding a hollow force was a non-negotiable priority for the Air Force and DOD in developing the fiscal year 2013 budget.

Weapons System Sustainment

During previous budget cycles, the overall Air Force weapons system sustainment (WSS) requirement increased each year due to sustainment strategy, the complexity of new aircraft, operations tempo, force structure changes, and growth in depot work packages for legacy aircraft. In fiscal year 2013, although the Air Force is retiring some combat, mobility, and ISR force structure, our overall weapon system sustainment requirements continue to increase. These cost increases, along with a reduction in the Service's overseas contingency operations (OCO) request, resulted in a slight decrease in the percentage of weapons systems sustainment requirements funded from fiscal year 2012 to fiscal year 2013.

Including the OCO request, WSS is funded at 79 percent of requirement in the fiscal year 2013 budget.

We maintained our readiness capability in the portfolio areas most directly affecting readiness such as aircraft, engines, and missiles, while taking some risk in areas that are less readiness related in the short term such as technical orders, sustaining engineering, and software. Additionally, the Air Force continues to conduct requirements reviews and streamline organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapon system requirements growth. The goal of these efforts is to sustain fiscal year 2012 weapon system sustainment performance levels for fiscal year 2013.

Facility Sustainment, Restoration, and Modernization

The sustainment portion of facilities sustainment, restoration, and modernization (FSRM) was funded more than 80 percent of the Office of the Secretary of Defense (OSD) facility sustainment model. Due to current fiscal realities the revised strategic guidance, the Air Force is also taking a deliberate pause in its military construction (MILCON) program, resulting in a nearly $900 million reduction from fiscal year 2012 enacted levels. To manage the risk associated with these actions we continue civil engineering transformation to employ an enterprise-wide, centralized, asset management approach to installation resourcing which maximizes each facility dollar.

Flying Hour Program

The emphasis on readiness in the new strategic guidance reinforced Air Force focus on the importance of maintaining our flying hour program (FHP). The fiscal year 2013 budget removes flying hours where associated with the retirement of some of our oldest aircraft and divestiture of single-role mission weapon systems. In the remainder of the FHP, however, levels are consistent with fiscal year 2012 levels to prevent further erosion of readiness. The fiscal year 2013 baseline FHP remains optimized as we continue to fly a significant portion of our hours in the Central Command (CENTCOM) area of responsibility (AOR), but still poses a measured risk to our full-spectrum training and readiness levels, especially with our tactical fighters. As operations in the CENTCOM AOR decrease, these OCO hours will migrate back to our baseline program to ensure peacetime FHP requirements are met. We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC–OT) capability and capacity by funding improvements in our LVC–OT devices (e.g., simulators and virtual trainers) and networks.

Although the Air Force has no single rollup metric to measure FHP requirements, we are working toward a set of metrics that clearly articulate the training requirements needed to support desired readiness levels. Our challenge is that the diversity of our missions does not lend itself to yardsticks like "hours per crewmember per month". The Air Force operates a wide variety of aircraft—including multirole aircraft—that require differing training requirements in amount and type for each aircrew member. In addition, we have critical space and cyber units that involve no aircraft at all. As we develop FHP metrics, we will dovetail our efforts with the work being done at the Cost Assessment and Program Evaluation (CAPE) office at the OSD to study the relationship between Defense funding and military readiness and mature necessary metrics and assessment tools.

Even though the Air Force will be smaller in capacity, we will remain highly capable and lethal, as well as ready, agile, and deployable.

Modernization

Looking ahead, the Air Force faces two primary strategic challenges. In the face of declining budgets, we must still provide the essential force structure and capabilities on which the Joint Force depends. Historical and projected uses of U.S. military forces and our inability to accurately predict the future, make the complete divestment of the capability to conduct any 1 of the 12 Air Force Core Functions imprudent. Yet, the new strategic guidance also requires continuing modernization of our aging force to address the proliferation of modern threats. Finding the right balance requires a long-range plan that begins with a strategic vision. Implementing across the board cuts will not produce the envisioned Joint Force of 2020.

Accordingly, we carefully scrutinized all our weapons systems and capabilities to determine which require investment today and those that can be deferred. We then made the tough choices to maximize our military effectiveness in a constrained resource environment. Combat and combat support aircraft force structure reductions, coupled with reduced development and procurement of preferred munitions and other key modernization programs, were essential to achieving the Air Force fiscal year 2013 budget targets.

In fiscal year 2013, we have programmed $35.8 billion for modernization, approximately 33 percent of the Air Force total obligation authority. We are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high-priority programs such as the F–35 Joint Strike Fighter, LRS–B, KC–46A refueling tanker, service-life extension of the F–16, space-based infrared and advanced extremely high-frequency satellites, space situational awareness capabilities, and our space launch capability is critical to the Department's overall strategy. Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force, therefore the development of offensive and defensive cyber capabilities remains a top Air Force priority. Additionally, in coordination with the Navy, the Air Force will fund modern radars, precision munitions, and other priorities to support the ASB concept and ensure worldwide power projection despite increasing A2/AD challenges.

To continue funding these high-priority investments, we made the hard choices to terminate or restructure programs with unaffordable cost growth or technical challenges such as the RQ–4 Block 30, B–2 extremely high-frequency radio improvements, and the Family of Advanced Beyond Line of Sight Terminals (FAB–7). We eliminated expensive programs, such as the C–130 Avionics Modernization Program, the C–27J program, and Defense Weather Satellite System, which have more affordable alternatives that still accomplish the mission. Likewise, we discontinued or deferred programs that are simply beyond our reach in the current fiscal environment, such as the common vertical lift support platform, light mobility aircraft, and light attack and armed reconnaissance aircraft. The fiscal year 2013 budget also accepts significant near-term risk in MILCON for current mission facilities, limiting ourselves to projects required to support new aircraft bed downs and emerging missions.

Underpinning the Air Force's ability to leverage and field these crucial technologies is America's aerospace research and development infrastructure—a national asset that must be protected to ensure future U.S. advantages in technology and civil aerospace. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

More Disciplined Use of Defense Dollars

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support, and other less mission-essential areas in an effort to identify $100 billion in DOD savings for reinvestment. Our fiscal year 2013 budget continues to depend on successfully man-

aging and delivering the $33.3 billion in Air Force efficiencies from fiscal year 2012 to fiscal year 2016 associated with the fiscal year 2012 President's budget submission. We are actively managing and reporting on these, as well as the Air Force portion of DOD-wide efficiencies. In light of the current budget constraints, the Air Force continues to seek out opportunities for additional efficiencies.

The fiscal year 2013 budget request includes additional savings of $6.6 billion over the next 5 years from our more disciplined use of DOD dollars. This represents $3.4 billion in new efficiency efforts as well as $3.2 billion in programmatic adjustments. These reductions continue to focus on overhead cost reductions and spending constraints consistent with Executive Order 13589, "Promoting Efficient Spending", and an Office of Management and Budget (OMB) memorandum, dated November 7, 2011, to reduce contract spending for management support services. Areas in which we are seeking major efficiencies and spending reductions in this budget submission include information technology, service contracts, travel, and inventory.

We are identifying and eliminating duplicate information technology applications across our business and mission system areas. Policies and better spending controls will be placed within modernization and legacy systems sustainment areas. We have committed to save $100 million in fiscal year 2013 and $1.1 billion across the future years defense plan (FYDP) in this area. We continue to put downward pressure on service support contract spending and are committing to an additional $200 million reduction in fiscal year 2013 and $1 billion across the FYDP. These efforts are consistent with Secretary of Defense-directed efficiencies across the DOD and OMB guidance to reduce contract spending by 15 percent by the end of fiscal year 2012 from a fiscal year 2010 baseline. Executive Order 13589 also directs reductions in travel across Departments. The Air Force budget for travel has steadily declined from actual spending of $984 million in fiscal year 2010 to a budgeted-level of $810 million in fiscal year 2012. Between Air Force budget reductions and DOD-directed travel reductions, the fiscal year 2013 President's budget reflects an additional $116 million travel savings in fiscal year 2013 and $583 million across the FYDP. Finally, a bottom-up review of base-level inventory is planned, with the intent of identifying consumable and repairable items that are excess, including Government Purchase Card-procured excess inventory. We estimate $45 million savings in fiscal year 2013 and $225 million across the FYDP.

Taking Care of Our People

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our airmen. Nearly two decades of sustained combat, humanitarian, and stability operations have imposed extraordinary demands on our force. As we look to the future of reduced funding and fewer manpower positions, we are working hard to continue meeting the needs of a 21st century force. The Nation owes a debt of gratitude for the sacrifices made by our airmen and their families.

Despite the difficult budgetary environment, we are committed to our Air Force community. Therefore, quality-of-service programs must continue as one of our highest priorities. We are sustaining cost-effective services and programs to maintain balanced, healthy, and resilient airmen and families so that they are equipped to meet the demands of high operations tempo and persistent conflict. As our force changes, we must adapt our programs and services to ensure we meet the needs of today's airmen and their families. Developing our airmen will be a key focus as we continue efforts to reduce the "cost of doing business" and develop lighter-footprint approaches to achieving security objectives. We will do this by developing expertise in foreign language, regional, and cultural skills while also ensuring our educational programs focus on current and anticipated mission requirements.

Even as Air Force end strength continues to be reduced, requirements for some career fields—like special operations, ISR, and cyber—continue to grow. We will continue to size and shape the force through a series of voluntary and involuntary programs designed to retain the highest-quality airmen with the right skills and capabilities. As we take steps to reduce our end strength, we will offer support programs to help separating airmen translate their military skills to the civilian workforce and facilitate the transition in a way that capitalizes on the tremendous experience in technical fields and leadership that they accrue while serving.

Although retention is at a record high, we must sustain accessions for the long term and utilize a series of recruiting and retention bonuses to ensure the right balance of skills exist across the spectrum of the force. Enlistment bonuses are the most effective, responsive, and measurable tool for meeting requirements growth in emerging missions, while retention bonuses encourage airmen to remain in, or retrain into, career fields with high-operational demands.

We recognize the unique demands of military service and want to ensure that our airmen are compensated in a way that honors that service. Accordingly, the President has announced a 1.7-percent increase in basic military pay for fiscal year 2013. The costs of military pay, allowances, and healthcare have risen significantly in the last decade. These costs have nearly doubled DOD-wide since fiscal year 2001 while the number of full-time military personnel, including activated Reserves, has increased only 8 percent. As budgets decrease, we must find ways to achieve savings in this area to prevent overly large cuts in forces, readiness, and modernization. As part of a DOD-wide effort, we are looking at a gamut of proposals, including healthcare initiatives and retirement system changes, to meet deficit reduction targets and slow cost growth. Proposed healthcare changes will focus on working-age retirees and the retirement commission will address potential future changes, with the current force grandfathered into the current system. The Defense budget includes a number of proposals to control healthcare cost growth in fiscal year 2013 and for the longer term. The recommendations included in the budget reflect the proper balance and the right priorities.

We must go forward with balanced set of reductions in the military budget that not only implements the strategic guidance but also does our part to alleviate the Nation's economic difficulties. Any solutions to this problem will be deliberate, will recognize that the All-Volunteer Force is the core of our military, and will not break faith with the airmen and families who serve our Nation.

With this as a backdrop, the Air Force has approached its investment strategy in a way that seeks to apply our resources to the people, programs, and systems that will best contribute to the new DOD strategic guidance.

AIR FORCE CORE FUNCTIONS

The Air Force core functions provide a framework for balancing investments across Air Force capabilities and our enduring contributions as we align our resources to the new defense strategic guidance. However, none of these core functions should be viewed in isolation. There is inherent interdependence among these capabilities within the Air Force, the Joint Force, and in some cases, throughout the United States Government. The Air Force's budget request of $110.1 billion reflects the difficult choices that had to be made as a result of Air Force fiscal limitations, while still providing an appropriate balance of investment across our core functions in a way that best supports key DOD military missions. Additional detailed information about each core function, including specific investment figures, can be found in the Budget Overview Book and in the detailed budget justification documents provided to the Congress.

Air Superiority

U.S. forces must be able to deter and defeat adversaries in multiple conflicts and across all domains. In particular, even when U.S. forces are committed to a large-scale operation in one region, they must also be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region. Securing the high ground is a critical prerequisite for any military operation to ensure freedom of action for the Joint Force and the Nation. In making operational plans, American ground forces assume they will be able to operate with minimal threat of attack from enemy aircraft or missile systems. For nearly six decades, Air Force investments, expertise, and sacrifice in achieving air superiority have ensured that condition. The last time any American ground forces were killed by an enemy air strike was April 15, 1953.

But while the United States has enjoyed this control of the air for the last 60 years, there is no guarantee of air superiority in the future. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid global mobility, ISR, and precision strike are broadly available to the combatant commander. Fast-growing, near-peer capabilities are beginning to erode the legacy fighter fleet's ability to control the air. Likewise, emerging adversaries are developing significant air threats by both leveraging inexpensive technology to modify existing airframes with improved radars, sensors, jammers and weapons, and pursuing fifth-generation aircraft. Simultaneously, current operations are pressing our legacy systems into new roles. As a result, the legacy fighter fleet is accumulating flying hours both faster and differently than anticipated when they were purchased decades ago.

Given these realities, the Air Force's fiscal year 2013 budget request includes $8.3 billion for initiatives to address current and future air superiority needs. We continue incremental modernization of the F–22 fleet, including Increment 3.2A, a software-only upgrade adding new electronic protection (EP) and combat identification techniques. The fiscal year 2013 budget request includes approximately $140.1 mil-

lion for Increment 3.2B, which includes the integration of AIM–120D and AIM–9X capabilities, data link improvements, and faster, more accurate target mapping. We are continuing the F–15 active electronically scanned array (AESA) radar modernization program, funding the F–15 Advanced Display Core Processor (ADCP), and funding the development and procurement of an Eagle Passive/Active Warning and Survivability System (EPAWSS). We are also investing in fourth-generation radar upgrades to ensure their continued viability, sustaining the development and procurement of preferred air-to-air munitions and select electronic warfare enhancements, and resourcing critical readiness enablers, including training capabilities and modernized range equipment.

As part of our Airspace Control Alert mission, the Air Force, working closely with U.S. Northern Command, reduced full-time ANG requirements at two sites while maintaining overall surveillance and intercept coverage.

Global Precision Attack

A critical component of the broader mission to deter and defeat aggression is the Air Force's ability to hold any target at risk across the air, land, and sea domains through global precision attack. Global precision attack forces perform traditional strike and customized ISR roles to support Joint and coalition ground forces every day. However, as A2/AD capabilities proliferate, our fourth-generation fighter and legacy bomber capability to penetrate contested airspace is increasingly challenged.

The A2/AD threat environment prescribes the type of assets that can employ and survive in-theater. While the Air Force provides the majority of these assets, success in this hazardous environment will require a combined approach across a broad range of assets and employment tools. Even then, these will only provide localized and temporary air dominance to achieve desired effects. Simultaneously, ongoing contingency operations in a permissive, irregular warfare environment at the lower end of the combat spectrum require adapted capabilities, including longer aircraft dwell times and increasing use of our platforms in unique intelligence gathering roles. Our fiscal year 2013 budget request of $15.5 billion applies resources that will help the Air Force best meet threats in evolving A2/AD environments.

To enhance our global strike ability, we are prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F–35 Joint Strike Fighter, the centerpiece of our future precision attack capability. In addition to complementing the F–22's world-class air superiority capabilities, the F–35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between services and partner nations. The fiscal year 2013 budget includes approximately $5 billion for continued development and the procurement of 19 F–35A conventional take-off and landing (CTOL) aircraft, spares, and support equipment. In fiscal year 2013, we deferred 98 CTOLs from the F–35A program.

As we move toward fifth-generation recapitalization, we are funding fourth-generation fighter modernization to ensure a capable global attack fleet. Reserve component recapitalization will begin based on F–35 production rates, basing decisions, the F–16 Service Life Extension Program (SLEP), and Combat Avionics Programmed Extension Suite (CAPES). The Air Force will continue to plan and program for approximately 350 F–16 service life extensions and capability upgrades over the FYDP to ensure a viable F–16 combat capability across the total force and to mitigate the effects of F–35 procurement rate adjustments on the total fighter force capacity during completion of system development and low rate initial production.

In our fiscal year 2013 submission, we accepted risk by retiring 102 A–10s and 21 F–16s. Although the A–10 remains essential for combined arms and stability operations, we chose to retire more A–10s because other multirole platforms provide more utility across the range of the potential missions. We are retaining enough A–10s to meet the direction of the new strategic guidance to maintain readiness and capability while avoiding a hollow force.

We are modernizing conventional bombers to sustain capability while investing in the Long-Range Strike Family of Systems. The bomber fleet was retained at its current size because we recognized the importance of long-range strike in the current and future security environments. The Air Force is enhancing long-range strike capabilities by upgrading the B–2 fleet with an improved Defensive Management System (DMS) and a new survivable communication system, and is increasing conventional precision guided weapon capacity within the B–52 fleet. We are investing $191.4 million in modernizing the B–1 to prevent obsolescence and diminishing manufacturing sources issues and to help sustain the B–1 to its approximate 2040 service life. In addition to aircraft modernization, we are upgrading our B–1 train-

ing and simulator systems to match aircraft configuration and ensure continued sustainability.

Procuring a new penetrating bomber is critical to maintaining our long-range strike capability in the face of evolving A2/AD environments. The new long-range, penetrating, and nuclear-capable bomber (LRS–B), which will be capable of both manned and unmanned operations, will be designed and built using proven technologies, and will leverage existing systems to provide sufficient capability. It will also permit growth to improve the system as technology matures and threats evolve. We must ensure that the new bomber is operationally capable before the current aging B–52 and B–1 bomber fleets are retired. LRS–B is fully funded at $291.7 million in the fiscal year 2013 budget.

Global Integrated ISR

Global integrated ISR includes conducting and synchronizing surveillance and reconnaissance across all domains—air, space, and cyber. These ISR capabilities produce essential intelligence to achieve decision superiority through planning, collecting, processing, analyzing, and rapidly disseminating critical information to national- and theater-level decisionmakers across the spectrum of worldwide military operations. Air Force ISR growth and improvement over the last decade has been unprecedented. Because of the dynamic nature of the operating environment, the Air Force conducted an extensive review of the entire Air Force ISR enterprise in 2011 to inform future planning and programming decisions. Even as the United States plans to reduce our military presence in CENTCOM AOR, combatant commands will continue to use our ISR capabilities to combat global terrorism, provide global and localized situational awareness, and support future contingencies.

Recognizing the need for continued and improved ISR capabilities, and based on the 2011 ISR review, the Air Force is investing $7.1 billion in this core function in fiscal year 2013. We are continuously improving the current suite of capabilities and will field the MQ–9 Reaper to meet delivery of 65 remotely piloted aircraft (RPA) combat air patrols (CAPs) by May 2014. We are actively managing our procurement rate of MQ–9s to efficiently increase RPA fleet size while allowing for necessary aircrew training. We are extending operations for the U–2 Dragon Lady manned aircraft, in lieu of investing more heavily in the RQ–4 Block 30 Global Hawk fleet. Despite early predictions, the savings anticipated by the use of Global Hawks have not come to fruition, and we will not invest in new technology at any cost. Divesting the RQ–4 Block 30 fleet and extending the U–2 will save the Air Force $815 million in fiscal year 2013 and $2.5 billion across the FYDP. Sustaining the U–2 fleet will ensure affordable and sustained high-altitude ISR for the combatant commanders and joint warfighters.

We will maintain investment in the MC–12 Liberty as we transfer it to the ANG, but we will establish active unit associations to meet combat air patrol and surge requirements. The MC–12 will also perform the mission carried out by the RC–26 as we divest 11 of those aircraft from the ANG. In the ANG, six RPA units have been or are currently being established, and an additional five units will stand-up in fiscal year 2013. An ANG ISR group with two squadrons will be established to conduct ISR in cyberspace and to conduct digital network intelligence and cyber target development.

We are developing a more balanced and survivable mix of airborne platforms to enable continued operations in permissive environments and to enable operations in A2/AD environments. We are exploring innovative ways to leverage space and cyberspace capabilities as part of the overall mix of ISR capabilities and partner with joint, coalition, and interagency partners, including the use of Air-Sea Battle as a framework to develop required capabilities for the joint fight. We are investing $163 million in fiscal year 2013 in our ground processing enterprise, the Distributed Common Ground System, and will continue migration to a service-oriented architecture to handle the increasing quantities of ISR data that is integrated and delivered from emerging sensors and platforms operating in all domains. We will also improve our ability to move information securely and reliably over information pathways. Finally, we are improving analyst capability through improved training, automation and visualization tools while we deliberately plan for future operations using a refined capability planning and analysis framework.

Cyberspace Superiority

Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force. Today's modern forces require access to reliable communications and information networks to operate effectively at a high operations tempo. Air Force and DOD networks face a continuous barrage of assaults from individual hackers, organized insurgents, State-sponsored actors, and all level

of threats in between. Our adversaries are also realizing gains from electronically linking their combat capabilities. This is creating new warfighting challenges that the Joint Force must be prepared to address. As we work to ensure our freedom of movement in cyberspace, we will also work with service, joint, and interagency partners on additional and further-reaching cyberspace initiatives.

We are using a cyber strategy which not only improves the Air Force's ability to operate in cyberspace, but also mitigates constantly increasing infrastructure costs. This approach focuses on near-term FYDP investments to automate network defense and operations which increase both combat capacity and effectiveness. This effort, led by 24th Air Force, under Air Force Space Command, includes continued development of the Single Integrated Network Environment which provides a seamless information flow among air, space, and terrestrial network environments, and most importantly, mission assurance to the warfighter.

Our fiscal year 2013 budget request for cyberspace superiority is $4 billion. With these funds, we are expanding our ability to rapidly acquire network defense tools, such as Host Based Security System, a flexible, commercial-off-the-shelf (COTS)-based application to monitor, detect, and counter cyber-threats to the Air Force Enterprise. We are also investing in advanced technologies to monitor and secure both classified and unclassified networks. We have made considerable progress in our efforts to meet the emerging challenges and threats in cyberspace by fielding a total force of more than 45,000 trained and certified professionals equipped to ensure continuity of operations in cyberspace. The establishment of an additional ANG network warfare squadron (NWS) will enhance the Maryland ANG 175th NWS as they actively conduct cyber defense to protect networks and systems. The Air Force Reserve will also stand up an Active Association Network Warfare Squadron with the 33rd Network Warfare Squadron at Lackland AFB, Texas.

To keep with the rapid pace of technology, the Air Force is developing Joint standardization and acquisition strategies to enable quick delivery of cyber capabilities to address constantly evolving and more technologically advanced cyber threats and to improve intelligence capabilities in cyberspace. The Air Force is spending $27.3 million on the Air Force Wideband Enterprise Terminal, leveraging Army procurement efforts for significant quantity savings, joint standardization, interoperability, and enabling wideband global satellite communication (SATCOM) Ka-band utilization, resulting in greater bandwidth for deployed warfighters. The Air Force continues efforts toward the Single Air Force Network, which increases Air Force network situational awareness and improves information sharing and transport capabilities. For future budget requests, the Air Force is working with DOD to define near- and long-term solutions to deliver warfighting communication capabilities, such as Family of Advanced Beyond Line of Sight Terminals (FAB–T) and upgrading the Air Force's wideband enterprise terminals to provide joint standardization and greater bandwidth.

Space Superiority

America's ability to operate effectively across the spectrum of conflict also rests heavily on Air Force space capabilities. Airmen provide critical space capabilities that enhance the DOD's ability to navigate accurately, see clearly, communicate confidently, strike precisely, and operate assuredly. General purpose forces, the intelligence community, and special operations forces depend on these space capabilities to perform their missions every day, on every continent, in the air, on the land, and at sea. In addition, space operations help ensure access and use of the global commons, enabling a multitude of civil and commercial activities such as cellular communications, commercial and civil aviation, financial transactions, agriculture and infrastructure management, law enforcement, emergency response, and many more. Like air superiority, space-based missions can easily be taken for granted.

The Air Force has maintained its record of successful space launches, began on-orbit testing of the first advanced extremely high-frequency military communications satellite, and launched the first Space Based Infrared System geosynchronous satellite. Our ability to deliver space capabilities is currently without equal. As we become a smaller, leaner force in accordance with the new defense strategic guidance, the leveraging and multiplying effects that space provides will become increasingly important. Improving space situational awareness will be key to protecting the unique advantage space provides.

Rapid technology advancements and the long-lead time for integrating and fielding new space technology results in an ongoing need to plan, design, and implement space advancements. We must procure our space systems at the lowest-cost possible while providing assured access to space. Our innovative acquisition strategy for the

Efficient Space Procurement (ESP)[1] of complex space systems is designed to identify efficiencies and use those resources to provide enduring capability and help provide stability to the space industrial base. We are again requesting advance appropriations to fully fund the satellites being procured under ESP. While we are modernizing and sustaining many of our satellite constellations, funding constraints have slowed our ability to field some space capabilities as rapidly as is prudent. Therefore, as we continue to sustain our current level of support to the warfighter, the current fiscal environment demands that we explore alternate paths to provide resilient solutions. As we incorporate the tenets of the new National Space Policy and National Security Space Strategy, we are actively developing architectures that take into consideration the advantages of leveraging international partnerships and commercial space capabilities. One example being tested is a commercially hosted infrared payload (CHIRP) launched from Guiana Space Center, Kourou, French Guiana, which begins to explore the utility of a dedicated payload for missile warning hosted on a commercial communications satellite.

With the $9.6 billion in funds for space programs in the fiscal year 2013 budget request, the Air Force is recapitalizing many space capabilities, fielding new satellite communications systems, replacing legacy early missile warning systems, improving space control capabilities, and upgrading position, navigation and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and the acquisition of GPS III satellites. Consistent with the 2012 National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act, the Air Force is canceling the Defense Weather Satellite System, saving $518.8 million in fiscal year 2013 and $2.38 billion more than the FYDP. The Defense Meteorological Satellite Program (DMSP) will continue to fulfill this critical requirement as the Air Force determines the most prudent way forward.

Nuclear Deterrence Operations

Credible nuclear capabilities are required to deter potential adversaries from attacking our vital interests and to assure our allies of our commitments. Although the threat of global nuclear war has become remote since the end of the cold war, the prospect of nuclear terrorism has increased. Proliferation of nuclear weapons, especially among regional power aspirants, is on the rise. Advanced air defenses increasingly threaten the survivability of current bombers. Area denial and ballistic missile threats reduce our basing options and challenge the responsiveness and survivability of long-range strike. As a result, the United States must shape its deterrent forces to maintain stability among existing nuclear powers, to strengthen regional deterrence, and to reassure U.S. allies and partners.

The Air Force is responsible for 2 of the 3 legs of the nuclear triad and continuing to strengthen the Air Force nuclear enterprise remains a top Air Force priority. Air Force investment in our bombers and intercontinental ballistic missile (ICBM) systems reflects our commitment to the nuclear deterrence mission well into the future. Our request of $5.1 billion for this core function in fiscal year 2013 increases sustainment for the Minuteman III ICBM through 2030 with fuze component replenishment and replacement programs, as well as new transporter erectors. We are also enhancing long-range strike capabilities by upgrading the B–2s with an improved Defensive Management System (DMS) and a new survivable communication system. These investments will ensure the Air Force maintains the capability to operate and sustain safe, secure, and effective nuclear forces to deter adversaries, hold any target at risk, and respond appropriately if deterrence fails. In particular, the responsiveness of the ICBM leg and the flexibility of the bomber leg are valued attributes of the nuclear force. We are committed to a future force that will have the flexibility and resiliency to adapt to changes in the geopolitical environment or cope with potential problems in the nuclear stockpile.

The New Strategic Arms Reduction Treaty requires the United States to reduce warheads and delivery capacity by 2018. Our fiscal year 2013 budget request includes $20.1 million to fund treaty preparatory actions that began in fiscal year 2012 and additional actions necessary to accomplish the treaty-required reductions by 2018. While final force structure decisions have not yet been made, we are continuing to develop detailed plans, working with the Department of Defense and U.S. Strategic Command, for executing force reduction decisions which retain the attributes of the Triad needed for 21st century deterrence.

Rapid Global Mobility

The Air Force provides unparalleled in-flight refueling and cargo carrying capacity in support of worldwide operations. Mobility forces provide vital deployment and

[1] Previously known as Evolutionary Acquisition for Space Efficiency (EASE).

sustainment capability for Joint and coalition forces by delivering essential equipment, personnel, and materiel for missions ranging from major combat operations to humanitarian relief operations. Achieving unprecedented survival rates, our highly skilled aeromedical transport teams swiftly evacuate combat casualties, ensuring our wounded warriors receive the best possible medical care. A unique Air Force contribution, rapid global mobility must be maintained on a scale to support DOD force structure and national strategic objectives.

On any given day, the Air Force fleet of C–17s and C–5s deliver critical personnel and cargo, provide airdrop of time-critical supplies, food, and ammunition, and enable rapid movement of personnel and equipment. Air Force air refueling aircraft will continue to play a vital, daily role in extending the range and persistence of almost all other Joint Force aircraft. The Air Force remains committed to fully funding the acquisition of the new KC–46A tanker with $1.8 billion in research, development, testing, and evaluation (RDT&E) in fiscal year 2013, while also resourcing critical modernization programs for the KC–10 and KC–135 fleets. This will ensure our Nation retains a tanker fleet able to provide crucial air refueling capacity for decades to come. The retirement of 20 KC–135s is consistent with our analysis of warfighting scenarios based on the strategic guidance and will results in savings of $22.5 million in fiscal year 2013. As part of our energy efficiency initiatives, we plan to begin upgrading 93 KC–135 engines in fiscal year 2013 and 100 more each year through the FYDP. We anticipate overall savings in fuel and maintenance of $1.5 billion from this $278 million investment.

In addition, with our fiscal year 2013 budget request of $15.9 billion in rapid global mobility funds, the Air Force will continue to modernize its inter-theater airlift fleet of C–17s and C–5s. To move toward a common fleet configuration, the Air Force is investing $138.2 million in fiscal year 2013 for the Global Reach Improvement Program (GRIP). The GRIP brings the multiple variants of C–17 to a standard configuration, designated the C–17A, that will provide efficiencies in operations and weapon system sustainment. We also plan to transfer eight C–17s from the Active component to the ANG in fiscal year 2013, and an additional eight in fiscal year 2015. We are modernizing the most capable C–5 airframes while retiring the final 27 of the oldest model, the C–5A. On the remaining 52 C–5s, the Air Force is investing $1.3 billion in modernization in fiscal year 2013 to improve capability and reliability, including $1.23 billion on the Reliability Enhancement and Re-engining Program. We currently have seven operational C–5Ms. The retirement of the last C–5A by fiscal year 2016 is timed to match the completion of the last C–5M upgrade.

Because the strategic guidance reduced the overall requirement for intra-theater airlift, we are retiring C–130H aircraft (39 in fiscal year 2013 and a total of 65 more than the FYDP). These older aircraft would require costly modification or modernization to remain viable. We will maintain the necessary intra-theater airlift capability and capacity by completing the recapitalization of older C–130E/H aircraft with the C–130J. The remaining legacy C–130H aircraft are being modernized to reduce sustainment costs and ensure global airspace access.

Finally, after rigorous mission analysis, we determined the mission performed by the C–27J fleet could be performed by the C–130 fleet which is fully capable of meeting direct ground support and homeland defense requirements.[2] The fiscal constraints that demand we become a smaller Air Force also support the decision to retain aircraft that have multiple role capabilities, like the C–130. Therefore, all 21 C–27Js in the current fleet will be retired, and we are canceling procurement of 17 additional aircraft. Without question, the Air Force's commitment to support time-sensitive, mission-critical direct airlift support to the Army is unaltered by the divestment of the C–27J.

Command and Control

Command and control (C2) of our forces has never been more vital or more difficult than in the highly complex 21st century military operations that depend on close Joint and coalition coordination. C2 is the key operational function that ties all the others together to achieve our military objectives, enabling commanders to integrate operations in multiple theaters at multiple levels through planning, coordinating, tasking, executing, monitoring and assessing air, space, and cyberspace operations across the range of military operations. No longer in a cold war technological environment, the Air Force is transforming its C2 to an Internet protocol-based net-centric war fighting capability. To do so, the Air Force must sustain, modify, and enhance current C2 systems, and develop deployable, scalable, and modular systems that are interoperable with joint, interagency, and coalition partners.

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[2] Six of the seven ANG units that are affected by the divestment of the C–27J fleet are being backfilled with MC–12W Liberty, ISR/cyber, MQ–9, or C–130 units.

The Air Force is focusing its attention to modernization efforts to operate in A2/AD environments with our fourth- and fifth-generation weapon systems. In doing so, the Air Force will continue to use a balanced approach across the C2 portfolio by investing in sustaining legacy platforms while modernizing our C2 aircraft fleet and ground operating nodes only as needed to sustain our capability. Our fiscal year 2013 budget request of $5.8 billion for C2 includes $200 million to support secure and reliable strategic level communications through the E–4 National Airborne Operations Center (NAOC). We are also spending $22.7 million to begin fielding a cockpit modernization development program to sustain the capability of the existing Airborne Warning and Control System (AWACS) platform and we will continue to modernize and sustain the Theater Air Control System Command and Control Centers (CRC). The modernization of the Air Operations Center (AOC) will move this weapon system to an enterprise system which can accept rapid application upgrades and enable future warfighting concepts.

To reduce unnecessary cost, the Air Force will retire one JSTARS aircraft that is beyond economical repair, saving the Air Force $13 million in fiscal year 2013 and $91 million more than the FYDP. The JSTARS re-engining system development and demonstration (SDD) flight test program completed in January 2012; however, because the fiscal year 2012 NDAA reduced re-engining funding, full completion of the re-engining SDD is under review. The JSTARS re-engining program is not funded in fiscal year 2013. We also terminated our portion of the Army-managed Joint Tactical Radio System (JTRS) small airborne radio program that was over cost and behind schedule and will instead leverage industry-developed hardware, while continuing the development of the required radio waveforms. The termination of this program and the associated nonrecurring engineering will save $294 million in fiscal year 2013 and $3.2 billion more than the FYDP.

Special Operations

Success in counterterrorism and irregular warfare missions requires the ability to conduct operations in hostile, denied, or politically sensitive environments, using other than conventional forces. Air Force special operations capabilities continue to play a vital role in supporting U.S. Special Operations Command and geographic combatant commanders. U.S. special operations forces (SOF) depend on a balanced force of air, sea, and land capabilities; Air Commandos bring specialized expertise for infiltration and exfiltration and the kinetic and nonkinetic application of airpower that are essential to joint special operations capabilities.

Our investments in SOF must strike a balance between winning today's fight and building the Joint SOF of the future, including the ability to act unilaterally when necessary. Despite the challenging fiscal environment, with our budget request of $1.2 billion, the Air Force was able to sustain nearly all of the SOF aviation improvements realized over the past several years. The programmed buy of 50 CV–22 Ospreys will complete in fiscal year 2014, and the procurement of MC–130Js for the recapitalization of 37 MC–130E/Ps will also complete in fiscal year 2014. MC–130H/W recapitalization will begin in fiscal year 2015, a year earlier than scheduled in the fiscal year 2012 President's budget, which ensures a continued, more capable SOF mobility fleet. The Air Force is modernizing our SOF precision strike capability by procuring AC–130Js, on a one-for-one basis, to recapitalize our legacy AC–130Hs. We are also ensuring our battlefield airmen continue to receive first-class equipment and training by adding funds to operations and maintenance accounts.

Personnel Recovery

The Air Force remains committed to modernizing crucial combat search and rescue (CSAR) capabilities. The additional use of personnel recovery (PR) forces for medical and casualty evacuation, humanitarian assistance, disaster response, and civil search and rescue operations has steadily risen since the early 1990s. This increase in usage has taken its toll on the aircraft and significantly affected availability. Currently, Air Force PR forces are fully engaged in the CENTCOM and Africa Command AORs, accomplishing lifesaving medical and casualty evacuation missions. They are also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief, and mass casualty evacuation missions. The dynamic geopolitical environment suggests that the continued need for PR forces to conduct nonpermissive CSAR in contingency operations and permissive humanitarian assistance, disaster response, and civil search and rescue operations will remain.

To ensure the Air Force is able to provide this vital core function in the future, we are recapitalizing our fixed wing aircraft, replenishing our rotary wing aircraft through the Operational Loss Replacement (OLR) program, and replacing aging rotary wing aircraft through the Combat Rescue Helicopter (CRH) program. The $1.4

billion fiscal year 2013 budget request for PR includes $152.2 million for the HC–130J and $183.8 million for the OLR and CRH programs. The fiscal year 2013 RDT&E funding for the CRH was reprogrammed to support the acquisition of two test aircraft. The program remains on track to produce a replacement for the HH–60G through a full and open competition, with initial operational capability planned for fiscal year 2018. The Air Force also continues to fund the HH–60G and HC–130 sustainment programs while continuing to invest in the Guardian Angel program that provides first-class equipment and training for the rescue force.

Building Partnerships

Building the capacity of partner governments and their security forces is a key element in our national security strategy. The establishment of strong, foundational aviation enterprises in our partner nations enables successful, sustainable security within their own borders while contributing to regional stability. Successful partnerships ensure interoperability, integration and interdependence between air forces, allowing for effective combined and coalition operational employment. These partnerships also provide partner nations with the capability and capacity to resolve their own national security challenges, thereby reducing the potential demand for a large U.S. response or support.

The necessity for partnering is evident every day in Afghanistan where United States and coalition air forces provide flexible and efficient airpower support to International Security Assistance Force operations. In both Iraq and Afghanistan, airmen are building the capabilities and capacities of the Iraqi and Afghanistan air forces so that they can successfully employ airpower in their own right. In addition, the success of the Libya operations last year can be partly attributed to years of engagement that led to improved interoperability and highly capable and equipped partner nations.

These international engagements require airmen to perform their duties effectively and achieve influence in culturally complex environments around the globe. Fielding the Joint Strike Fighter and other platforms will help further our partnerships with more established allies. The U.S. role in the 12-nation Strategic Airlift Consortium enables a unique fully operational force of three C–17s to meet the airlift requirements of our European allies. The fiscal year 2013 budget request of approximately $300 million in this core function continues to fully resource the Strategic Airlift Consortium effort at Papa AB, Hungary. The Air Force also committed to field a new aviation detachment in Poland.

Due to fiscal constraints, the Air Force terminated the Light Attack Armed Reconnaissance and the Light Mobility Aircraft programs; however, the Air Force believes this requirement can be substantially met with innovative application of ANG State Partnership Programs and Mobility Support Advisory Squadrons. We are working with partner nations to build and sustain ISR capacity and help them effectively counter threats within their borders. We are also pursuing international agreements to increase partner satellite communication, space situational awareness, and global positioning, navigation, and timing capabilities.

The Air Force also recognizes that it cannot build effective international partnerships without effective U.S. Government interagency partnerships. To that end, we are a strong supporter of State-Defense exchanges and other programs that provide interagency familiarity and training.

Agile Combat Support

Underpinning our capacity to perform the missions in these core functions is the ability to create, protect, and sustain air and space forces across the full-spectrum of military operations—from the training, education, and development of our airmen to excellence in acquisition. The fiscal year 2013 budget request includes $31 billion for agile combat support.

We will continue to support our airmen and their families through quality of life and support services such as child care and youth programs and initiatives, medical services and rehabilitation for wounded warriors, improvements to dining facilities, food delivery, fitness centers, and lodging. We are partnering with local communities, where feasible, to provide the highest-quality support, and we are changing the way that we provide services so that airmen and their families are more able to easily access and receive the support they need. To ensure we continuously focus on and improve readiness and build a more agile and capable force, we have strengthened technical and professional development by enhancing technical training, professional military education, and language and culture programs.

The Air Force is committed to sustaining excellence with a smaller force. We remain attentive to force management efforts and continue to size and shape the force to meet congressionally mandated military end strength. A series of voluntary and

involuntary force management efforts have been successful in reducing Active Duty end strength. Force management programs in fiscal year 2012 include voluntary and involuntary programs which lessen the need for involuntary actions in fiscal year 2013. We are posturing accessions for the long term and ensuring the right balance of skills exists to meet operational requirements. The Air Force will meet its OSD-directed civilian end strength target for fiscal year 2012. The Force Management Program is not a quick fix, but a tailored, multiyear effort to manage the force along the 30-year continuum of service.

We are improving acquisition processes, recently completing implementation of the Acquisition Improvement Plan (AIP). We have also institutionalized the "Better Buying Power" (BBP) initiatives promulgated by the Under Secretary of Defense for Acquisition, Technology and Logistics and are expanding those improvements through our Acquisition Continuous Process Improvement 2.0 (CPI 2.0) effort. The major elements of the CPI 2.0 Initiative—process simplification, requirements, realizing the value proposition, and workforce improvement—will build upon the BBP initiatives and continue our momentum in improving our acquisition workforce skills.

We are ensuring the Air Force continues to have war-winning technology through the careful and proactive management of our science, technology, engineering, and mathematics (STEM) workforce and improving our means to attract and recruit future innovators for the Air Force. Properly funding our science and technology laboratories enables them to continue discovering, developing, and demonstrating high-payoff innovations to address the changing strategic environment and sustain air, space, and cyberspace superiority. Therefore, the Air Force's budget protects science and technology funding as a share of our total resources.

Science and technology investments are also a key toward enhancing our energy security and meeting our energy goals. The Air Force is requesting more than $530 million for aviation, infrastructure, and RDT&E energy initiatives in fiscal year 2013 to reduce energy demand, improve energy efficiency, diversify supply, and increase mission effectiveness. A focus of these initiatives is to improve our energy security by diversifying our drop-in and renewable sources of energy and increasing our access to reliable and uninterrupted energy supplies. We are investing more than $300 million in energy RDT&E, which includes $214 million for the fiscal year 2013 Adaptive Engine Technology Development (AETD) Initiative. This initiative will build upon the Adaptive Versatile Engine Technology (ADVENT) effort to reduce energy consumption and improve efficiency and reliability of future and legacy aircraft.

We are continuing to support an important aspect of our readiness posture through weapons system sustainment, the requirements for which have grown due to the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for legacy aircraft. We are mitigating overall WSS growth through efficiency efforts and requirements reviews. WSS funding through overseas contingency operations (OCO) requests remains critical while we continue to be engaged in these global operations. For fiscal year 2013, we are seeking $11.6 billion in WSS (including OCO). We are committed to retaining three strong organic depots. In fiscal year 2012, we are investing approximately $290 million in new technologies and infrastructure in all of our depots. Although we may have a short-term challenge to meet the title 10, section 2466 Depot 50/50 Rule requirements due to force structure changes, we have a robust plan in place to perform organic repair for future weapon systems like the KC–46A.

As noted earlier, Air Force continues to emphasize the importance of maintaining readiness in support of our FHP. The Air Force's $44.3 billion fiscal year 2013 operations and maintenance request supports 1.17 million flying hours for new pilot production, pilot development, maintenance of basic flying skills, as well as training of crews to support combatant commander priorities.

Facility sustainment, restoration and modernization, and MILCON are essential tools for providing mission capability to our warfighters. The $441 million in MILCON funding, a $900 million decrease from fiscal year 2012 enacted levels, represents a conscious decision to take a deliberate pause in MILCON investment. During this pause, we will maintain funding levels for facility sustainment at $1.4 billion and restoration and modernization at $718.1 million. We will continue to fund the most critical construction priorities of our combatant commanders and the Air Force, including projects aligned with weapon system deliveries—supporting beddowns for the F–22, F–35, HC–130J/C–130H, and MQ–9. In addition, our investment funds some much-needed support to our airmen, with $42 million in dormitory recapitalization.

CONCLUSION

Given the continuing complexity and uncertainty in the strategic environment, and a more constrained fiscal environment, DOD and Air Force resources are appropriately targeted to promote agile, flexible, and cost-effective forces, and to mitigate strategic risks. The fiscal year 2013 Air Force budget request reflects the extremely difficult choices that had to be made that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's and tomorrow's wars, prevent and deter conflict, and prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the All-Volunteer Force. Additional reductions would put at risk our capability to execute the new strategic guidance.

We are confident in our airmen and their families. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources. As they have time and again, our airmen innovators will find new and better ways to approach future military challenges across the spectrum of domains and against nascent threats. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $110.1 billion for fiscal year 2013.

Chairman INOUYE. Thank you very much.

General Schwartz.

STATEMENT OF GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF

General SCHWARTZ. Mr. Chairman, thank you. Vice Chairman, members of the subcommittee, just a brief addendum to the Secretary's comments, if you would allow me, on military compensation.

I would appeal to the subcommittee, Sir, to carefully consider those initiatives in our budget proposal that begin to tackle escalating personnel costs: compensation, healthcare, and retirement. Among all the other challenges facing us, the reality of fewer members of the Armed Forces costing increasingly more to recruit, train, and retain for promising careers, I think, is the monumental Defense issue of our time.

Our inability to address this issue properly will place other areas of the budget, including force structure and modernization, under yet more pressure, forcing out needed military capability, at a time when we already are right sized for the likely missions ahead.

Sir, we look forward to your questions.

Chairman INOUYE. Thank you very much. If I may, Secretary Donley, your budget request proposes to terminate or restructure a significant number of programs and force structure which were funded in the fiscal year 2012. Now, can you provide this subcommittee some assurance that the Air Force is not ramping down its activities until we act on the fiscal year 2013 Defense bills?

Mr. DONLEY. Yes, Sir, I can. Our guiding principle is that we will not take any irreversible actions before the Congress has had a chance to review and approve, or adjust, the proposals made in the President's budget. There is a different situation with respect to each program. We have some programs, such as the Global Hawk, for example, Block 30 capability, that has already been fielded. Some aircraft are in procurement, and then there were dollars appropriated for additional procurement beyond that.

So, at appropriate points in contracts, we are taking pauses to slow down but are taking no irreversible decisions. The one exception to that that I mentioned in my statement is the Defense Weather Satellite System, which the Congress actually terminated

in fiscal year 2012. So, we have taken steps to terminate that program.

Chairman INOUYE. In your fiscal year 2013 budget request, you're cutting down the size of the Air Force personnel by 9,900. Now, it will take place in this fiscal year 2013. What force-shaping tools are you using to make these reductions?

Mr. DONLEY. Sir, we appreciate the support of the Congress in the last year to provide additional force-shaping tools for the Air Force and for the rest of the uniform services to adjust, as required, the size of our forces. We have been very aggressive in the last couple of years to get down the size of the Air Force. Our Active Duty has been over strength, at one point, by up to 5,000 or 6,000 personnel. So, we've taken aggressive action in the last 2 years to get down to authorized levels.

We will await the outcome of the congressional deliberations, but at this point we are hopeful that we can avoid potentially adverse force-shaping methods going into fiscal years 2013 and 2014. We're still not sure, but I think we're well-positioned, given the actions we've taken in the last couple of years.

Chairman INOUYE. General Schwartz, do you have anything to add?

General SCHWARTZ. Sir, I would just reiterate that at the moment it appears we will not have to use involuntary measures, that the voluntary incentives that are available, including those recently approved, will serve the purpose.

Chairman INOUYE. Mr. Secretary, General Schwartz, I have several other questions, but because of the legislative schedule, I'd like to submit them for your consideration. May I now recognize the Vice Chairman.

Senator COCHRAN. Mr. Chairman, my question is a follow-on to your first question. It seems that the Air Force may be getting ahead of the Congress here on making decisions to shut down operations of one kind or another, in anticipation of cuts that will be approved in the budget, but which have not yet been debated or reviewed carefully so that it will be ready to make any announcements.

Are any of these decisions that you've been making to shut down operations, like at Meridian, Mississippi, and other places, final decisions, or when do you consider that to become a final decision?

Mr. DONLEY. Well, certainly, we need congressional action on the fiscal year 2013 to confirm a way forward in these force structure adjustments. At the same time, we'll be frank with the subcommittee that many of our force structure adjustments are frontloaded to fiscal year 2013. So, we do need to continue the planning that would allow us to implement our proposals, should you approve them. So, we will need to go forward with planning, but, again, the Congress has the final say on next steps.

Senator COCHRAN. So, I understand from that that operations are not going to be affected in the foreseeable future, or during this next fiscal year, necessarily, unless the Congress approves it. Is that what I understand you to say now?

Mr. DONLEY. That's correct. The operation of the Global Hawk Block 30, the operation of the C–27s that have been delivered, those, for example, continue.

Senator COCHRAN. Thank you, Mr. Chairman.
Chairman INOUYE. Thank you.
Senator Alexander.

STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thank you, Mr. Chairman. Mr. Secretary and General Schwartz, thank you for being here.

General Schwartz, we met a couple of years ago, and we talked about the C–17s, and how to get them to Memphis and replace the aging C–5As. You're now on a path to do that, according to your proposal. As I understand it, the C–17s will be relocated in fiscal year 2013. What's the exact timeline for getting the C–17s to Memphis?

General SCHWARTZ. I would like to get you the exact timeline for the record, if I may, but I think that is a reflection of a larger effort that's under way to reshape the airlift force by retiring, in terms of the big aircraft, the 27 remaining C–5As and repopulating with C–17s and/or the re-engined C–5s across the fleet.

[The information follows:]

When the fiscal year 2013 President's budget was being developed, the Air Force determined that the Tennessee Air National Guard's 164th Airlift Wing at Memphis would convert from C–5As to C–17As, completing an action initiated during the fiscal year 2012 President's budget request. Memphis receives the first four C–17A aircraft in fiscal year 2013, with the remaining four aircraft arriving in fiscal year 2014. The schedule was planned around the transition between missions, accounting for C–5As retirements to make room for C–17As, as well as allowing for the retraining of aircrew and maintenance personnel. C–5As are planned to complete retirements from Memphis by the end of fiscal year 2014.

Air Mobility Command will work closely with the Air National Guard to ensure the most effective plan is implemented, adjusting the arrival plan accordingly based on the specific details of the C–5A retirement schedule and progress of C–17A training for Memphis personnel.

Senator ALEXANDER. Well, you have come to a conclusion that I certainly support, in recognition of the unusually good facilities you have in Memphis, and the same kind of conditions that the FedEx super hub, and the world runway, and others have. It makes a lot of sense to do that. And I'd be interested in any further detail about the timeline for that action.

Let me ask you a couple of questions, and then I'll stop, so other Senators can have their time. I want to ask you about the Arnold Engineering Development Center in Tullahoma, Tennessee. You've announced a restructuring of the Air Force Materiel Command. You're going to reduce the number of them. You're going to save some money doing that, eliminate civilian positions, and the Arnold Center, as a part of that restructuring, will be renamed. It will be reported to the Air Force Test Center at Edwards Air Force Base in California. All of which seems to me, again, to make a lot of sense, in terms of the demands that you have to reduce the size of what you're doing.

I wanted to express my support for your decision. Even though I know it's a difficult one, it ought to help the testing mission, and I believe it makes good sense. So, I know that sometimes as you go through these restructurings, you get expressions of lack of support. I want to give you one of support. And I want to ask you what you can tell me about the timeline for implementing the Air Force Materiel Command realignment plan. In other words, when do you

expect Arnold to start reporting to Edwards Air Force Base in California?

General SCHWARTZ. Sir, that is a fiscal year 2013 initiative, and so it would happen during the fiscal year, and we've got phased approaches. As you know, we're taking 10 direct reports to the Air Force Materiel Command Commander down to 5, and that will be done in a phased basis, and it will also include the transitions of supervision, in some cases, from, for example, two stars to one star to address the reduction in general officer manning that we've been mandated to undertake.

So, once again, Sir, with your permission, we'll give you the exact timeline with respect to the test center specifically, but it's a fiscal year 2013 undertaking.

[The information follows:]

The timeline for implementing the Air Force Materiel Command realignment comprises a transition period from early June 2012 through September 30, 2012. During this transition period the command will begin to shift to a new framework and refine processes necessary to operate in the new construct. This transition period is necessary to work through the many required changes in order to successfully meet the initial operating capability objectives. Initial operating capability includes completion of organizational alignment, new processes established, and personnel in place to support the new structure. Full implementation execution will commence on October 1, 2012 (fiscal year 2013) with completion of stand-up activities of the new Air Force Materiel Command five center organization. The re-designation of the Arnold Engineering Development Center to the Arnold Engineering Development Complex is planned to occur coincident with leadership change in the July timeframe. Full alignment to the Air Force Test Center (re-designated from Air Force Flight Test Center) will be complete by October 1, 2012.

Senator ALEXANDER. Thank you. Thank you, gentlemen. One last question. I was talking with Colonel Brewer, who's the base commander at Arnold. Looking way down the road, he reminded me that the facilities of the base are 50 years old. And I know at a time of less money and restructuring that it's tempting not to spend money on long-term planning for maintenance and modernizing, but we all know, as I'm sure you do, that there has to be a long-term plan to ensure that critical testing facilities such as that are at a very high level with cutting-edge technologies.

What plans have you undertaken to make sure that the testing facility there remains capable of its mission over the long-term.

General SCHWARTZ. Sir, as you know, there's a number of unique facilities at Tullahoma.

Senator ALEXANDER. Yes.

General SCHWARTZ. Including the high-speed test tunnels, and so on, and so forth. And among other things, we have invested in energy initiatives at Tullahoma in order to reduce the costs of operation there and to have a more efficient footprint.

As you are aware, many of these test facilities are very energy intensive, and one of those major efforts under way is not only to make them modern in terms of their test capacity, but importantly, how we manage the energy consumption at that installation.

Senator ALEXANDER. Thank you, Mr. Chairman, and thank you, General.

Chairman INOUYE. Thank you, Senator Alexander.

Senator Coats.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Thank you, Mr. Chairman, and Mr. Secretary and General, thank you for your testimony.

As I understand it, the downsizing of certain assets is the consequence of the Office of the Secretary of Defense (OSD) decision to basically scale back to be able to engage in one full-time combat operation with a sort of a hold on a second rather than the two full-effort strategy that we've been under. And that has had an effect, I believe, on your decision, relative to the A–10s, apparently.

But setting that strategy aside for another day, I want to ask a question about the A–10s. As you know, the 122nd Fighter Wing in Fort Wayne, is home to those A–10s. And under the plan, that would be switched to an ISR platform in the future.

I know that the Guard has submitted a counterproposal, which meets your goals. They even said, look, we understand these cutbacks are necessary, reductions are necessary, and so forth, but that counterproposal provided, I think it was based on the premise that when those A–10s are not in combat, they have to be deployed not overseas, but to some base, whether it's Active, or Reserve, or Guard. And in so doing, when they're not deployed, there's significant cost savings for that, and I think the 122nd has demonstrated that pretty effectively; less than one-third of the cost, if it's based on an active base.

My question is: Have you been able to review that proposal? Have you come to a conclusion on it? If so, what is that conclusion, and what's the justification for it?

Mr. DONLEY. So, as you alluded to, Senator, the Council of Governors approached the Secretary of Defense and asked if he would be open to suggestions for how to adjust the fiscal year 2013 President's budget. The Secretary indicated he would entertain suggestions. The Council of Governors did table a proposal almost 2 weeks ago, and that has been under review.

We've met three times with the empowered adjutant generals that the Council of the Governors have directed to work with us, General Wyatt, and also the Chief of the National Guard Bureau, General McKinley. The Chief and I have met now, as I said, three times. This work is ongoing, and we've not yet reached a conclusion, but we recognize the need to do so in time to meet the appropriate congressional markups that are in front of us in the next couple of months.

Senator COATS. Well, I very much appreciate it when you do reach a conclusion that we be informed about that. Obviously, it affects what has been, I think, rated over, and over, and over a very cost-effective unit, the 122nd at Fort Wayne. Again, we're not chaining ourself to the fence here and saying you can't touch this for any reason, whatsoever. We understand the need to make these reductions, but if there is a means by which makes sense, help you meet your goals, and save the funds, we certainly would like to have you give that very, very serious consideration.

General, anything you might want to add to that?

General SCHWARTZ. Sir, we are doing just exactly that, and we'll be bringing the conclusions of our work to the attention of the more senior people in the department within days.

Senator COATS. Good. Well, I've always tried to be supportive, whether it's base closings or anything else, in terms of the most cost-effective efficient military, and would be happy to work with you on that. And I thank you very much for your response.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you, Senator Coats.

Senator Johnson.

STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Secretary Donley, General Schwartz, thank you, and welcome, for being here today.

Secretary, the Air National Guard is a cost-effective force of experienced airmen. Given our difficult fiscal situation, why does the budget request propose disproportionate cuts in aircraft and manpower for the Air National Guard?

Mr. DONLEY. Sir, the adjustments in our manpower were driven by adjustments in the force structure itself, and the fighter force structure, and in the mobility force structure. Those changes were prompted by the adjustments and strategic guidance that we received that asked us to reorient geographically toward, certainly, the sustaining missions in the Middle East, but also look more carefully at Pacific priorities, going forward, and recognizing that the overall size of the ground forces are going down.

So, the force structure adjustments that we proposed were connected to those strategic judgments and the direction from the department that we could take additional risk in the fighter force structure. And as we looked at the fighter force structure and the mobility force structure as well, the key issues for us were how to develop on a total force basis the right balance between Active and Reserve component capabilities. Not just to husband reserve capabilities, as a strategic reserve back in the United States, but on a total force basis, how to integrate the Reserve components and the Active forces with the ongoing commitments of the United States Air Force 24/7, 365, and also to be able to meet surge and sustaining requirements. And this is what brought a closer attention to the Active and Reserve balance.

The size of our Air Force now is so small, as a result of the proposals that we're making here, we will be the size of the Air Force in 1947, when this Air Force was first created, on the Active-Duty side. So, as we go forward together, our Reserve and Active components have to be more closely integrated, and we can't get either side of this out of balance going forward.

I'd ask the Chief to add to this.

General SCHWARTZ. The only thing I would add to the Secretary's comments is one of the principle considerations was what will the activity level be for deployment requirements that's both rotational and potential surge contingency requirements. And with a smaller force, you have to assure that you can spread that activity level properly across the entire inventory, and that suggested that we needed to get the balance so that the Active Duty would not be more busy than what we call a deploy-to-dwell ratio of 1 to 2. In other words, 6 months deployed, 1 year home, and for the Reserves, not less than 1 to 4, ideally 1 to 5. And the reason is, if we overuse any of these components, especially when the economy turns up,

we will end up in a situation where Active Duty will not stay with us, and on the Guard and Reserve side, perhaps employers, and family members, and so on will see the activity level on the Guard side as too active-duty like. And so, this was trying to get the mix right, so that we could maintain the anticipated activity level without overusing either of the components, Sir.

Senator JOHNSON. General Schwartz, we look forward to hosting you at Ellsworth Air Force Base in May to celebrate the 70th anniversary of the base. Ellsworth has a proud history and will continue to play an important role for the Air Force.

Looking to the future, is the Air Force close to issuing the record of decision on the Powder River Training Complex?

General SCHWARTZ. Yes, Sir, we are. We got numerous comments from all interested parties on the environmental impact statement, some of which were not favorable. So, we took a brief pause to digest those comments and make sure that the requirements that we had were appropriate and justified. We have concluded that work, so the record of decision is imminent, and we will publish that in the appropriate fashion, Sir.

Senator JOHNSON. Thank you.

C–130 MOVE FROM FORT WORTH

Chairman INOUYE. Thank you very much.

Senator Hutchison.

STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Thank you, Mr. Chairman, and thank you, Mr. Secretary and General Schwartz.

Many of us were stunned about the plan that you have to remove eight of the C–130s from the Fort Worth Joint Base, from the 136th Airlift Wing, and to move those to Great Falls, Montana. That 136th has been crucial for the evacuation of victims of hurricanes and storms. In fact, all five Governors of States on the gulf coast sent a letter to the President, strongly asking that this relocation not occur. They said, "Losing the C–130s takes away a powerful airlift asset for saving the lives of Gulf Coast State citizens."

Now, these are Governors who have relied heavily on the 136th Airlift Wing in response to Hurricanes Gustav and Ike, in 2008, Dean in 2007, and Hurricanes Katrina, Rita, and Wilma in 2005. In fact, the 136th has flown 423 sorties in response to storms, have safely evacuated more than 3,000 victims, and delivered 939 tons of emergency aid. So, there will be no Guard C–130s on the entire gulf coast, which we know is one of the key places where hurricanes certainly hit, but we also have tornado alley in that area.

In addition to that, General Schwartz, the Air Force has requested a $3 million earmark in fiscal year 2013 for operations and maintenance to fund a temporary shelter for these C–130s in Montana. The Air Force has also requested $20 million in military construction funding for fiscal year 2014 for conversion of facilities from F–15 to C–130s. The DOD said in the request that the C–130s cannot fit inside the current hangar and perform maintenance, thus negatively impacting the C–130 mission.

Until this proposed project is completed, the lack of a fuel cell control facility will also cause maintenance delays, forcing fuel cell

work to be done on the ramp in harsh winter conditions. You responded, General Schwartz, to Congresswoman Kay Granger in a March 6 hearing that the Air Force has not yet completed all the work on this.

I'm hoping you're going to say today that it is still being assessed and possibly for a rethinking of this kind of a transfer, when these have been so vital to an area that is, really, the area of the country that has the most disasters and emergency needs, and this 136th is specifically trained to be the immediate response for these Governors that use the Wing.

So, my question is: Are you reconsidering, and if not, why not?

General SCHWARTZ. The short answer is yes, we are. In fact, part of the Council of Governors' proposal was an adjustment to our original recommendations. So, as the Secretary indicated, it certainly is under consideration.

I would only offer this context, though. While it is true that there are no Air National Guard C–130s in the gulf region——

Senator HUTCHISON. There are Reserves.

General SCHWARTZ [continuing]. There are numerous other C–130s.

Senator HUTCHISON. Yes.

General SCHWARTZ. Both Active Duty and Reserve. And that the fiscal year 2012 National Defense Authorization Act enables the Active Duty now to provide support to civil authority much like the interstate compacts that exist, you know, between the States for title 32 application of the Air National Guard.

Nonetheless, the short answer to your question is yes, it certainly is under consideration, and for some of the reasons you mentioned, and others as well.

Senator HUTCHISON. Did you have a comment, Mr. Secretary?

Mr. DONLEY. I just wanted to reinforce that yes, we are looking at this in the context of the Council of Governors' proposal, but to reiterate, as we go forward, and the military becomes stronger, we need to think about the most efficient use of our Armed Forces across components. And we know this has been an issue for the Guard. But in the gulf region, we have Active, Guard, and Reserve airlift. We have about 100 either C–130-like or helicopter-like capabilities that are available. And we have done the analysis on support to hurricanes and tropical storms on the gulf coast. And the numbers show that the Active Duty actually ends up flying in support of the States, and the Federal disaster support planes have flown fully one-half or more of those kinds of missions. So, we are, as a total Air Force, available to support the Governors' needs, when there is a natural disaster.

Senator HUTCHISON. Well, let me just say that I do think that the guard is the immediate call, that is, all of the training with the Governors is guard, and they have been very successful, and immediate. They give the immediate response.

And second, as the former chairman and ranking member, with my colleague, Senator Feinstein, of the Military Construction Committee, I know that when you have facilities, and then you talk about moving, and constructing all new facilities, really, because they're not prepared for it, and then you have the operations and maintenance increase, I just would hope you'd look at the effi-

ciencies there, where you've got the support at the joint base, also a part of the policies of the DOD to have joint bases that are more efficient. It's a Navy lead base, but Air Force has both fighter wings, as you know, a fighter wing, as well as the C–130.

So, I'm just saying it's hard for me to see an efficiency argument here, when if it ain't broke, don't fix it sort of attitude. So I'm hoping you will reconsider, for whatever reasons that are the right reasons, and keep this very vital asset where it's performed so well. Thank you very much.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Feinstein.

STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Mr. Chairman. If I may, gentlemen, I'd like to follow-up on Senator Hutchison's question, because it also affects Fresno, California, and the 144th. It's my understanding that F–16s are being replaced with F–15s. Is that transfer on course, General?

General SCHWARTZ. It is, Ma'am.

Senator FEINSTEIN. And will the 144th remain?

General SCHWARTZ. It will, with the new F–15 equipage.

Senator FEINSTEIN. So, in terms of Fresno, which is a community that is very upset about it, it will be a substitution, and as far as the community is concerned, there will be a continuation.

F–16 TO F–15 CONVERSION AT FRESNO

General SCHWARTZ. The Air Sovereignty Mission, which the wing has performed from Fresno, will continue, except with F–15s vice F–16s, which, frankly, are a better fit for that particular mission.

Senator FEINSTEIN. Well, that is your department, and if you say so, I'm certainly not one to contest that. As long as that feature remains in place, that's excellent.

Secretary Donley, I wanted to ask you, on page 19, in your written testimony, and I'm sorry, I missed your oral testimony, you make this statement, "The Air Force must procure our space systems at the lowest cost possible, while providing assured access to space." That's a direct quote. I'm very concerned that this is not the case, that with the United Launch Alliance (ULA) contract, details of which are apparently not put out, that there is no competitive bidding, and that there is a company, a California company, that could competitively bid, come 2014, and reduce the per-unit cost per ULA booster core from $420 million to $60 million, over a contract term; therefore, saving literally billions of dollars.

The rockets are all produced in this country, rather than one-half of the rockets being produced outside the country, from the joint venture between the two big aerospace companies.

I have felt this way in the Energy and Water Development Subcommittee. I chair that subcommittee, and we've had this problem with small nuclear reactors being limited, just the two big ones for licensing help. I see the same thing happening here. Instead of being able to open the process for competition, the big companies are chosen, and it's a long contract. And I understand they tell you, well, if we don't have the long lead, the price will go up. But then

you have a company, relatively new, have done a lot of testing, has other contracts, would like to participate, and cannot.

Could you respond to that?

EVOLVED EXPENDABLE LAUNCH VEHICLE COMPETITION

Mr. DONLEY. Absolutely, Senator. I think we have a good site picture here for space launch. We have been concerned about the cost of the Evolved Expendable Launch Vehicle (EELV) program and ULA's performance. We believe we've been paying more than we need to for space launch.

The flipside is that we've had a string of successful launches, and we have repaired some of the previous problems and issues we had with assured access to space, and lost payloads a few years back. So, this has been a long, very focused effort to develop assured access, and to increase the reliability and sustain the reliability of space launch.

Now, we're at a point where we've achieved that with the EELV, but we'd like to get a better price for that work. So, we've had a should-cost study completed and other studies under way for some period of time, to better understand the cost basis of the EELV contract, and to renegotiate that contract going forward. And we are in the process of doing that. We will have an acquisition strategy ready later this spring that provides more flexibility for the government, and we think better savings for the taxpayer.

[The information follows:]

The Air Force plans to release a request for proposal that will help properly inform the Government decision on the quantity and length of the first phase; and then award a contract based on analysis of the most advantageous approach to the Government. The Air Force has not determined a final quantity or duration for the contract starting in fiscal year 2013. The Air Force believes it is essential to have more fidelity in the Evolved Expendable Launch Vehicle (EELV) pricing strategy before making a long-term contractual agreement. In order to validate the most advantageous production rate and commitment period, and to use maximum leverage in negotiations, the government will require the contractor to propose a range of fixed prices for various rate and commitment options. The decision on the specific contractual commitment will be balanced among price, operational requirements, budget realities (including all fiscal law constraints), and potential for competition. Requirements above the contract commitment will be met through a full-and-open competition among all certified providers. While United Launch Alliance is currently the only responsible source certified to launch EELV class payloads, research indicates there are potential new entrants; however, the earliest timeframe to meet all EELV-class launch requirements appears to be fiscal year 2016–2017.

In order to facilitate the certification of potential New Entrants, the Air Force has identified two opportunities that providers may bid on—the Deep Space Climate Observatory mission (currently scheduled for late fiscal year 2014) and the Space Test Program–2 mission (currently scheduled for late fiscal year 2015), which were funded by the Congress in fiscal year 2012. These EELV-class missions have a higher risk tolerance and will provide an opportunity for potential New Entrants to prove their capability for certification.

When the phase I block buy expires, assuming new entrants are certified, we will have a full and open competition for launch services for the second Phase.

Mr. DONLEY. At the same time we're working on the EELV side we've been working with National Aeronautics and Space Administration (NASA) and the National Reconnaissance Office (NRO) to develop a joint process through which new entrants into the space launch business gets certified by having opportunities to fly DOD payloads or other Government payloads of perhaps lower risk or lesser value, in order to prove out the reliability of their systems.

And so, we agreed at the end of last year on new entrant certification criteria. We have a process for doing that. In fiscal year 2012, we will go out on contract for two payloads that are being set aside for the new entrants, and so that work will continue through this spring. But, our objective is to get the cost of EELV down, and to bring in new competitors into space launch that will help to continue to provide more competition in this area.

Senator FEINSTEIN. Well, I thank you for that answer. I just need time to analyze exactly what it means. Let me just go to basics. You know what I'm talking about. Will SpaceX be able to compete?

Mr. DONLEY. I believe we've addressed the issues raised by the new entrants, including SpaceX, in the work that we've done over the last year. So, I think there is an open path, and I believe SpaceX and the other new entrants understand the opportunities available, and what they will need to do to be certified for EELV class launches in the future, so we can bring competition into this work.

Senator FEINSTEIN. And when would that competition begin? When would the first year be when a new company can compete?

Mr. DONLEY. Well, the initial work this year is to identify less-risk, lower-value payloads for these new entrants to demonstrate their launch capabilities. And that will happen this year. Those launches, I believe, are scheduled for 2014 and 2015. So, this has to play out over a few years.

Senator FEINSTEIN. Okay.

Mr. DONLEY. That work is under way.

Senator FEINSTEIN. Let me ask you specifically. In 2014 and 2015, will there be an open competition?

Mr. DONLEY. Let me get back to you on the record for that, because we do not have a predictable path for exactly when the new entrants will be certified. And we have not yet completed the acquisition strategy for EELV, going forward. Although, it's our intent to build into that acquisition strategy the flexibility for the Government to determine at what point competition comes in.

Senator FEINSTEIN. Right.

Mr. DONLEY. So, there's some unknowns here.

Senator FEINSTEIN. Well, I really appreciate that, Mr. Secretary. And what I'm told is, and this may be wrong, that they're under the impression they cannot compete for the rest of the decade. That's tragic, because it could be, I'm not saying it would be, but it could be a savings of many billion dollars, if they're competitive.

Mr. DONLEY. So we'll continue to look.

Senator FEINSTEIN. All right. I appreciate that. General, would you like to make a comment?

General SCHWARTZ. Just quickly, Ma'am. And the Secretary is the real expert here, but two important points. There are two payloads that the new entrants will have an opportunity to fly. That's the Discover mission and the Space Test Program II payload.

The bottom line here, from my point-of-view, is I don't want to put a $1.5 or $2 billion satellite atop a rocket for the first flight. I think it's important for us to manage risk. We would do the same thing on the air-breathing side. So, this needs to be done in a deliberate way, where the new entrants demonstrate the reliability of their platform so we can get that $2 billion satellite into orbit.

Senator FEINSTEIN. I think I understand. I'm trying to understand. Again, my interest is a competition, where everybody can compete, and the Government can hopefully save some money. So, Mr. Secretary, I appreciate your comments, and I trust we can stay in communication, and you'll let me know.

Mr. DONLEY. Absolutely.

Senator FEINSTEIN. Thank you very much. Thank you, Mr. Chairman.

EIELSON AIR FORCE BASE

Chairman INOUYE. Thank you.

Senator Murkowski.

STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you for being with us. Your leadership greatly appreciated. And General, I thank you for your recent visit to the interior of Alaska. As we discussed with community leaders, the proposal to move the F–16 aggressor squadron from Eielson Air Force Base (AFB), we know that we've kind of seen this movie before, that this was suggested back in the 2005 base realignment and closure (BRAC), a great deal of discussion, ultimately, that the decision was made not to move that aggressor squadron. Now, the proposal is before us again.

I know that you have seen the chart there that demonstrates Alaska's geographic position in the world. In fact, I think you probably had that in your office when you were in Alaska, so I don't need to speak to that. But, I still have a very difficult time understanding a proposal that would somehow possibly decrease our presence in Alaska, when the administration says that we're going to focus our attention on the Asia and the Pacific.

And I continue to press for the answer from the Air Force as to its intentions with Eielson AFB to continue that installation as a fully functioning base that allows the 168th Air Refueling Wing to fully conduct its critical refueling mission as part of the administration's Asia-Pacific focus. I guess I would like to hear that assurance that Eielson AFB will continue in that very, very significant role, and would ask a series of questions then, in terms of what we might anticipate with the site survey, going forward.

General Schwartz, I have sent a letter asking that with this site survey that will be conducted, I understand now in April that the team include a general officer and also a provision to consult with the Alaska National Guard, since the plans there at Eielson AFB will significantly impact this 24-hour, 365-day-a-year refueling mission with the Guard.

So, I'm wondering where we are on that request with the site survey coming forward, and again, a reaffirmation of that very critical role that Eielson AFB has historically played for the Air Force.

General SCHWARTZ. Yes, Ma'am. Clearly, the intent is to support in its entirety the 168th mission and not just the 168th. But there are other activities at Eielson AFB, the Arctic Training School, and so on, and so forth, that will continue, and will not be diminished by the relocation of the F–16s or the associated reduction of base operating support that's tied to that relocation.

I can't commit today to a flag officer for the survey, but clearly, the interaction will include the Guard and all other stakeholders that have an interest, obviously, in Eielson AFB.

And, Ma'am, as you know, not only is Eielson AFB the home for the 168th, it is the access point for the range area just to the west, and so on. And that will continue to be the case. And 23 million gallons of jet aviation fuel stored there is a significant asset that clearly is in the back of our mind continuously, especially with the new emphasis and the strategy on the Asia-Pacific.

Senator MURKOWSKI. Well, let me ask you about the cost savings. And again, I remind all that we've looked at this once and determined that the cost savings were simply not going to be there.

The proposal to move the squadron from Eielson AFB down to Elmendorf Air Force Base is one that I think is somewhat problematic. We've got, currently, at Joint Base Elmendorf-Richardson (JBER), about 400 soldiers that are already in temporary barracks. So, by relocating significant number of airmen and their families down into that area, I want to know whether or not we have determined what the cost to house these new airmen at JBER would be, how and when we would fund that, because as you indicated when you were in Alaska, this proposal would move forward next summer.

What level of analysis has been conducted to date with regards to the accommodations at JBER? Not only with the housing, but the additional infrastructure that may be required.

General SCHWARTZ. As you know, Ma'am, we did not do a site survey, and that's the purpose of the undertaking that will go off, I think it starts the 6th of April, specifically. But the key thing here is that, as you're well aware, there used to be three flying squadrons at Elmendorf AFB, and there are two now. And in looking at the tabletop level, at the facilities on Elmendorf AFB, the conclusion was that both for maintenance and ops, and base support, that it was possible to reabsorb a third squadron and to do that efficiently. With regard to military family housing and/or dormitory space, that is a specific output from the survey team on the ground, and clearly, they will give us very precise insights in that regard.

JOINT BASE ELMENDORF ENVIRONMENTAL ANALYSIS

Senator MURKOWSKI. Would moving the F–16s from Eielson AFB to JBER require either an environmental analysis or an environmental impact statement (EIS)? And if so, do we have any handle on what that cost might be? And then, again, how we deal with the funding and the timing again of all of this, if the Air Force is to move forward with the proposal as it is on the table now.

General SCHWARTZ. Given that the most current environmental impact for Elmendorf AFB was addressed at the three-squadron level, the presumption was that it would not require a follow-on study. That, again, is another output from the survey team to confirm that that is, in fact, the case. And so, again, this 2-week effort coming up next month is important in lots of dimensions.

Senator MURKOWSKI. Well, I would certainly concur with that. And again, I would repeat my request, that you consider sending a general officer as part of that site survey. I think we recognize

that it's not just looking at the ledger, the balance sheet there, from a cost analysis, it is incorporating so many of those intangibles that I think is important. The strategic asset that we have up north, sometimes that doesn't necessarily fit into those neat boxes, as you do a cost benefit analysis. And having that level of oversight, I think, would allow for greater comfort with the process, and, hopefully, a greater transparency with that. So, I would hope that you would consider this. We're looking at it, again, with a great deal of anxiety for the interior, but we need to know that we can work with you on that.

Thank you, Mr. Chairman. I know that my time is expired, and we've got a vote, I understand. So, thank you. And thank you, gentlemen.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUYE. Thank you very much. Mr. Secretary and General Schwartz, on behalf of the subcommittee, I thank you very much for your service to our Nation and for your testimony, and we look forward to working with you in the coming months.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY MICHAEL B. DONLEY AND GENERAL NORTON A. SCHWARTZ

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. What cost-benefit analysis was done by the Air Force to determine the savings achieved by closing or reassigning Air National Guard and Air Force Reserve units versus Active-Duty Air Force units? I understand that different types of units have different fixed costs, so if this question needs to be narrowed down, what is the difference in cost, over the course of a 5-year cycle, of different types of F–16 wings?

Answer. While cost savings are part of the decisionmaking process, the most important factor is the Air Force's ability to provide the capabilities required by the new Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense". This new strategy directs the services to build a leaner, more flexible, and technologically advanced force. As a result, the Air Force is rebalancing our Total Force to match the capability and capacity requirements of the new guidance. The proposed Reserve component force structure reductions were determined using a deliberate and collaborative process which leveraged careful analytical review of warfighting scenarios consistent with the new strategic guidance. Two decades of military end strength and force structure reductions in our Active-Duty component have changed the Active and Reserve component mix, and achieving the appropriate Active and Reserve component mix is critical to sustaining Air Force capabilities for forward presence and rapid response, as well as meeting high-rate rotational demands with a smaller force. Therefore, the Air Force did not believe a cost-benefit analysis between the Active and Reserve components for the different types of F–16 wings is warranted.

However, the component mix had to be determined based on the "availability rate" of the two components. As I had recently stated to the Air Force Reserve Senior Leaders Conference, "We place an enormous value on the experience provided by the Reserve component, but we don't want to shift the warfighting burden to a part-time force. This isn't what [the Reserve component] signed up for . . . as we plan our Total Force mix, we keep the components' contributions and commitments in mind and look to size our Active, Guard, and Reserve forces so they can meet their respective roles. If our Active component is too small to meet its demands, then we put our Guard and Reserve forces in the position of breaking other commitments to employers, communities, and families. Alternatively, if our Active component is too large, then we would not be taking advantage of the benefits that our Guard and Reserve forces have to offer."

Question. When conducting a cost-benefit analysis of the costs of an Active-Duty Air Force wing versus an Air National Guard or Air Reserve wing, do you consider costs that may not be reflected in personnel or operations and maintenance costs? For instance, are the costs of maintaining on-base housing for Active-Duty units included in this analysis? Are the costs of maintaining Department of Defense schools for children of airmen to attend included? Are the long-term costs of retirement and TRICARE-for-life benefits included?

Answer. When determining the costs of operating a wing, regardless of component, the Air Force accounts for costs outside of personnel and operations and maintenance. For instance, the costs of facility sustainment, restoration, and modernization are included in any analysis. Base operations support costs are also considered. These costs include communications infrastructure support and maintenance, ground fuels and transportation shipping, contract services, and utilities. With regard to housing, the Air Force evaluates the cost of operating and maintaining on-base units and Basic Allowance for Housing for members not using on-base units. Medical and retirement costs are part of our personnel costs.

Question. What is the annual cost to man, operate and maintain of each United States Air Forces in Europe (USAFE) installation? Can you compare that to a comparable number of Air Combat Command (ACC) and Air National Guard (ANG) installations?

Answer. The Air Force compared three bases from ACC (Seymour Johnson, North Carolina; Shaw, South Carolina; and Moody, Georgia), USAFE (Aviano, Italy; Lakenheath, United Kingdom; and Mildenhall, United Kingdom) and the ANG (Burlington, Vermont; Jacksonville, Florida; and Birmingham, Alabama) and used annual operation and maintenance obligations from fiscal year 2011, excluding overseas contingency operations funding. Military personnel data has also been included for fiscal year 2011. Using this methodology, the below table is provided:

[Dollars in millions]

Command	Base	Fiscal year 2011	Aircraft PAA
USAFE	Lakenheath	439.6	70
ACC	Moody	427.0	64
ACC	Seymour Johnson	414.0	87
ACC	Shaw	371.4	72
USAFE	Aviano	366.5	42
USAFE	Mildenhall	245.0	15
ANG	Jacksonville	89.3	19
ANG	Birmingham	73.8	8
ANG	Burlington	72.6	18

The Air Force cautions this kind of comparison does not include the differences in missions, location, population, mix of officers, enlisted, and civilians, host-nation support, and other variables that make such a comparison misleading as to the value of each installation to the fight. Additionally, it is important to note that costs for USAFE's geographically separated units and smaller units are consolidated into the financial reporting of their owning main operating bases.

The permanent, forward basing of aircraft in Europe represents a key element of our Nation's defense strategic guidance. It avoids the costs and disruption of units by implementing a constant rotation of aircraft and personnel from the continental United States.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

GLOBAL HAWK

Question. Last June, the then Under Secretary of Defense for Acquisition, Technology and Logistics, Ashton Carter certified to the Congress that the Global Hawk was "essential to the National security"; and "that there are no alternatives to the program which will provide acceptable capability to meet the joint military requirement at less cost". And yet in February of this year, the Air Force decided to cancel the program and retire the existing aircraft despite an investment of $4 billion. Additionally, my staff was informed through Mr. Randall Walden, Director for Information Dominance Programs (Office of the Assistant Secretary of the Air Force for Acquisition) that you would like to invest another $1.1 billion to upgrade U–2 aircraft to keep them flying through 2040.

Secretary Donley and General Schwartz, how do you explain what has changed to cancel this program?

Answer. Following the Nunn-McCurdy certification in June 2011, a reduced requirement where the U–2 is sufficient and a reduced budget where the Department could no longer afford to keep investing in RQ–4 Global Hawk Block 30 drove the divestiture decision resulting in a savings of $3.8 billion.

In September 2011, the Department of Defense (DOD) Joint Requirements Oversight Council reviewed recent adjustments in military strategy and determined that conventional high-altitude intelligence, surveillance, and reconnaissance (ISR) requirements could be reduced. The Air Force further determined the U–2, which remains viable until at least 2040, was sufficient to meet the reduced requirements. Continued increased investment in RQ–4 would be required to field a comparable capability to U–2 and was determined to be unaffordable.

Continued, increased investment in RQ–4 was not warranted given a significant reduction in the Department's budget and an alternative system, the U–2, is still operationally viable at considerably lower total cost over the Future Years Defense Plan (FYDP). Although $3.8 billion was saved with the decision to divest Global Hawk Block 30, $1.3 billion (vice $1.1 billion) was needed to continue to operate and sustain the U–2 throughout the FYDP. The net savings to the taxpayer is $2.5 billion.

When the U–2 is employed at its normal operational distance, U–2 operating costs are comparable to RQ–4 costs. The latest actual costs per flying hour data shows that both platforms are operating at $32,000 per hour.

Question. The Global Hawk is a multi-imagery aircraft that carries Electro Optical/Infra-red (EO/IR), and radar system at all times. However, the U–2 is a single imagery aircraft that cannot carry both EO/IR and radar sensors at the same time. This seems in conflict with your statement regarding the Air Force decision to favor retention of multirole platforms over those with more narrowly focused capabilities.

Do you think the specialized U–2 is the answer to meet our Intelligence, Surveillance, and Reconnaissance requirements for the next 3½ decades?

If you do, how much additional money is required to upgrade and sustain these aircraft? How much confidence do you have that an aircraft first introduced in 1955 and previously scheduled for retirement in 2015 will be able to outperform the Global Hawk?

Answer. Although an imagery intelligence (IMINT) and signals intelligence (SIGINT) sensor cannot be carried simultaneously on a single aircraft, the U–2 system is able to perform both missions and is considered multirole. In fact, the U–2 is able to currently outperform the Block 30 Enhanced Integrated Sensor Suite in image quality at range.

It is true that the U–2 was first introduced in 1955, but the "newest" U–2s were brought into service in 1989 and $1.7 billion of investments have been made to modernize the system. The U–2 fleet in its current state has been certified to 75,000 flight hours (2040 and beyond at current utilization rates). In addition to the new engines in 1994–1998, the entire fleet has completed new power distribution (wiring), 21st century glass cockpit, and modern avionics processor upgrades. The U–2s are currently on a 4,000-hour programmed depot maintenance cycle included in the budgeted operating costs.

The divesture of Global Hawk Block 30 saved $3.8 billion across the FYDP. Of that savings, $1.3 billion was put back into the U–2 program to enable continuation of operations throughout the FYDP. The net savings to the taxpayer is $2.5 billion from the divesture of Global Hawk Block 30 and addition of sustainment costs for the U–2.

Question. Given the Air Force is recommending terminating the Global Hawk program what confidence do you have that the Block 40 will not be canceled next?

Answer. There is no plan to cancel the Block 40 program. The fiscal year 2013 President's budget request funds the Block 40/MP–RTIP program ($161.9 million research, development, testing, and evaluation (RDT&E) and $20.9 million Procurement). The Air Force purchased a total of 11 Block 40 aircraft through fiscal year 2011 with delivery of the last two aircraft in fiscal year 2014.

Question. The Congress appropriated $322 million for three Block 30 Global Hawks in fiscal year 2012. What are your intentions with this funding? When the fiscal year 2012 Department of Defense appropriations bill was signed into law, did you anticipate you would not need these aircraft?

Answer. Pending congressional direction for fiscal year 2013, the Air Force does not plan to spend the fiscal year 2012 funding for three additional Block 30 aircraft. The Air Force will continue to work closely with the committees to determine the best way forward and will take no presumptive actions until given direction. When the Consolidated Appropriations Act for 2012 (to include the Department of Defense)

was signed into law on December 23, 2011, the decision on whether the fiscal year 2012 funded aircraft were required was being reconsidered at lower management levels, but a final decision had not been reached.

Question. What is your assessment of the performance of the Global Hawk in combat operations in Libya, Afghanistan, and Iraq and humanitarian missions in Japan and Haiti?

Answer. In Libya, the Global Hawk provided EO/IR and synthetic aperture radar and was used in an ISR role with dynamic responsiveness due to its enhanced duration/dwell time and the ability to fill gaps between other ISR collects. Overall, the Global Hawk was successful in Operation Odyssey Dawn. Assessment details can be made available at a higher security classification.

In the U.S. Central Command theater, the Global Hawk continues to support the combatant command with both theater and tactical ISR. To date, RQ–4 has flown more than 50,000 combat hours, in support of U.S. Central Command operations.

In humanitarian/disaster relief missions, the Global Hawk leveraged its range and endurance as an ISR first-responder. Following the Haiti earthquake, the Global Hawk executed a response mission in 12 hours, effectively providing initial situational awareness, highlighting earthquake damage, status of critical infrastructure, and food/aid drop zones and indicators of mass population migrations. Eight missions were flown, satisfying 2,621 targets.

In Japan, the Global Hawk capitalized on its range and endurance to be overhead in 21 hours. Imagery products were provided to the Secretary of State within 40 minutes of request. In addition to infrastructure damage assessment, supply route analysis, and real-time monitoring of evacuation support, the Global Hawk collection focused on the Fukushima nuclear power plant. Because it is a remotely piloted aircraft, Japan allowed U.S. Pacific Command to use the Global Hawk within the 20 kilometer nuclear engagement zone. Infrared imagery taken directly over the top of the reactors allowed engineers to frequently monitor core temperature levels. In 21 missions and 300 on-station hours, the Global Hawk collected more than 3,000 images.

Question. Secretary Donley and General Schwartz, in your testimony you state that "There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come".

Secretary Donley, can you tell me how many times you forward deployed the U–2 in the past 6 years? How much effort was involved?

Answer. The U–2 has been forward deployed in support of operations in Southwest Asia for the past 22 years, and in the Pacific theater for more than 40 years. With the exception of a brief deployment in support of disaster relief operations in Haiti, there have been no additional forward deployments within the past 6 years. The mechanics of establishing our forward deployed location in Southwest Asia proved routine as it was similar to other forward deployed operations around the world prior to our involvement in that theater, though the initial scale of operations dwarfed that of any previous U–2 deployment.

Question. If the U–2 is to be continued in lieu of the Global Hawk Block 30, how will the U–2, locked down on the Korean Peninsula, contribute to future operations?

Answer. The U–2 is not locked down on the Korean Peninsula. We are developing a plan to move the U–2 to an alternate location which would allow the same collection for U.S. Forces Korea and pick up additional missions in the area of responsibility.

The Air Force retains the ability to deploy U–2 detachments to crisis areas as it has done since the aircraft's inception.

Question. Secretary Donley, given the new defense strategy doesn't it seem prudent that we work with STRATCOM, and the Joint Functional Component Command for ISR (JFCC–ISR) to develop an ISR architecture to determine the appropriate ISR force sizing as it pertains to that specific mission set (primarily anti-access/area denial) before we start making decisions on where to invest our ISR capabilities or investing in extending the life of the U–2?

Answer. The Joint Requirements Oversight Counsel decision to reduce the high-altitude ISR Global Hawk-equivalent orbit requirement was informed by Joint Staff analysis in the context of the entire ISR portfolio and the emerging Defense Strategic Guidance. Internal Air Force deliberations included reviews of JFCC–ISR assessments of U–2 and Global Hawk employment in anti-access/anti-denial scenarios, and ongoing analysis efforts have validated the course of action taken. In sum, multiple independent analytical efforts at various levels within the Department of De-

fense have examined the ISR force structure from a broad portfolio view in light of emerging strategic guidance and ultimately supported the divestiture decision.

MC–12

Question. Last year, Senator Barbara Boxer and I wrote letters to Secretary Leon E. Panetta and the Chair and Ranking Members of the Senate and House Armed Services Committee opposing a provision in the Senate Fiscal Year 2012 Defense Authorization bill which would have transferred the MC–12 Liberty reconnaissance aircraft from the Air Force to the Army. This past December, Senator Boxer and I received a response from the Under Secretary of Defense for Intelligence Michael Vickers that stated that after a thorough review of current and future ISR requirements and recent discussions with the Secretaries of the Air Force and Army, Secretary Panetta concluded that the Air Force would retain the MC–12 Liberty aircraft. However, only 3 months later, in its fiscal year 2013 budget request, the Air Force announced it plans to move the MC–12 aircraft to the Air National Guard (ANG) and disperse them to four different bases.

What is the justification for moving these aircraft to the ANG? When was this decision made? Was it made after the letter from Under Secretary Vickers?

Answer. The President's and Department of Defense's (DOD) 2012 Strategic Guidance states the military will defend U.S. territory from direct attack by state and non-state actors and come to the assistance of domestic civil authorities in the event such defense fails or in case of natural disasters, in addition to title 10 overseas military operations. This guidance provided the framework the Air Force used to conduct an extensive review of the manned medium-altitude ISR requirements, to include defense support to civil authorities. Due to investment costs to upgrade the RC–26 fleet (11 aircraft), originally fielded in the ANG for domestic operations and then adapted for use in title 10 operations, the ANG and Air Force collectively determined to divest the RC–26 fleet and transfer the MC–12W Liberty to the ANG to maintain flexibility across the range of manned, medium-altitude ISR requirements.

The decision to transition the MC–12W to the ANG was captured in the fiscal year 2013–2017 Alternate Program Objective Memorandum signed by Secretary Donley and General Schwartz and released to the Secretary of Defense on August 3, 2011. We are not aware of any specific letter from Under Secretary Vickers in regard to the MC–12W. However, Deputy Secretary of Defense Carter released a letter to the Chairman and Ranking Members of the Armed Services and Appropriation Committees on November 21, 2011, and references a discussion Under Secretary Vickers and Admiral James A. Winnefeld had with Senate Armed Services Committee (SASC) staffers. These officials told the SASC staffers that the Secretaries of the Air Force and Army believed that the Air Force was the right place for the MC–12Ws to reside.

Question. Given we have already established the aircraft, support equipment, and personnel at Beale this past year would you agree that it is fiscally more responsible to retain this capability at Beale and not incur the additional costs associated with relocating these aircraft and equipment to other various bases?

Answer. Once the MC–12W transitions, the aircraft returning from overseas will be reassigned to four ANG units, but the current MC–12W training unit will remain at Beale AFB, California. Since the ANG is the DOD's primary provider of domestic operations capabilities, retaining all of the MC–12W aircraft at Beale would not provide the ANG the ability to quickly respond to civil authorities' requests throughout the continental United States.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. What is the definition used by the Air Force for a "retired member" as it appears in title 10 of the United States Code?

Answer. To our knowledge, the term "retired member" is not per se defined in title 10, United States Code or any Air Force instruction. The term has specific meaning depending on the context within which it is used. Generally speaking, when the Air Force refers to a "retired member," it is referring to either a regular commissioned officer or enlisted member who is retired for years of service (10 U.S.C. 8911, 8914) or mandatory age (example: 10 U.S.C. 1251), or to a member in one of the categories that make up the Air Force Retired Reserve. Air Force Instruction 36–3209 defines members whose transfer to the Retired Reserve is automatic as:

—Reserve officers who are retired for service under 10 U.S.C. 8911, 20 years or more: Regular or Reserve commissioned officers;

—Members retired for disability under title 10, chapter 61, Retirement or Separation for Disability; and
—Reserve enlisted members who are retired for service under 10 U.S.C. 8914, 20 to 30 years: enlisted members.

Other members who will be transferred to the Retired Reserve upon completion of an AF Form 131 (Application for Transfer to the Retired Reserve) include:

—Reserve members who meet eligibility requirements of 10 U.S.C. 12731 except for attainment of age 60;
—Reserve members who have completed a total of 20 years of honorable service in the Armed Forces;
—Reserve members who have completed 10 or more years of active Federal commissioned service in the Armed Forces;
—Reserve members on Extended Active Duty (EAD) who have been found physically disqualified and placed on the Temporary Disability Retirement List (TDRL) or Permanent Disability Retired List (PDRL) as a result of a service connected disability; and
—Reserve members not on EAD who have been found physically disqualified are discharged, retained or transferred to the Retired Reserve if they apply and meet the requirements outlined in 10 U.S.C. 12731.

Question. How many members of the Air Force Retired Reserve have been recalled by the Air Force to Active Duty under 10 U.S.C. 688a?

Answer. Eighty-two Retired Reserve officers were recalled and voluntarily returned to Active Duty under 10 U.S.C. 688a via the Retired Rated Officer Recall Program. Sixty-two of these officers are still on active duty serving out their recall contract as of March 29, 2012. Twenty have completed their contracts and returned to retired status.

Question. Of those recalled to Active Duty under 10 U.S.C. 688a, how many are currently on the Inactive Status List established by 10 U.S.C. 12735?

Answer. There are currently three members who have completed their Active-Duty tours under 688a and are now assigned to the Retired Reserve awaiting pay at age 60 under 10 U.S.C. 12735. Additionally, two other members recalled to active duty are in the process of transferring back to the Retired Reserve. Once those two members have been processed, it will bring the total to five.

Question. Does the Air Force have a policy to activate members of the Air Force Retired Reserve in a manner that allows the member to be eligible for early retirement credit authorized by section 647 of Public Law 110–181?

Answer. The Air Force has a policy to activate members of an Air Force Reserve component, with the consent of the member, in a manner that allows the member to be eligible for early retirement credit authorized by section 647 of Public Law 110–181. The Voluntary Limited Period Call to Extended Active Duty activates members of the Reserve components for extended active duty under title 10, U.S.C., section 12301(d) which is qualifying active-duty service authorized by section 647 of Public Law 110–181.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

Question. Secretary Donley, several years ago the Air Force created the Alternative Fuels Certification Office (AFCO) to certify alternative fuels for use in military aircraft. To date, that office has tested and certified fuels that convert coal, natural gas, or biomass into jet fuel. AFCO followed up that work by testing and certifying hydrotreated renewable jet fuel, which is derived from bio-oils and fats. These tests confirmed that these alternative fuels had performance characteristics virtually identical to JP–8 petroleum fuel and these fuels were certified across all your aircraft platforms.

The third variety of fuels AFCO has begun to investigate is alcohol-to-jet (ATJ) fuels. ATJ fuels hold tremendous promise. They can promote our national and energy security, be produced in Rural America, and they are almost always cleaner than traditional fuels. The Air Force should develop its capability to use these fuels to the fullest extent possible, and I urge you to continue this work and fully test these promising ATJ fuels. What are the Air Force's intentions to complete ATJ fuels testing?

Answer. The Air Force is focused on increasing and diversifying its energy supplies to improve our energy security. Part of this includes the testing and certification of alternative aviation fuels, such as a 50/50 blend of traditional JP–8 and ATJ fuel. The Air Force established a two-phase approach for ATJ evaluation. During the first phase, which is currently underway, the Air Force purchased test quantities of ATJ fuel, and conducted feasibility demonstrations and initial evaluations.

Phase 2 is fleet-wide certification to fly unrestricted operations using an ATJ fuel blend. Based on the results of phase 1, as well as funding availability, the Air Force will determine whether to move forward with phase 2.

Question. I'm pleased that this year's budget request maintains the current B–1 fleet. Having recently completed its 10,000th combat mission, there's no question that this is a valuable aircraft and essential to the Air Force's mission. Can you discuss the Air Force's plans across the future years defense plan (FYDP) and beyond to keep the B–1 fleet relevant and strong even in a time of tighter budgets?

Answer. There are currently five ongoing efforts to address obsolescence and diminishing manufacturing sources (DMS) issues for the B–1. The Radar Reliability and Maintainability Improvement Program (RMIP) replaces two high-failure rate line replaceable units within the B–1 radar subsystem and is expected to yield a 60-percent improvement in system reliability. The Inertial Navigation System Replacement (INSR) upgrades the B–1's primary navigation system to improve maintainability, supportability, and navigation performance. The Gyro Stabilization System Replacement (GSSR) replaces high-maintenance, high-cost, and high-failure rate components within the B–1's secondary navigation system for improved reliability and maintainability. The Vertical Situation Display Upgrade (VSDU) is a safety-critical modification that addresses DMS issues by replacing obsolete primary flight instruments with multifunction displays and adds a second display at each pilot station for enhanced situational awareness. Central Integrated Test System (CITS) upgrades the current on-board fault diagnostic and isolation system through increased memory and improved user interface to address maintainability and capacity limitations.

Additionally, one major capability program is ongoing to ensure that the B–1 remains relevant into the future. The Fully Integrated Data Link (FIDL) provides both Link 16 line-of-sight and Joint Range Extension beyond-line-of-sight data link capability to improve combat situation awareness and command and control connectivity, replaces rear cockpit legacy displays with multi-function displays, and provides the Ethernet backbone necessary to integrate FIDL, VSDU, and CITS throughout the cockpit. FIDL, VSDU, and CITS are all part of an Integrated Battle Station production contract enabling concurrent procurement and installation of all three upgrades to reduce installation costs, aircraft downtime, and keep fielded aircraft configurations to a minimum for aircrew training, maintenance, and operational deployment efficiencies.

In addition to the aforementioned ongoing modernization efforts, the fiscal year 2013 President's budget request includes funding for two additional efforts that address further aircraft and simulator obsolescence concerns. The Self Contained Standby Attitude Indicator will replace the current standby attitude indicator, which is experiencing a significant spike in maintenance actions and reduced mean time between failures, with the new standby instrument providing attitude, airspeed, and altitude indications. The Simulator Digital Control Loading will replace the current analog control loading system responsible for matching simulator stick forces to the aircraft with a digital system, improving sustainability and keeping B–1 aircrew training devices operational.

B–1 modernization funding includes $47.4 million for research, development, testing, and evaluation (RDT&E) and $704.4 million for procurement across the FYDP. The Air Force estimates an additional $256.6 million is required to fully fund the current programs of record beyond fiscal year 2017 to completion. It is premature at this time to speculate on further B–1 modernization beyond the previously described upgrades, all of which continue through the fielding of the 60th Integrated Battle Station aircraft in 2020. However, the Air Force will consider additional B–1 program investments, beyond those already programmed within the FYDP, as part of the complete Air Force portfolio, within total obligation authority limits, to ensure that the B–1 fleet remains viable to support combatant commander requirements into the future.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

LIGHT ATTACK SUPPORT PROCUREMENT

Question. Secretary Donley, please provide the subcommittee with an update on the Light Attack Support (LAS) procurement. What specific issues have you found? When will a final report be available?

Answer. The LAS contract was originally awarded on December 22, 2011, to Sierra Nevada Corporation (SNC), but was terminated by the Air Force on March 2, 2012, as part of the Air Force's corrective action in response to the suit filed by

Hawker Beechcraft Defense Corporation (HBDC) in the U.S. Court of Federal Claims. The Air Force Service Acquisition Executive was not satisfied with the documentation supporting the original LAS source selection, prompting termination of the contract with the SNC. Additionally, the Commander of Air Force Materiel Command ordered a Commander-Directed Investigation (CDI) into the LAS contract process on February 27, 2012. Part 1 of the CDI is complete focusing solely on the execution of the source selection processes and procedures in the original LAS contract. However, release of the CDI report would compromise the integrity of the ongoing source selection process due to the source selection sensitive information contained in the report.

After studying the circumstances prompting the corrective action and facts from the subsequent CDI, the Air Force decided to issue an amendment to the LAS request for proposal (RFP) to both offerors. Air Force officials met with both original offerors, SNC and HBDC, individually, to review the amended RFP changes line-by-line on April 17, 2012. Both were provided the opportunity to submit comments on the draft RFP amendment, after which the Air Force released the final amended RFP on May 4, 2012. While the decision process will be event-driven, the Air Force targets a source selection decision in early calendar year 2013. This would allow first aircraft delivery to Afghanistan in the third quarter of 2014.

Question. Secretary Donley, is it Air Force's intention that LAS aircraft comply with U.S. weapons, communications, and anthropometric standards in order for U.S. Military Personnel and partners to work seamlessly?

Answer. The LAS program is funded by Afghan Security Forces funds and provides a light attack capability for Afghanistan. This program is specifically for Afghanistan and no plan currently exists to extend the platform beyond Afghanistan. There is a requirement within the Afghan LAS program for U.S. forces to partner with the Afghan Air Force to train and advise them on the system. Although there are advantages to U.S. forces being familiar with the LAS platform, this is not an absolute requirement. The Air Force will leverage experienced Air Force instructor pilots, maintainers and logisticians capable of quickly learning the LAS system and then training and advising their Afghan counterparts.

Question. Secretary Donley, can you please describe what interaction, if any, has occurred between the U.S. Air Force and the U.S. State Department on the LAS procurement? While I understand you can only speak on behalf of the Air Force, can you please assure this subcommittee that the LAS procurement and the Brazilian FX–2 fighter competition are being handled as completely separate matters?

Answer. The Air Force has maintained the appropriate level of coordination with Department of State on this matter. The Air Force Foreign Policy Advisor's office has responded to all DOS inquiries and provided coordination with the DOS Political-Military Bureau. Additionally, following termination of the LAS contract, the Air Force Public Affairs (PA) office coordinated with the DOS PA office to assist in answering questions from the Government of Brazil.

As for the Brazilian FX–2 fighter competition, there is no connection between the U.S. Government's advocacy for the F/A–18 sale and the LAS contract. The programs are not associated in any manner.

C–27J VERSUS C–130 OPERATIONAL COSTS

Question. General Schwartz, the Air Force plans to terminate the C–27 program and put already purchased aircraft in storage or find another home for them. As an alternative, the Air Force plans to use C–130 cargo aircraft to provide direct support to Army units. It's my understanding the C–27 is already operating cargo missions for our ground forces in Afghanistan and that these missions reduce stress on Chinook helicopters which are much more expensive to operate per hour than either a C–27 or C–130. In addition, these C–27 missions may reduce the need for ground convoys which are not only dangerous but costly. Considering the flying hour cost of operating a C–130 can be more than double the cost of a C–27, what is the total cost of the Air Force's proposal and what assurances can you give us that the Department has conducted the proper business case analysis that takes these costs and risks into account?

Answer. The Air Force's decision to terminate the C–27J program and divest the current fleet of 21 aircraft is based on a number of factors—not simply the cost to operate one platform versus another. The predominant consideration in our analysis was the reduction in overall intra-theater airlift demand and resulting force structure requirements attendant to the Department's January 2012 revised strategic planning guidance. While our analysis did include a life-cycle cost comparison between the C–27J and various C–130 variants, the operating costs of these platforms were not dominant elements in our decision calculus. We elected to divest the C–

27J fleet in favor of keeping more operationally capable C–130 aircraft that can support the full realm of intra-theater airlift requirements, including Army time sensitive/mission critical direct support, rather than keeping a relatively small fleet of "niche" C–27J aircraft that are suited for the Army direct support role, and not the full spectrum of conflict.

QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

Question. The greatest threat facing the Arnold Engineering Development Center is that the facilities at the base are 50 years old and they are reaching the breaking point.

Although facilities are funded through Military Construction, which is not this subcommittee's jurisdiction, the fiscal year 2013 budget request for Air Force military construction is only $388 million, down from more than $1.2 billion in fiscal year 2012. The Air Force must develop a long-term plan to ensure critical testing facilities, like Arnold Engineering Development Center in Tennessee, can continue to operate. The fiscal year 2013 budget request is inadequate to meet infrastructure needs at many facilities, including Arnold.

Secretary Donley, what specific plan does the Air Force have to ensure that Arnold can continue to provide the Air Force with testing facilities capable of developing new cutting-edge technologies to support future missions without adequate funding?

Answer. Each year, the Air Force prioritizes their most urgent military construction requirements for inclusion in the Air Force's military construction portion of the President's Budget. With budget constraints, we can only fund the most urgent projects; however, the Air Force is committed to sustaining, maintaining, and modernizing our physical plants to include facilities at Arnold Engineering Development Center. The Air Force did include two military construction projects for $26.8 million at Arnold Engineering Development Center in the Future Years Defense Program with the fiscal year 2013 President's budget submission. Although the Air Force did reduce our military construction budget request for fiscal year 2013, our goal is to return to historical military construction program funding levels in fiscal year 2014 to support the National Military Strategy.

[Dollars in millions]

Title	Cost
Power distribution modernization	13.2
ADAL test cell delivery bay	13.6
Total	26.8

The two projects noted in the table above are in the fiscal year 2013 President's budget FYDP.

In addition, we have provided fiscal year 2012 funds for the following projects:

—AEDC Propulsion Wind Tunnel #1 Transformer—$2.1 million;

—AEDC (National Full-Scale Aerodynamics Complex) 40X Crane Refurbishment—$875,000;

—AEDC Cooling Tower—$400,000; and

—AEDC Critical Steam System Supplies—$466,000.

Question. The USAF has stated publicly that given the downsizing of its fleet, it will be required more than ever to utilize technology to maintain fleet readiness. Fuel leaks on aircraft are known to severely impact the mission capability of aircraft operations. When an aircraft does go out of service for fuel leaks, the downtime is an unknown, until it is finally successfully repaired (days, weeks, sometimes months). The USAF has investigated, evaluated, and approved technologies and systems that will reduce the cost and downtime of aircraft fuel leak repairs.

Given these thorough evaluations, does the Air Force have a plan for implementing such systems across the Air Force maintenance enterprise? And, if not, can you please describe what impediments you face for leveraging such a cost saving approach?

Answer. Our program offices address sustainment challenges in many ways. A significant effort required for supporting each weapon system is the life-cycle management plan (LCMP). The LCMP fulfills the Federal Acquisition Regulation (FAR), Defense FAR Supplement, and Air Force FAR Supplement requirements of the acquisition plan and Department of Defense Instruction 5000.02 requirements for the acquisition strategy. The plans address long-range capability and sustainment ef-

forts. Sustainment efforts often consider pacing "not mission capable" maintenance and "not mission capable" supply issues. Recently recurring fuel leaks in KC–135 aircraft drove root cause analysis that identified the existing aircraft fuel bladders had outlived the repair processes. New bladders were ordered and the fuel leaks were reduced.

Weapon systems are reviewed at recurring intervals during which operators, depot managers, and program managers identify and analyze system indicators affecting aircraft availability. High maintenance and supply drivers are identified and plans are developed to correct or prevent recurrence. Often new technology solutions provide the best and fastest resolution. Our prime vendors identify numerous new product and tooling solutions, but our repair centers, program offices, and flying units often discover new technology through vendor demonstration. Of course, we follow strict acquisition governance, contracting law, and technical validation to ensure the safety of our systems. This is especially critical for technology that may apply to multiple weapons systems.

Additionally, the Air Force Research Laboratory is involved with new technology identification and validation. Successful programs and products are shared across our major commands to improve repair capabilities.

Question. C–17s provide the most advanced strategic airlift capability, and it makes sense to locate these aircraft in Memphis which has the best cargo facilities and aviation infrastructure in the world.

General Schwartz, the Air Force announced plans to relocate C–17s to Memphis. Since Memphis already has all of the facilities in place to support the C–17 mission, what is the exact timeline for getting C–17s to Memphis?

Answer. During the development of the fiscal year 2013 President's budget submission, the Air Force determined the Tennessee Air National Guard's 164th Airlift Wing at Memphis would convert from C–5As to C–17As, completing an action initiated in fiscal year 2012. Under the current plan, Memphis would receive the first four C–17A aircraft in fiscal year 2013, with the remaining four aircraft arriving in fiscal year 2014. The schedule was planned around the transition between missions, accounting for C–5A retirements to make room for the C–17As, as well as allow for retraining of aircrew and maintenance personnel. Memphis C–5A retirement is planned to complete by the end of fiscal year 2014.

Air Mobility Command will work closely with the Air National Guard to ensure the most effective plan is implemented, adjusting the arrival plan accordingly based on the specific details of the C–5A retirement schedule and progress of C–17A training for Memphis personnel.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. General Schwartz, you have repeatedly told me that the relocation of the 18th Aggressor Squadron to Joint Base Elmendorf-Richardson (JBER) should not be interpreted as the first step in a process that will lead to closure of the base. Would you state for the record:

—whether this remains the case; and

—what the Air Force's intentions are for the future of Eielson Air Force Base (AFB)?

Answer. Relocating the 18th Aggressor Squadron to JBER is not a precursor to closing Eielson AFB. Eielson remains a valuable strategic asset for both homeland defense as well as for power projection into the Pacific theater. As such, it will remain the 168th Air Refueling Wing's Air National Guard (ANG) home in Alaska and the Red Flag-Alaska exercises will remain at Eielson AFB, Alaska. If the Congress authorizes the requested base realignment and closure (BRAC) rounds in 2013 and 2015, the Air Force's proposed force structure changes do not pre-suppose what will happen to a particular installation during the BRAC analysis. The Department of Defense (DOD) will consider all installations equally with military value as the primary consideration.

Question. Secretary Donley and General Schwartz, would you state for the record how you expect that Eielson AFB will contribute to Air Force operational objectives and U.S. national security in the coming years, with particular emphasis on how the continued operation of Eielson AFB supports the United States presence in the Asia/Pacific region?

Answer. Eielson AFB will continue to support key national and Air Force priorities in the years ahead, to include Operation Noble Eagle, North American Aerospace Defense Command contingency plans, support to U.S. Pacific Command, and exercise support in the Joint Pacific Alaska Range Complex. The new strategic guid-

ance puts increased emphasis on the Pacific Command area of responsibility, including our training and exercise efforts.

Question. It is counterintuitive to believe that the Air Force will achieve cost savings or efficiencies by maintaining Eielson AFB in a warm status given the relatively high cost of maintaining a warm base in a cold place, as was demonstrated to the 2005 BRAC Commission. Intuitively it would seem to make more sense to spread the fixed costs of operating Eielson AFB among a higher level of year-round activities. Is there a flaw in this logic? Has the Air Force considered the alternative of achieving efficiencies by relocating activities presently conducted in the lower 48 or abroad to Eielson AFB?

Answer. During the development of the fiscal year 2013 Air Force budget request, we were required to make a number of difficult decisions to adjust to both our new strategic priorities and to fiscal realities. The transfer of the 18th Aggressor Squadron from Eielson AFB to JBER in fiscal year 2013 garners manpower and efficiency savings by consolidating operations/maintenance supervision overhead and base support functions.

To assign new units to an installation in the future, we will utilize the Air Force Strategic Basing process, which uses criteria-based analysis, and the application of military judgment, linking mission, and combatant commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by the Secretary and Chief of Staff of the Air Force. Eielson AFB will be considered in future basing actions as defined by the respective basing criteria.

Question. The Air Force has a plan to relocate the 18th Aggressor Squadron in 2013 and reduce the scale of year-round operations at Eielson AFB in subsequent years while maintaining year-round operations of the 168th Refueling Squadron and other tenants, including the Joint Mobility Center. Would you estimate with specificity how much money the Air Force intends to save if this plan is implemented and how these savings will be achieved, e.g., how much would be saved by reduction of personnel, reduction of utility costs, closure and/or demolition of base facilities, deferred maintenance, et cetera?

WHAT ARE THE ESTIMATED COST SAVINGS IN FISCAL YEARS 2013, 2014, 2015, 2016, AND 2017?

[Dollars in millions]

	Amount
Fiscal year:	
2013	3.5
2014	6.9
2015	34.3
2016	61.8
2017	63

The chart above was provided to Senator Mark Begich and shared with his colleagues on the Alaska congressional delegation and depicts the savings that the Air Force expects to realize through implementation of its plan for Eielson AFB. It does not, however, explain specifically how these numbers will be achieved or what data sources the Air Force relied upon in making this prediction.

Answer. The transfer of the 18th Aggressor Squadron from Eielson AFB to JBER in fiscal year 2013 garners manpower and efficiency savings by consolidating operations/maintenance supervision overhead and base support functions. Estimated cost savings are $3.5 million for fiscal year 2013 and $169.5 million across the future years defense program. The estimates are based primarily on eliminating manpower authorizations the U.S. Pacific Air Forces Command analysis determined were no longer needed at Eielson AFB once the 18th Aggressor Squadron relocates. However, sufficient capability will remain in-place at Eielson AFB to support the 168th Air Refueling Wing, exercises, and our Joint partners at Fort Wainwright. Headquarters U.S. Pacific Air Forces Command's Eielson/Joint Base Elmendorf-Richardson Site Activation Task Force will determine other savings from the proposed relocation. The Air Staff is currently validating the results from the Site Activation Task Force Report dated May 31, 2012.

Question. As you know the 2005 BRAC Commission evaluated a scenario under which all aircraft other than the KC–135 tankers assigned to the 168th Refueling Squadron would be removed from Eielson AFB and questioned the Air Force's conclusion that significant cost savings and efficiencies will be achieved from attempting to maintain a warm base in a cold place. Have you satisfied yourself that the 2005 BRAC Commission's economic analysis was wrong? Have you taken steps to

independently ensure that the Air Force staff assumptions are valid and have not been biased by a desire to refight and win a battle that was lost before the 2005 BRAC Commission?

Answer. The Air Force stands by its original BRAC recommendation to move the Aggressors, but agrees with the Commission's recommendation to ensure access to adequate range space. Our current proposal recognizes the value of retaining an Aggressor training capability in Alaska to support F–22 Raptor training, Red Flag-Alaska, and to leverage the Joint Pacific Alaska Range Complex. In addition, the F–16 Aggressor move to JBER will co-locate them with the F–22 Raptors, one of the Aggressors' training partners and capitalizes on the benefit of 3rd Wing facilities that once supported F–15 Eagles.

Overall, BRAC 2005 fell short of the Air Force's goal to reduce overhead and operational costs by reducing excess installation capacity. Today, 7 years later and 500 aircraft fewer, the Air Force continues to maintain large amounts of excess infrastructure. These are dollars we need in other areas.

We are aware there are other savings opportunities and we will rely on the Site Activation Task Force to determine those additional savings. We have taken steps to ensure independent review of our assumptions underlying the Air Force's proposed force structure changes by having the Office of Secretary of Defense's Directorate of Cost Assessment and Program Evaluation review and vet our plan.

Question. Please describe in detail the process by which the recommendations pertaining to Eielson AFB were formulated, including timeframes and participants, and the key recommendation and decision documents through which these recommendations were performed and approved. In answering this question, please describe in detail how the "tabletop" exercise was carried out. Did the tabletop participants rely to any extent on the data that the Air Force utilized to justify its decision to place Eielson AFB on the 2005 BRAC list? What other data was considered and how recently was it compiled?

Answer. The Air Force has taken a deliberate approach to streamlining operations at Eielson AFB. From approximately September 2010 to February 2011, Headquarters Pacific Air Forces studied the feasibility of the proposal to move the 18th Aggressors Squadron to JBER, Alaska.

In early 2012, Headquarters Air Force conducted an analysis of potential courses of action to determine if a reduction in personnel at Eielson AFB was a feasible method of achieving efficiencies in a resource-constrained environment while preserving valuable missions. Although the majority of facilities will remain open and functional to provide rapid operational capability to operational plans and tenant units, the analysis demonstrated the Air Force can reduce manpower substantially while maintaining support to tenant units and future exercises.

Once the Secretary of the Air Force and Chief of Staff of the Air Force approved the relocation of the 18th Aggressor Squadron to JBER as part of the fiscal year 2013 President's budget request, Pacific Air Forces formed survey teams that are aggressively moving forward to finalize all manpower and facility needs to maintain support to the 168th Air Refueling Wing and other operational requirements.

The Air Force believes it fully complied with the BRAC statutes (title 10, section 2687) for realigning the 18th Aggressor Squadron to JBER. Actions occurring at Eielson AFB, are force structure changes and do not portend base closure.

Question. Would the Air Force have any objection to opening its files pertaining to the future of Eielson AFB so that the Alaska congressional delegation and experts engaged by the State of Alaska and the Fairbanks North Star Borough could fully understand and analyze the Air Force's analysis and assumptions? If the Air Force is prohibited by law from doing so, please state which laws so provide. If the Air Force believes that it is imprudent to do so in order to protect its deliberative processes or other considerations please explain why transparency considerations should not override these concerns.

Answer. The Air Force is not precluded by law from sharing its analysis or assumptions associated with force structure changes at Eielson AFB. We shared our plans, including our analysis and assumptions, for Eielson AFB in our April 25, 2012, briefing to the Alaska delegation. We would like to reiterate that our action does not close Eielson AFB and the Air Force remains committed to supporting the base with DOD's strategic shift to the U.S. Pacific Command (PACOM). We intend to maintain Eielson AFB for its strategic importance as an enroute/staging base for PACOM requirements.

As mission demands evolve and resource constraints emerge, the Air Force will continue to stay engaged with our congressional partners to provide the most effective and efficient air, space, and cyberspace power for the Nation. We look forward to working with you during this challenging fiscal environment.

Question. I remain unclear about whether the Air Force has any justification to relocate the 18th Aggressor Squadron to JBER separate and apart from its long-term plans to reduce the level of year-round operations at Eielson AFB.

What is the justification for relocating the 18th Aggressor Squadron in fiscal year 2013, as opposed to fiscal year 2014 or fiscal year 2015?

Answer. As we looked out at the entire Air Force, it was clear that we needed to take an enterprise-wide approach to cut back on overhead expenses. Eielson AFB hosts the only wing that has a single operational squadron in the active-duty Air Force. Maintaining an entire wing overhead structure over a single active-duty squadron was an inefficient use of very tight resources. In addition, having the 18th Aggressor Squadron collocate with its primary customer, the 3rd Wing's F–22s stationed at JBER, is the most efficient operational laydown.

With this background, the Air Force plans to move the 18th Aggressor Squadron, relocating its aircraft and 542 military personnel to JBER in fiscal year 2013. This will save the personnel costs associated with the 81 Military positions in wing overhead and improve its operational interactions with its customers. The fiscal year 2013 President's budget request also adds 43 Base Operations Support (BOS) military positions required to support the aggressors at JBER. With the lone active-duty flying operation removed, the Air Force plans to right size active-duty personnel for the enduring missions at Eielson AFB, significantly reducing manpower costs over the future years defense plan (FYDP). In order to ensure sufficient timing for planning, the Air Force plans to hold off right-sizing the manpower footprint until fiscal year 2015. We project manpower savings alone, starting in fiscal year 2013, building to approximately $62 million per year beyond fiscal year 2016 for a total savings of $169.5 million over the FYDP. We expect further savings to be detailed as we refine the BOS portion of the plan.

To finalize the exact detailed planning associated with moving the 18th Aggressor Squadron, the Air Force is currently conducting a focused Site Activation Task Force (SATAF). This SATAF will specifically detail actions needed to move the Aggressors in fiscal year 2013. They will complete all necessary detailed planning and capture any incidental costs associated with bedding down the Aggressors at JBER. They will also determine the JBER unit assignment and timeline for the additional BOS personnel associated with moving the Aggressors to JBER. Although detailed direct and indirect costs and savings with relocating the 18th Aggressors to JBER across the FYDP are not available at this time, we believe that the personnel costs savings of the entire program will exceed other costs. If we project that savings will not be realized, or result in affordability, feasibility and executability issues, the Air Force is committed to re-evaluate the proposal. Assessing the local economic impact of the movement of the 18th Aggressor Squadron is outside the purview of the SATAF. The SATAF plans for public release of report for moving the 18th Aggressor Squadron on or about May 31, 2012.

The Air Force plan to remove active-duty BOS personnel at Eielson AFB in fiscal year 2015 does not affect the BOS for the ANG facilities or the remaining active-duty activities at Eielson AFB. In spring 2014, the Air Force will conduct an additional SATAF to get the precise detail associated with the reduction of Eielson BOS personnel. The Air Force will ensure adequate BOS manning for both exercise and ANG's 168th Air Refueling Wing requirements. The Air Force has planned sufficient Air Traffic Control Tower manning at Eielson AFB to provide flexible support throughout the week to meet operational mission requirements. Base maintenance and support will be accomplished through a combination of contract (local hire) and in-house military workforce. The 354th Logistic Readiness Squadron will continue to operate and maintain the Joint Mobility Center. Eielson AFB will also maintain an increment of War Reserve Material to support PACOM's operational plans. This SATAF will help determine how best to beddown the remaining personnel on Eielson in the most efficient manner, utilizing common use infrastructure, dormitories, and Red Flag facilities.

Question. The Air Force has provided a powerpoint presentation detailing the role of the "site survey" or "Site Activation Task Force" team. The powerpoint would lead me to conclude that the role of the SATAF team is to determine how to carry out the relocation of the 18th Aggressor Squadron and other decisions that have already been made about Eielson AFB rather than determine whether the assumptions made about Eielson AFB in the tabletop exercise are valid. I was led to believe in Air Force briefings that the Site Survey team would generate information that might address the question of "whether" given the limitations of the tabletop exercise not just the question of "how." Which is the case? Is it within the realm of possibility that the Air Force will reconsider its plans for Eielson AFB following submission the Site Survey team's report? Does the Air Force intend to brief the Alaska congressional delegation on the outcome of the Site Survey and provide copies of the

team's report for review? If not, why not? Who has or will the site survey team consult with in Alaska and within other services and DOD? Please detail specifically how the Air Force has coordinated with NORTHCOM in recommending these moves, given Eielson's role in homeland defense and homeland security.

Answer. The SATAF is focusing on finalizing the movement of the 18th Aggressor Squadron to JBER. The SATAF team will out brief the Pacific Air Forces' Commander who can provide an out brief to other parties, as required.

Combatant commanders (COCOM) are afforded the opportunity to review the Services' Program Objective Memorandums (POM) after the Services submit their POM positions to the Office of the Secretary of Defense. The 18th Aggressor Squadron's aircraft are training-coded and doctrinally, it is the responsibility of the Air Force to align its forces in the best possible manner to ensure adequately trained forces to fulfill COCOM requirements. During the Fall Program Budget Review, U.S. Northern Command reviewed the Air Force's POM position and did not express any concerns with the Air Force's Eielson AFB position for these training-coded aircraft.

The proposal to retain the 168th Air Refueling Wing at Eielson AFB and maintain the base and runway operating capability while moving the training-coded F–16s to JBER is directly tied to the strategic importance of this base and this location. The robust training capability for Red Flag-Alaska exercises will remain at Eielson AFB and is a testament to the quality and capacity for world-class training and readiness emphasis which is of particular importance to the Pacific theater. While the training-coded Aggressor F–16s are slated to relocate to JBER, they will still participate in, and support, these large force, Joint and combined exercises the same way the combat-coded units at Elmendorf AFB have done for years. The current training and readiness focus of effort will remain under the current proposal.

Question. It has been suggested for some time that the 168th Air Refueling Wing would be able to meet a greater percentage of mission requirements if additional tankers were assigned and an active association were created. Is the Air Force considering this proposal and what are the prospects for its approval?

Answer. Pacific Air Force and the ANG have conducted several meetings on the stand-up of a classic association at Eielson AFB. The results determined that there was insufficient tanker aircraft and manpower to stand-up an association, but more importantly, the commands determined that there was sufficient resources in-place to meet combatant commander operational and training requirements. However, associations are a valuable Total Force tool the Air Force uses to meet national security needs. Proposals for new Total Force Integration (TFI) associations can be submitted by the National Guard Bureau and all the Air Force Major Commands. Once submitted, each proposal undergoes a set of reviews before being presented for decision. Each proposal is reviewed for legal sufficiency, strength of business case and resourcing/funding availability before being presented for final Air Force decision. Additionally, this TFI review process is integrated with the Air Force Strategic Basing process to ensure all location-related aspects are consistent with that process. Throughout both the TFI and Strategic Basing processes, there is full Active component and Reserve component engagement.

Question. Given JBER's role in the Pacific I was surprised to learn that its C–130 lift capacity would be reduced. What is the justification for reducing the C–130 lift at JBER and how does this relate to the strategic emphasis on Asia and the Pacific? Was this reduction coordinated with Alaska's Adjutant General?

Answer. Defense Strategic Guidance reduced the overall requirement for intra-theater airlift. Using scenarios consistent with the revised Defense Strategic Guidance, Air Force analysis determined that excess capacity exists in the Air Force intra-theater airlift fleet. The Air Force's C–130 retirements allow taxpayers to avoid an additional $533 million in aircraft sustainment bills while still being able to meet Pacific Theater requirements.

The Air Force retains a fleet of 318 C–130 aircraft (134 C–130J, 184 C–130H) to meet the new strategy within fiscal constraints, and the service is maintaining an 8 Primary Aircraft Assigned (PAA) unit at JBER to meet worldwide requirements including Asia and the Pacific. The Air Force decision to reduce Elmendorf by 4 PAA standardizes the unit's aircraft numbers with most other ANG C–130 locations across the country, which affords a higher level of uniformity/predictability in training, manpower needs, and mission execution.

The National Guard Bureau represents ANG/State/adjutant general interests during Air Force budget deliberations, and they participated throughout the development of the fiscal year 2013 President's budget request. Although ANG aircraft are being divested, the Alaska ANG is not losing any manpower due to this reduction in C–130 aircraft.

Question. How will the Air Force ensure Eielson AFB remains a fully functioning base that allows the 168th Air Refueling Wing to fully conduct its 24-hour-per-day, 7-day-per-week, 365-day-per-year, no-fail refueling mission in support of the administration's Asia-Pacific focus?

Answer. Headquarters Pacific Air Forces (PACAF) addressed the 168th Air Refueling Wing continuous operations requirement by developing a manpower baseline for base support that included the 168th Air Refueling Wing operations, Red Flag support, Distant Frontier and Northern Edge exercises, and potential diverts off the range into Eielson AFB. This manpower baseline provides Eielson AFB the flexibility to meet requirements beyond 8 a.m.–5 p.m. local as needed. PACAF's preliminary plan is for Eielson AFB base support units, including base operations and air traffic control, to be a detachment of JBER which relies on them for support as needed.

Question. The movement of the Aggressor Squadron would include the relocation of a significant number of airmen and their families, but about 400 soldiers at JBER are already in temporary barracks. You have indicated the Air Force's plan for housing new airmen at JBER, its cost, and when it would be funded is not yet known. You've similarly indicated that whether JBER has the infrastructure necessary to house and maintain the F–16s and support functions, its cost and when it would be funded is not yet known. Please provide me with this information as soon as it is available.

Answer. Because of the Air Force's Force Structure realignment, U.S. Pacific Air Forces Command conducted a SATAF at Eielson AFB from April 11th to April 13th and at JBER from April 16th to April 18th. This SATAF will determine the requirements, such as dormitories and F–16 support functions, to adequately bed down the relocated Aggressor Squadron. Once the housing and infrastructure requirements are refined as a part of the SATAF process, and the costs determined, we will forward that information to you, along with a timeline.

Question. You have said the assumption is that neither an Environmental Impact Statement (EIS) nor an Environmental Assessment (EA) will be needed to move the F–16s to JBER. Since the move would involve more planes at a base that already flies multiple types of aircraft in a crowded more personnel being stationed at JBER, please provide me with the Air Force's final opinion on this matter as soon as it is available, as well as an estimate on how much any EA or EIS would cost and the timeline for such a review.

Answer. The most recent National Environmental Policy Act (NEPA) document prepared for JBER does not cover adding an additional fighter squadron from Eielson AFB. A new NEPA analysis will be required to support Air Force proposal to add an additional fighter squadron to Eielson AFB and any related alternatives culminating in final decision.

Headquarters PACAF is working to define the scope of work, schedule, and rough cost estimate for an environmental analysis. PACAF will also conduct a SATAF survey in April 2012. No aircraft movements will take place until the SATAF findings are properly documented, all NEPA requirements are completed, and the Congress completes action on the fiscal year 2013 President's budget. The Air Force goal is to complete environmental assessments within 6 months of study initiation and environmental impact statements within 12 months of initiation.

Question. Hundreds of military personnel from around the globe visit Alaska every summer for training. Those troops are housed at Eielson AFB, JBER, university campuses, and even in Kodiak. Where would they be housed if Eielson AFB became an 8–5 base? What will foreign militaries that train in Alaska do if the Aggressor Squadron is moved and Eielson AFB becomes an 8–5 base? Please also detail the Air Force's plans to support Clear Air Force Station if Eielson AFB becomes an 8/5, Monday through Friday base.

Answer. The Air Force addressed continuous operation at Eielson AFB by developing a manpower baseline for base support that includes 168th Air Refueling Wing operations, Red Flag support, and Distant Frontier and Northern Edge exercises. This manpower baseline provides Eielson AFB the flexibility to meet requirements necessary to support the full range of assigned missions. The housing of participants for various exercises continues as in the past utilizing Eielson AFB, JBER and surrounding areas to accommodate the participants. The Aggressor squadron is moving from Eielson AFB to JBER to gain efficiencies and cost savings, but the Aggressors will still support exercises at Joint Pacific Alaska Range Complex.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

Question. Secretary Donley, as you know, the Common Vertical Lift Support Platform (CVLSP) program was terminated in the President's fiscal year 2013 budget. This platform was to be the replacement for the Air Force UH–1N "Hueys" that suffer from shortfalls in lift capability, speed survivability, maintainability, night/adverse weather capability, and avionics/human factors. The Air Force has stated repeatedly that an urgent operational need has existed since 1996 and that, as late as last year, was considering invoking the Economy Act of 1932 to justify a sole source buy to replace the Hueys. Please explain to me the rationale and justification for terminating the CVLSP. Further, please explain what it's going to cost the taxpayer to continue to fly and maintain 40-year-old helicopters that no longer satisfy the current operational requirements for this mission.

Without the acquisition resources available to satisfy this "urgent and compelling" need, has the Air Force considered any more affordable alternatives such as leasing aircraft to accomplish this mission?

Answer. The Air Force is taking an acquisition pause to explore more cost effective strategies to meet the nuclear security and continuity of government missions. We are considering all alternatives to address these mission requirements, and no decisions have been made at this time.

Question. Does the Air Force still believe that it needs the same size and similarly equipped aircraft to do such dissimilar missions as nuclear weapon convoy escort and intercontinental ballistic missiles (ICBM) emergency security response in adverse weather conditions and the much more benign mission of passenger transport in the National Capital Region provided by the 1st Helicopter Squadron at Andrews Air Force Base, Maryland?

Answer. Yes. The Air Force still believes one common helicopter to support the nuclear security and National Capital Region missions is the best option. Though the missions are different, the resultant payload, survivability, situational requirements, and capabilities required to accomplish those missions are very similar and allow us to use a common platform. In addition, a common helicopter between the two missions results in long-term savings and flexibility from an operational and sustainment perspective.

Question. The fiscal year 2012 Department of Defense (DOD) budget included $52.8 million in funding for CVLSP, and no money in fiscal year 2013. We now understand CVLSP will not go forward, and the USAF has instead decided to take used United States Marine Corps (USMC) UH–1N's destined for the boneyard and use the CVLSP funding to recondition these aircraft which are just as unable to meet the requirements as the current United States Air Force (USAF) UN–1N's. Isn't that strategy throwing good money after bad, and wouldn't it be a better use of the $52.8 million CVLSP funding to introduce an aircraft that CAN meet the requirements of the mission, even if it is in limited quantities for now?

Answer. The Air Force and DOD have not finalized any plans for using the $52.8 million of fiscal year 2012 CVLSP aircraft procurement funding. There are no plans to use any of the fiscal year 2012 CVLSP funding to recondition the Marine Corps UH–1Ns. Regardless of what the Air Force and DOD decide, the Congress would have to approve the reprogramming of funds.

The Air Force still has a requirement to address mission capability gaps and replace the UH–1N fleet. We are looking at more cost-effective strategies to meet the nuclear security and continuity of government missions. In the near term, taking ownership of up to 22 Marine Corps UH–1Ns aircraft is a low-cost option to mitigate some mission capability gaps, and provide attrition reserve aircraft and spares for our current UH–1N fleet. Air Force Global Strike Command and Air Force Materiel Command are developing a UH–1N roadmap to determine the best options for the use of these aircraft. Any expenses required to ready the aircraft for Air Force use will be addressed in future budgets.

Question. General Schwartz, the Air Force announced plans to cut 86 active-duty airmen from the McEntire Joint National Guard Base in South Carolina. At the same time, the Air Force is creating two associations by adding 164 active-duty airmen each to two Air Force Reserve F–16 wings, one in Texas and the other in Florida. My understanding, however, is that these Reserve units are less tasked than McEntire (e.g., neither maintain an air alert commitment). Further, the McEntire active association has proven highly efficient, cost effective, and is about to deploy 18 F–16s to Afghanistan. Why would the Air Force weaken the McEntire active association but at the same time spend additional active-duty resources for less capability at reserve air wings? Does this move make fiscal sense at a time when the Air Force's budget, like that of the other services, is shrinking?

Answer. Active duty manpower movements at McIntire Air National Guard Base, as well as at Air Force Reserve Command locations in Florida and Texas, were part of a larger reallocation of Active Duty F–16 operation and maintenance manpower across the Total Force. This reallocation was initiated at the request of the Air National Guard (ANG) resulting in the addition of four new F–16 Guard locations with an increase of 37 assigned active-duty billets. Because resources are reallocated within existing active-duty end strength, no additional cost is incurred. In addition, this action also enables the Air Force to convert backup aircraft inventory aircraft at six ANG locations into primary aircraft inventory, with the net result being an increase of 18 primary aircraft inventory at ANG locations. Finally, the reallocation of F–16 active associations increases the number of locations at which inexperienced Active Duty F–16 pilots and maintainers can be seasoned while working with more experienced ANG counterparts. From a Total Force perspective, this reallocation of Active Duty F–16 manpower improves overall capabilities at no additional cost.

Question. On March 5, 2012, Defense News reported that the Air Force plans to reduce the number of F–35 bases from 40 to the low 30s. Since 1991, the ANG has proven its efficiency in utilizing F–16s and F–15s for Air Expeditionary Forces in Iraq and Afghanistan. The ANG currently fulfills 100 percent of the CONUS Air Sovereignty Alert mission at substantially lesser costs than the Active component. I believe the same would hold true were the ANG equipped with F–35s. The Air Force's projected cuts to the ANG in fiscal year 2013 concern me, and I remain equally as concerned that the planned reductions in F–35 bases will disproportionately impact the ANG. What assurances can you give me that the reduction in F–35 bases will not disproportionately impact ANG units?

Answer. The Air Force uses an iterative, continually informed process for fielding weapon systems intended to optimize mission sets and requirements of the total force to meet combatant commander requirements. The Air Force is committed to fielding the F–35A Lightning II aircraft in the Reserve component, as evidenced by the designation of Burlington Air Guard Station, Vermont as the preferred alternative for the first operational unit in the Reserve component, and fully supports further Reserve component fielding in the future. The combination of a collaborative and fully operational total force enterprise process, an open and transparent strategic basing process, and effective linkages with the planning, programming, budgeting, and execution process will provide avenues to balance the Active component and Reserve component while prioritizing combatant commander requirements. The Air Force is dedicated to using these processes, with full Reserve component participation, to refine concepts of concurrent and proportional, or balanced, fielding and to ensure fielding of the F–35A in the most effective and efficient manner.

Question. What criteria do you plan to use to determine which bases will lose F–35s?

Answer. There are currently no plans to remove F–35s from any existing beddown locations. The Air Force will use its strategic basing process to identify which bases receive the F–35A aircraft. Currently, the Air Force has only identified the preferred and reasonable alternatives for the Formal Training Unit, one Active component operational unit, and one Reserve component operational unit. Criteria used to determine which bases will receive F–35A aircraft included mission, capacity, environmental, and cost categories. Mission included weather and airspace components; capacity included facilities, runway, and ramp components; environmental considered air quality and encroachment; and cost included the area construction cost factor.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

Question. General Schwartz, I am concerned about the Air Force's failure to fulfill its obligation to acquire the F117 Engine technical data, and the impact this will have as the Air Force pursues Supply Chain Management services.

What is the Air Force justification for not acquiring the technical data rights to the F117 engine, particularly when it is paying an approximately 50-percent premium to the commercial variant, which includes tech data? Does the Air Force have a plan to acquire such data rights?

Answer. Yes, the Air Force is currently working on acquiring technical data rights to the F117 engine. Under the procurement or sustainment contracts, the Air Force has never purchased data rights for the F117 engine because:

—under the C–17 contract, Boeing acquired the engines from Pratt & Whitney (P&W) as a commercial item; and

—under the Air Force contract to acquire engines, the Air Force used a commercial contract.

P&W paid for the development of these engines. Also, the C–17 sustainment program included Contractor Logistics Support for life; therefore, there was no need to acquire data rights. Since then, the Air Force has decided to break out the engine technical overhaul, supply chain management and systems engineering from the C–17 support. As a result, the Air Force is currently working two separate contract actions to acquire licensed use of P&W's technical manual, and to acquire the data rights for the System Engineering and Supply Chain Management processes for the F117 engine. In December 2011, P&W agreed to a General Terms Agreement release of their technical manual for basic F117 repairs, and the Air Force will further pursue Government Purpose Rights for historical supply chain management and systems engineering to enhance future competition.

Question. General Schwartz, options exist to lower aircraft sustainment costs. For example, the commercial industry has embraced FAA-approved Parts Manufacturing Approval (PMA) parts and Designated Engineering Representative (DER) repairs, but the military has been slow to follow.

Why doesn't the Air Force embrace such commercial best practices? Is the Air Force considering using these practices as it contracts for Supply Chain Management services for the C–17s F117 engines?

Answer. The Air Force has embraced commercial best practices. The Air Force has recently increased the ability of commercial and competitive practices to reduce future F117 engine costs for supply chain management (SCM) services. Through discussions with P&W (the original equipment manufacturer (OEM) for the F117), in December 2011 the Air Force secured access to the OEM repair manuals via license agreement. This repair manual license agreement can be used for SCM competition and for non OEM parts approval.

The OEM does not have to approve repaired parts; any approved repair facility with access to the OEM's repair manuals can overhaul and repair F117 engines without subsequent approval through the OEM. This will continue to increase competition and decrease the reliance on OEM parts which can be used on the F117. This aligns with the commercial industry repair practices.

The Air Force has released a draft performance work statement for a new competitive contract that takes advantage of commercial repairs and non OEM parts approvals. The Air Force's goal is to leverage Federal Aviation Administration's (FAA) PMA and DER approval results as much possible. This may accelerate the approval of non-OEM parts. However, FAA PMA approval is not sufficient for the F117 due to the F117's unique military mission. The FAA approves parts and repairs for only commercial application; therefore, the military must retain configuration control of the F117 engine.

SUBCOMMITTEE RECESS

Chairman INOUYE. The Defense Subcommittee will reconvene on Wednesday, March 21, 2012, at 10:30 a.m., to hear from the United States Army.

The subcommittee stands in recess.

[Whereupon, at 11:33 a.m., Wednesday, March 14, the subcommittee was recessed, to reconvene subject to the call of the Chair.]