DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2011

WEDNESDAY, MAY 12, 2010

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

The subcommittee met at 11:01 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Dorgan, Murray, Cochran, Bond, Bennett, and Brownback.

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. All right. First, I would like to apologize for our lateness. We had a few votes.

This morning, we welcome back the Honorable Michael Donley, Secretary of the Air Force, and General Norton Schwartz, the Air Force Chief of Staff. And we thank you for being here as the subcommittee reviews the Air Force's budget request for fiscal year 2011.

For fiscal year 2011 the Air Force is requesting $150 billion in base budget. This funding level is an increase of $15.3 billion over last year's enacted budget, excluding funding appropriated in fiscal year 2010 supplemental.

The Air Force is also requesting $20.8 billion for overseas contingency operations for fiscal year 2011, and $6.1 billion for the remainder of fiscal year 2010, primarily to fund the surge operations in Afghanistan.

The 2010 Quadrennial Defense Review (QDR) emphasized the need to prevail in today's wars, while building the capabilities to deal with future threats. The fiscal year 2011 budget request is consistent with these goals.

The Air Force's budget supports its highest priorities, which are to strengthen air, space, and cyber capabilities to help win the wars in Iraq and Afghanistan. For example, the Air Force continues to invest in intelligence, surveillance, and reconnaissance (ISR) programs. These assets, such as the MC–12 Liberty aircraft

and Reapers and Predator unmanned aerial vehicles (UAV's) are significantly improving the situational awareness of our forces in the area.

Success in getting timely information to the warfighter directly depends on having the manpower available to pilot the vehicles and to provide actionable intelligence. The Air Force will allocate more than 3,600 employees to support the processing, exploitation, and dissemination of intelligence collected by manned and remotely piloted vehicles by the end of fiscal year 2011. The Air Force will be operating 50 continuous combat air patrols with remotely piloted vehicles in the theater.

And the subcommittee is pleased with the way the Air Force has rapidly increased the intelligence, surveillance, and reconnaissance capabilities to meet high theater demands, and interested in how these assets will become part of the enduring force structure.

While fully engaging in the present conflicts, the Air Force is also aggressively addressing deficiencies in the older mission, the nuclear enterprise. The Air Force implemented a number of measures to strengthen stewardship of its nuclear arsenal, including the creation of Air Force Global Strike Command in August 2009. This action was a significant step in revitalizing the commitment to high safety and compliance standards in this critical mission.

The budget also portrays the Air Force preparing for the future. Funds are requested to initiate the new tanker program and begin the requirements work for the new, next-generation bomber.

So, too, the Joint Strike Fighter (JSF) Program is funded consistent with the Department's most recent cost, schedule, and performance assessments. These are all important recapitalization efforts.

The budget also contains substantial investment in space and space-related systems, including both major satellite programs and small efforts, like the Operation Ally Responsive Space Program, which focuses on rapid and innovative technologies.

Looking to the future, the Air Force has a number of challenges, from modernizing aircraft and other equipment to ensuring that there is adequate manning for growing missions, such as cybersecurity, ISR, and the acquisition workforce.

The subcommittee is interested in understanding how the Air Force is addressing these challenges. Yesterday, the Air Force announced its force structure plans for 2011. We hope our witnesses will address the proposed changes and their impact on the force capability and readiness.

So, gentlemen, we sincerely appreciate your service to our Nation, and recognize the dedication and services made dearly by the men and women of our Air Force. We could not be more grateful for what those who wear our Nation's uniform do for our country each and every day.

And I look forward to our testimony this morning. And your full statements will be included in the record.

And at this moment, the vice chairman is still at the voting chamber, so I will call upon Senator Bond, if he has any statement to make.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Mr. Chairman. I asked him to be sure and start the timer, because I've got a lot to say, but I join with you in welcoming Secretary Donley and General Schwartz. We welcome you back to the subcommittee. Thank you for your service.

Mr. Secretary, I especially want to thank you for attending the launch of the Senate Aerospace Caucus last week with Senator Murray.

We believe the American aerospace industry has made our Nation the global leader in the civil aviation sector, and has helped produce the strongest military in the world. Despite its importance, not only to our military and to our economy, we all recognize the industry faces several challenges.

And Senator Murray and I look forward to working with you and the rest of the Aerospace Caucus to elevate the awareness about the challenges and the efforts to protect a strong and competitive American aerospace industrial base.

But, in addition to that, I am very much concerned about the ability of the Air National Guard to continue to operate amid the looming shortfalls and the age of our aircraft.

Mr. Secretary and General, let me dive right in. I am afraid we are looking at a backdoor base realignment and closure (BRAC) on the Air Guard. In my view, no progress or proactive steps have been taken to address, substantively, the looming tactical airpower (TACAIR) bathtub in the Air Guard. That's first.

All I continue to hear about are plans to reduce the size of the Air Force and the Air Guard. The Air Guard cannot be expected to give up aircraft and missions in the near term, only to be told they will eventually be provided with new, still undefined missions later, or be told that the Joint Strike Fighter replacements are coming, when we all know they will not be available in time. Such a leap of faith will result in the atrophy of a number of Air Guard units that won't be able to train or recruit without viable replacement missions or aircraft.

But, I'm afraid that's exactly what we are doing. That's why I've labeled it, I believe appropriately, as a "backdoor BRAC" of Air National Guard units. This backdoor BRAC will threaten our ability to police our Nation's skies, a roll of the dice with our national security that I'm not willing to take, and I don't think anybody here should.

Further, I don't subscribe to the overall line of thinking that we have to accept a smaller Air Force. It's my strong view the falsehood is being driven by a thorough—not by a thorough analysis of foreseeable threats and requirements, but by self-fulfilling Pentagon budget studies and the extreme cost overruns and scheduling delays of a major program like JSF.

Delays in cost growth from the JSF are sucking all the oxygen and resources out of other procurement needs. That results in our pilots flying aircraft that are, in many instances, older than they are. That ought to be unacceptable for the world's greatest superpower.

In addition, the threat to the Air Guard and their critical missions to defend our Nation's skies, going down the current path is a threat to our defense industrial base. The Air Force long-term budget contains few new programs of the kind required to retain engineers and designers that will preserve our air dominance in the years to come.

Secretary Gates killed or scaled back almost 50 major U.S. defense programs last year, but still poured billions more into a program that has had a Nunn-McCurdy breach—a big-time breach, a huge cost overrun on the JSF. Without other new programs, aerospace engineering and design skills will atrophy. With the atrophy of the defense industrial base which we've been seeing since the 1990s, innovation will be stifled and a lack of competition will lead to higher price tags for new platforms that will be procured in smaller numbers. Does that sound familiar?

With the threats to our long-term and short-term security emanating from all over the globe, and for places where 4.5 aircraft could meet the needs, I think it's important to maintain a quantitative edge, as well as it's important to maintain a quality edge. As capable as an F–22 is, it cannot be in three places at once.

With that, Mr. Chair, I thank you and await the questions.

Chairman INOUYE. Senator Leahy.

STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Well, thank you, Mr. Chairman.

And because of the new Supreme Court nominee, I have to go to meet up with her. But, I am delighted to see Secretary Donley and General Schwartz here.

I have some questions I will submit for the record, with the Chairman's——

Chairman INOUYE. It will be.

Senator LEAHY [continuing]. Permission, Mr. Secretary, on community basing, especially the initiative in Burlington, Vermont.

I'm very interested in knowing the answers. I hope that you could call me with the answers, or that your staff could work with mine to provide a response.

And, of course, the so-called fighter bathtub issue that's looming over the Guard—Senator Bond and I are cochairs of the Senate National Guard Caucus, and we're both concerned about that.

So, with your permission, Mr. Chairman, I will submit those questions for the record.

I'm delighted to see Secretary Donley here. We've had a chance to chat on other occasions. It's great to be here with him, and also with General Schwartz, who I've talked with on other occasions.

Chairman INOUYE. Thank you.

Senator Dorgan.

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much.

I know that the Air Force has been through a couple of years of some—2 or 3 years of some real turbulence and difficulties and embarrassments, and so on. And I just want to observe that I think the Secretary and the Chief have taken action to provide some sta-

bility. And I think things are on track in the Air Force. I appreciate, very much, their leadership.

And even while saying that, I don't want to cast aspersions on some of the others. I understand the captain of the ship is responsible for all that goes on in the ship, but the Air Force has had some good leadership over time, and I appreciate the willingness of the Secretary and the Chief to serve.

Let me just say, I think the least surprising development in the last decade was: If you go to war and wage war for 8 years halfway around the world, and don't pay for one penny of it, but just put it all on emergency spending, don't ask the taxpayers to pay for it; charge it all as emergency spending—that someday you're going to run up against defense with no gate. And that's what Secretary Gates, I think, was saying the other day.

This country can't continue to do that. Its fiscal policy is absurd. We know better than this. And so, it puts an enormous pinch on services like the Air Force.

My colleague raised a point about the new fighter. I mean, I think it is the case that all of us are concerned about the per-unit costs of the planes we're buying. It's not just planes. It's every piece of equipment for the military. The per-unit cost continues to go up, up, and up. And that's a great concern.

But, I think Secretary Gates is saying the right things publicly, and with some courage. We've got to address all of these issues. This will not be a time, going forward, like the time that we've just seen. And wherever—whatever someone needs, "It's fine. We'll just pay for it and charge it."

Let me also say that I visited Creech Air Force Base last Friday, and had briefings on the unmanned aerial vehicles (UAVs). And it's very interesting to me, as it has always been, that that represents, in many ways, the future of the Air Force. I mean, we fly, as you—all of us know, fighter missions out of the most unusual places in this country, real time, with unmanned aerial vehicles, halfway around the world, with the most sophisticated satellite, and so on. It's pretty unbelievable.

And I also think that much of what we're going to be discussing, going forward, is what this new paradigm—this new unmanned aerial vehicle system means, in terms of how we fight, how we train, and all of those issues.

And I just want to say, General Schwartz, the folks that you have at Creech, the commander and others, are really first-rate. And I had a chance to observe those who are flying the UAVs, and I came away mightily impressed, as I always do, but especially, I think—it's the first place where we've had these unmanned aerial vehicle operations, I think, starting maybe 8, 9 years ago. But, it's an extraordinary place.

So, I have a few questions. I'm not sure I'm going to be able to stay for all of it, today. But, I thank you, Mr. Chairman, for inviting the Secretary and the Chief.

Chairman INOUYE. Thank you.

The vice chairman.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much for convening the hearing.

I join you in welcoming our distinguished witnesses at this hearing. They have very important responsibilities in managing the Air Force and making sure that we are protecting our national security interests with the best there is. And we appreciate that very much.

Thank you.

Chairman INOUYE. Thank you.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Mr. Chairman, thank you so much for having this hearing.

And, Secretary Donley, I join with Senator Bond in thanking you for joining us for our first meeting of the Aerospace Caucus. It's extremely important that we begin to look at long-term planning to make sure that we maintain our aerospace industry in this country, for all the reasons that are important to our military, as well as our economy and in the future. And I appreciate your participation in that.

I do have a number of questions, and I will use those during my question time.

And again, welcome, to both of you.

And thank you for having this hearing.

Chairman INOUYE. Thank you.

And now, Mr. Secretary.

SUMMARY STATEMENT OF HON. MICHAEL B. DONLEY

Mr. DONLEY. Thank you, Mr. Chairman, members of the subcommittee.

It is truly an honor to be here today representing almost 680,000 Active Duty, Guard, and Reserve airmen and Air Force civilians. I'm also honored to be here with General Schwartz, who has been a tremendous partner and a tireless public servant, especially over the past couple of years, in addition to a very long and distinguished career, prior to this assignment.

I'm pleased to report, today, that America's Air Force continues to make progress in strengthening our contributions as part of the joint team and the overall excellence that is the hallmark of our service.

We're requesting $150 billion in our baseline budget, and $20.8 billion in the overseas contingency operations supplemental appropriation to support this work.

In the past year, and planning for the future, we've focused on balancing our resources and risk among the four objectives outlined by Secretary Gates in the 2010 QDR.

FOUR OBJECTIVES IN 2010 QDR

First, as the chairman noted, we must prevail in today's wars. Your Air Force understands the gravity of the situation in Afghanistan. And, as we continue to responsibly draw down our forces in Iraq, we are committed to rapidly fielding the needed capabilities

for the joint team, such as surging ISR assets into the theater and maximizing air mobility to accelerate the flow of forces into Afghanistan.

Second, we must prevent and deter conflict across the spectrum of warfare. And as we assess potential implications of the Nuclear Posture Review (NPR) and the new Strategic Arms Reduction (START) Treaty, we continue concentrating on the safety, security, and sustainment of two legs of the Nation's nuclear arsenal.

Last year, we stood up the Air Force Global Strike Command, and we now have realigned our intercontinental ballistic missile (ICBM) and nuclear capable bomber wings under the control of a single commander. We also realigned responsibilities to the Nuclear Weapons Center to consolidate the management of all our nuclear weapon sustainment activities.

And to increase our engagement across the world, we're building partner capacity, in Afghanistan and Iraq especially, and developing a training framework that emphasizes light attack and mobility that can benefit other nations.

Third, we must prepare to defeat adversaries and to succeed in a wide range of conflicts. We need to ensure we're providing the right capabilities with our strategic airlift and ISR platforms, and ensure that our space-based assets continue to deliver needed capabilities into the future.

In addition, the last two decades of sustained operations have strained our weapons systems. We continue to determine which aircraft we will modernize and sustain, and which we must retire and recapitalize. One of our primary efforts includes retiring and recapitalizing many of our legacy fighters and tankers, and replacing them with the F–35 and the KC–X.

These decisions require tough choices as well as the ability to quickly field systems that meet warfighter needs at an affordable price. Because acquisition underpins this effort, we're continuing our work to recapture excellence in this area, as well. And in the past year, we've made significant strides in reforming our internal processes. We've added more program executive officers and are growing our acquisition workforce by several thousand professionals over the next 5 years.

Finally, we need to preserve and to enhance our All Volunteer Force. Airmen are our most valuable resource, and they have performed superbly in every mission and deployment they've undertaken.

YEAR OF THE AIR FORCE FAMILY

With the understanding that their families serve alongside them, in July of last year, the Chief of Staff, the chief master sergeant of the Air Force, and I began a year-long focus on our men and women, and their families. This "Year of the Air Force Family" recognizes their sacrifices and looks to determine how we can better support, develop, house, and educate them. As this effort draws to a close later this summer, we're determining which programs are performing well, and where we can do better.

Mr. Chairman, your Air Force is performing exceptionally well in supporting the current fights; responding to growing demands and shifting personnel priorities on short notice. But, we're increasingly

stressed inside the continental United States. Rebuilding nuclear expertise will require continued determination and patience. And we are taking more risk in nondeployed force readiness. And, as you mentioned, Mr. Chairman, we're facing significant challenges in modernization and in our infrastructure.

At the same time, however, we are developing and fielding new technologies and capabilities that bode very well for our future. I can tell you, after a recent trip to the U.S. Central Command area, that we are recruiting and training some incredible airmen. General Schwartz and I can, again, confirm that the Air Force is blessed with an outstanding civilian and military leadership team to help us address these challenges.

Our priorities are clear. We must make the most of those resources available to balance capability against risk, balancing winning today's wars against preparing for tomorrow's. We need to prevail in today's fights, and we continue to add capability in every way possible to help ensure the success of ongoing conflicts. We must prevent and deter future conflict, where we can, and continue to be prepared for and succeed across this full spectrum of conflict. And finally, we must continue to preserve our airmen and their families, for they are truly our hedge against an uncertain future.

PREPARED STATEMENT

We're very grateful for the subcommittee's support in this work, and we look forward to working with you and to answering your questions today.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF HON. MICHAEL B. DONLEY

The Air Force Posture Statement presents our vision of Global Vigilance, Reach and Power as a vital component of the Joint team, defending our National interests, and guided by our core values of Integrity First, Service Before Self, and Excellence in All We Do.

INTRODUCTION

Today, the United States confronts a dynamic international environment marked by security challenges of unprecedented diversity. Along with our Joint partners, the Air Force will defend and advance the interests of the United States by providing unique capabilities to succeed in current conflicts while preparing to counter future threats to our national security. Over the last year, the Air Force made great strides in strengthening the precision and reliability that is our hallmark.

STRATEGIC FOCUS

This year offers an opportunity to fully integrate our Service posture with a new National Security Strategy, the Department of Defense Quadrennial Defense Review, and strategic reviews of the Nation's space, nuclear, and ballistic missile defense postures. Balance is the defining principle linking this budget request to our strategic guidance.

In the 2010 Quadrennial Defense Review, the Secretary of Defense established four U.S. defense objectives to guide our current actions as well as to plan for the future: prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the all-volunteer force. In accordance with this guidance, the Air Force developed the 2011 budget request to enhance our capabilities to meet these objectives, while balancing risk appropriately. As the future security environment will require a range of agile and flexible capabilities, investments for today's conflict will also support our efforts to prepare, prevent, and prevail, and preserve well into the future.

Prevail in Today's Wars.—Our investments in intelligence, surveillance, and reconnaissance, as well as airlift, command and control, and building partner capacity reinforce the prominence of this priority in our budget request. In addition, nearly 30,000 deployed Airmen daily provide key capabilities in direct support of combat operations.

Prevent and Deter Conflict.—The Air Force made significant resource and cultural investments in reinvigorating our portion of the Nation's nuclear deterrence over the past 18 months. We are now institutionalizing these successes to ensure the highest standards across the nuclear enterprise. Our initial investments in a family of long-range strike capabilities mark our commitment to sustaining power projection capabilities for the next several decades.

Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies.—This priority directly reflects the Air Force emphasis on balancing our commitments to today's conflicts against preparing for mid- and long-term risks. Awarding a contract this year to recapitalize our aging tanker force is our top acquisition priority. Similarly, the F–35 will be the workhorse of the fighter force for decades to come. Our investment in this program is timed with other modernization initiatives and divestment plans to ensure sufficient capabilities are available to deter and defeat potential enemies.

Preserve and Enhance the All-Volunteer Force.—Preserving and enhancing our all-volunteer force provides the foundation required for our flexible and agile posture. This budget reflects a commitment to enhancing our force through education and training, while also bolstering the overall quality of life of Airmen and their families.

STRATEGY TO RESOURCES

As we prepared the budget request described by this Posture Statement, we structured our resource choices by balancing the twelve Air Force Core Functions across the near- and long-term. When considered together, the Core Functions encompass the full range of Air Force capabilities, and serve as the framework for this Posture Statement. While this document describes the core functions individually, we recognize their inherent interdependence within not just the Air Force, but also within the Joint force and the whole of government.

Air Force Core Functions.—Nuclear deterrence operations; air superiority; space superiority; cyberspace superiority; global precision attack; rapid global mobility; special operations; global integrated ISR; command and control; personnel recovery; building partnerships; and agile combat support.

NUCLEAR DETERRENCE OPERATIONS

Since its inception, the Air Force has served as a proud and disciplined steward of a large portion of the Nation's nuclear arsenal. We steadfastly maintain and secure nuclear weapons to deter potential adversaries, and to assure our partners that we are a reliable force providing global stability.

The first Air Force priority during the last 2 years has been to reinvigorate the stewardship, accountability, compliance, and precision within the nuclear enterprise. This mission demands perfection. Last year we reorganized our nuclear forces, consolidating responsibility into a clear chain of command. All nuclear operations are under the command of the Air Force Global Strike Command and all sustainment activities are controlled by the Air Force Nuclear Weapons Center. We also added a fourth B–52 squadron to enhance nuclear surety through greater mission focus. We continued these advancements in fiscal year 2010 by reassigning Intercontinental Ballistic Missile (ICBM) and nuclear bomber forces to Air Force Global Strike Command as it proceeds toward full operational capability.

The fiscal year 2011 budget request continues to invest in sustaining the Air Force's ICBM and bomber fleets. We will invest $295 million across the FYDP to replace fuzing mechanisms, and to sustain test equipment and environmental control systems for the aging, but capable, Minuteman III ICBM weapon system.

As we begin work to develop a future Long Range Strike capability, we recognize the need to continue investing in our legacy bomber fleets, including nearly $800 million for modernization. This budget request provides the B–52, initially designed in the early 1950s, with an internal precision-guided weapons capability, a new radar, and a modern and effective anti-skid system. This request funds modernization of B–2 analog defensive systems to ensure continued survivability against increasingly capable air defense systems. Additionally, the UH–1N replacement program supporting missile launch complexes is on track and we anticipate initial operating capability by fiscal year 2015.

AIR SUPERIORITY

Air superiority is a necessary precondition for most U.S. military operations. American ground forces have operated without fear of enemy aircraft since 1953. Although we operate in uncontested airspace in current conflicts, we cannot assume this will be the case in the future. The emergence of modern air defenses challenges the ability of the Air Force to achieve air superiority. Potential adversaries are leveraging readily accessible technologies by modifying existing airframes with improved radars, sensors, jammers, and weapons. In addition, several nations are pursuing fifth-generation aircraft capable of all-aspect, low-observable signatures, and fully integrated avionics and sensors. Adversary nations are also turning to advanced surface-to-air missiles to augment or even substitute for aircraft modernization efforts. The proliferation of these sophisticated and increasingly affordable weapons presents an area denial capability that challenges our legacy fleet. As the range of potential threats evolves, the Air Force will rely on the F–22 Raptor as the workhorse of the air superiority fighter force for the foreseeable future. Complementing our 187 modernized F–22s, we will continue to rely on F–15C/D aircraft to provide an important component of our air superiority capability.

Our fiscal year 2010 budget included plans to accelerate the retirement of some legacy fighter aircraft to pave the way for a smaller but more capable fighter force. As we work with the Congress to execute this important plan, we continue to aggressively modernize our air superiority fleet, including upgrading fielded F–22s to ensure fleet commonality with current deliveries. Additionally, we began modernizing 176 F–15Cs with the new APG–63(v)3 Active Electronically Scanned Array (AESA) radar. Along with these modifications, we are continuing the development and procurement of the AIM–9X and AIM–120D air-to-air missiles.

The fiscal year 2011 budget requests $12.5 billion in the FYDP to sustain America's air superiority advantage. To continue F–22 modifications, this request includes $1.34 billion to continue fleet commonality upgrades, improving reliability and maintainability, and adding training enhancements for the fleet. Building on the multi-role nature of our most advanced aircraft, this request also includes $1.19 billion to add precision attack capabilities such as the Small Diameter Bomb. The Air Force will also continue the development and procurement of air-to-air munitions and defenses for the F–22 such as the AIM–9X, AIM–120D, and electronic warfare capabilities. To sustain our legacy aircraft viability, we included $92 million to continue the upgrades and modifications to the new F–15 AESA radar. Recognizing that Electronic Warfare remains an integral part of air superiority, we request $251 million in fiscal year 2011 for upgrades to the EC–130H Compass Call fleet. This request includes the conversion of an additional EC–130H, as well as a combined flight deck and mission crew simulator to increase training capacity.

SPACE SUPERIORITY

America's ability to operate across the spectrum of conflict relies heavily on space capabilities developed and operated by the Air Force. We support the Joint force by developing, integrating, and operating in six key mission areas: missile warning; space situational awareness (SSA); military satellite communications; positioning, navigation and timing; space access; and weather.

To enhance space support to the Joint force, we are increasing communications capability in fiscal year 2010 through two satellite communications programs, the Wideband Global Satellite (WGS) program to replace the Defense Satellite Communications System (DSCS), and Advanced Extremely High Frequency system for protected communications. We launched the second and third WGS satellites in fiscal year 2010; each WGS satellite provides the equivalent capacity of the entire legacy DSCS constellation. Additionally, the second on-orbit Space-Based Infrared System Highly Elliptical Orbit payload was fully certified by United States Strategic Command to perform strategic missile warning. Finally, spacelift remains the backbone for national security space with a record 64 consecutive successful missions.

The fiscal year 2011 budget request for $10.9 billion will improve our stewardship of space with investment in space and space-related support systems. With these resources, we will field several first-of-their-kind systems—Global Positioning System Block IIF, Space Based Space Surveillance System, and Advanced Extremely High Frequency satellite communications system. This request proposes $1.2 billion for the Evolved Expendable Launch Vehicle program, $1.8 billion for the Space Based Infrared System, and $1.3 billion for GPS. We also included $135 million for Joint Space Operation Center Mission System to improve SSA capabilities, and $94 million for the Operationally Responsive Space program to pursue innovative capabilities that can be rapidly developed and fielded in months rather than years. We request $577 million to fully fund WGS to meet combatant commander bandwidth re-

quirements. Moreover, we will continue to maintain SSA ground-based systems and explore space-based capabilities to ensure our continued freedom to operate in this domain.

CYBERSPACE SUPERIORITY

Cyber threats ranging from individual hackers to criminal organizations to state-sponsored cyber intrusions can challenge access to, and use of, this domain. Although the freedom to operate in the cyber domain is a precondition for our increasingly networked force, many of our potential adversaries are similarly adopting information-enabled technology, rendering them vulnerable to cyber attack as well. Threats to freedom of access to the cyber domain present both challenges and opportunities.

In fiscal year 2010 we continued the development and institutionalization of cyberspace capabilities and integration into the Joint cyberspace structure. The newly activated 24th Air Force, the first Numbered Air Force dedicated to cyberspace operations, recently achieved initial operational capability and has been designated the Air Force component for the sub-unified U.S. Cyber Command. We are also focusing on cyber personnel by normalizing the cyber career path and adding technical education courses.

The fiscal year 2011 budget request reflects a continued commitment to cyber superiority. We request $31 million for expanded rapid cyber acquisition capabilities to keep pace with dynamic adversaries and fast-paced advances in technology. In support of the national cyber effort, this budget request dedicates $104 million to support operations and leased space for headquarters staff at the sub-unified U.S. Cyber Command. Additionally, we propose adding $15 million and additional manpower over the next 5 years to increase the investigative and law enforcement aspects of cyberspace defense.

GLOBAL PRECISION ATTACK

Global Precision Attack is the ability to hold any target at risk, across the air, land, and sea domains. Many of our global precision attack forces are meeting the current requirements of ongoing contingency operations by performing precision strike and intelligence, surveillance, and reconnaissance (ISR) support roles. In the longer term, however, the proliferation of area denial and anti-access capabilities will challenge the ability of current fourth-generation fighters and legacy bombers to penetrate contested airspace.

The Air Force budget request in fiscal year 2010 recognized these developments and continued improvements to aircraft and weapons capabilities. This year, we will take delivery of 10 F–35s for developmental testing and to train test pilots. We are also modernizing legacy fighter aircraft to maintain sufficient capability and capacity until the F–35 fleet is fully operational, and are continuing to develop programs for preferred air-to-ground weapons. Upon completion of the required reports to the Congress later this year, we will implement the planned reduction of 257 legacy fighters. We have had mixed results in test drops of the Massive Ordnance Penetrator; however, we are closely monitoring the progress of this important capability, and future successes likely will result in a reprogramming request to accelerate its development in fiscal year 2010. Finally, continued development of the second increment of the Small Diameter Bomb will give the Air Force even greater capability and flexibility.

Our $14.4 billion Global Precision Attack request for fiscal year 2011 reflects a balanced approach across the portfolio, prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F–35.

F–35 Joint Strike Fighter

The multi-role F–35 is a critical element of the Air Force's future precision attack capability. In addition to complementing the F–22's world class air superiority capabilities, the F–35 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 across services and partner nations.

Working in close collaboration with DOD, the F–35 program team realized a number of accomplishments over the last year, to include the first flight of the first optimized conventional take-off and landing (CTOL) Joint Strike Fighter (JSF) variant—aircraft AF–1.

Despite these important accomplishments, the program is experiencing program challenges as it transitions from development to production. Last year, DOD conducted multiple, independent reviews to assess the impact of these challenges on the

program's cost, schedule, and technical performance. The results were consistent with a previous fiscal year 2008 DOD independent assessment that projected a cost increase and schedule slip.

The challenges being experienced are not unusual for this phase of a major program. However, we are disappointed by the contractor's failure to deliver flight test aircraft as scheduled during the past year. The result of the late deliveries will be a delay in the flight test program. Although there appear to be recent improvements, the contractor also has been experiencing assembly inefficiencies that must be corrected to support higher production rates.

In response to the challenges still facing the program and the findings of the independent reviews, we have taken numerous management actions to reduce risk. Most significantly we have determined that it is prudent to adjust the schedule and funding to levels consistent with the most recent independent estimates. These cost and schedule adjustments require that we initiate the process to confirm the program is in breach of the Nunn-McCurdy Act criteria, and details will be reported later this spring.

The F–35 is our largest and most important program and we are dedicated to successfully delivering these aircraft to both the United States and to our international partners in this effort. The Air Force fiscal year 2011 budget includes $5.6 billion for continued development and procurement of 22 CTOL production aircraft.

Long-range Strike

Investments in our B–52 and B–2 fleets sustain nuclear deterrence operations as well as conventional global precision attack capabilities in the near-term, but we are adding research and development funds to accelerate development of enhanced long-range strike capabilities. Building upon insights developed during the Quadrennial Defense Review (QDR), the Secretary of Defense has ordered a follow-on study to determine what combination of Joint persistent surveillance, electronic warfare, and precision-attack capabilities will be best suited to support U.S. power projection operations over the next two to three decades. The study will examine both penetrating platforms and stand-off weapon options. As part of this assessment, the Air Force is reviewing options for fielding survivable, long-range surveillance and strike aircraft as part of a comprehensive, phased plan to modernize the bomber force. Additionally, the Navy and the Air Force are cooperatively assessing alternatives for a new Joint cruise missile. Finally, the Department of Defense also plans to analyze conventional prompt global strike prototypes and will assess the effects that these systems, if deployed, might have on strategic stability.

RAPID GLOBAL MOBILITY

The Air Force is committed to providing unmatched airlift and air refueling capability to the nation. Air Force mobility forces provide an essential deployment and sustainment capability for the Joint force, delivering personnel, equipment, and supplies necessary for missions ranging from conflict to humanitarian relief.

We are releasing the Request for Proposal for a KC–X replacement tanker in early 2010, and will aggressively work toward awarding a contract later this year. Additionally, we completed the successful operational testing of the C–5 Reliability Enhancement and Re-engine Program (RERP) and will induct two more C–5Bs into low-rate initial production. For tactical airlift, we recently concluded a test of our Direct Support airlift concept and continue to work with the Army to rapidly and smartly transfer the C–27J program to the Air Force.

The fiscal year 2011 budget reflects a balanced approach across the tanker and airlift portfolios, which prioritizes recapitalization of the oldest aircraft while ensuring the continued viability of the legacy fleet. Investments in tanker capability are heavily weighted towards the KC–X program—our top acquisition priority—and represent $11.7 billion in the FYDP. However, while moving aggressively to recapitalize the tanker fleet, we must also ensure the continued health of legacy aircraft. This budget request includes $680 million in the FYDP for airspace access modifications and sustainment of the KC–10 and KC–135 fleets.

The Air Force Airlift budget request is focused on meeting mobility requirements in the most cost efficient way possible, recapitalizing only the oldest airlift aircraft. To ensure continued access to all airspace, this budget continues to modernize and modify C–5s and C–130Hs through Avionics Modernization Programs, and upgrades C–5B/Cs with RERP. To complete the recapitalization of C–130Es, we request $1.8 billion over the next 5 years to procure 24 C–130Js. Additionally, in accordance with the preliminary results of the Mobility Capabilities and Requirements Study 2016, and subject to authorization by the Congress, we intend to retire some of the oldest, least capable C–5As and C–130H1s. We have also requested $38.9 million in fiscal year 2011 to transition from C–17 procurement to sustainment.

SPECIAL OPERATIONS

Air Force special operations capabilities play a vital role in supporting U.S. Special Operations Command (USSOCOM) and geographic combatant commanders. As the Department of Defense increasingly develops irregular warfare capabilities, the Air Force is investing in special operations airlift, close air support, foreign internal defense, and intelligence, surveillance, and reconnaissance capabilities.

In fiscal year 2010 we focused on growing and recapitalizing the special operations aircraft inventory. By the end of the fiscal year, three MC–130W Combat Spear aircraft will be modified with the Precision Strike Package to provide additional armed overwatch capability for SOF forces. Additionally, we will deliver the 16th of 50 CV–22s.

This fiscal year 2011 budget proposal includes $6.7 billion through the FYDP to continue growing and recapitalizing the Air Force Special Operations Command (AFSOC). In fiscal year 2011 we will procure five additional CV–22s and five MC–130Js for $1.1 billion. This request also includes $1.6 billion in the FYDP to start recapitalizing our AC–130H aircraft. We will rapidly recapitalize these aging aircraft through the procurement of 16 additional MC–130Js, modified with the proven Precision Strike Package. In fiscal year 2011 we will also increase AFSOC's manpower by 258 personnel by fiscal year 2015 to support the addition of 16 fixed-wing mobility and two rotary-wing aircraft.

GLOBAL INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

The Air Force continues to rapidly increase its Intelligence, Surveillance, and Reconnaissance (ISR) capability and capacity to support combat operations. Air Force ISR provides timely, fused, and actionable intelligence to the Joint force, from forward deployed locations and globally distributed centers around the globe. The exceptional operational value of Air Force ISR assets has led Joint force commanders in Iraq, Afghanistan, and the Horn of Africa to continually increase their requests for these forces. To help meet this demand, the Air Force currently has more than 90 percent of all available ISR assets deployed.

In fiscal year 2010, we are quantitatively and qualitatively increasing aircraft, sensors, data links, ground stations, and personnel to address emergent requirements. Over the last 2 years, the Air Force increased the number of remotely piloted aircraft (RPA) fielded by 330 percent. We invested in a Wide Area Airborne Surveillance (WAAS) system for new and existing MQ–9s to provide up to 50 video streams per sensor within a few years. By the summer of fiscal year 2010, a quick reaction capability version of WAAS known as Gorgon Stare will provide 10 video streams per MQ–9. Any ROVER-equipped ground force will be able to receive any of these feeds. We also added four RQ–4s, and graduated our first class of RPA-only pilots. Early in fiscal year 2010, we proposed a shift in the nomenclature from "unmanned aircraft systems" (or UAS) to "remotely piloted aircraft" as part of normalizing this capability within the Air Force manpower structure and culture. We will also maintain our current JSTARS-based Ground Moving Target Indicator (GMTI) capability as we begin an Analysis of Alternatives to determine the future of GMTI.

To complement remotely piloted capabilities, we are deploying MC–12W Project Liberty aircraft to the theater as fast as they can be delivered from the factory. This program progressed from "concept to combat" in a record 9 months, and has a deployed maintenance availability rate well above 90 percent.

Because analysis transforms data into actionable intelligence, we are shifting approximately 3,600 of the 4,100 manpower billets recaptured from the early retirement of legacy fighters to support RPA operations, and the processing, exploitation, and dissemination of intelligence collected by manned and remotely piloted aircraft. We also doubled the number of ISR liaison officers assigned to deployed ground forces to ensure the seamless integration of ISR collection and exploitation assets.

Our fiscal year 2011 budget proposal reflects the Joint force emphasis on ISR capacity, and builds on progress made in fiscal year 2010. The Air Force will reach 50 RPA continuous, combat air patrols (CAPs) in theater by the end of fiscal year 2011. The budget request increases MC–12W funding to normalize training and basing posture, adds Wide Area Airborne Surveillance capability, and increases the total number of our RPA platforms to enable fielding up to 65 CAPs by the end of fiscal year 2013. As we request additional RQ–4 Global Hawks for high altitude ISR, we also intend to continue operating the U–2 at least throughout fiscal year 2013 as a risk mitigation effort. We will sustain our ISR processing, exploitation, and dissemination in the Distributed Common Ground System, providing critical distributed analysis without having to forward deploy more forces.

COMMAND AND CONTROL

Theater-wide command and control (C^2) enables efficient and effective exploitation of the air, space, and cyber domain. The Air Force maintains significant C^2 capabilities at the theater level. However, the highly decentralized nature of irregular warfare also places increased demands on lower echelons of command. Matching the range and flexibility of air, space, and cyberspace power to effectively meet tactical requirements requires a linked C^2 structure at all echelons.

This year, we are expanding our efforts to provide C^2 at the tactical, operational, and strategic levels. In fiscal year 2011, the Air Force is requesting $30 million across the FYDP to fund equipment and assured communications for U.S. Strategic Command's Distributed Command and Control Node (DC^2N), U.S. Northern Command's National Capital Region—Integrated Air Defense (NCR–IADS), and U.S. Africa Command's expanding air operations center. Tactically, we are increasing training pipelines for Joint Terminal Attack Controllers (JTACs), establishing an Air Liaison Officer career field, fielding advanced video downlink capabilities, and adding airborne radio and datalink gateways to improve the connectivity of air support operations centers and JTACS.

In fiscal year 2011, the Air Force request also includes modernization and sustainment of both airborne and ground-based C^2 systems. For Air Force airborne C^2, we request $275 million for the E–3 Block 40/45 upgrade program. This upgrade modernizes a 1970s-era computer network, eliminates many components that are no longer manufactured, and adds avionics to comply with Global Air Traffic Management standards. To improve ground-based tactical air control operations, we are increasing manpower in the control and reporting centers and investing $51.5 million with the U.S. Marine Corps for a follow-on ground-based radar capability supporting air and missile defense. This Three-Dimensional Expeditionary Long-Range Radar (3DELRR) will be the future long-range, ground-based sensor for detecting, identifying, tracking, and reporting aircraft and missiles.

PERSONNEL RECOVERY

Personnel recovery (PR) remains an important commitment the Air Force makes to the Joint force. The increased utilization of military and civilian personnel in support of Overseas Contingency Operations (OCO) has dramatically increased the number of individuals who may find themselves isolated. This has in-turn created an increasing demand for Air Force rescue forces beyond the combat search and rescue mission. Air Force PR forces are fully engaged in Iraq, Afghanistan, and the Horn of Africa, accomplishing crucial medical and casualty evacuation missions for U.S. and Coalition military and civilian personnel.

This year, we will continue to surge critical personnel recovery capability to the field, and will start replacing the aging fleet. To bring the fleet back to its original size of 112 HH–60Gs, we will put the first four operational loss replacement aircraft on contract. Additionally, we will deliver the first two HC–130J tanker aircraft, starting the replacement of the 1960s-era HC–130P fleet.

The fiscal year 2011 budget request continues the replacement of operational losses and modernization of aging equipment. This request funds the last eight HH–60G operational loss replacement aircraft by the end of fiscal year 2012. Additionally, we begin the process of recapitalizing the remaining fleet with the inclusion of $1.5 billion to procure 36 HH–60G replacement aircraft in the FYDP. We also continue our recapitalization of the HC–130P/N fleet with HC–130J aircraft. Finally, we request $553 million in funding throughout the FYDP for the Guardian Angel program, which will standardize and modernize mission essential equipment for our pararescuemen.

BUILDING PARTNERSHIPS

The Air Force continues to seek opportunities to develop partnerships around the world, and to enhance long-term capabilities through security cooperation. In the U.S. Central Command (USCENTCOM) area of responsibility, deployed Airmen are working with our Afghan and Iraqi partners to build a new Afghan National Army Air Corps and Iraqi Air Force to strengthen the ability of these nations to uphold the rule of law and defend their territories against violent, non-state actors. We are also working to further partnerships with more established allies with programs like the Joint Strike Fighter. Similarly, the third and final C–17 procured under the 12-nation Strategic Airlift Capability program was delivered in October 2009, helping to address a chronic shortage of strategic airlift among our European Allies.

In fiscal year 2011, we will expand our capabilities to conduct building partner capacity (BPC) operations with partner air forces. Past experience has shown us

that we are more effective trainers when we operate the same platforms as our partners. To increase our interoperability, the Air Force requests resources to prepare to field the Light Mobility Aircraft (LiMA) in fiscal year 2012 and the Light Attack/Armed Reconnaissance (LAAR) aircraft in fiscal year 2013. These aircraft will provide effective and affordable capabilities in the two most critical mission areas for partner air forces: lower-cost airlift and light strike/reconnaissance training. Additionally, we will continue to foster BPC capability in our Contingency Response Groups. This request also includes $51 million to continue investing in the Strategic Airlift Capability program. Finally, we programmed $6.4 million annually across the FYDP for PACIFIC ANGEL humanitarian assistance missions in support of U.S. Pacific Command theater objectives.

AGILE COMBAT SUPPORT

Agile combat support underpins the entire Air Force, from the development and training of Airmen to revitalizing processes in the acquisition enterprise. In terms of core functions, agile combat support reflects the largest portion of the Air Force budget proposal, totaling approximately $42 billion for personnel and training, installation support, logistics, and acquisition.

Airmen and Families.—Over the last year we stabilized end strength. Retention rates have exceeded expectations, but we continue to progress toward our end strength goal of 332,200 active duty Airmen. In addition to stabilizing our end strength, we are also modernizing our training programs and aircraft. To better partner with the Joint and Coalition team, we will provide our Airmen with cultural and regional expertise and appropriate levels of foreign language training. We are also expanding foreign language instruction for officer commissioning programs at the Air Force Academy and in ROTC, encouraging cadets to take foreign language coursework and participate in language immersion and study programs abroad. This expanded training includes enhanced expeditionary skills training to prepare Airmen for deployment. Finally, as part of our effort to modernize training systems, we have established a program office to start the process of replacing the T–38 trainer with an advanced trainer capable of teaching pilots to fly the world's most advanced fighter aircraft.

Recognizing that family support programs must keep pace with the needs of Airmen and their families, we initiated the Year of the Air Force Family in July 2009. We plan to add enough capacity to our child development centers to eliminate the child care space deficit by the end of fiscal year 2012, provide better support to exceptional family member programs, and add 54 school liaison officers to Airmen and Family Readiness Centers to highlight and secure Air Force family needs with local school administrators.

The Air Force continues to expand its efforts to improve the resiliency of Airmen and their families before and after deployments. This year we expanded deployment-related family education, coupling it with psychological screening and post-deployment health assessments. Additionally, we offer access to chaplains who provide pastoral care, and counselors and mental health providers trained in post-traumatic stress treatment at every base. We plan to further enhance support in 2010 by promoting and encouraging mental health assistance, and by providing at-risk deployers with tailored and targeted resiliency programs. To support this increased effort, we will enhance mental healthcareer field recruiting and retention through special pays and targeted retention bonuses.

Acquisition Excellence.—The Air Force continues to make progress within the Acquisition Improvement Plan. In 2009, we hired over 2,000 personnel into the acquisition workforce and continued contractor-to-civilian conversions. The Air Force institutionalized early collaboration with acquisition system stakeholders, senior acquisition leadership certification of requirements, cost estimation improvements, and an improved budgeting process to enhance the probability of program successes. The multi-functional independent review teams conducted over 113 reviews, ensuring acquisition selections are correct and defendable. As part of our recent acquisition reorganization, we created 11 new program executive officer positions to reduce the span of control and increase their focus on program execution. These enhancements demonstrate our commitment to restoring the public's trust in the Air Force's ability to acquire the most technologically advanced weapon systems at a competitive cost. In the near-term, this more rigorous approach to acquisition is likely to identify problems and programmatic disconnects. In the medium- and long-term, it should yield significant improvements in Air Force stewardship of taxpayer resources.

Energy.—As part of our institutional effort to consider energy management in all that we do, the Air Force requests $250 million for energy and water conservation

projects in fiscal year 2011. This investment will ensure we meet the President's efficiency goals by 2015. In fiscal year 2010, the Air Force finalized an energy plan that directs the development and use of reliable alternative energy resources, and reduces the life-cycle costs of acquisition programs. Additionally, the plan recognizes that aviation operations account for over 80 percent of the energy used by the Air Force each year, and directs Airmen and mission planners to continue managing aviation fuel as an increasingly scarce resource.

Military Construction.—The Air Force $1.3 billion military construction request is austere, but provides funding for new construction aligned with weapon system deliveries. Additionally, the budget request sustains our effort to provide quality housing for Airmen and their families. Finally, the Air Force remains focused on completing its BRAC 2005 program and continuing the legacy BRAC programs as well as the environmental clean-up at legacy BRAC locations.

Strategic Basing.—In 2009, the Air Force implemented a Strategic Basing Process to ensure basing decisions are made in a manner that supports new weapon system acquisition and delivery schedules as well as organization activation milestones. The newly established Strategic Basing Executive Steering Group directs these actions to ensure a standard, repeatable, and transparent process in the evaluation of Air Force basing opportunities. We are currently using this process to conduct an enterprise-wide look at F–35 basing options.

Logistics.—Air Force requirements for weapon system sustainment funding continue to grow as aircraft age. In the long term, the increasing requirements for sustaining an aging aircraft fleet pose budget challenges and force trade-offs. We protected direct warfighter support, irregular warfare capabilities, and the nuclear enterprise. Since this year's budget includes a simultaneous OCO submission along with a base budget, the Air Force optimized its flying hour program funding to support only the peacetime flying hours we can fly, given the number of deployed Airmen and aircraft supporting Overseas Contingency Operations. Due to the volatile nature of fuel prices, reprogramming may be necessary to cover increased fuel costs. Over the longer term, enactment of the Department of Defense's legislative proposal for the Refined Petroleum Products Marginal Expense Transfer Account would reduce disruptions to operations and investment programs by providing the Department of Defense flexibility to deal with fuel price fluctuations in the changing economy. The Air Force maintained its commitment to transforming logistics business practices, including total asset visibility and associated information technology, by protecting funds associated with fielding the first increment of the Expeditionary Combat Support System.

READINESS AND RESOURCING

Our efforts over the last year continued to stress both people and platforms. Nearly 40,000 of America's Airmen are deployed to 263 locations across the globe, including 63 locations in the Middle East. In addition to deployed Airmen, nearly 130,000 Airmen support combatant commander requirements from their home station daily. These Airmen operate the Nation's space and missile forces, process and exploit remotely collected ISR, provide national intelligence support, execute air sovereignty alert missions, and contribute in many other ways. To date, the Air Force has flown over 50,000 sorties supporting Operation Iraqi Freedom and almost 66,000 sorties supporting Operation Enduring Freedom. During this time the Air Force delivered over 1.73 million passengers and 606,000 tons of cargo, employed almost 1,980 tons of munitions, and transported nearly 70,000 total patients and 13,000 casualties from the USCENTCOM area of responsibility. In doing so, Airmen averaged nearly 330 sorties per day.

To support the efforts of Airmen and to recruit and retain the highest quality Air Force members, this fiscal year 2011 budget request includes $29.3 billion in military personnel funding, to include a 1.4 percent pay increase. Our active component end strength will grow to 332,200 Airmen as the Reserve Component end strength increases to 71,200, and the Air National Guard end strength remains 106,700 in fiscal year 2011. Our recruiting and retention is strong, but we request $645 million for recruiting and retention bonuses targeted at critical wartime skills, including command and control, public affairs, contracting, pararescue, security forces, civil engineering, explosive ordnance disposal, medical, and special investigations.

SUMMARY

The Air Force's proposed fiscal year 2011 budget of $119.6 billion achieves the right balance between providing capabilities for today's commitments and posturing for future challenges. The Air Force built this budget to best achieve the four strategic priorities outlined in the 2010 Quadrennial Defense Review: (1) prevail in to-

day's wars; (2) prevent and deter conflict; (3) prepare to defeat adversaries and succeed in a wide range of contingencies; and (4) preserve and enhance the All-Volunteer Force.

Balancing requirements for today and tomorrow determined our recapitalization strategy. We chose to improve our existing capabilities whenever possible, and to pursue new systems when required. This recapitalization approach attempts to keep pace with threat developments and required capabilities, while ensuring stewardship of national resources. In developing this budget request, we also carefully preserved and enhanced our comprehensive approach to taking care of Airmen and Air Force families.

Chairman INOUYE. General Schwartz.

STATEMENT OF GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF

General SCHWARTZ. Mr. Chairman, Senator Cochran, members of the subcommittee, I'm proud to be here representing your Air Force with Secretary Donley.

And let me begin by reaffirming that the United States Air Force is fully committed to effective stewardship of the resources that you and the Nation place in our trust. Guided by integrity, service, and excellence, our core values, America's airmen, I think, are performing courageously every day with precision and with reliability on behalf of the American people.

And this budget request supports these airmen and our continuing efforts to rebalance the force, to make difficult decisions on what and how we buy, and to sustain our needed contributions to the joint team.

AIR FORCE FIVE PRIORITIES

Secretary Donley and I established five priorities shortly after taking office to ensure that the entire force was focused on the right objectives. Most of our initial efforts centered on reaffirming our long-established standards of excellence, and recommitting ourselves to areas where our focus had waned. I am pleased to report to you today that our dedicated and talented airmen broadly understood our intent, and have delivered in meaningful fashion.

Although these initial priorities were not designed to change from year to year, our progress in the nuclear enterprise is such that we can now shift our efforts to sustaining the progress that we've made. Thus, our first priority is to continue to strengthen excellence in our nuclear enterprise.

The rigor of our nuclear surety inspections demonstrates a renewed commitment to the highest levels of performance. We must, and we will, do even more to ensure 100-percent precision and reliability in nuclear operations and logistics as close to 100 percent of the time as such a human endeavor will allow.

For our second priority—and that is partnering with the joint and coalition team to win today's fight—Secretary Donley mentioned several ways that—in which our airmen are providing critical air and space power for the joint and coalition team. Your airmen are also performing admirably wherever and whenever our joint teammates require, including providing battlefield medical support and evacuation, ordnance disposal, convoy security, and much more.

Our third priority remains to develop and care for our airmen and their families. We initiated the "Year of the Air Force Family," shortly after our testimony last year, in recognition of the vital role

that our families fulfill in mission accomplishment. Although their sacrifice is perhaps less conspicuous, their efforts are certainly no less noble, and their contributions are no less substantial.

Modernizing our inventories, our organizations, and our training—our fourth priority—is among the most difficult tasks that our service has undertaken in these last 18 months. In order to achieve the balance that Secretary Gates envisioned for our force, we are compelled to decision and to action. This budget represents a continuation of that effort. We set forth a plan last year to accelerate the retirement of some of the older fighter aircraft.

This year we are not retiring any additional fighters, but we are transitioning from some of our oldest and least capable C–130s and C–5s. We will modernize, where we can; but, where modernization no longer is cost effective, we will pursue recapitalization. KC–X is one such example.

With the delivery of the request for proposal (RFP), our top acquisition effort, to procure the next generation refueling aircraft, passed another significant milestone. A similar imperative is the F–35. I want to underscore Secretary Donley's comment by noting that this weapons system will be the workhorse driving our Air Force and our joint team forward.

Long-range strike is the last program that I number among our top initiatives. The Air Force fully supports the development of the family of systems providing both penetrating and standoff capabilities for the next two or three decades, as described in the QDR.

And finally, recapturing acquisition excellence—our fifth priority—is now only beginning to pay dividends with our acquisition improvement plan at the heart of our reform effort. While promising, the initial successes must continue for a number of years before we can declare victory on this front. We are fully aware that we must wring every bit of capability and value that we can from the systems that we procure; and so, this effort will require a sustained focus on acquisition excellence.

Mr. Chairman, the Air Force will continue to provide our best military advice and stewardship, delivering global vigilance, reach, and power for America. Thank you for your continued support of the Air Force, and particularly for our airmen and their families.

Sir, I look forward to your questions.

Chairman INOUYE. I thank you very much, General Schwartz.

Because of the change in our time schedules, regretfully, I would have to impose a 5-minute rule. And I'll begin with the questioning.

Mr. Secretary, because of emerging requirements on UAVs and cybersecurity missions, which will require thousands of trained personnel, how do you propose to meet this challenge of bringing together all these highly trained personnel?

Mr. DONLEY. Mr. Chairman, this has been a tremendous challenge that the Air Force has stepped up to do. Our end strength is planned to be stable at about 330,000, but inside that Active Duty end strength, we are making the internal adjustments necessary to man the ISR systems and the intelligence support as it comes online.

Most recently, we had proposed, and the Congress had approved last year, with some caveats, the reduction in fighter force struc-

ture, which we had laid on the table last year. That early retirement of about 250 legacy fighters allowed us to free up the manpower to put into the intelligence, surveillance, and reconnaissance area. And so, it is those internal adjustments, identifying career fields that are—where we have excess strength, and trying—and diverting that into areas that are growing—is a significant priority for us.

Chairman INOUYE. So, you're getting most of your personnel internally?

Mr. DONLEY. Yes. The—we are. Of course, we continue to assess and recruit new airmen every year; that's part of our normal operation. But, we are redirecting expertise, inside the Air Force, to these new missions.

Chairman INOUYE. I thank you.

If I may now ask General Schwartz: There's a growing concern that there'd be a lack of missile warning satellite coverage because of continued delays in the Space-Based Infrared High Program (SBIRS). And, as you know, the Air Force terminated the third-generation missile warning program in fiscal year 2011. How do you plan to mitigate this potential gap in coverage?

SBIRS PAYLOADS

General SCHWARTZ. Mr. Chairman, we have two SBIRS payloads on—that's the Space-Based Infrared System—payloads on orbit as we speak. And we intend to launch two more in the not-too-distant future to address General Chilton's requirement for warning, and so on.

The bottom line is that we believe we have a stable program, and one that will satisfy, with some margin, General Chilton's needs.

Chairman INOUYE. I thank you very much.

May I now call upon Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you for your leadership of our subcommittee, and for convening this important hearing.

LEASING UNMANNED AERIAL VEHICLES

Mr. Secretary, I've been informed that Australia, Germany, and France are leasing unmanned aerial vehicles to support their intelligence, surveillance, and reconnaissance mission in theater which continue to grow. Has the Air Force considered leasing, on a short-term basis, unmanned aerial vehicles to meet this demand, like many of our North Atlantic Treaty Organization (NATO) allies are doing?

Mr. DONLEY. My understanding is that we have done that in very limited situations. Our allies took this approach for different reasons; in part, the urgent need that they had for these capabilities, and the need for them to take a bit longer time working through their internal defense and appropriations processes inside their governments. So, those were the motivations, as I understand it, behind their approach to leasing.

Generally speaking, we prefer to buy. When one does a lease, a major and significant issue is indemnification for loss. And in our case, we had access to the manufacturers and the capability to buy this capability; we intend to keep this capability over a longer term. Generally speaking, buying, depending on the circumstances,

tends to be less expensive than leasing over the long term. So, we have taken the course that we should buy and own these capabilities.

Senator COCHRAN. Okay. Thank you.

General Schwartz, I understand that the combatant commanders outside of Central Command have requirements for intelligence, surveillance, and reconnaissance that are not being met. Would the Air Force consider leasing UAVs to meet this demand until requirements in the Central Command area of operation are reduced?

General SCHWARTZ. Sir, we have a mandate to get to 50 24-hour orbits by the end of 2011. And the Secretary has mandated that we grow to 65 at the end of 2013. That is as much as we can do, both from a resource, a talent, and a manpower point of view. And so, my recommendation would be not to pursue lease.

We are maximizing the production, for example, of the Reapers. And so, that will be the backbone of our remotely piloted aircraft (RPA) fleet, going forward. And given that's the case, we think we are on, sort of, the maximum performance glidepath, here, to growing the capabilities so that we can satisfy the needs of other combatant commanders, whether that be in the Pacific or the Horn of Africa or elsewhere.

Senator COCHRAN. General, your prepared statement indicates that the Air Force continues to modernize the air superiority fleet, including the F–15s, specifically. Could you describe the operational benefits of the F–15E radar modernization program; and tell us whether the Air Force has considered accelerating this effort?

F–15E RADAR MODERNIZATION

General SCHWARTZ. Sir, there are a couple of initiatives, both for the E-model F–15 as well as the air superiority F–15Cs and F–15Ds. One of the things that the reduction in the fighter force structure allowed us to do was to reallocate resources to the remaining aircraft, the so-called "Golden Eagles," if you will, where we will modify the radars with the active electronically scanned array capabilities. This technology is clearly superior to the mechanically scanned radars that the airplanes currently possess—greater service volume, greater ability to track multiple targets, and so on. In addition, installing an infrared search-and-track capability on the Golden Eagles, which they do not currently possess, are two examples of how we are improving the legacy birds that will stay with us for a while.

With respect to the F–15E model and its radar, its major mission is air-to-ground, and the electronically scanned array radar for that platform will not only permit better targeting of ground targets, but also moving targets, which is a significant advantage with that installation.

Senator COCHRAN. Thank you very much.

I'd ask, Mr. Chairman, that my additional questions be submitted to the witnesses.

Chairman INOUYE. Without objection, so ordered.

Senator Bond.

Senator BOND. Thank you much, Mr. Chairman.

4.5 GENERATION FIGHTER

Gentlemen, following my opening comments, I believe we can harness savings by putting more missions, not less, into the cost-effective Air Guard and procuring a blend of fifth-generation and highly capable, more affordable, and proven 4.5 generation fighters. That would ensure our Nation has at least two competing production lines.

It's obvious that the situation has only grown more dire, as evidenced by the Nunn-McCurdy breaches, the Government Accountability Office (GAO) reports, and the joint estimate team (JET) study findings since you last told me, at this subcommittee, that, "All options are on the table," to address this shortfall.

General Schwartz, with shortfalls growing, and the inordinate delays of the key JSF program, with the cost going from an originally projected $55 million per copy to somewhere between $135 and $150 million, and the situation getting worse, why have you taken the 4.5 generation option off the table as a means of addressing these shortfalls?

General SCHWARTZ. Sir, the simple answer is that acquiring a 4.5 generation capability that will last as long, in the force structure, as a generation-5, seems to me—not the most prudent way to approach this problem. We have a limited pool of resources. And it is our sense, sir, that we should not dissipate that limited pool of resources, which we would prefer to devote to generation-5 capability, vice purchasing generation-4.5 that will last just as long.

Instead, we believe that it is more prudent to extend the service life of certain elements of our existing fleet at some 10 to 15 percent of the cost of purchasing new, and maintaining our commitment to the F–35; which, as I suggested earlier—we believe will be the backbone of tactical aviation, not just for the Air Force, but for the Navy, Marine Corps, and our international partners as well.

Senator BOND. General Schwartz, I've heard questions about whether the JSF can even operate off of a carrier. There is a need right now. We have a shortfall right now. You could get, perhaps, three or more 4.5 generations for replacing some of the F–35s you're waiting to buy, if they ever complete their tests. But, when you talk about service-life extension, I'm not willing to buy the 14th Street Bridge again.

The P–3C life-extension program terminated due to excessive costs. Same for the A–63. Same for the F–14A. The SH–60R cost increased from $4 billion to over $12 billion. The UH–1 and the AH–1 cost increased from $2.78 billion to $8.78 billion. And I think it's far better if you need those 4.5 to need to buy those.

Let me address one very urgent question that the Guard has. Approaching the C–130 seems to be done in a vacuum. The Air Force identified the mobility capabilities and requirements study as the reason for reduction in the tactical airlift aircraft. But so—like many other self-fulfilling studies, it ignored the homeland defense mission and the role that the Air—C–130s play as a key element of the strategy.

Additionally, the Air Force has admitted the plan was to accelerate the early retirement of E models. My understanding—and please correct me if I'm wrong—is that the Air Force has 45 C–130

aircraft at Little Rock, and the Air Force has 15 C–130 that will not have any restriction for over 3 years.

Without prior planning, I believe the Air Force could recapitalize the fleet and meet all training needs for the 3 years, without Banana Republic iron-swapping of aircraft for the Air Guard.

Mr. Donley, I appreciate your reply to Senator Leahy and me. I believe that any temporary movement of aircraft is unrealistic.

Can either of you tell me whether options like conducting the training at Guard C–130 units, where savings could be harnessed and which would take advantage of the experience of the Guard, were considered before making this swap that I have heard from so many people was unwarranted and unjustified?

C–130 TRAINING

General SCHWARTZ. Sir, perhaps the Secretary will want to capitalize. Let me give you a little background on this.

The training—the way the airplanes are distributed in our Air Force is as follows: Those aircraft that will be staying with us—and that is the C–130H model—H2, H2.5, H3s—are predominately—in fact, 77 percent of those aircraft reside in the Air National Guard and the Air Force Reserve. And the thinking was, given that we were going to recapitalize the remainder of the fleet, with the J model over time, that it made sense for the Air National Guard to assume the training mission for that body of our capability—for the H-model capability.

Now, I will acknowledge, sir, that we didn't do as thorough a job as we should have in articulating the rationale for this earlier on.

We now have a solution, which the Secretary responded to you on, which makes the Schoolhouse mission at Little Rock Air Force Base an Air National Guard and Air Force Reserve combined mission, something for which, as you suggest, they are very well qualified to perform, and to do it with airplanes from a number of units around the country, on loan. As we recapitalize, we grow the Js and reduce the Hs, so that the need for that Schoolhouse will subside over time, and the aircraft will return to their host units. Importantly, it will be—largely, because of the way the force is distributed, it is the Air National Guard and Air Force Reserve that will benefit from this approach.

So, sir, that is the background on this. Again, I acknowledge that we did not reach out as well as we should have to explain what the logic was to the Adjutants General and others. And we'll do better in that respect, sir.

Mr. DONLEY. I'd just like to reinforce that, in working through the second round of this problem, which we did in the last couple of months, and which I've responded to you on in a letter—the Air Force Reserve and the Air National Guard led that work. So, they went through a number of options for how to best accommodate the early retirement of C–130s, to take a stronger role in running the Schoolhouse at Little Rock Air Force Base, and to do that in a way that was, we felt, least disruptive to the individual Air National Guard units. And I believe we worked through a successful conclusion on that.

Senator BOND. Thank you.

Mr. DONLEY. And we also had the benefit, in that solution, not only retiring the Active Duty C–130s, but being able to reapply the Active Duty manpower to higher priority missions, such as those the chairman mentioned.

Senator BOND. Thank you, Mr. Secretary.

Thank you, Mr. Chairman. My apologies——

Chairman INOUYE. Senator Dorgan.

Senator BOND [continuing]. For going over.

Senator DORGAN. Mr. Chairman, thank you.

General Schwartz, I noticed that Colonel Keith Zuegel is sitting behind you. And he's retiring this month, I believe. And I just wanted to say, on behalf of the subcommittee, that he's, I think, been the chief of your Liaison Office for some long while and, I think, done a great job working with the subcommittee.

So, Colonel Zuegel, good luck in your retirement.

General SCHWARTZ. He is a great example of the talent that we have in our Air Force, sir.

Senator DORGAN. Let me ask you about two things. And I'll just ask both of them, and then perhaps both of you could respond.

One is: you're going to stand up about 25 more combat air patrol units across the country, for UAVs. And I notice some of them are going to bases that house fighters and bombers. I also notice that is not necessarily the requirement for a combat air patrol unit. Some might think, in a kind of an old-fashioned way, that there has to be a merger. But, we also have combat air patrol units in areas that don't have fighters and bombers, who do just as well.

And, I guess what I would ask—and you know why I'm asking, because we have one—a terrific base, with substantial capability to house additional missions, and that's the Grand Forks base—that you take a look at—and you probably already do this, but take a look at, how do you minimize the need for Milcon as you place these units? Because you've got some capacity, particularly the Grand Forks Air Force Base, as you're moving tankers out; the opportunity for another combat air patrol unit up in that area, or two, is a great opportunity.

So, that's number one. I understand why some will counsel you, "Put it near fighters and bombers" others will say, "Completely unnecessary."

Second, my colleague from Missouri asked about the Joint Strike Fighter, and all of us who have been so supportive of that are also disappointed, in the sense that—as I calculate it—what we were told—I was on this subcommittee in 2002, and we were told—I guess, 2001—that the estimated cost was going to be $50 million per copy. And the latest estimate—an independent group formed by the Pentagon estimated 80 to 95. Well, taking the midrange of that—this is 2002 dollars, now—that's about a 75-percent increase in the per-unit cost for a Joint Strike Fighter. I mean, that's really alarming. Because what happens is, there's this relentless march in increased costs that is just going to break the back of the Air Force and the Pentagon if we don't get some handle on it.

So, the simple question is: Why? What accounts for a 75-percent projected per-unit cost of the Joint Strike Fighter? Because it was heralded to us as something that was "Nirvana," it was going to serve over the range of services, "We're going to build enough of

them to have the per-unit costs substantially down." But, it turns out now, in a very few short years, as we're just starting to produce, that the cost has just climbed way beyond that which is reasonable.

So, the question is: Why?

JOINT STRIKE FIGHTER UNIT COSTS

Mr. DONLEY. Mainly this is time. It's a function of time.

Senator DORGAN. Well, I'm talking about 2002 dollars, as estimated by the independent group——

Mr. DONLEY. Yes, sir. This means there have been delays, internal to the program, which add years—or months and then years to the projected schedule of the program, which then add years to the end of the program. So, you carry the program further out.

Senator DORGAN. And what has caused the delays?

Mr. DONLEY. A variety of issues have caused that. We've had too many engineering hours, which have not come down as the manufacturer works through the transition from development to production. They have fallen behind in the flight testing, because they haven't produced the initial jets on the planned schedule. Then they've fallen behind on the test program, so we have to work through the production issues. And then we have to slip the test program and add money for development.

So, this was the work that was done by the Department over the winter to restructure this program. It was a top-to-bottom scrub. It was really the product of a 2-year effort. When the Chief and I came in, there was already an independent estimate going on on this program. And Secretary Gates made the correct decision to make adjustments in the fiscal year 2010 program, adding money for development—over $400 million, as I recall, just in fiscal year 2010.

By the time we got to the end of calendar year 2009, we'd had two rounds of independent estimates, and we stepped up to the fact that the program was not executing as it needed to. And this was, really, the strategic-level decision to restructure the program.

Senator DORGAN. Did we miss some early-warning flags here on this subcommittee? Because I don't remember sitting and listening to the fact that we're going to—we may end up having a 75-percent increase in per-unit cost for the one—for the Joint Strike Fighter. I mean, is this just laid in our lap all at once?

Mr. DONLEY. If I can be bold, here, from a staff-level perspective, I don't believe there were surprises. The program had challenges and was falling behind in some areas.

The issue was whether or not to believe the program office and the contractor, that they had a fix for those shortfalls. And really it was just in the last 2-year period where we had independent eyes on it. We determined we were not going to take a promissory note for a "get-well plan" that was not materializing. So, we decided to make a huge adjustment in the program at that time.

Senator DORGAN. Mr. Chairman, could I just—I know my time is expired, could I ask for a 1-minute response on the combat air patrol units in one of the best air bases in America, the Grand Fork Air Force Base?

General SCHWARTZ. Senator Dorgan, let me explain two things.

First of all, the rationale for co-location with other fighter or bomber combat Air Force units. This is a human-capital question. And the issue is, how do we groom combat leaders that understand both the traditional kinds of capabilities that we've fielded for decades, and the new? And how do you integrate remotely piloted and traditionally manned aircraft in the right kind of packages?

This is the logic behind, fundamentally, the notion of co-location in some locations. It is not a major point driver in terms of our evaluation of installations. I would argue that the availability of facilities is—on a point basis—a greater consideration. But, the logic was to give some deference to our need to grow airmen commanders who understand all aspects of our portfolio, and can apply them, as required.

Senator DORGAN. Mr. Chairman, thank you very much.

Chairman INOUYE. Thank you.

Senator Murray.

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

The President's budget for this year, 2011, doesn't include any investments in military construction at Fairchild Air Force Base. And I wanted to ask you why.

I was just out at the base, Fairchild, in April; had a chance to tour, take a look at all that's going on there, and talk directly with the base community. And there are a lot of facilities at Fairchild that are in need of upgrades, and some aren't even sufficient to meet the needs of a 21st century Air Force.

Can you explain, Mr. Secretary, why there's no military construction investment in Fairchild this year?

AIR FORCE MILITARY CONSTRUCTION

Mr. DONLEY. Very simply, we have chosen to take risk in infrastructure. We have underfunded our military construction and facility infrastructure, for several years running now. And I believe our Air Force budget is—we'll get you the exact numbers, is less than $2 billion a year at this point.

[The information follows:]

Our fiscal year 2011 Air Force military construction (Milcon) and facility infrastructure budget is $4.6 billion ($1.5 billion for Milcon and $3.1 billion for facility sustainment, restoration, and modernization).

Mr. DONLEY. So, it is at low levels, and has been for several years. As we confront other resource challenges inside the budget, pressures of varying kinds—it just—it costs a whole lot more in the future. Do we have a long-term recapitalization plan for our bases?

Mr. DONLEY. Ma'am, I would just say that there's a difference between military construction and facility maintenance. And we have maintained the Department standard on facility maintenance. Primarily, we focus the limited military construction dollars on a new mission. Remotely piloted aircraft is a case in point. And we don't have, apparently, in this case—and we'll confirm that—a new mission at Fairchild Air Force Base.

Senator MURRAY. Well, let me ask directly about that. In the past, we've heard promises that the first KC–X tankers will come to Fairchild. That was walked back. The men and women who serve at Fairchild have a great proven track record with our tankers, and they're ready and willing to fly the KC–X. Have you yet

prioritized which squadrons need to have their aircraft replaced first, based on their maintenance records, Mr. Secretary?

KC–X BASING

Mr. DONLEY. I've not. Let us get you an answer for the record on this specific question.

[The information follows:]

Senator Murray, as you know, the Air Force now uses the Strategic Basing Process to make all future basing decisions. The result of this process will not be directly linked to the existing tanker inventory or any future retirements of the KC–135 fleet. Actual basing decisions will be made in an incremental fashion to align with aircraft deliveries, typically 2 years in advance of delivery.

Mr. DONLEY. In general, we have not yet had to make the decision on the initial beddowns for KC–X tankers. But, we did include, in the request for proposal (RFP) that is now out and a matter of public record, a representative list of bases that were continental U.S. bases and overseas bases to which tankers could be bedded down. And we did that for the purposes of the evaluation. And Fairchild Air Force Base is included in that list.

Senator MURRAY. Right.

Well, with respect to the tanker, I wanted to ask you, with bids not due, now, until July 9, this is starting to sound like a fairly compressed bid evaluation timeline for the Air Force. It's really important that the Air Force has enough time to make a full and fair assessment of the bids that come in, and then that that decision will be held up under scrutiny, as we all know.

And I'm very concerned about this discussion of a projected contract start date of November 12, when there's no projected award date, that I know of, yet. And the entire acquisition process now continues to be hampered by delays.

Mr. Secretary, how can the Air Force talk about tentative start dates when they haven't projected an award date yet, and seem sort of uncertain about when that will be?

Mr. DONLEY. Based on our experience in this RFP and previous ones, the judgment was it's best, at this point, not to exactly try to pin down when the contract award would be, or when the source selection would be completed. We'll leave that to the source-selection authority. They have, I think, ample time to review the proposals, which are due July 9, 2010. So, we think there are several months for reviews. And there are, I would say, multiple reviews—independent reviews, as well—that need to be factored in.

But, we did feel, as a matter of record for the RFP, that it is important to tell the contractors, all offerors, when we think a contract award would be made, so that they have a firm date at which they need to be prepared to proceed.

Senator MURRAY. Well, my understanding is, November 12 is the contract start date, not the award date.

Mr. DONLEY. Yes.

Senator MURRAY. And you have not——

Mr. DONLEY. That's correct.

Senator MURRAY [continuing]. Given them an award date yet.

Mr. DONLEY. That's correct. "Contract start date" was the term.

Senator MURRAY. And you believe that that'll give you enough time?

Mr. DONLEY. We believe so.
Senator MURRAY. Okay.

WORLD TRADE ORGANIZATION RULING IN TANKER COMPETITION

I also wanted to ask you about the World Trade Organization (WTO) ruling that Airbus has received illegal trade-distorting subsidies, for years. And, in particular, the World Trade Organization found that the A–330, which is the very airframe that they planned to use in this tanker competition, has been built using illegal subsidies. Now, I continue to be very troubled that DOD is awarding this contract—it's taxpayer funded, $35 billion competition.

Without accounting for the billions of dollars in illegal subsidies that Airbus has received, I want to know how you can assure American taxpayers that they won't be spending money now to support an illegally subsidized company that one part of our Government, the United States Trade Representative (USTR), has already declared harmful to American jobs.

Mr. DONLEY. We have, in the Department of Defense, worked through this issue with the U.S. Trade Representative and the——

Senator MURRAY. Have you been personally briefed by the Trade Rep?

Mr. DONLEY. We've had conversations with the Trade Representative, yes. And the judgment inside the executive branch, not just the Air Force or DOD, but working with our interagency partners, is that it would not be appropriate for the Department of Defense, in a single contract action, to take action representative of a WTO-level decision.

Senator MURRAY. If one company is bidding against a company that has been subsidized, our taxpayers are essentially fighting against a country rather than a company.

Mr. DONLEY. The WTO has an appeal process, which still needs to play out. There is, as you know, an additional suit in front of the WTO that involves a countersuit. And there are appeal processes that are laid out in WTO procedures. As a Government, we need to follow those appeal processes, which eventually get to the point of making tradeoffs and making determinations on how to affect the results of the appeal process at the end——

Senator MURRAY. Well, I understand the end result of a ruling. But, again, the A–330 is what they said has been illegally subsidized. So, I'm sure we'll——

Mr. DONLEY. I understand.

Senator MURRAY [continuing]. Have more conversations——

Mr. DONLEY. Yes, ma'am.

Senator MURRAY [continuing]. About it as we move forward.

Thank you very much, Mr. Chairman.

Chairman INOUYE. Thank you.

Senator Bennett.

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

And, gentlemen, welcome. Appreciate your good work.

And you know what I'm going to talk about, which is the Solid Rocket Booster Program. I believe that this administration has made a very serious mistake in restructuring the National Aeronautics and Space Administration (NASA). And you say, "Well,

why do we care, in a defense hearing?" It's because it has to do with the industrial base of solid rockets.

And regarding the Minuteman, specifically, I'd like to know if the Office of the Secretary of Defense had any conversations with NASA, or the Air Force had any conversations with NASA, before the President announced his intention to shut down solid rocket production?

NASA AND SOLID ROCKET PRODUCTION

Mr. DONLEY. I'm not aware that the Air Force was consulted specifically on the NASA decisions.

Senator BENNETT. Well, you're deliberately—you're very definitely affected by this. And do you have any plans to sustain the industry in order to continue to meet current deployed and future anticipated strategic spacelift and tactical missile needs, because you can't meet those needs with liquid rocket—or liquid-fueled rockets?

Mr. DONLEY. We do understand the challenge. And we do not have an answer, at this moment, as to how we intend to proceed. The Air Force has had discussions, at a couple of levels, with the National Reconnaissance Office (NRO) and with NASA officials at the highest levels. I've talked to Administrator Bolden and I've talked to General Carlson at NRO. We have recognized this as something we need to work together, going forward. We don't have answers right now, but we have folks that are focused on this challenge.

Senator BENNETT. Well, both the chairman and the vice chairman know of my strong interest in this. I'm glad to know you recognize that you have a challenge, independent of what may happen with NASA.

And I'm going to be working with Senator Mikulski to see what I can do to see to it that there is a delay in the decision, as far as the President is concerned, because I think we have to solve the question of, How does the Defense Department cover its needs in solid rockets if NASA goes ahead with what I consider to be a very ill-considered decision on the part of the President?

Do you see any increased risk if the Minuteman motors—stop the production of Minuteman motors, 19 years short of the planned operational status of that particular missile?

Mr. DONLEY. In general, Minuteman has been a very reliable system for us, and it continues to test well. But, we do know that we have challenges ahead with respect to maintaining a warm base. And we're not satisfied with the bridging solution that we had developed here, over the last couple of years, which takes us through 2011. So, we need to find a way forward for fiscal year 2012 and beyond on this subject.

Senator BENNETT. I agree with that, absolutely.

And anything you can do to weigh in with the administration—you say you're talking to the Administrator of NASA, and that's fine. But, life being what it is, I don't think that's where the decision was made.

Frankly, I—I won't put words into his mouth, and I won't give any suggestion of his intentions, but strictly my own opinion is that—let us say, "a generic NASA Administrator" concerned pri-

marily for the survival of his organization would not have approved this. And I think it's a decision that was made at the Office of Management and Budget (OMB) and dictated to this particular NASA Administrator. So, conversations with the NASA Administrator may not be productive in this area.

And I would urge you to have conversations with whatever "elves" within the administration you deal with, over at OMB, because I think that's where the decision was made—or whoever the masters are. And that the NASA Administrator's being a good soldier—or good airmen, depending on where he went to college—and carrying out orders. But, this is a very serious kind of question.

And I just would close, Mr. Chairman, with this observation. Do you know where the term "Minuteman" came from? It came from the initial rockets that were created in our days, race with Sputnik and afterwards, that were liquid fuel. And to get those things fired up, get them launched, took hours. And suddenly we had a "Minuteman" that could be fired within minutes, because it had a solid rocket motor, rather than a liquid rocket motor, and could go immediately.

And now, we're in the process of eliminating our industrial base of solid rocket motors. And you may not have any Minuteman left over if we go back, by virtue of the decision at NASA, to an industrial base that is given entirely to liquid rocket motors.

I've made my speech. Thank you, Mr. Chairman. I appreciate your indulgence.

Chairman INOUYE. Thank you very much.

Senator Brownback.

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

I'm glad to hear that history about Minuteman. I didn't know that piece. I wanted to go back to "Day-man," I guess, on this——

Senator BENNETT. Six-hour-man.

Senator BROWNBACK. Six-hour-man.

Secretary, I want to follow up with what Senator Murray had asked. This is obviously a major issue for my State and the tanker contract. And I've been frustrated about the lack of being able to consider the illegal subsidy. And we've had many discussions about this, you know, with Secretary Murray—or with Senator Murray.

For the military, if every step of appeal were exhausted, and the World Trade Organization found that Airbus had illegally subsidized the A–330 that they had bid, and this was conclusive, and all the appeals are done, would you consider that in the bid—the base bid of the contract?

WORLD TRADE ORGANIZATION RULING IN TANKER COMPETITION

Mr. DONLEY. I wouldn't commit to that at this point, because I think our answer would be, we would be working with the U.S. Trade Representative, and he would be working—he or she would be working through that WTO process to arrive at the appropriate specific steps to be taken at the end of that process. And this is why the internal judgment to the administration is that it would premature to take any particular action, at this point, on this program.

Senator BROWNBACK. Doesn't that invite other countries to do very similar actions to get our military contracts, whether it be ships or virtually anything of a military contract?

Mr. DONLEY. I wouldn't speculate on what motivations might be from other companies to do this. I would simply say and I don't know that this would completely satisfy your concern but, both of the offerors involved here are international companies. We need to think through very carefully, as a nation, how we operate in the WTO and in the international marketplace, with respect to imports and exports, and goods and services provided. At the same time there are concerns about bringing onshore competitors to U.S. industrial-base partners. We also have to recognize that our international companies here in the United States want to sell abroad——

Senator BROWNBACK. Well, I——

Mr. DONLEY [continuing]. And we have to have doors open for that as well, as do——

Senator BROWNBACK. And can be sued under the WTO, as well, abroad. But, I—it seems like, to me, if you're a foreign country, and you're reading the tea leaves on this, and we—frankly, I think we've bent over backwards to try to get Airbus to bid on this. And we've held it open extra length of time. And certainly citizens in my State are livid about what the military is doing to try to give this to Airbus, with the—you know, with the extra—holding it open a longer period of time, do all these steps.

But, at least on this illegal-subsidy piece, if we don't fix that hole, I would think other countries would say, "You know, the United States builds ships. Why don't we subsidize our way into shipbuilding. Well, let's get some of these contracts. These are great contracts. Why don't we do"—there's just a whole series of ones, to the point that I think we should put, in statutory form, that if there is a subsidy, as determined by WTO, that that's considered into the base price of the bid. Whether it's a U.S. company or a foreign company that does something like that—and I'm particularly targeted at foreign companies—but, to give us some teeth and to make some clarity on a major issue that I think you're inviting more foreign companies, or others, to figure ways to subsidize to get major U.S. military contracts. And I think we'd be wise to just put that in statutory form.

Mr. DONLEY. Without responding directly to that proposal, I would just offer that in the context of the KC–X RFP, our approach to this is to hold the U.S. taxpayers harmless from any penalties that might be assessed on one manufacturer or another as we go through this WTO process. So, if there are penalties somewhere along the line, that we do not pay for those in the KC–X program.

General SCHWARTZ. And, Senator, if I may, just to clarify, there was no change in the requirements for the platform. The decision to extend was, in my view, largely in the interest of a competitive scenario. But, I can assure you, there was no change in the requirements.

Senator BROWNBACK. Well, if you award this to Airbus, after this step—extraordinary step of extending the time period—and it's a $35 billion contract, and it's a subsidized platform, which we all know is a subsidized platform—I think you're going to have some

very irritated people in the United States of America. So, I would hope that wouldn't be the case. And I hope we can give you some statutory clarity on figuring the subsidy price into these military contracts.

Thank you, Chairman.

Chairman INOUYE. I thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

Because of the conflict that's on our Senate schedule, several members have not been able to attend. And they have questions; they've asked me to submit them to you. And it should be obvious that all of us have other questions to ask.

So, without objection, I will be submitting to you, Mr. Secretary and General, questions for your responses.

And in behalf of the subcommittee, I thank you for your testimony this morning. And we want to thank you and the men and women in your command for their service to our Nation.

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

QUESTIONS SUBMITTED TO HON. MICHAEL B. DONLEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. Secretary Donley, to meet emerging requirements, the Air Force is quickly expanding its unmanned aerial vehicle and cybersecurity missions. It is adding thousands of highly trained personnel to these career fields in a short time. How is the Air Force managing the manpower challenges associated with these new missions?

Answer. The Air Force has programmed actions to source the manpower required to grow its remotely piloted aircraft fleet operational capability to 50 combat air patrols (CAPs) by fiscal year 2011, with existing manpower identified in the fiscal year 2011 President's budget request. We are also in the process of identifying existing, lower-priority manpower authorizations for realignment to the 65 CAP requirements by 2013 as part of our fiscal year 2012 budget submission. Specific intelligence, surveillance, and reconnaissance career field impacts are under study.

In order to develop and institutionalize cyberspace capabilities and to better integrate them into the Joint cyberspace structure, the Air Force funded manpower in the fiscal year 2010 President's budget to establish a Cyber Numbered Air Force (24 Air Force). Furthermore, the fiscal year 2011 budget request reflects a continued Air Force commitment to cyber superiority as we sourced manpower for fiscal year 2011 to support enhanced Network Attack capabilities.

Question. Secretary Donley, what do you see as the role of the Air National Guard and Air Force Reserve in UAV and cybersecurity operations? Is the high operational tempo of these mission sets compatible with the civilian responsibilities of our Guardsmen and Reservists?

Answer. Both the Air National Guard (ANG) and Air Force Reserve play significant roles in our ongoing overseas contingency operations providing critical support to our Joint Force Commanders.

With respect to remotely piloted aircraft (RPA) operations, the ANG has four MQ–1 Predator squadrons providing two combat air patrols each and one MQ–9 Reaper squadron providing one combat air patrol in the U.S. Central Command theater of operations. Although each ANG unit was programmed to provide only a single combat air patrol (CAP), as a result of the increasing demand for this capability, each MQ–1 unit was mobilized in 2008 to provide an additional CAP. As of July 2009, the mobilization expired; however, the ANG voluntarily elected to maintain their additional CAPs allowing the active component to focus its efforts elsewhere, such as increasing RPA training capacity.

In addition to the combat support each unit is providing, some units are providing RPA maintenance and flying training capability. The California ANG stood up a maintenance training unit in 2008, graduating approximately 600 Active, Guard and Reserve students each year and a flying training unit in 2009, producing ap-

proximately 40 Active, Guard and Reserve RPA aircrews (pilots and sensor operators) each year. The New York ANG provides maintenance training for the MQ–9, while the Nevada ANG provides both combat and flying training support by augmenting RPA personnel at Creech Air Force Base, Nevada.

As we continue to expand our RPA efforts, we anticipate increased ANG participation within the next few years at 4–6 additional locations.

The Air Force Reserve is supporting warfighter efforts with an Air Force Special Operations Command MQ–1 squadron at Nellis Air Force Base, Nevada, and we will be standing up an RQ–4 Global Hawk Reserve squadron at Grand Forks Air Force Base, North Dakota. We are also examining different possibilities for expanding Reserve participation in the MQ–1 and MQ–9 communities as we continue to our planned growth to 65 MQ–1/9 CAPs by the end of fiscal year 2013.

With respect to cyber security operations, eight Air National Guard units currently provide cyber capabilities that meet combatant commander and Air Force requirements. For example, the 262nd Network Warfare Squadron of the Washington ANG provides vulnerability assessments of Air Force networks to bolster security and prevent attacks. Additionally, Air Force Reserve personnel augment several active duty cyber units, working in the same duty positions as their active duty counterparts.

Question. Is the high operational tempo of these mission sets compatible with the civilian responsibilities of our Guardsmen and Reservists?

Answer. Yes. For RPAs, aside from takeoff and landing, the Air Force operates our MQ–1/9 and RQ–4 aircraft via satellite data link from stateside locations. This capability has significantly reduced the number of personnel needed to deploy, lessening the impact on our Guard and Reserve forces. While the operations tempo remains high, a majority of our Guard and Reserve support has come from volunteerism. When the ANG's mobilization expired in July 2008, each of our ANG MQ–1 squadrons requested to maintain their surge CAP in addition to the single CAP they were programmed to provide. Additionally, despite being at war, our Guard and Reserve units conducting RPA operations have been able to maintain their civil support commitments during other contingency operations such as floods, fires and earthquakes.

For the cyber security mission, steady-state support to the Air Force, as well as mobilizations—whether voluntary or involuntary—have historically not resulted in adverse impacts to ANG personnel or their ability to meet obligations to civilian employers. In addition, Guardsmen and Reservists are often employed by some of the most high-tech companies in America such as Cisco, EDS, Microsoft, Siemens and Symantec who also engage in cybersecurity of the nation's infrastructure. Both the military and civilian sectors benefit by having these professionals work in both environments.

Question. Secretary Donley, Lieutenant General Wyatt, the Director of the Air National Guard alerted us to the fact that 80 percent of its F–16 fighters begin reaching the end of their service life in 7 years. Retiring these aircraft will almost eliminate the Air National Guard fleet dedicated to the Combat Aviation and Air Sovereignty Alert missions. With delays in the F–35 program now documented, it appears that the Air Force is taking some risk in the size of the fighter inventory. How will you ensure that enough aircraft are available for the important homeland security mission?

Answer. Defense of the homeland is the DOD's highest priority mission. The Air Force will continue to steadfastly support Operation Noble Eagle (ONE) through the Total Force concept as it has since 9/11. ONE requirements are currently driven by the April 2009 CJCS Execute Order (EXORD) and May 2009, U.S. Pacific Command EXORD, and are sourced through provisions of the Secretary of Defense approved Global Force Management process. While ONE is a Joint mission, the Air Force has historically performed the overwhelming majority of ONE fighter missions. The Air Force has sufficient fighter inventories to execute ONE based on the current requirements.

Question. Secretary Donley, is the Air Force looking at new missions for the Air National Guard? Are additional association relationships with active Air Force units planned?

Answer. We continually examine our force structure needs to fill new or emerging missions with the best Total Force solutions. The Air National Guard is contributing to RPA, cyber, space and other key mission areas. Our desired end state is a leaner, more capable and more efficient Air Force leveraging the strengths of both our active and reserve components, and we will continue to look to implement associate units when the business case and operational requirements support it.

Question. Secretary Donley, there is $325 million in the fiscal year 2011 budget request for the NPOESS ("EN-POSE") weather satellite program. As you know, the

White House ended the program this fiscal year. What is your plan for the follow-on satellite program and the fiscal year 2011 funds?

Answer. The Department of Defense (DOD) stakeholders are in the final stages of determining how best to proceed to meet DOD needs and requirements for this mission using the $325 million in research, development, testing, and evaluation funding in fiscal year 2011. The DOD restructure options are still being studied, however the budgets for the various options conform reasonably well to that of the Future Years Defense Program profile. The DOD is building acquisition timelines, conducting follow-on program risk assessments, assessing industrial base impacts, and determining the level of fiscal year 2011 funding required, in consultation with the National Oceanic and Atmospheric Administration and the National Aeronautics and Space Administration. The DOD expects to provide a more detailed strategy by late-summer this year.

Question. Last fall, the Air Force stood up the Global Strike Command, bringing the Air Force's intercontinental ballistic missiles and nuclear-capable bombers under one command for the first time since the days of the Strategic Air Command. This is the culminating event on the Nuclear Roadmap created to revitalize the nuclear enterprise. Secretary Donley, could you bring us up-to-date on the status of that initiative and tell us what is next?

Answer. Air Force Global Strike Command (AFGSC) is on schedule to achieve full operational capability by September 30, 2010. The command assumed the ICBM mission from Air Force Space Command on December 1, 2009 and the B–52/B–2 bomber mission from Air Combat Command on February 1, 2010. AFGSC has developed new command guidance/policies; is actively engaged in the no-notice/limited-notice nuclear surety inspection process, is an active participant in U.S. Strategic Command exercises; and is aggressively working to fill all manpower vacancies, particularly in the civilian workforce.

Going forward, command priorities include implementing the provisions of the Nuclear Posture Review, ensuring long-term sustainment of the aging ICBM fleet, and reviewing implications and anticipated enforcement of the New Start Treaty when it is ratified.

Question. Secretary Donley, the budget requests $66 million for a new program procuring 15 Light Mobility Aircraft. This new initiative expands your mission which, given the emphasis by Secretary Gates on reducing defense expenditures, appears unusual. Could you elaborate on the benefits of this program and why it is a wise investment now?

Answer. LiMA will enable the United States to demonstrate, train and perform lower-cost airlift operations to and from austere areas, working in concert with Partner Nations (PN) with limited capacity and capability to perform aviation functions. Primary benefits from this approach include reduced wear and tear on larger, more expensive U.S. mobility aircraft, increased airlift capability in austere regions with sparse infrastructure, and a right-tech aircraft that represents the types of capabilities a PN can afford to acquire, maintain and operate. The result of this approach is the United States will demonstrate the utility of LiMA to a PN, thus facilitating Theater Strategic and Campaign Plan objectives and enhancing our long term capabilities through security cooperation.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. Air Force leadership has come out on the record opposing the F136 alternate engine program for the Joint Strike Fighter. Two aspects of sole-sourcing the F–35 engine are troubling, and DOD leaders have not addressed them yet.

First, the F135 engine has never competed against the F136 engine, and under the current DOD plan, it never will. While the prime contract for the F–35 was fully and fairly competed, the sub-contract for the engine was selected as an element of the prime without any competition. Competition would determine which engine is technically superior and it would drive down costs, which is something this program desperately needs. Second, the F–35 will eventually comprise 95 percent of our strike aircraft fleet.

If that doesn't qualify as a need for a redundant second engine, then what does? What happens to our operational flexibility if the fleet is grounded for engine problems? Such occurrences have happened before, such as with the Harrier jet. But never before have we had a grounding of such a broad multi-service, multinational program. Is now really the time to accept that kind of risk? Wouldn't the Air Force agree that this issue is not just a matter of trading up-front costs for future savings, but also a matter of operational risk and effectiveness?

Answer. The Air Force supports Secretary Gates' conclusion to not pursue a second engine. Maintaining two engine suppliers will result in increased development, production, and support costs in the near term. The Department of Defense (DOD) consistently emphasizes its opposition to a second engine for the Joint Strike Fighter because continued funding of the F136 would divert funds from other important defense needs. In the middle of two wars, the DOD has higher priority uses for the $2.9 billion that would be required to take the F136 to full competition. Furthermore, there is no guarantee that having two engines will create enough long-term savings to outweigh the significant near-term investment. The Air Force does not consider a single source engine for the F–35 to be an unacceptable increase in operational risk. The DOD currently maintains two tactical aircraft programs, the F–22A and the F–18, each of which utilize a single source engine provider. Both programs have solid safety records, and the DOD is satisfied with the engines for both programs. Over the years, significant advancements in engine design, testing, production, and sustaining engineering have enabled the DOD to manage the risks associated with single engine systems without having to ground an entire fleet.

We believe any benefits that might accrue from continued funding of the F136 extra engine would be more than offset by excess cost, complexity and risk. A single source engine for the F–35 provides the best balance of cost and risk for the DOD's needs in the current resource-constrained environment.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. The USAF has developed a process for quantitative and qualitative analysis to determine the best bed down locations for future F–35 acquisitions. This process has been referred to as transparent, repeatable, and defendable.

What is the process for appeal if a unit believes the score is inaccurate?

Answer. As part of the process, major command staffs responded to the data call from the lead major command using data sources maintained by each installation. This data was used to create a rank-order list of bases. Military judgment was then applied to identify a smaller candidate base list.

Typically a unit is unaware of scores derived during the basing process since this occurs at the Headquarters Air Force and this information is not shared with installation commanders. If a unit believes the data used and resultant scores are inaccurate, they can appeal through their major command to then be resolved at the Headquarters Air Force level.

Question. Why, if this is a transparent process, is the USAF withholding the scores from public scrutiny?

Answer. The Air Force Air Force policy throughout the basing process has been to provide the Members of Congress the scores for installations within their state as well as a relative ranking of each installation within the top, middle, or bottom third of the scoring range. Installation scores were used to create a rank-order list of bases. Military judgment was then applied to identify a smaller candidate base list. This candidate list was released to Congress on October 29, 2009, and briefings have been provided to congressional members and their staff when necessary to explain how the scores were derived without revealing the scores of other installations.

Question. What role did the nations Adjutants General have in this process?

Answer. The Air Force strategic basing process does not include direct participation of the Adjutants General. Participative and representational roles are reserved for the major commands, which in this case, includes the Air National Guard and Headquarters Air Force. Base specific information was obtained from major commands and unit records, screened by the major command and eventually incorporated into analysis by Air Combat Command, the lead major command for F–35A basing. The information was then brought to Headquarters Air Force senior leaders through the Strategic Basing-Executive Steering Group for consideration.

Question. Were the Adjutants General given an opportunity to comment on quantitative scores before the USAF leadership applied qualitative analysis?

Answer. No. The Air Force strategic basing process does not include the direct participation of the Adjutants General. Participative and representational roles are reserved for the major commands, which in this case includes the Air National Guard and Headquarters Air Force. The Director of the Air National Guard is fully integrated in the basing process and in constant communication with the Adjutants General. Base specific information was obtained from major commands and unit records, screened by the major command and eventually incorporated into analysis by Air Combat Command, the lead major command for F–35A basing. The informa-

tion was then brought to Headquarters Air Force senior leaders for their consideration.

Question. What role did the Director, Air National Guard (DANG) have in the qualitative analysis?

Answer. Air National Guard representatives from the National Guard Bureau and the Air Staff participated in the deliberations of the Basing Request Review Panel, the first step in the Air Force Strategic Basing Process. The Deputy Director, Air National Guard participated in the Strategic Basing-Executive Steering Group as it formulated options for Chief of Staff and my discussion, review and decision. The Director, Air National Guard or his representative participated in discussions with us to a final decision regarding which bases were identified as training and operations candidate bases.

Question. Given that he is likely in the best position to know the Air National Guard units and locations, was the DANG provided an opportunity to shape or influence the USAF leadership's best judgment?

Answer. Yes. The Deputy Director, Air National Guard participated in the Strategic Basing-Executive Steering Group as it formulated options for the Secretary and the Chief of Staff discussion, review and decision. The Director, Air National Guard also participated in discussions with the Chief of Staff and me prior to a final decision regarding initial basing locations for the F–35.

Question. The Wisconsin National Guard submitted a detailed analysis of the score for the 115th FW, Madison, Wisconsin, which outlines factual errors. This analysis was delayed as the Wisconsin National Guard was unable to obtain its score from the USAF through the NGB.

Why did the USAF insist that the NG obtain base scores only through congressional delegations?

Answer. Air Force policy throughout the basing process has been to provide only the Members of Congress the scores for installations within their state as well as a relative ranking of each installation within the top, middle, or bottom third of the scoring range. Base specific information was obtained from major command and unit records, screened by the major command and eventually incorporated into analysis by Air Combat Command, the lead major command for F–35A basing, then brought to the Pentagon for consideration by Headquarters Air Force senior leaders. Typically a unit is unaware of scores derived during the basing process since this occurs at Headquarters Air Force and this information is not shared with installation commanders (Active, Guard or Reserve). Briefings have been provided to congressional members and their staff when necessary to explain how the scores were derived without revealing the scores of other installations.

Question. The WI NG requested correction in five areas amounting to nine points. To date, there has been no resolution—what is the current status?

Answer. Although agreement was reached to revise the quantitative score, the score change was not enough to significantly affect the 115th Fighter Wing's relative standing. The Air superiority alert mission was considered in the qualitative assessment as positive, but was not a driving factor that eliminated any one base as a candidate location.

Question. The WI NG points out that the base score did not correctly identify the 115th FW as an ASA home alert location—a criteria identified by the USAF as probative in the qualitative analysis. If the quantitative score is inaccurate and qualitative indicators are not identified, how can the USAF be sure that this unit was fairly assessed?

Answer. Although agreement was reached to revise the quantitative score, the score change was not enough to significantly affect the 115th Fighter Wing's relative standing. The Air superiority alert mission was considered in the qualitative assessment as positive, but was not a driving factor that eliminated any one base as a candidate location.

Question. How did ASA alert affect the final determination for future F–35 bed down locations?

Answer. The air superiority alert mission was considered in the qualitative assessment as positive, but it was not a driving factor that eliminated any one base as a candidate location.

Question. What were the qualitative scores for the other bases in the top third? We specifically request the full scoring sheets for comparative analysis.

Answer. Air Force policy throughout the basing process has been to provide only the Members of Congress the scores for installations within their state as well as a relative ranking of each installation within the top, middle, or bottom third of the scoring range. Base specific information was obtained from major command and unit records, screened by the major command and eventually incorporated into analysis by Air Combat Command, the lead major command for F–35A basing, then brought

to the Pentagon for consideration by Headquarters Air Force senior leaders. Typically a unit is unaware of scores derived during the basing process since this occurs at Headquarters Air Force and this information is not shared with installation commanders (Active, Guard or Reserve). Briefings have been provided to congressional members and their staff when necessary to explain how the scores were derived without revealing the scores of other installations.

Question. Assuming that the USAF leadership moved some lower scoring units above units with higher scores in the basing decision, what was the justification for this best military judgment?

Answer. Lower scoring units (installations) were not moved above higher scoring installations. The Air Force produced a rank ordered list of installations using quantifiable criteria. Beginning with the top-ranked installation, the Air Force reviewed each in rank order, applying military judgment to identify candidates that could meet mission requirements. An installation could be eliminated from consideration as a result of military judgment.

There were three possible outcomes after military judgment factors were considered. These outcomes were: Yes—an installation is a candidate within timing window; not yet—an installation is not a candidate within timing window; no—an installation is currently incompatible with requirements.

As an example, military judgment factors were developed to assist uniquely qualified and experienced senior Air Force leaders in identifying candidate installations for basing F–35A aircraft programmed for delivery through the fiscal year 2017 timeframe. These factors included: Plans and Guidance; Global Posture; Building Partnerships; Total Force; Beddown Timing; Force Structure; Training Requirements and Efficiencies; Logistics Supportability; and Resources/Budgeting.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

MAINTENANCE IN THE AIR FORCE

Question. For many of its logistics and sustainment functions including activities such as supply chain management, product support integration, and maintenance, repair and overhaul activities the Department of Defense can select from private sector contractors a well as organic public depot facilities. Please provide to the Committee a description of the methodology employed by the Air Force in making cost comparisons between organic public sector facilities and private sector contractor providers for the purpose of workload assignment for the provision of logistics and sustainment function including but not limited to supply chain management, product support integration, and maintenance, repair and overhaul work. In particular, please explain to the Committee what accounting systems and principles the Air Force uses to ensure full cost accounting for both public and private sector entities in making decisions regarding the assignment of this logistics and sustainment related work.

Answer. The methodology employed by the Air Force in making cost comparisons between organic public sector facilities and private sector contractor providers resides as a subset of the overall decisionmaking tool codified in Air Force Instruction 65–509 Business Case Analysis, and Air Force Manual 65–510 Business Case Analysis Procedures. The business case method prescribed in these regulations provides a credible, defendable, repeatable and transparent process by which decision makers are supported with documented, objective analysis.

The Air Force has a Source of Repair Assignment Process that includes a review of statutory compliance and requires best value analysis. The first consideration for workload assignment is whether the workload is required to be organic for purposes of meeting 10 U.S.C. 2464, the statute which directs workload into an organic facility for purposes of meeting Core maintenance capability requirements, and/or 10 U.S.C. 2466, the statute requiring that no more than 50 percent of total funding allocated to depot maintenance be performed in the private sector. After an assessment that the workload is not required to meet either of these statutes, we then perform best value assessment. There are three fundamental factors in this best value assessment that are used for the basis of evaluation and eventual decision between organic and contract. These factors are costs, benefits, and risks, each supplying its own specific subset of criteria and variables for analysis and decisionmaking.

For accounting, the Air Force annually publishes standard composite rates in Air Force Instruction 65–503 including pay and benefits for military and civilian personnel. The Air Force directs these rates be used when preparing business case analyses. Additionally, there are other overhead costs categories being added to

these rates per Directive-Type Memorandum 09–007, "Estimating and Comparing the Full Costs of Civilian and Military Manpower and Contract Support".

F–35 AIRCRAFT FOR LACKLAND AFB, TEXAS

Question. Please explain the Air Force's F–35 stationing plan to the Committee. In particular, please address any plans to station F–35 aircraft at Lackland AFB, Texas.

Answer. The Air Force is using a repeatable, transparent Strategic Basing Process to identify locations for the F–35. Air Combat Command, as the lead major command, developed basing criteria which were approved by Secretary and the Chief of Staff of the Air Force and released to Congress in September 2009. These criteria were applied to determine candidate base lists for the initial increments of F–35 training and operational bases which were provided to Congress in October 2009. The environmental impact analysis process is now underway and we anticipate releasing preferred basing alternatives in August 2010, with a Record of Decision announced by spring 2011. Lackland AFB, Texas is not one of the candidate bases being considered for this round of F–35 basing decisions, but will be considered in future rounds of F–35 basing.

NEWER AIRCRAFT FOR TEXAS AIR NATIONAL GUARD

Question. Please explain the Air Force's plan to replace the Texas Air National Guard's aging F–16 aircraft with newer airplanes at some point in the future.

Answer. The Air Force currently has no plans to replace or retire the Texas Air National Guard F–16 Block 30 aircraft within the current Future Years Defense Program.

LONG RANGE PERSISTENT STRIKE DEVELOPMENT PROGRAM

Question. Please explain the long range strike capability that the Air Force seeks to develop within its Long Range Persistent Strike Development Program?

Answer. During the 2010 Quadrennial Defense Review, a Secretary of Defense-directed tiger team was established to complete an in-depth study of long-range strike—including the long range strike platform (LRSP) need, requirement, and technology. The team's conclusions were supportive of pursuing a new LRSP platform, but identified the need for additional analysis to explore options for reducing costs and accelerating fielding timelines. Based upon the need for additional analysis, the Secretary of Defense chartered a subsequent study to examine a broader array of long-range strike issues and options including the appropriate mix of long range strike capabilities; upgrades to legacy bombers; manned and unmanned force structure numbers; stand-off and penetrating platform ratios; stand-off cruise missile requirements; intelligence, surveillance, and reconnaissance demands; airborne electronic attack requirements; and conventional prompt global strike needs. The study results are expected to be available in the fall of 2010.

Although the specific LRSP performance requirements are still being developed, a general description of the desired attributes includes:

—Range and survivability to overcome adversary anti-access strategies and persistence in denied area environments;

—Flexible, mixed payloads to engage mobile and hard targets; and

—Visible deterrence capability across the spectrum of conflict.

We continue our work with the Office of the Secretary of Defense and the combatant commanders to define the requirements for long range strike and to help determine the composition of the long range strike family of systems that will best meet our Nation's needs for this critical and enduring mission.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. Considering the issue of balance, in your discussion of "Global Precision Attack," you briefly mention the DOD's plans to assess conventional prompt global strike prototypes which were referenced in the 2010 QDR. However, given the recent recession, the market for small turbofan engines has markedly declined, calling into question the long term affordability based on decreased industrial capacity.

In the context of your long-range strike capabilities, what is your estimation of the significance of the role global strike platforms could play? Can you discuss what steps could/should be taken to prepare the way for prompt global strike initiatives in relation to this technology?

Answer. Global precision strike capabilities leverage the inherent range, flexibility, and lethality of airpower to hold targets at risk around the globe. To ensure

their continued viability, we will continue to work toward a "family of systems" that provides the necessary flexibility and agility. Non-nuclear prompt global strike is a unique capability that could be used against a specific set of targets in limited numbers. It is not intended to be a substitute for other long range strike capabilities but rather to complement them as one component in the long range strike family of systems. The 2010 Nuclear Posture Review highlighted the importance of developing non-nuclear prompt global strike capabilities that could prove valuable in defeating time-sensitive threats. The Department of Defense is currently studying the appropriate mix of long-range strike capabilities, including non-nuclear prompt global strike. This follow-on analysis will build upon the capabilities identified in the 2010 Quadrennial Defense Review and Nuclear Posture Review allowing the Air Force to make specific recommendations in the fiscal year 2012 President's budget request.

The Office of the Secretary of Defense is managing a defense-wide account, which includes Air Force, Army, Navy and DARPA projects, aimed at developing a Prompt Global Strike capability based on hypersonic technology. DARPA's hypersonic technology vehicle is an unmanned, rocket launched, maneuverable hypersonic air vehicle with no onboard propulsion system. Its propulsion is provided by the launch vehicle, a Minotaur IV Lite. The Conventional Strike Missile is an Air Force's concept for Prompt Global Strike based on DARPA technology development. This concept currently involves a strategic sized solid rocket booster to allow for a global range capability. The small turbofan engine was not a candidate in the Conventional Prompt Global Strike analysis of alternatives and is not likely to participate in future discussions due to mission range requirements.

Question. At the present time, only two U.S. companies (ATK and Aerojet) produce solid rocket motors for all of our nation's needs, and only one company (American Pacific) manufactures their most key ingredient. These three companies support all strategic missiles, missile defense programs, military and commercial space lift capabilities, NASA human spaceflight systems, and the entire cadre of tactical missiles available to today's war fighter. However, demand for products made by the solid rocket motor industry has been in steady decline for many years, and is right now experiencing a further dramatic drop with the completion of the Minuteman III Propulsion Replacement Program (PRP), the retirement of the Space Shuttle, the termination of the Kinetic Energy Interceptor (KEI), the production slowdown of Ground-based Midcourse Defense (GMD) interceptors, and the Missile Defense Agency's planned transition from a proven solid rocket motor-based systems to an unproven liquid propulsion-based system. I also understand that prices across weapons systems that are designed around the advantages that solid rocket fuel offers—especially the capability to have fuel loads that will respond instantly to a launch command—will increase given the current course.

What plans has the Air Force made to sustain this industry, in order to continue to meet current deployed and future anticipated strategic, space lift, and tactical missile needs? Has the Air Force considered the pending price impact on your widely deployed tactical systems? Do you know if the other services are aware of this approaching issue?

Answer. The Air Force leverages research and development projects, joint and individual production programs, and the focused efforts of program managers to assist in supporting key elements of the aerospace industrial base needed to respond to the current and emerging global environment. For example, with respect to the industrial base for solid rocket motors, the fiscal year 2010 President's budget request calls for the production of nearly 700 air-to-air tactical missiles. These are joint programs supporting the Air Force and the Navy.

In the case of large (greater than a 40-inch diameter) solid rocket motors, the Air Force has been closely monitoring this segment of the solid rocket motor industrial base for a number of years. This year, the Air Force initiated a phased study and analysis to develop a risk-based investment strategy focused on sustaining the Minuteman III system through 2030. Further, an interagency task force, including representation from the Department of Defense (the Office of the Secretary of Defense, Army, Navy, Air Force, and Missile Defense Agency) and the National Aeronautics and Space Administration, will offer solid rocket motor industrial base sustainment recommendations to the Secretary of Defense for a subsequent report to Congress.

At this time there is no impact to deployed tactical Air-to-Air or Air-to-Ground Missiles.

Yes, other Services are aware. An interagency task force, that includes representation from the Department of Defense (the Office of the Secretary of Defense, Army, Navy, Air Force and Missile Defense Agency) and the National Aeronautics and Space Administration, has been formed to assess the solid rocket motor indus-

trial base and provide recommendations to the Secretary of Defense for a subsequent report to Congress.

Question. Air Force officials have testified before Congress about the potential concern that prices for the propulsion systems for the Evolved Expendable Launch Vehicle (EELV) might double in price.

How does the Air Force plan on managing a 200 percent price increase to the EELV program and what impact will that have on our ability to meet our strategic space requirements?

Answer. The Air Force will continue to fund EELV to meet assured access to space and National Space Transportation Policy requirements.

The exact increases to EELV launch vehicle costs are not yet known. The Air Force has developed preliminary estimates that incorporate increasing subcontractor costs. The significant reduction in demand within the spacecraft industry has caused subcontractors to rely on the EELV program as their primary customer. As a result, EELV bears the burden for much of these key suppliers' overhead costs

In response to these estimates, the Commander, Air Force Space Command and the Director, National Reconnaissance Office chartered a tiger team to recommend a revised way ahead for the EELV program. Among the items the tiger team is evaluating is a more flexible and transparent contract structure that increases program and industry stability.

In addition, collaboration is ongoing with the Department of Defense, the Office of the Director, National Intelligence, the Air Force, and the National Aeronautics and Space Administration to explore synergistic community solutions where possible.

Question. In fiscal year 2009, with much support from this committee, the Air Force initiated a Minuteman solid rocket motor warm line program, with production continuing in fiscal year 2010 and fiscal year 2011. However, the future years defense program (FYDP) provided this year shows close out of this warm line effort in fiscal year 2012. While the Minuteman III system is now expected to be deployed through 2030, its solid rocket motors—produced in the early 2000s—were only designed to last 20 years, and actually have a maximum demonstrated life of only 17 years. There is no way to avoid the fact that the Minuteman solid rocket motors will need to be replaced prior to 2030. The Air Force has requested approximately $43 million in fiscal year 2011 for ICBM procurement. However, it is my understanding that the funding will only purchase three solid rocket motor sets, but six are needed to maintain proper certification to build such systems.

How does the Air Force plan to sustain the industrial base during the time until any next generation system begins development? If this program is to be closed out in fiscal year 2012, how does the Air Force plan to sustain the Minuteman system's readiness through 2030?

Answer. The Air Force is currently reevaluating the overall Minuteman (MM) III Solid Rocket Motor (SRM) Warm Line concept in order to help sustain the strategic SRM industrial base. If the current MM III SRM production capability is allowed to lapse, any requirement for follow-on MM III SRM production would include the time and costs required to reinstate such a capability. The Air Force, in coordination with industry, has determined what those costs and timelines would be and would include these factors in long-range planning efforts. This year, the Air Force initiated a phased study and analysis to develop a risk-based investment strategy focused on sustaining the MM III system through 2030. Further, an interagency task force, including representation from the Department of Defense (the Office of the Secretary of Defense, Army, Navy, Air Force, and Missile Defense Agency) and the National Aeronautics and Space Administration, will offer solid rocket motor industrial base sustainment recommendations to the Secretary of Defense for a subsequent report to Congress.

In 2009 the Air Force completed the Minuteman III Propulsion Replacement Program designed to extend the life of the weapon system to 2020. The Air Force is evaluating options to ensure solid rocket motor reliability and supportability to 2030 in conjunction with its evaluation of the Minuteman III Solid Rocket Motor (SRM) Warm Line concept in relation to sustaining the strategic SRM industrial base. If the current Minuteman III SRM production capability is allowed to lapse, any requirement for follow-on production would include the time and costs required to reinstate that capability. The Air Force, in coordination with industry, has determined these costs and timelines and will include these factors in mid- to long-range planning efforts. Further, an interagency task force, that includes representation from the Department of Defense (the Office of the Secretary of Defense, Army, Navy, Air Force and Missile Defense Agency) and the National Aeronautics and Space Administration, has been formed to offer solid rocket motor industrial base sustainment recommendations to the Secretary of Defense for a subsequent report to Congress.

QUESTIONS SUBMITTED TO GENERAL NORTON A. SCHWARTZ

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. General Schwartz, to meet emerging requirements, the Air Force is quickly expanding its unmanned aerial vehicle and cybersecurity missions. It is adding thousands of highly trained personnel to these career fields in a short time. These new missions are currently very much in demand. Are you concerned about how the high operational tempo is affecting the morale of the airmen in these career fields?

Answer. We are always concerned about the morale and welfare of our Airmen operating in high operational tempo environments. With respect to remotely piloted aircraft (RPA), we have experienced unprecedented growth as a result of the increasing demand for the capability these systems provide. Initially we had to make some tough choices that had an impact on our Airmen, but recently we have implemented initiatives that will "normalize" the RPA enterprise and reduce the overall operational tempo. The two major initiatives are developing specific career fields for RPA aircrews and increasing our training capacity. These efforts are already mitigating the stress the high operational tempo has placed on our manpower infrastructure. As we continue to normalize RPA operations, the stresses will be reduced further.

With respect to cyber security, last year we activated Twenty-Fourth Air Force and aligned critical cyber capabilities under Air Force Space Command. These actions enhanced our capability to conduct the full spectrum of military cyberspace operations for U.S. Cyber Command and the combatant commanders, while improving our ability to operate and defend Air Force networks. We are not significantly expanding the number of Airmen performing cyber missions and current operational tempo is not adversely affecting morale. However, we are making a concerted effort to "operationalize" cyber by enhancing formal training and implementing certification processes to develop a corps of cyberspace professionals. These organizational and force development changes will greatly enhance the Air Force's cyber capabilities.

Question. General Schwartz, there is growing concern that there could be a lack of missile warning satellite coverage due to the continued delays in the Space-based Infrared High program. The Air Force terminated the third generation missile warning satellite program in fiscal year 2011. What is your plan to mitigate a potential gap in coverage?

Answer. The Air Force response is classified and will be provided under separate cover.

Question. Over the last 2½ years, $5.3 billion has been provided through the Intelligence, Reconnaissance, and Reconnaissance Task Force to increase our knowledge of our enemies in Iraq and Afghanistan. The fiscal year 2011 request includes an additional $2.6 billion for this purpose. But the President and the Secretary of Defense have stated that we intend to withdraw another 50,000 troops from Iraq by this fall and will begin drawing down our Afghanistan force in mid-2011.

General Schwartz, could you explain the need for more ISR capability for Afghanistan while our troops are expected to begin their withdrawal at the same time?

Answer. Intelligence, surveillance, and reconnaissance (ISR) has proven to be a critical force multiplier for our ground forces. With fewer eyes and ears on the ground as the combat forces are withdrawn, ISR will become even more important to ensure our remaining troops are in the right place at the right time and prepared for the threats they will face. Consequently, the Air Force has surged ISR to support U.S. Central Command requirements and will continue to adjust ISR capability to the theater as those requirements change.

Additionally, the investments we have made and continue to make in improving our ISR capabilities are not limited strictly to operations within the U.S. Central Command area of operations. The funds we have expended, and are requesting this year, are intended to procure systems that can be deployed to any theater to meet warfighter ISR requirements.

Question. General Schwartz, the fiscal year 2001 budget requests approximately $200 million for the next generation bomber, while the Quadrennial Defense Review states that the Air Force is reviewing options to modernize the bomber force. What is the status of this review and when will the Congress be informed of the next generation bomber acquisition strategy?

Answer. The Air Force is performing analysis to ensure we fully understand how all potential long range strike options contribute to the country's future national defense and the National Military Strategy before significant funds are committed. During the 2010 Quadrennial Defense Review, a Secretary of Defense-directed tiger

team was established to complete an in-depth study of long-range strike, including the Long Range Strike Platform (LRSP) need, requirement, and technology. The team's conclusions were supportive of pursuing a new LRSP platform, but identified the need for additional analysis to explore options for reducing costs and accelerating fielding timelines. Based upon the need for additional analysis, the Secretary of Defense chartered a subsequent study to examine a broader array of long-range strike issues and options including the appropriate mix of long range strike capabilities; upgrades to legacy bombers; manned and unmanned force structure numbers; stand-off and penetrating platform ratios; stand-off cruise missile requirements; intelligence, surveillance, and reconnaissance demands; airborne electronic attack requirements; and conventional prompt global strike needs. RAND is supporting the analysis and the study results are expected to be available in the fall of 2010.

Question. General Schwartz, the Air Force plan to cut 18 aircraft from the Air National Guard in fiscal year 2011 by retiring 6 C–130Es and transferring 12 C–130Hs to the active component raised some concerns. The media reported that the Air National Guard was not consulted on this plan. I understand that further discussions are now taking place within the Air Force. Could you please tell the Committee about the issues prompting the restructure and your current solution?

Answer. As supported by the requirements identified in the recently released Mobility Capabilities and Requirements Study 2016 (MCRS 16), the Air Force is reducing excess mobility C–130 force structure by accelerating the retirement of the C–130Es and retiring some of the oldest C–130Hs. This created a shortfall of legacy C–130H aircraft for the Formal Training Unit (FTU) at Little Rock AFB, Arkansas. The fiscal year 2011 President's budget request proposed the transfer of 18 Air Reserve Component C–130Hs to the Active Duty to cover this shortfall and support the FTU. This plan was developed as part of the Air Force's Corporate Process, which included representation from the Air National Guard (ANG) and the Air Force Reserve (AFR). The Air Force, in close partnership with the ANG and the AFR, continued to analyze the best solution to address the FTU issue even after the fiscal year 2011 President's budget was developed. The Air Force, including its Total Force partners, refined the original fiscal year 2011 President's budget request to meet the needs of the C–130 schoolhouse while factoring in state mission concerns. The new proposal would allow the ANG and AFR to retain ownership of the 18 C–130Hs but still support the training needs of the FTU—with the C–130 schoolhouse transitioning from an Active Duty run program to an Air Reserve Component run program.

Question. General Schwartz, we understand that the Air Force was concerned about having too much of the C–130 force in the Guard and Reserves. Can you shed some light on what problem is being solved with the proposed shift of aircraft to the active component?

Answer. As supported by the requirements identified in the Mobility Capabilities and Requirements Study 2016 (MCRS 16), the Air Force is reducing excess mobility C–130 force structure by accelerating the retirement of the C–130Es and retiring some of the oldest C–130Hs. This created a shortfall of legacy C–130H aircraft for the Formal Training Unit (FTU) at Little Rock AFB, Arkansas. The fiscal year 2011 President's budget request proposed the transfer of 18 Air Reserve Component C–130Hs to the Active Duty to cover this shortfall and support the FTU. This plan was developed as part of the Air Force's Corporate Process, which included representation from the Air National Guard (ANG) and the Air Force Reserve (AFR). The Air Force, in close partnership with the ANG and the AFR, continued to analyze the best solution to address the FTU issue even after the fiscal year 2011 President's budget was developed. The Air Force, including its Total Force partners, refined the original fiscal year 2011 President's budget request to meet the needs of the C–130 schoolhouse while factoring in state mission concerns. The new proposal would allow the ANG and AFR to retain ownership of the 18 C–130Hs but still support the training needs of the FTU—with the C–130 schoolhouse transitioning from an Active Duty run program to an Air Reserve Component run program.

Question. General Schwartz, the Joint Cargo Aircraft program is now an Air Force responsibility rather than a joint Army-Air Force program. Along the way, the previously validated requirement of 78 aircraft dropped to 38 aircraft. In testimony last year, several witnesses suggested that the JCA requirement may get a re-look during the Quadrennial Defense Review. Could you tell us what has happened with respect to the JCA requirement?

Answer. In April 2009, the Office of the Secretary of Defense transferred the Joint Cargo Aircraft program to the Air Force, set the C–27J buy at 38 aircraft, and directed the Air Force to assume the Army's time sensitive/mission critical direct sup-

port airlift mission. The Secretary of Defense's intent was for the Air Force to use the new C–27J and existing C–130 aircraft to accomplish this mission.

The Mobility Capability Requirements Study 2016 (MCRS–16) established the C–130 tactical fleet size at 335 but did not assess fleet requirements to perform the direct support mission. Air Mobility Command, working with the U.S. Army and others, recently chartered a RAND study to better define the direct support mission and detail the required direct support fleet given a baseline of 38 C–27Js. Initial results of the RAND study are expected in the fall of 2010.

Question. General Schwartz, what is the status of the basing plan for these aircraft?

Answer. The Air Force is using a repeatable, defendable and transparent Strategic Basing Process to identify locations for the C–27J. The National Guard Bureau, as the lead agency, developed training and operations basing criteria, which were approved by Secretary of the Air Force and myself and released to the Congress in April 2010. These criteria will be applied to create C–27J training and operations candidate base lists that will ultimately be approved by the Secretary and myself in July 2010. We anticipate releasing the preferred basing alternatives in December 2010 and completing the environmental impact assessment process by spring 2011.

Question. The budget requests $66 million for a new program procuring 15 Light Mobility Aircraft. This new initiative expands your mission which, given the emphasis by Secretary Gates on reducing defense expenditures, appears unusual.

General Schwartz, do you see any difficulty in manning new expeditionary units for this aircraft?

Answer. The Air Force began deliberate planning to support the procurement of 15 Light Mobility Aircraft in the fiscal year 2011 President's budget request which included adding civilian end strength to assist with the acquisition/procurement. The Air Force is currently finalizing the operations and associated military support manpower requirements as part of the process for building the fiscal year 2012 defense budget utilizing existing skill sets already resident in the inventory.

Question. General Schwartz, is this initiative duplicative with the Special Operations Command Foreign Internal Defense air advisory units?

Answer. The Light Mobility Aircraft program is additive, not duplicative. It is designed to bring an aviation "building partner capacity" capability to general purpose forces. These aircraft will help partner nations with emerging air forces develop a basic airlift capability that will provide government presence, mobility, and other essential capabilities to the host nation. The capability to train, advise and equip partner nations' air forces has traditionally been a mission in Air Force Special Operations Command (AFSOC); specifically the 6th Special Operations Squadron. Although we have expanded the ability for this mission to be conducted in AFSOC—in past and coming years—we realize that the demand for this capability outpaces our ability to increase the mission within the special operations forces solely. As a result of this realization, and in compliance with the 2010 Quadrennial Defense Review Report, we are fielding light mobility aircraft in general purpose force units.

Question. General Schwartz, is there an operational role for these aircraft for resupplying American and coalition forces? Does this share a capability niche with the Joint Cargo Aircraft?

Answer. While the LiMA and the C–27J will share some capabilities, including the ability to operate from short, rough, unimproved landing surfaces, the aircraft will perform two distinct missions. LiMA will primarily train Partner Nations in Air Mobility operations, while the C–27J will provide a dedicated airlift platform for U.S. and coalition forces. LiMA will enable the United States to acquire aircraft that are not only affordable, but also the right technology for many of our partner nations.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. The decision in the Air Force fiscal year 2011 budget to pull C–130s from the Air Guard and Reserve into the active duty Air Force is troubling. One explanation offered for this decision was that these airframes were part of a legacy air mobility fleet of the least capable and oldest aircraft. However, no explanation was offered as to why the Air Force has chosen to stock the Air Guard and Reserve with its oldest aircraft.

Why aren't such airframes evenly spread across the components, rather than given mostly to the Guard and Reserve?

Answer. The Air Force's original fiscal year 2011 request to move 18 C–130s from the Air Reserve Component (ARC) to the Active Duty enabled retirement of the old-

est C–130Es, most of which resided within the Active component. Since then, the Air Force and ARC have accelerated a previously discussed approach to pass the C–130 legacy training requirement to the ARC. This plan eliminates the need to transfer ownership of the 18 aircraft in question to the Active component. Finally, both the Active and Reserve components possess a mix of older and newer C–130s.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. General Schwartz, NASA is proposing to rely on an emerging commercial space sector to meet future space exploration and launch needs, and I am informed that the Air Force has explored commercial launch services in the past with mild success.

How has the commercial industry evolved with spacelift capabilities? More importantly, have you looked at government test facilities involvement to ensure that commercial industry maintains the necessary level of safety and reliability in launching national security space assets?

Answer. The United Launch Alliance (ULA) is currently the sole U.S. provider of medium-lift to heavy-lift launch vehicles through the Evolved Expendable Launch Vehicle (EELV) program. ULA provides the Atlas V and Delta IV families of launch vehicles for national security space payloads. While EELV initially targeted a projected large commercial demand, the commercial launch market did not materialize and now the U.S. Government is driving the market for medium-lift to heavy-lift launch vehicles. A small number of EELVs have been procured commercially outside of the Air Force program office, such as the Intelsat-14 launch on an Atlas V on November 23, 2009, and by NASA for the NOAA Geostationary Operational Environmental Satellites.

Emergent commercial launch providers for medium-class payloads, such as the Space X Falcon 9 and Orbital Taurus II, are receiving NASA funding via Commercial Orbital Transportation System contracts. The first launch demonstration flight for Falcon 9 was on June 4, 2010. The first planned launch of the Taurus II is in late June 2011.

A number of U.S. Government test and range facilities support commercial space flight. The EELV program used NASA's Plum Brook facility for payload fairing qualification; Arnold Engineering Development Center for upper stage engine testing; and Edwards AFB, California for Delta IV main engine testing. ULA continues to use NASA's Stennis Space Center for main engine final assembly and test. Additionally, all ULA launches, government and commercial, utilize the Air Force spacelift range facilities at the Eastern Range (Cape Canaveral AFS, Florida) and the Western Range (Vandenberg AFB, California). The testing and qualification performed at these government facilities are key contributors to the proven reliability of the EELV launch vehicles.

It is our understanding that Space X employs organic facilities to meet their test needs while Orbital plans to use the Stennis facility for main engine final assembly and test. To meet their launch needs, Space X operates at the Air Force's Eastern and Western Ranges and Orbital is building launch facilities at NASA's Wallops Flight Facility. We are not aware of any other specific plans for these companies to use government facilities.

QUESTION SUBMITTED BY SENATOR SAM BROWNBACK

Question. The Air Force is currently looking into the concept of light attack aircraft and may request funds to purchase these aircraft in the future. Does the Air Force plan on using light attack aircraft solely to train foreign militaries or are there plans for the Air Force to develop its own light attack fleet?

Answer. The 15 light attack aircraft will be used for building partnership capacity training. A competitive acquisition strategy will be used to procure the 15 light attack continental U.S. based training aircraft in fiscal year 2012. The Air Force currently has no plans to develop an organic light attack fleet.

SUBCOMMITTEE RECESS

Chairman INOUYE. This subcommittee will next meet on Tuesday, May 18, at 10 a.m., in a closed session, at which time we'll be briefed on issues concerning the United States Pacific Command and the United States European Command.

We will now stand in recess.

[Whereupon, at 12:14 a.m., Wednesday, May 12, the subcommittee was recessed, to reconvene subject to the call of the Chair.]