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AIR FORCE STRATEGIC INITIATIVES

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
FIRST SESSION

HEARING HELD
OCTOBER 24, 2007

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AIR FORCE STRATEGIC INITIATIVES

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, October 24, 2007.

The committee met, pursuant to call, at 9:03 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

OPENING STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Ladies and gentlemen, we will come to order. And our hearing today is on the strategic initiatives of America's Air Force.

Some few weeks ago we had a strategic overview hearing for the United States Army, and members found that day's discussion to be invaluable, so we decided to have a similar strategic overview with the Air Force. And, of course, we intend to hold a maritime services hearing in the future.

There is a common thread among these hearings, and it is the heavy burden of war on the military services. Ongoing operations are putting a serious strain on the Air Force. While the strain on the Air Force is currently not as severe as it is for the Army, it is significant.

It is also important to note that our Air Force has been engaged in manning Iraqi-related deployments continuously since 1990. For them, Iraq has been a marathon as opposed to a sprint. Today, I hope we can address the future of the Air Force in terms of people, in terms of budgets, and the Air Force's role in the Department of Defense.

And an organization is only as good as its people. For the Air Force, the news is pretty good. You have done well in recruiting. Your quality of people is exceptional. There is one trouble spot; that is recruiting for the Air Guard. But overall you continue to recruit and retain high-quality people. That, of course, is quite good news.

The Air Force, however, in 2005 made a decision to reduce its force structure by some 40,000 people. Some of us had problems with that. We are getting close to fully implementing that decision, however, and I am concerned that it is not working that well. The savings from this personnel reduction have been eaten up by operating costs and have not served to boost modernization accounts.

Since 2005, the Army and Marine Corps have decided to increase their ranks considerably, as I have suggested—as everyone on this committee knows—since 1995. As a result, the Air Force appears

to be short of people needed to support a larger ground force. I will be interested to hear your views on that.

No Chief or Secretary has ever come before this committee to tell us that they have too much money. This year-end, the looming budget shortfalls seem urgent. Late last year, the Air Force reported a resource shortfall of some $20 billion; that was due to mismatch between strategy on the one hand and budget on the other. This year, due to the escalating costs for energy, health care, maintaining the aging fleet, the Air Force reportedly will have a $79 billion shortfall.

Most recently, I have heard reports of a potential shortfall of more than that. Hopefully, you can clarify that for us.

Last, I would mention the roles and missions discussion that the Air Force has been deeply engaged in this year with your sister services. This is an old and gnawing problem. It is one that this committee will help spearhead to cause you to look at it—and when I say "you," all of the services—to look at it seriously and come to an agreement at some moment which will make the dream of Goldwater-Nichols further come true.

And, second, it will save a considerable amount of dollars.

Today, our distinguished witnesses are Secretary Michael Wynne, Secretary of the Air Force, General "Buzz" Moseley, Chief of Staff of the United States Air Force.

Now, before recognizing you two gentlemen, let me recognize my friend, Jim Saxton, who is standing in for the ranking member today.

Mr. Saxton.

STATEMENT OF HON. JIM SAXTON, A REPRESENTATIVE FROM NEW JERSEY, COMMITTEE ON ARMED SERVICES

Mr. SAXTON. Thank you, Mr. Chairman. And let me just say at the outset how appreciative I am that we are holding this hearing today. I think it is a very important hearing on strategic initiatives, and quite frankly, strategic challenges, which are quite difficult for the Air Force to solve.

I am very pleased to be here, because I believe the issues we are addressing are absolutely crucial to the Nation's ability to meet the national security strategy. The issues that we will talk about today will focus discussions and shape decisions as we continue the conference with the Senate on the 2008 authorization bill.

As you mentioned, Mr. Chairman, General Casey and Secretary Geren were recently here to testify to this same committee that the Army was out of balance. Unfortunately, I am convinced that it is not just the Army; it is the Department of Defense (DOD).

And the Air Force's aging aircraft fleet is a clear indicator that the Air Force is out of balance as well. Requirements for modernization in the Air Force are enormous, far outrunning the dollars available to meet the task. And in some cases, we have legislated hurdles which are impossible, or at least nearly impossible, to overcome. There can be no more concrete example of this than our strategic airlift fleet, and I would like to say why in my opening statement.

The Air Force inventory currently consists of 169 C–17 and 111 C–5s. While the C–17 fleet is performing well beyond everyone's ex-

pectations, the C–5 fleet continues to demonstrate consistently low reliability and low mission-capable rates. This, in itself, directly impacts the cost of doing business. Today, it costs the Air Mobility Command $11,626 per hour—$11,626 per hour to fly the C–5A and B airplanes; and it costs $5,960 per hour to fly the C–17. That cost difference, the low reliability of the C–5, and the large size and runway length requirements drive the Air Force to use the C–17 for more than 80 percent of airlift missions worldwide and 90 percent in theater.

Faced with this reality, the Air Force set about a program to improve the performance and reduce the operating costs of the C–5. I supported that program at the outset. In fact, I led a delegation to Andrews Air Force Base many years ago to actually see the C–5, experience its problems; and we authorized the modernization program subsequent to that.

The core of this effort is the Reliability Enhancement and Reengineering Program, generally referred to as RERP. While the program is still in its infancy, we were recently notified that it suffered a Nunn-McCurdy breach due to substantial cost growth. In fact, the latest Air Force cost projections of $17.8 billion in the program costs are more than 50 percent higher than it was originally forecast at a $5 to $8 billion level.

If you recall, Mr. Chairman, the Fiscal Year 2004 National Defense Authorization Act prohibited retirement of C–5 aircraft, one of the hurdles that I talked about a few minutes ago. So today we have an aging fleet of aircraft with low reliability rates and high costs to operate.

We have modernization programs that turn out to be more complex, more costly, and less productive than we had anticipated.

And finally, we have those that would prohibit the Air Force, here in Congress, from doing anything about it by legislating that they must keep these old airplanes on the tarmac. In the case of the strategic airlift, we are jeopardizing the deployability and readiness of the remainder of the armed forces. We are overflying the assets that we do have, that is, the C–17 fleet, to compensate for the shortcomings of the C–5 fleet that we are trying to sustain, and we are pushing an enormous bow wave of procurement requirements to generations to come.

During our question-and-answer period, I will inquire about how to fix the airlift recapitalization plan. I supported the original plan, as I said a few minutes ago, to modernize part of the C–5 fleet. But those who believe that it would be wise to modernize the entire fleet, rather than just the newer B models, which were the birds to be modernized in the original plan, must now realize that the degree of inefficiency and the high cost of modernizing all 111 C–5s make it a most unwise option.

General Moseley and Secretary Wynne, the Air Force is facing some extraordinary challenges. I thank you for being with us today, and look forward to hearing your perspectives on these challenges.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Saxton.

Secretary Wynne.

STATEMENT OF MICHAEL W. WYNNE, SECRETARY OF THE AIR FORCE

Secretary WYNNE. Thank you, Mr. Chairman.

Mr. Chairman, members of this committee, it is my pleasure to come before you today to represent our total force of active, Reserve, and National Air Guard airmen that provide the strategic shield for America in air, space, and, increasingly, cyberspace. I appreciate the opportunity afforded to update my testimony from the spring as the Congress comes to grips with several funding vehicles for the armed forces.

First, division. Like President Teddy Roosevelt opined, speak softly and carry a big stick. Our mission is to provide sovereign options that speak directly to this extension of diplomacy by other means. This spring, I worried about our Air Force future as we get smaller. And recently, in a very public way, I filed off a yellow-star cluster about how the strategy for recapitalization was not working like I wanted, and I worry.

I have been advised by our historian that we, as an Air Force, are now smaller than the Army Air Corps was on December 7, 1941. More capable? Yes, provided that recapitalization picks up the pace. But sometimes, as well, quantity has a quality all of its own.

Our mission spread has steadily increased, and no one has relieved us of the strategic mission, even as we stretch our forces to protect and supply joint coalition forces in the ongoing global war on terror while actively deterring in other parts of the world.

This point was recently hammered home with regard to the unauthorized weapons transfer that occurred between Minot Air Force Base and Barksdale Air Force Base. This was the sixth of 12 planned flights to comply with the decommissioning aspects of the Moscow Treaty. Weapons transfer procedures were in place and validated. The number of people available to make the tactical ferry program work was sufficient. The adherence to procedure was lacking, and the sequential errors this set in motion are being corrected.

We are asking, via a blue ribbon commission, are the training and surrounding procedures adequate to eliminate this in the future? DOD is asking General Larry Welch, Retired, in his role in nuclear surety, to look across the DOD and identify weaknesses.

The Department of Defense inspector general investigation to determine the correctness of our findings is in progress. We are satisfied that, with recertification, the tactical ferry program could resume in a safe manner.

Though we are proud of our people who presently serve in the ground force tasking, it is a conundrum at this time why air taskings are highly desired by ground forces. But that is not my present concern because, if we forfeit air dominance in the future, this difference is moot.

Increasingly, the asymmetric advantage that we have, as indicated by General McCaffrey in a recent note, is being reprioritized in a funding sense. We have recently requested that the F–22 line be extended by converting the closure costs to long lead to ensure the President has a fifth generation line open. As you know, we are nowhere near the requirements set by Air Combat Command of

381 of these fifth generation fighters. We have been advised informally that this will break the bank for the Air Force, unaffordable in fiscal year 2010. And it is big money, no doubt.

I have been told that the Air Force isn't bleeding, and we all grieve for the Army and the Marines, and are working hard to set the conditions for victory with them. But when the Air Force does bleed, as it did in World War II with 40,000 lost in Europe and more in the Pacific, or in the fighters, F–4s and B–52 raids over North Vietnam, to Triple-A—when it does bleed, some enemy will have discovered that we have forfeited air dominance, and I worry. I was taught some of the best lessons are taught by the enemy on the battlefield.

Strategically, we learned well, and we have held our position not in vengeance, but as a sovereign option. And we need to husband this, our asymmetric advantage, and never get into a fair fight in the air. As well, nurture our advantage that we now have in space and grow to dominance in cyberspace.

So, as an update, you might ask what do we want? Number one, your Air Force has gotten more efficient, and we have saved resources. Let us supply those resources to recapitalization. Don't allow any open production lines to close until we have restored and stabilized our Air Force readiness. Surging strategic forces too late comes at our peril.

Number two, we are so proud of our people, especially supply, maintenance, and adoptive operators in airspace and cyberspace, that we worry about the stress and strain that is showing up in our retention figures and on families. High tech requires high touch, and we appreciate what you can do to support our commitment to our Air Force family.

Number three, we have indicated that we would like as much as a $20 billion per year increase to recapitalize at efficient rates in air and space and cyberspace. I ask that you take a careful look at priorities, and don't easily trade strategic advantage to maximize our tactical engagement. The world is simply not getting kinder, and both need funding.

And last, number four, allow us to manage our fleet within our Air Force.

Thank you very much. I am prepared for your questions.

[The joint prepared statement of Secretary Wynne and General Moseley can be found in the Appendix on page 55.]

The CHAIRMAN. Thank you, Mr. Secretary.

And General Moseley.

STATEMENT OF GEN. T. MICHAEL MOSELEY, USAF, CHIEF OF STAFF, U.S. AIR FORCE

General MOSELEY. Mr. Chairman, distinguished committee members, thank you for the opportunity for the Secretary and I to spend some time with you this morning to talk about things on your mind as well as things on our mind.

Let me start by saying, America expects its total force, its Air Force, to deliver decisive military power on a global scale; and today we are able to do that. Today, we give our Nation true global vigilance, global reach, and global power; the ability to see and sense targets and activities around the planet, in the heavens

above, and in the growing domain of cyberspace from networks of computer systems, manned and unmanned airborne platforms, and through constellations of satellites; the ability to reach out and strike these targets or activities, supply them or evacuate them, continue to surveil them, or simply hold them at risk, deterring and dissuading or compelling enemies far from our Nation's shores; and the ability to quickly, precisely, and lethally, if required, bring American airspace and cyber power to bear to impart strategically dislocated and paralyzing effects on our opponents in all weather, daylight or dark, at speeds unmatched in any medium.

Yes, your Air Force is the most combat-tested force in its history, having been in combat continually for 17 straight years.

The Secretary and I visit our total force airmen, active, Guard, Reserve, and civilians at their deployed locations and throughout the country. We are bolstered by their morale and their uncanny ability to maximize the technology we give them to fight in today's conflicts.

I am impressed by our newly recruited airmen, and by the airmen and their families we retain term after term—Guard, Reserve, active. And I am awed by the magic that they work to keep our Air Force the best in the world. These airmen are absolutely committed to winning the war today.

Today's mission: It is not something we can or will walk away from, because our enemies currently fighting in Iraq and Afghanistan will follow us home. It is my opinion that we must win this war today. However, as a service chief, I am worried about tomorrow. Beyond Iraq and Afghanistan, there are storm clouds on the horizon, troubling global trends that will bring friction, competition, and conflict that will no doubt involve potential adversaries who have gone to school on American air power these last 17 years.

Our Nation's existing and emerging competitors know that the combined power of America's joint military team, first and foremost, depends on air, space and cyber dominance. Potential opponents understand this awesome asymmetric advantage that the United States Air Force gives this country, so it is not surprising that many of them are developing and buying weapons that will put the air and space dominance we enjoy today at risk. Yet the air and space inventory America relies on today is largely what Congress appropriated 20 or 25 years ago.

We won't choose where the next fight will start. We won't know for certain how far off this distant horizon is. What we do know is that the next fight will depend on the long arm of America's Air Force and that that long arm is becoming increasingly less capable over time. Ours is a tired and aging inventory that must be recapitalized and modernized to prepare for an uncertain, complex, and threatening future.

Tomorrow's successes depend on our ability to defend the American homeland, to shape and influence events around the world, and to deter, dissuade, and defeat our country's enemies. The timelines associated with fielding such new capabilities preclude us from waiting until tomorrow to think about tomorrow.

At the rate at which we get to the distant horizon, certain strategic surprises, such as successful antisatellite test shots, escalating nuclear efforts, continually outpace our estimates. We must

therefore accelerate our efforts to build a 21st century force with the required range, payload, speed, survivability, lethality, and precision.

We must begin that today. This critical piece of the joint team won't change over the future.

To ensure our ability to fulfill what we see as our roles and missions and to ensure our ability to dominate airspace and cyberspace, we have embarked on the biggest and most important recapitalization and modernization effort ever. This effort includes retiring old and obsolete aircraft, such as the C–5A, KC–135E, C–130E, U–2, B–52, and replacing them with fewer numbers of more capable systems. Our top five procurement priorities are a step in the right direction toward fielding these systems.

We have also programmed for C–130Js and joint cargo aircraft, now the C–27, more unmanned aerial vehicles, and the F–22 fighters and F–35 fighters to fulfill our Nation's combatant commander requirements and to flesh out the full-spectrum capabilities we expect for tomorrow.

Mr. Chairman, we truly appreciate the committee's consistent support of goals and priorities, and for watching over the great people that wear the uniform of the American military. We look forward to partnering with this committee in the future to guarantee that America's global vigilance, global reach, and global power remain intact.

Mr. Chairman and distinguished members, we both look forward to your questions and your comments. Thank you, sir.

[The joint prepared statement of General Moseley and Secretary Wynne can be found in the Appendix on page 55.]

The CHAIRMAN. General, thank you very much.

We are here to gather accurate information, and sometimes a "yes" or "no" answer is far better than a dissertation on how to make a clock.

So let me begin. Secretary Wynne, do you have too many people in the United States Air Force?

Secretary WYNNE. Sir, right now we cannot afford to have——

The CHAIRMAN. Just give me a "yes" or "no," and then explain, please.

Let me ask it again. Do you have too many people in the United States Air Force?

Secretary WYNNE. We are continuing to decline, so the answer is "yes."

The CHAIRMAN. All right.

You wish to cut some 5,600 from the Air Force active duty? Is that correct?

Secretary WYNNE. We are constrained by the amount of money we have, sir, so we are in fact cutting those people.

The CHAIRMAN. And you wish to cut some 7,700 from the Air Force Reserve. Is that correct?

Secretary WYNNE. I do not wish it. I would prefer not to.

The CHAIRMAN. You are asking them; am I correct?

Secretary WYNNE. Yes, sir, you are correct.

The CHAIRMAN. Mr. Saxton.

Mr. SAXTON. Let me just follow up on that question by asking this.

What is it that causes you to visualize the need to make the cuts that the chairman was just talking about?

Secretary WYNNE. I tell airmen who ask me this very same question that the chairman asked me—I say, it is the duty of every airman to make sure that the future airmen are as capable and as confident to go to war for America as the airmen are today. One of the sacrifices we have to make is cutting force structure and trying to do more with less.

The reason is because I foresee that we are just not going to get the resources to recapitalize at the rate we need to recapitalize. And I worry more to make sure that if there is only one pilot left, they have the best possible equipment that America can afford to give them.

And that is the mission that we took three years ago—two years ago, really—when I became Secretary of the Air Force. It was as a former airman; it was not one that I looked forward to and certainly not one that I look forward to. And I confront that question at every air base that I go to.

Mr. SAXTON. I mentioned earlier that General Casey was here testifying a short time ago, and he indicated that in order to both modernize and repair equipment and to carry out all the other responsibilities in the Army, he simply didn't have enough money.

Isn't that the case with the Air Force as well?

Secretary WYNNE. Yes, sir. We have summed it up by saying that we feel that the $20 billion per year is an approximate level where we could buy efficiently and we could also man efficiently across our Air Force.

We are committed to managing the resources as best we can, and that is the reason we are embarked upon Air Force Smart Operations 21, which is a Lean Six Sigma, adopted from American industry; but it is an unpleasant reality that at some point we will be too small.

Mr. SAXTON. Now, Mr. Secretary, you just talked about managing the Air Force, and that is an important phrase. So your choices, again with regard to modernization, are to make some tough choices; and with regard to personnel, to make some tough choices—to balance the books, to reduce personnel. And I guess I would have to conclude that you don't really want to do that.

Secretary WYNNE. Sir, I do not really want to do that, but I believe that the budget pressures are forcing us to be a smaller Air Force, whether it starts with equipment or whether it starts with people.

In the Air Force, we buy equipment and we man the equipment to the best of our ability. I would have to tell you that if I cannot buy new equipment, it doesn't do me any good to have people standing around on the ground; every airman or rifleman does not work in the end.

Mr. SAXTON. Mr. Secretary, in your opening statement—I wrote down several things that you had mentioned, and one was that we should not allow any production lines to close.

Would you tell us specifically what you are referring to there?

Secretary WYNNE. The purpose of an air force is to fly airplanes. I worry about our industrial base. We currently have only one large transport line in America. We currently have active only one fifth

generation fighter line. We currently have active only one medium transport line in America.

Mr. SAXTON. And what would happen—let us talk about the strategic line, the transport line; what would happen if the C–17 line closed?

Secretary WYNNE. We would probably—under management, we would put those tools in as close to ready storage as we could. We would have to take an order approximately three and a half years out, because you have to go to a forging mill in order to restart the line.

I have got to have forgings for the landing gear, and so since I am not storing any forgings, I would probably be using what I could of my spares line. And it would be three and a half to four years to restart that line.

Mr. SAXTON. And how much money?

Secretary WYNNE. I haven't estimated it, sir, but the last time I looked, it was close to—in the 10s, it wasn't in the single digit billions.

Mr. SAXTON. So additional money to an Air Force that is already strapped and trying to balance the books by reducing the size of the force?

Secretary WYNNE. That is right.

Mr. SAXTON. Recently I had the opportunity to join General Light in bringing the first KC–135R model to McGuire Air Force Base. As we taxied up to the tarmac, I counted 17 KC–135E models parked on the tarmac. And I said to General Light, where are you going to park these newer R models? And he said, I don't know, but we are going to figure that out.

What is the problem?

Secretary WYNNE. The problem is that we have 85 active KC–135Es. We only have 40 that can fly. Of those 40, more than 13 are being stood down locally by their commanders because they don't want to fly them. They break too often and they suck their maintenance out.

So what we would like to do is get the right to retire KC–135Es, to transfer the Rs into their slots and, effectively, better manage our fleet. We think we can use the crews that are currently assigned to KC–135Rs to effectively get more efficiency out of the KC–135R fleet.

And, of course, we need desperately to start that.

Mr. SAXTON. Isn't it true that Congress legislated in such a way that you can't retire those old airplanes that are costing us money to sit on the tarmac and take up space that we need for other airplanes?

Secretary WYNNE. Yes, sir. And further requirements, we have to have an assigned maintenance crew to go down and start the engines every so often, even if the planes never leave the ground.

Mr. SAXTON. Now, isn't there a retirement problem with other aircraft in your inventory, such as the C–5?

Secretary WYNNE. We are restricted on the C–5 to manage that fleet. We are attempting, as you know, to increase the capability of that fleet. We know the reticence of the contractor is, the A model aircraft are so old that when they open the aircraft up they are afraid to bid a fixed price on the repair job because they are

afraid it may have, in an aging, geriatric sense, "cancer" in the aircraft. If it does, it will cost them and us a lot more money. This is the essence of the problem.

The B model aircraft, I believe, are a lot more accepted—and are a lot younger, by the way—to make the transition. So, yes, sir, we are constrained there.

And we are also constrained on C–130Es. We would like to remove the 1,000 requirement for the E models that are at A mark already, and retire another tranche of C–130Es. I remember when I was an officer in 1973, the E model was the one that I worked on as—when I was in the Air Force.

Mr. SAXTON. All right.

Mr. Secretary, back to the C–5 issue again. Isn't it true that your—meaning the Air Force, some years ago—original idea on the C–5 modernization program was to do just the B models? Is that correct?

Secretary WYNNE. I believe so.

Mr. SAXTON. Right. And wasn't it Congress that did two things: actually put the retirement restriction in law relative to C–5A and B models, and required the Air Force to study and do a test on whether or not it would be possible to modernize—or feasible, let me put it that way—to modernize the C–5A older fleet?

We did those two things, didn't we?

Secretary WYNNE. I believe you did, yes, sir.

Mr. SAXTON. Yes, sir. And at the outset we thought the cost of doing that would be somewhere between $5 and $8 billion, and you have recently sent out a message that the Nunn-McCurdy breach has been reached. And, in fact, the $5 to $8 billion has increased to almost to $18 billion; is that correct?

Secretary WYNNE. We are examining what the extent is, and I think the difference is between 12 and 17, yes, sir.

Mr. SAXTON. Twelve and 17; I saw a number of 17.8 billion. All right.

And if you had your druthers, and the legislation weren't written the way the—the statutes weren't written the way they are written——

Secretary WYNNE. I believe we and the contractor——

Mr. SAXTON. How would you manage the C–5, C–17 fleet? And I remind you that just a minute ago you said it would be a bad idea to close the C–17 line.

Secretary WYNNE. I do believe it would be a bad idea to allow the line to close. It is one idea, just like the reduction of force structure that I am confronted with. And I am confronted with it because I can't afford to put in my budget more C–17s.

To your question, we look at the C–5Bs as great airplanes. We would like to see them extended. We have some C–5As that we think we should change and aircraft modernization program (AMP) them, and we can fly them in America for outsized cargo locally; we would just not take them overseas.

I will tell you that the Navy has already rejected the use of C–5s, and they have requested Antonov airplanes. We have flown over 200,000 pounds of cargo with Antonov airplanes, and the Antonov airplane fleet is doing very well. I believe the line may still be open over in Russia.

We are now, by the way, sharing the mission of flying mine resistant ambush protected vehicles (MRAPs) over to Iraq between C–17s and Antonov airplanes. I think it is a good use of the commercial, but it is an indication—if you will, a large arrow. That basically says that was—300 units of that was prescribed in the 2005 Mobility Capabilities Study (MCS–05) that only talked about the American fleet. Did it truly consider that we would be supplying war supplies with Russian-made Antonov airplanes? I don't know. I do think it is a good answer, given the state of the fleet that they have.

Mr. SAXTON. Mr. Chairman, I have taken more than my amount of allotted time, and I thank you for giving us that flexibility.

I must say that I heard something that I wasn't fully aware of, that we are using big Russian planes to fly materiel to theater because our C–5 fleet is not capable of carrying out that mission and we don't have enough C–17s to substitute. So I think that makes a great point.

I would just say, Mr. Chairman, in conclusion, that our statutes have put handcuffs on some of the services; and in this case we have tied up and gagged the Air Force—not gagged, I guess, but we have tied up the Air Force on their capability to manage their fleet. We have got an opportunity in this conference to address that issue, and I hope we will.

Thank you, Mr. Chairman.

The CHAIRMAN. An observation, Mr. Secretary, that everything of which you speak, whether it be people or planes or equipment, is budget driven. I have heard no word about strategic thought or where the Air Force should be in a strategic position for our country. So I would take it from your testimony that everything is budget driven in the Air Force, as opposed to giving thought to where this fits into the defense and security of our Nation.

Mr. Ortiz.

Mr. ORTIZ. Thank you, Mr. Chairman.

Mr. Secretary, Chief, it is good to see you this morning. And by the questioning from my colleagues, I think that we do have serious, serious problems. And I can assure you that we want to work with you and see how we can—it looks like we are going to have to come from bottoms up to correct what we need to correct. And they were very serious questions.

But—I wish I could continue in that line of questioning, but because my chairman mentioned—and my good friend, Mr. Saxton, we are meeting with the Senate conferees at this time; and we had a meeting with them yesterday.

So I was going to ask, General Moseley, the Senate defense authorization bill would mandate that the Air Force conduct a fee-for-service pilot program for in-flight refueling. Now, what challenges would you see with fee-for-service air refueling, and how would the Senate's pilot program affect the tanker flying hours program?

And it goes much further into other things now, the criteria for number of hours, the number of contractors, and the number of aircraft. You know what I am talking about. And we want to be sure that when we continue to meet with the Senate, this conference panel, that we do the right thing.

So if you could maybe enlighten me as to how this is going to have an impact on you and the Air Force.

Secretary WYNNE. We worry on a couple of levels, and I would like the Chief to comment.

We worry on a level that it first uses resources. We don't know that it is an imprudent use of resources. The Navy does do fee-for-service tanking. We worry that it might be used as a tool to delay the KC–X program. We worry that I still have an aging fleet of tankers, and the first time to do night refueling is not when you are going to war. I worry, therefore, about training our crews and not having a commercial crew. I worry about how far do we go into the Blackwater world.

Chief.

General MOSELEY. Congressman, thanks for that question. The notion of conducting a proof-of-concept test is a useful opportunity. I think we should do that. I think we should look at these details and see what opportunities are there.

My concern is, we are given guidance to conduct something more than a proof of concept that takes us into an operational area. That creates some concerns about assignment and training of air crew maintainers, about cost for this, about passing the operations and maintenance (O&M) cost through a contract, about where do our people live, how do we operate, how do we deploy, how do we fight.

It is one thing to look at a proof of concept, which we welcome; it is another to take an immediate leap to an operational template that drives us into a force structure discussion before we know the impacts after the proof of concept.

So, Congressman, I would offer, the test is a good idea. The ability to look at this is a good idea. Then we need some time to look at the operational impacts and the magnitude of a contracting scheme or a contracting template that may or may not have true operational impact on the way that we provide aerial refueling to the joint team and the combatant commanders.

And how would we deploy these, or not? How many would we look at? What type? What is the technology presented? Is it a boom or is it a basket? If it is a boom, my understanding the booms have not been developed yet. So there are some things to think about.

So the proof of concept, I believe, is a good idea. I think the two of us, we would welcome that. But to go straight from that into an operational construct, I think, is premature.

Mr. ORTIZ. The way I feel, I think that we need to give you some flexibility and see how it works.

Now, I have nothing against contractors. I mean, you know, you contract when it makes sense. But I know we have Federal Express and we have other contractors, but I would much rather—and this is my own personal opinion—see it in house, because you have better control.

You know, just like you stated, where are they going to site—where are they going to live, the workers?

I have had experiences with contractors. Sometimes—in fact, not too long ago, we had flight training in Florida where the instructors went on strike, and for about two, three months they couldn't teach our pilots how to fly.

I mean, it is a matter of when somebody can strike, would be different than when you have control over the people working for you?

And I don't want to take too much time, but I know maybe there will be a second round, Mr. Chairman.

General MOSELEY. Congressman, there is another piece of this that I don't know. And the details that I have seen of the concept would not be as onerous on the overall operation. But I don't know what the final details are, and I don't know—when you look at a KC–135 or a KC–10 performing a refueling mission, that is an operational training mission for the tanker crew as well as for the receiving crew. So I don't know what this would do to our overall training and our overall readiness rates in our tanker squadrons. So the first step is a proof of concept to see what this looks like and to see how we would apply this.

I welcome that, but I am hesitant to buy into an operational construct immediately without the proof of concept. I don't know what that does to us until we can see the details.

Mr. ORTIZ. I agree with you.

And, again, we will work with you. It is nice to see a fellow Texan with us this morning.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Terry Everett.

Mr. EVERETT. Thank you, Mr. Chairman. I appreciate it.

Mr. Secretary, General Moseley, thank you for being here today, and thank you for your service to our country. We are going to talk a lot today about hardware. But before we get there—I have some questions myself about hardware.

Before we get there, I would like to talk about some things going on at the Air University down in Maxwell; and what the Air University would like is the authority to award a doctorate degree in strategic studies, a master of science in flight test engineering, and a master of science in airspace and cyberspace.

Would you tell me what this means to the Air Force and also what it means to our professional men and women that have chosen to wear the uniform to serve this country?

General MOSELEY. Congressman, thank you for that question, and thanks to the committee for helping us with this.

In our tenure, we have asked Air University, the commander of Air University and Air Education and Training Command, to revitalize everything we can about Air University to be relevant in today's fight, to understand more about insurgencies and more about a global war on terror, but also to understand how to better take care of our people and prepare people for the future and to better gauge what the future may look like. So for Air University to be able to grant this degree is a big deal for us.

But, sir, I would also tell you that this is, as one of our officers goes through the course of Command and Staff College in many of the schools, from Monterey to Navy, Marine, Army, and back to the School of Advanced Aerospace Studies, they have already done most of the course content that would allow us to accredit that degree.

What we are really asking for is the ability to give credit, which is for the work already been done.

I also want to be able to stress upon future officers the ability to see the horizon better. I want bigger thinkers. I want broader thinkers. I want more joint thinkers, more combined thinkers. And the ability to wrap this up and partner this inside Air University is a big deal for us for the future. It helps us get our arms around tomorrow. It helps us prepare ourselves for the bigger thinkers and the bigger thoughts and the uncertainty for tomorrow.

So, sir, thanks for that question, and thanks for the opportunity to tell you this is a big deal for us. And we welcome the committee's help on making this happen.

Mr. EVERETT. Well, thank you.

You have testified that our tanker fleet, which we need—we have to have, we can't not have it—that it is about 44 years old. And I have a two- or three-part question on that.

What is your current plan to retire these aircraft? Does your current acquisition plan for the KC–X, Y and Z tankers support the retirement plan? What is the current timing for the KC–X acquisition? Will there be any delays in that? And then what are the attributes and assessment criteria you are using to choose between the capabilities of the contenders for the KC–X?

Secretary WYNNE. Sir, one thing that is for sure is. We have 44-year-old tankers. One thing that is for sure is that some of those tankers will go to age 75 before we can retire them simply because of affordability, that we cannot afford the rate of growth. Even if we were to award today, we can forecast that they would be 75 years old.

Our plan is to go ahead and put that program into action, retire the KC–135Es with the accession of the KC–X. And our plan then is to essentially prolong the best of the KC–135Rs until we can fully replace and amortize those.

The KC–10s, as well, will look like they are going to span and work for another 20 to 25 years.

We right now are treating both competitors with extreme fairness. All of the things that we have been through have augured for transparency and fairness in competition. We have done a very serious look at what they have done, and I still hope that we can, by January of next year, come to an agreement and award a KC–X contract. And that is where I am aimed.

Mr. EVERETT. Did you say this year or next year?

Secretary WYNNE. 2008.

Mr. EVERETT. 2008.

General MOSELEY. Congressman, if I could follow up on the KC–135 challenge, Congressman Saxton saw those airplanes in McGuire.

The KC–135Es that we have parked, every week we have to send a crew chief out and tug and tow the airplane a certain distance to be able to keep the tires from going flat. And every 25 or 30 days we have to taxi the airplane to an engine run stand and run the engines to keep it in a status as mandated by language.

Our preference would be to be able to manage our own inventory and retire those airplanes so we don't spend manpower and time and money on these mandated status of these old airplanes.

We have two locations that we are flying the E models, one at McGuire and one at Scott. Those are scheduled to come off of the

books so that we don't have to do that. And our request to the Congress is to lift the restrictions on the XJ status and on the 1000 status so we don't have to spend that time and manpower and money on these airplanes that we don't fly.

And we only fly the KC–135Es in the vicinity of the airfield for Operation Noble Eagle and the Northeast Tanker Task Force. We don't deploy them. We can't take them into theater. We can't lift the weight. We can't operate at the temperatures with this airplane. And by the spring of 2010—all of them are now grounded because of the pylons and the structure, and so we are asking again for the Congress to please give us the authority to manage our inventory so we don't waste crew chiefs and manpower and time and money on these airplanes.

Mr. EVERETT. Thank you, Mr. Chairman.

The CHAIRMAN. It is good to hear General Moseley speak about the Air University and teaching people to be big thinkers, strategic thinkers. It would have been helpful had we had a bit of your strategic thought through the Air Force eyes this morning, as opposed to budget cuts from people and budget constraints on your airframes.

The Air Force fits into a strategic mold for our entire national security, and I would hope that your testimony is based upon solid strategic thought, which we haven't received this morning. And I know the gnawing pressure on you is budgetary, but it would help for us to get a picture as to why you are making these decisions based upon solid strategy.

Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. I want to ask a couple of questions.

First, maybe I will ask you, General Moseley, as you look at what is going on around the world and the tremendous responsibility you have now in terms of moving people and personnel into Afghanistan, Iraq, and those kind of theatres, I will ask you the General Casey question. If we have, you know, two weeks from now some major event that is going to require military action somewhere in the Far East, somewhere in the Pacific area—whether you talk about North Korea coming across over the border or something over Taiwan, a major event—do you have the ability now, from the transportation perspective, to move the kinds of personnel and equipment that would be required in those kinds of events and still maintain your current responsibilities in Iraq and Afghanistan?

General MOSELEY. Congressman, it would be a challenge. I would be remiss in telling you we couldn't do it. I mean, we would break all the rules, we would break all the established procedures to be able to deliver to Admiral Keating or General Bell the required materiel and people on the peninsula or in the Pacific.

Some of the airplanes that we have, the C–5As, there are a number of them that are less reliable than others. But the crews that fly them and the maintainers that operate them at those bases, whether they are active, Guard, or Reserves, spend their lives trying to get those airplanes to do what you are asking.

So it is not because the people don't try. Some of it is just the age of the hardware and the capability attendant with that design.

Dr. SNYDER. But when you say it is a challenge, does that mean you lie awake at night thinking it is going to take longer, it will take you more time? You are at risk of its taking, instead of several weeks, several months, or instead of several days, several weeks? Or you may get planes out there that break down, and you won't have the ability to get them up and moving, that the whole——

General MOSELEY. Sir, you have captured a part of my lie-awake-at-night concerns, and that is that the capacity and the sustainability and the reliability of some of these older platforms, both the tankers and the C–5s and some of the C130s, to be able do that.

And as Congressman Saxton mentioned, we have used the C–17s at a much higher rate because they are so much more reliable. We are operating C–17s now as we used to operate C–130s.

Our C–130 inventory that you are so familiar with, the H models and the J models, are as reliable as any other airplane. The E models are a challenge for us.

Dr. SNYDER. I just wanted to get you to talk about that overall view.

General MOSELEY. Yes, sir.

Dr. SNYDER. Because I think that, you know, you all have a can-do spirit, as does the rest of the military, and you will do whatever it takes to get the mission done.

The problem, I think, for us as a country is, will it take you longer and at greater risk and potentially more loss of lives because of the ability or lack of ability to move things as quickly as you would like to under the best case scenario? And that is the concern.

I want to ask—to pick on Mr. Saxton; my only criticism of what Mr. Saxton said this morning is, he didn't have his microphone pulled in close enough, and I had a little trouble hearing, but I appreciate him taking the time and fleshing out some of these issues.

I don't understand—as you know, I have a C–130 base in my district, and I guess it is to my advantage, having C–130Es sitting out there that have to be started up and maintained, but I don't see it. I mean, I just don't understand why we have congressional legal language that prohibits you from, in your words, "managing your own fleet."

I guess the argument is—in fact, I appreciate in your-all's joint written statement—it is only six pages long, but you have a significant couple paragraphs in here talking about just some of the need to retire some of these E models. I guess the argument would be the fear that you are going to go in—that is, the Air Force, if you had the ability to completely manage your fleet, you are going to overretire, you are going to overscrap, something will happen three months from now that you will say, Oops, we retired too many, we scrapped too many.

Respond to that issue or share with me what you think the arguments are that you are hearing, why we are not giving you the authority to do that.

General MOSELEY. Sir, I would offer to you that the fear that we would overretire is a bit shallow, because we still have the requirements to meet with U.S. Transportation Command and the theater commanders.

And so, for instance, at Ramstein, I am told by our commander in Germany that we have one C–130E that is so broken we can't operate it, and we have four so restricted that we can't lift any cargo other than the crew.

Dr. SNYDER. Don't you have some now sitting on tarmacs that are in such shape if you retire them you won't be able to fly them out of there?

General MOSELEY. The one in Ramstein is going to be a challenge to get out because we can't fly it, I am told. But there are others in that same status.

And so my desire would be, with the commanders in the field, to be able to retire the airplanes before we get to a safety-of-flight issue which, of course, you know we will get to at some point and be able to recapitalize these.

So I suspect some of the fear in the Congress is that we will overretire, and we don't have the budget authority or the financing or we don't have the programs in place to replace those particular airplanes. And, of course, we work that very hard with the Guard, Reserve, and the active components to make sure we don't disadvantage a unit.

Dr. SNYDER. But spending money to keep planes that are not going to be used isn't helpful.

Mr. Chairman, I wanted to add to what Mr. Saxton said, that I hope that at conference—we have language that deals with the C–130E issue, at least we address that in our bill; and I hope the House conferees will really work with our Senate partners to explain to them where we are coming from, because I think it is an important issue of cost savings.

It saves money. Literally, tens of millions of dollars can be saved annually if we will do this.

Mr. ORTIZ [presiding]. I agree with the gentleman. Now that we are in conference, maybe we can look at all these problems that we have.

And now Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman. We had a very productive conference meeting yesterday, as you well remember; and thank you for bringing up the fee-for-service program.

General Moseley, if we could follow up on the fee-for-service for just a moment, very specifically, you and I have talked at great length, as have other very capable members of your staff. You have stated this morning already that fee-for-service presents a potential cost-saving, efficiency-producing option. Tell us the best way to do that.

Based on the conference yesterday, we don't need language from either side—the House doesn't do it, the other body does—telling you what to do and how to do it. Tell us how that should be for the best effect of the Air Force in the country.

General MOSELEY. Sir, my request to the committees would be to give us the opportunity to run a proof of concept, to understand what this really means. And then from that, we can develop an operational construct to know how we would fit that. Would we fit it into only training missions? Would we fit it into only unique special missions? How would that impact our assigning of squadrons, our manning of squadrons? How would that impact our O&M ac-

counts? How would that impact our deployability? How would we deploy or not deploy? How would this fit.

Mr. HAYES. No disrespect, Chairman Skelton. You have made my point. You are the ones to do it. Mention also that you are in agreement that this in no way affects our need to go ahead with the K–CX and retirement of these incredibly costly airplanes. And just for a quick refresher, those here who don't fly, one of the most expensive things you do is to start a jet engine. That is the maximum amount of heat, and it costs you a ton of money, but you have to start it.

Well, anyway, I made the point for you. Now, let me jump over—well, go ahead and finish the service—this is not interrupting what we need to do for the future of the Air Force.

General MOSELEY. No, sir. This is a useful look at an opportunity or an option. We embrace that. It cannot be a negative influence on fielding of K–CX because this will not provide the capacity for the jet tankers that we need for the joint team or the combatant commanders. We have to proceed with the number one procurement priority of the Air Force, which is the K–CX.

Mr. HAYES. Absolutely. And I hope the other body is listening. It is very, very important that we do all aspects. And as you and I talk about it both as members of the Air Force and legislature, the practical matter—and you all, for the benefit of the Air Force and the military, raise the proper concerns and I am confident that you are addressing them fully. Joint cargo aircraft, there seems to be a little confusion. You and I have talked about this. The portion that goes to the Army, you are still in support of that concept, correct?

General MOSELEY. Absolutely.

Mr. HAYES. All right. There seems to be another train of thought out there that DOD or somebody wants to change that and give it all to the Air Force. That is incorrect?

General MOSELEY. Sir, General Casey and I have had several conversations and we are working our way through this, chief to chief. There is still a roles and missions issue about intratheater airlift and about how intratheater airlift is conducted for the joint team. That piece is yet to be discussed. But the programmatic piece of fielding the C–27 in the Army, the Air Force, the National Guard or the Air National Guard, I am a big believer in this and I think there is a requirement for about 125 airplanes.

Mr. HAYES. Okay. So you very clearly said, or I heard you say that you want the Army to have those aircraft as we have outlined it, and the last tactical mile is what you and General Casey are going to work out in theory. Is that sort of what we are saying?

General MOSELEY. Sir, the last tactical mile is an interesting notion, because I believe in the intratheater airlift business. The last tactical mile also belongs to the air component, whether it is joint precision airdrop or whether it is a C–130 or whether it is a C–27. That is the discussion that General Casey and I will continue to have. But I do believe this is an intact program and I do believe that this is a useful program for the National Guard, the Air National Guard, the Army and the Air Force. Where the program ends up living and what has the program oversight and intratheater airlift, we are working our way through that, sir.

Mr. HAYES. Okay. I am not 100 percent clear, and I think you are saying that the Army has that capability now with helicopters. It has it with old Sherpa and aircraft that are even older than the tanker fleet. So this needs to be worked out so that they have that capability where a fixed wing is a far better instrument than a rotor wing aircraft to provide that flexibility for the Army, and you and General Casey are going to work that out.

General MOSELEY. Sir, absolutely. The defining of the requirement for the delivery of materiel lives inside the land component and air components of a combatant commander. And so how intratheater airlift works and how things and people are delivered lives inside that joint structure. I believe that this airplane is useful and I believe we should buy this, and I believe the delivery schedules with the units that we have announced that happen to be Army Guard units first, we should continue with that delivery and with that funding.

Mr. HAYES. Mr. Chairman, that gets me for now. I wanted to try to help the other body understand the Air Force.

Mr. ORTIZ [presiding]. I think it would be good if we could get our staff together before we go to the next conference meeting so that they can go ahead—they know what the needs are and they can continue to meet with their staff. Like I said this morning, we have huge, huge problems. And some of this you can do on your own. But if you don't have the money and if you don't have the blessings from above, there is not much that you can do.

Mr. HAYES. Mr. Chairman, we had that preliminary meeting after we finished the conference the other day and it was—they were listening. I don't know how well they processed it. But I think clarification provided by General Moseley, Secretary Wynne, yourself, and Chairman Skelton this morning should be very helpful as we follow up. I will call in Ms. Tauscher if we need reinforcements.

Mr. ORTIZ. Sir, I agree with your statements and I hope that we can get our stuff together and start working on this so we can get with the oversight on the Senate side and start working on this so we can try to see how we can help you. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman. I just want to follow up on Congressman Hayes' questions on the joint cargo aircraft. The present arrangement operates under a memorandum of agreement between the Army and the Air Force; is that correct?

General MOSELEY. Correct.

Mr. COURTNEY. Okay. And obviously the Senate passed language which would change that arrangement by statute at a point where it is clear, just from your testimony, you have not really completed your discussions with General Casey; is that correct?

General MOSELEY. Sir, we have had several discussions, but not come to closure. I believe what I am seeing in the proposed language is the notion that the Air Force does intratheater lift. We spend our lifetime looking at intratheater lift and delivering people and services, whether it is a C–130 or in this case a C–27 or a C–17. So I believe—I have not been asked, nor have I talked to them. But I believe that is the genesis of the language in the other committee.

Mr. COURTNEY. And that is fine. And you may be absolutely right that that belongs in the Air Force. The problem I have is that Con-

gress is jumping the gun by inserting language without, in my knowledge anyway, a public hearing even on this issue. And I think you know that the ripple effect in terms of the disclosure of the language from the Senate has caused great consternation out there because this program has proceeded under the memorandum of agreement that there has been staffing on the Army side that has not been matched by the Air Force, and there are people who are very concerned about whether or not it is going to push back the planning and the implementation of the JCA program.

Again, this is not about the Air Force as far as I am concerned. I think it is about the Congress jumping the gun with a process—I am a freshman. I am brand new. I was in the State legislature, though, for, eight years and it always seemed like unless there was an emergency before you act, you actually have a hearing and you discuss it and you have a real exchange and dialogue on any issue before you proceed.

General MOSELEY. Sir, could I take a bit of issue with you on the notion that the Air Force has not been involved in this? We have been involved in this at the very beginning in the joint program and we understand how to field airplanes and buy airplanes and operate airplanes. So the notion that there would be a delay, or the notion that it would cost more, or the notion that there would be a disruption, I don't buy that. But General Casey and I have not had a chance to sit down and have this discussion that you are talking about.

Mr. COURTNEY. To me that really is the bottom line, which is that that should happen first before Congress proceeds with changing the status quo. And I appreciate your answers because that sort of helps frame sort of where we are in the process today, right now.

And I just wanted to go back to the point that I was making because you did respond to it, which is the question of how the JCA program has been proceeding; because the Army, again, it appears that certainly since the agreement was signed, they have staffed this program to a greater extent than the Air Force right now. Maybe you can help with that.

General MOSELEY. Sir, I will disagree. This is a joint program. We have had people in the program office. We understand how to build and operate and fly airplanes. I would offer to you that I disagree with the notion that there would be any disruption or delay or any impact on the program. I just don't agree with that. But, again, General Casey and I haven't had a chance to talk about this. And, sir, this is approaching the roles and missions issue about who does airlift.

Mr. COURTNEY. And it does. And obviously this triggered a great response, pointing out the fact that the Army has been involved in this for a long time and that it is a change that the Senate has proposed a course of action that has been in existence for an awful long time. Again, to me this is about the process, and I don't see an emergency here that says that we should go forward without having this thoroughly discussed so that everybody is on the same page. And there is a lot of confidence out there because there are National Guard associations, Governors out there that have erupted since the knowledge of this language was disclosed. And I don't

think that is fair to them. I just don't think Congress should surprise people who have been acting in reliance on a system and a memorandum agreement that has been in place for at least a couple of years.

I don't know if, Secretary Wynne, you want to respond to that at all.

Secretary WYNNE. Sir, I was just going to say that the Army was very collegial in accepting the requirements that we needed. This is not called the joint cargo aircraft because it is a single op.

Mr. COURTNEY. Right. But what the Senate is proposing to do is take the joint out of the——

Secretary WYNNE. The Senate recalls in years past, because you all are the memory for the Department of Defense because we—people like me come and go in the positions that we have. It is an honor to serve, but we understand it is a relatively short time. You may remember when the Army refused to take the Sherpas and they had to write legislation to force them to take it. That is what they remember.

General MOSELEY. Sir, I would also offer we have both been on record and I have met with a variety of Governors to say the United States Air Force is committed to this for homeland security, homeland defense, for a Governors' mission, for the National Guard, for the Air National Guard. There is no walking away from this requirement.

Mr. COURTNEY. I appreciate that. What I think is of concern, though, is frankly the way this process has moved. I mean, we have not given the Governors a fair chance to come to Washington and actually share what their response is to that. I am not saying they wouldn't necessarily agree with you. I mean, what we have heard this morning is that you have tremendous stresses and strain, just like the other branches that we have had hearings on.

I would just humbly suggest again, as somebody who doesn't even come close to your background, that taking on this issue with the process that has been employed by the Senate is not good for your situation in terms of the huge challenges that face you. I think we want everybody working together and the way this process has occurred, it is—it really has not created that kind of confidence for a lot of people out there who want to be your advocates and cheerleaders.

General MOSELEY. But one last offering to you. The airlift and intratheater airlift is a core competency of the United States Air Force. That is what we do for the combatant commander for the Army, for the Marines, for the Navy, for the Special Ops. So I suspect we are looking now at the beginnings of roles and missions discussions because of limited resources and limited programs. I suspect that is where this is beginning to swirl. That is the piece that General Casey and I—that and the Unmanned Aerial Vehicles (UAVs) and C–27s are the things General Casey and I will have a chance to begin to work through.

Mr. COURTNEY. And I look forward to that outcome. But it shouldn't happen in a conference committee behind closed doors. And I will get off my soapbox. Thank you, Mr. Chairman.

Mr. ORTIZ. Thank you. Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman. General and Mr. Secretary, thank you for coming this morning. Can we talk some about the CSAR–X program and kind of bring us up to speed or update to date on where that is? We have had a couple of protests on the awarding thing that the Government Accountability Office (GAO) worked through. And can you talk to us about funding? We have got, I think, $280 million requested in this year's budget for research, design, test, and evaluation (RDT&E). Where is that on the overall original plan, and is it more or less? Give us your thoughts on the overall procurement process for this aircraft as well as kind of where we go from today.

Secretary WYNNE. As I understand it, the team released the draft amendment 5 yesterday, where we have got to give the teams, the contractor teams, about 21 to 30 days to take a look at it and get their feelings back on it and then we'll turn it around and deliver it to them, so we are looking forward to delivering them in mid-November, the final amendment 5.

I think we are going to give them probably 60 days to turn that around. So in January, I would anticipate that we could go through a review and probably by mid-February, which is about mid—the fiscal year we would award. Because the three programs are actually wrapped around helicopters that are essentially designed, we would anticipate that the contractors would be capable of expending the budget that we have asked for. You know, we regret the delay because our warfighters need the equipment, but that is kind of the timing I think you asked for, sir.

Mr. CONAWAY. On the amendment 5, if some of the contractors believe the scope is too narrow, will that be addressed during this comments and response period that you are talking about?

Secretary WYNNE. That is exactly—we believe that we are attempting to comply with the GAO finding. And we think that that is the role that we need to play. And what this is, is this is an ongoing dispute that I think we need to sort out. And so we are asking each contractor to come on in and talk to us about it.

Mr. CONAWAY. Thank you. Just the overall idea of managing your fleet, whether it is C–5s or C–130s or tankers, whatever it is, and in getting back a little bit to what the Chairman talked about earlier in terms of strategic, if you had a balance sheet of aircraft you currently have versus craft that you really need and want, could you give that to us and let us just look at that to see what those numbers would look like all the way—from the cargo aircraft all the way through the F–35 and the F–22 as to kind of the—what should the Air Force capitalization look like if we weren't worried about budgetary concerns?

General MOSELEY. Congressman, we have got that. In fact, yesterday I spent all day with our four-star major commanders and the senior staff, Air National Guard, the Reserve, and our acquisition people doing exactly what the Chairman asked about and what you asked about. We call that the planning force, which is the force that we plan against with the combatant commander's requirements. It has got each of the major portfolios: vigilance, reach, power. It has got each of the major systems. And it has got beddown—not only how many, but where would they be based and

how soon would we base them given the program force and the planning force, and that delta is the budget.

Mr. CONAWAY. Each year we produce, or you produce, an unfunded wish list which we all sometimes think games get played with that. But could you also develop what the delta is between where we are right now in terms of costs—what would it cost us to get to that planned force that you would like to see in place, what is the capitalization cost on that?

Secretary WYNNE. Yes, sir. This should not be a surprise to you because I have been quite public about it. The Chairman made a couple of points and I would say that the difference between the planning force, which we think satisfies the grand strategy, and the program force, which is what the budget is constraining us to do, is a briefing that we have in fact taken internal to the building. I believe it is going to go to Office of Management and Budget (OMB), and I would tell you that is one that we feel like you should request and I think might satisfy both you and the Chairman's desires.

Mr. CONAWAY. Okay. Well, I am not sure how that request thing works, but if the Chairman presents his request from the next-to-last Ranking Member on the committee, we would like to request that briefing.

General MOSELEY. Congressman, that also includes the satellite systems, it includes all the air breathing systems, it includes all of the major design systems, whether they are tankers, cargo, intratheater lift, intertheater lift, the fighters, the unmanned vehicles. It is everything in there about how we meet the combatant commander's requirements.

Mr. CONAWAY. Well, I would like to have that in a briefing setting which would be a little less formal than this. But I would love to get that information. Thank you, Mr. Chairman. I yield back.

Mr. ORTIZ. I think that is a good request. If we could maybe have a confidential briefing among some of you gentlemen so you could really come out and lay it down and tell us exactly what you think when it is convenient for you.

General MOSELEY. Yes, sir. We would also like to include the Air National Guard and the Reserve in this, because everything that we have done, every new system that we are bringing on board, we are rolling that into an associate arrangement with the Guard and the Reserve. Yesterday, we had one of the TAGs with us in the session, as well as the director of the Guard—the Air Guard and Reserve. So nothing we do is without that total force flavor. So I would request if you ask us to do that, please allow us to bring Air National Guard and Reserve representation also.

Mr. ORTIZ. We'd like to do that. An example is the fires in California right now where they are having probably to borrow from other States, but that depletes not only the manpower but the equipment that is being used. So I think that is a good request if we can work on that and then just get among ourselves and see how we can address this. Mr. Sestak.

Mr. SESTAK. Thank you, sir. I have always looked at the Air Force as the most transformational of the services. You said it well in your testimony that you want to dominate not just the air, but the real new commons space in cyberspace. So if that is the stra-

tegic thrust, just go down one more level then on this—just to take one or two operational tenets that have been placed out here to which you responded.

I have been taken with the Air Force that as they look at the F–35, that pilot flying back pushes a button and the maintainers know automatically what is wrong with that plane before it lands. Less manpower needed for maintenance.

You have taken the future—for us in the future for unmanned air vehicles. Unmanned air vehicles. And the leadership you have shown, that aircraft don't have to go up all the time to do twos and twos or fours and fours, they can do it in these new flight simulators. So I have been taken how you have led over the years the fight within the Pentagon that actually the future is one where it should be less manpower-intensive, not as your testimony says the lesser of two evils but exactly the right approach.

And I bring that up because you say we have gone down since 2001, six percent in our manpower, but yet now there are some numbers whether we really need as many. But to me that is really more of a symptom of this Iraqi war as the in-lieu-of (ILO) tasking comes about and your deployments has increased 30 percent. Are you now telling me that the future is really better with more manpower? With all the attending health care costs, all the attendant, isn't what you have always preached over there less manpower-intensive, more technology is the future?

General MOSELEY. Congressman, that is a great question. The ability to do with less people is a reality for us. The new systems require less maintenance.

Mr. SESTAK. A good reality, am I wrong?

General MOSELEY. No, you are not wrong. The notion of how to do this business in the future with fewer of the most expensive of our resources, which are our treasured people, there is an opportunity to be smaller. No different than the Navy has done with the manning of their ships. But, sir, I would also tell you that the contemporary—or today's mission with the tasking has put a bit of a knot in our rope. With about 6,100 people deployed——

Mr. SESTAK. If I could interrupt you, because I don't have enough time. Can I buy off, then, that absent this war, you are on the right glide slope for manpower?

General MOSELEY. Yes, sir. And our planning force that we talked about takes us through a force structure of 86 wings.

Mr. SESTAK. Thank you, General. Because then I can walk out of here saying decreasing manpower, not bad, if absent this war.

Second question, if I could, General. I am sorry. I don't mean to be rolling. I just get 5 minutes and they usually shave 30 seconds off the freshmen.

Airlift experts do logistics, amateurs do tactics. You brought out the Antonov, whatever the Russian aircraft is. And you brought up Korea. Before everybody walks out of this hearing, isn't the real reality that we don't want the C–17s carrying everything over to Iraq? We consciously in sea and airlift want to commercialize a lot of that because it saves us money and doesn't wear our planes out. And in Korea's case, when we invoke civil reserve air fleet (CRAF), the civilian airlift that all our war planes call for—the only real

strain on our lift is when you have two nearly simultaneous major contingencies—we are going to do okay for lift for Korea.

General MOSELEY. But, sir, remember the CRAF is mostly people.

Mr. SESTAK. Yes, sir. If I could—and I should have put this out. We were told by Admiral Fallon when he departed the Pacific, that at this moment we cannot deploy Army units to help 30,000 service members in South Korea, because no one in the unit is ready to deploy, and the Air Force and the Navy will have to be the reinforcements. I think that is a bit bad, and that is the tragedy of this war and why we need that strategic redeployment from Iraq.

That said, at this moment, there is no capability to deploy ground troops. So with CRAF, is it not true that we can really handle that situation from where we are today?

General MOSELEY. Sir, I still at night worry about our strategic airlift and the ability to move things, equipment, bulk, outsized cargo, because a sizeable portion of our strategic airlifters are not as reliable on launch reliability or in commission rates than the others. The going to the contract option is not a bad idea, but it provides you no in-depth capacity or indigenous capability to be able to do that under surge. And if you surge the system with some of the aircraft with low launch probabilities or end commission rates, you won't get there from here.

Secretary WYNNE. Congressman, you know, we stood up five National Guard squadrons to apply Predators so that they don't have to leave their home station. We are also thinking about relying on the National Guard heavily in our cyber command so they don't have to leave their home station. So what we are trying to do is to avoid deployments and avoid—reach forward where we can.

But I would tell you that it is a chicken-and-an-egg thing. When you are desperate to figure out how to save money, you do interesting things to do that. And one of them is restructure and look at your manpower in a very interesting way, and we are looking at it. And it is overlayed with technology. There are no more operators. We use telephone routers, for example. So there are interesting ways to do it. I mean, I worry about it primarily when somebody tells me we are smaller than the Army Air Corps was, but we are more capable and we are more capable. We just need to continue our recapitalization.

Mr. SESTAK. Sir, if I could just close. There are two reasons for my questions. I don't think your answers are spot-on. But I was taken by your testimony where you said as the Army now wants to increase, the Air Force needs to. But I never remember in the 1990's as the Army was going down, that the Air Force said we should come down commensurately.

Second, with the Army asking for $70 billion for 92,000 troops, 22 billion to reset, $6 billion for MILCON, $10 billion a year for wages, and now your $20 billion a year, and the Navy and Army hasn't even been here. Somehow this manpower issue and others and how we use civilian and fee-for-service really has to be an operational part of this.

General MOSELEY. Congressman, remember for Desert Shield, Desert Storm, and at the peak of the Cold War when the Berlin Wall fell, the Air Force was over 600,000 people. On 1 October, we

were 333,000 people. So we have come down as the commensurate forces have come down. As the Army grows and the Marines grow in regimental and brigade combat teams, remember, we have a large number of airmen that are living attendant inside those units. Our combat controllers, our combat weather, our combat com, our air-to-surface operational squadrons and groups, I mean, we live inside those units to provide air-to-ground support to combatant forces. If the number of brigade combat teams goes up, we will have to go up in those particular elements.

And that is another case that—another episode that General Casey and I are working. In fact, how big does that look, how many growth opportunities do we have for airmen to be inside those brigade combat teams? That is an unknown. I don't have that answer yet.

Mr. SESTAK. Thank you very much. As Mr. Secretary just said, this is a conundrum.

Mr. ORTIZ. The gentlelady from Virginia, Ms. Drake.

Mrs. DRAKE. Thank you, Mr. Chairman.

Secretary Wynne, General Moseley, thank you for being here. Both of you in your comments talked a lot about cyberspace. Certainly you know there is a great deal of interest here on that command, but the media reports different timelines. I wondered if you could tell us the timeline that the Air Force is working with and when you expect to know what benchmarks a specific locality would have to meet to be considered, and when do you expect to make a decision about where the cyber command will be sited?

Secretary WYNNE. I believe it is just finding its legs. And we have not established a process to answer the questions that you have. I think I have given them until year end to come up with a process to allow this to happen. So I would be jumping the gun if somebody said, if I were to pronounce timelines, because I don't know where the manpower will come from to do the evaluation to do it. But I will say that we are at an interim state and we will be following the process to determine what is the proper end state.

Mrs. DRAKE. Thank you.

General MOSELEY. There is a follow-on to that that gets to Congressman Sestak's question. In a normal major command, the staff is about 1,000, to 1,200 to 1,300 people just for the staff. As we look at standing up cyber command as a major command, we are having to redistribute amongst the major commands to find that manpower to do that, so it is not a plus-up in total numbers of people. That takes some time because of the competencies we are looking for inside that cyber command. So that is a piece that we don't know yet.

The other piece is you do an environmental assessment and environmental impact studies in a variety of locations. You want to do that right. That takes a number of months to be able to go out to the various locations and consolidate that material and then make judgments on data. So that is playing out.

Secretary WYNNE. But one of the things, just as Congressman Sestak says, as we look at cyber command, we are also looking at it being a virtual command. So the number of people is not going to be anywhere close to what we have in our classic major commands. In fact, so far, I think they have asked for about 180 total

people. And what we are going to do is rely on the out offices to essentially provide them command status via the Net, which is what they are. So we are putting some pressure on them to try to bring us better management techniques, given that they are a part of the New Age themselves. So that is another thing that I think you should take into account is that as we go down this road, we are hoping that this will help us limit some of the angst that is going on.

Mrs. DRAKE. Thank you for that.

I just wanted to ask one other thing quickly if I could. And that is in regards to the Joint Strike Fighter, how many the Air Force plans on procuring and if that is affordable. But my question really wraps around the F–22 and whether the 183 F–22s, whether that executes our national strategy and whether the number of the Joint Strike Fighters, whether that is a block to the number of F–22s that we might need, and especially since the Navy and the Marines are buying Joint Strike Fighters too, whether Air Force focus should be on the F–22. I know there is not much time left. But thank you.

Secretary WYNNE. Let me start by saying with 1,763 F–35s, we want 381 that we have asked for in our planning force; 381 F–22s. So far we have been authorized 183 F–22s. Nobody in Air Combat Command (ACC) has changed their requirement. The Chairman asked about strategy. You have one kind of strategy when you have 381 F–22s. You have another kind of strategy when you have 183. You have one kind of strategy when you have 1,763 F–35s. You have another strategy when that purchase is stretched out over 25 years. So it is the rate of access of the airplanes.

So right now what I have asked to do is at least bridge over till we actually have a working fifth generation F–35 line and at least allow me to get 20 additional F–22s. This is far below the 381. But it does allow me to begin to fill out some of my squadrons that are in fact in theaters that I worry about.

General MOSELEY. Ma'am, the numbers of F–35s that the Air Force has programmed is 1,763. The number that the Navy and Marines have programmed is a number of about 600 or so, if I remember right. And please don't confuse the missions of each of these aircraft because they are completely different designs.

The A model, which is the Air Force airplane, is designed to generate hundreds of sorties a day inside a theater to provide the throw-away in the striking capacity. The Marine airplane is designed to operate off ships and expeditionary places. The Navy airplane is a bigger and heavier airplane to operate off of a carrier. These are different-kind designs and different operational templates. So they are not mutually exchangeable for degrading the total numbers of aircraft in the program.

Mrs. DRAKE. Thank you. Thank you, Mr. Chairman. I yield back.

Mr. ORTIZ. The gentlelady from California, Mrs. Tauscher.

Ms. TAUSCHER. Thank you, Mr. Chairman.

Secretary Wynne, General Moseley, welcome back. Good to see you again. I have a few issues that I want to kind of move through very smartly. As you know, my district is the home of Travis Air Force Base and the Air Mobility Command and we are very hon-

ored to have all of those folks in our district and want to thank you both for your service.

And I think, Secretary Wynne, particularly at this time, having a man with your kind of background when we are dealing with all of these procurement issues and the strategic issues of how we get our airlift capabilities at least of one of the many things right, I think that you are the right man for the job.

And General Moseley, let me tell you how impressed I am about how quickly and how effectively you moved out after the news of the tactical ferry incident, which was unacceptable and shocking to say the least, moved out. I think both General Newton and General Rehberg's reports have been of significant information to our—excuse me, sir. I can't see my witnesses. And I think that we have—really I think gotten a lot of candor from you. And I very much appreciate that, considering the import of that incident and how, as I said, shocking it was.

I think the follow-on reports that the Secretary has asked for from both Larry Welch and from the intergovernmental review (IGR) are very good. Clearly we don't know everything. There is a lot more that we will get to know. I have introduced legislation that is a companion to Senator McCaskill's amendment that calls for an independent analysis of airlift requirements. And I am interested in understanding—we don't expect this report, which we think will go through the conference perhaps, to be available till February of 2009. But I think that the problem that we have is that there is no such thing as a red-headed stepchild in the services called the Air Force. We need to have an Air Force that not only has all of its capabilities, all of its capitalization, is looking forward and is fully manned and equipped, but this is a "have to have" and not a "nice to have."

And I think that for many reasons, your testimony reflects a sense that we are suffering from priorities that came upon us, both IEF and OEF, but also because of the aging fleet. And I think that—I don't really have a question about it other than to say that I think that we need a lot more peeling back of the onion. I think we have to have much more of a strategic view of what exactly we are expecting, what we are going to need to have, what our capabilities are going to have to be, not only because of the aging fleet, but because of contingencies in other theaters.

But also I think that—what we are also hearing is that we need some intraservice—joint requirements oversight council (JROC) perhaps talking, other things happening, that give us a better view. And what I would suggest and I would ask the Chairman, if he would concur, if we could have you back perhaps very early next year to have a much more strategic view. I know both of you think strategically. I know that you have—when I work from my subcommittee point of view on space and other parts of this, it is completely from a strategic point of view. But I do think that we need to go to the next round of understanding; for example, what the size of the strategic airlift needs to be, what do we do with an aging fleet that has all of these different demands? What do we do about fee-for-service and is that the best cost-effective way for us to do this?

You know, I am not happy about the fact that the Congress has had to add—I have helped lead the effort for the C–17s for the last couple of years that were not in the President's budget. I am also not happy that every time we have done that to keep that line not only warm but hot, we haven't gotten any cost savings. I always expected that if I kept the line warm, that I was going to see some cost savings. The price for coffee and a plane has not gone down. So we need to find a sweet spot in all of those areas.

I will ask the Chairman to have you back as soon as we can when we come back next year. And once again, I appreciate both of your service. And if you have any comments, I am happy to hear them.

General MOSELEY. Congresswoman, thank you for that. As you know, by having us spend time with you, and you know from having Travis in your district, we do things strategically. And these issues that we work, we begin from the top down. Now, whether that is how we teach ourselves, that is also how the Air Force has historically done business. We look at the global requirement from the combatant commanders and we begin to work down through the strategic, to the operational and tactical level.

So the ability to operate on a global scale is what makes this Air Force unique from the other services, but also from any other service in any other country. There is no other service that has the access to a global set of activities, whether they are humanitarian relief, whether they are fires in Southern California right now, whether they are disaster relief, or whether they are targets or whether they are surveillance issues. That is just in our DNA code to approach this from the strategic level first. So we would welcome that opportunity.

Secretary WYNNE. Madam Congresswoman, it addresses the Chairman's view on strategy. And I believe if we could get the briefing on the planning force over to the committee, I think it would very much help answer his questions and yours as well.

The CHAIRMAN. Thank you very much. You know, a while ago, General, you were speaking about the university and people thinking big. And you talked about your global responsibilities. This is a budget hearing. Don't you think we ought to have a basic understanding as to why you need fighters and how many? Why you need tankers, intercontinental ballistic missiles (ICBMs), bombers, et cetera and fit it into the whole picture and then talk about the budgets, that you can't get as many tankers as you want, dot, dot, dot and—we have to struggle with the strategic requirements. And it would be very, very helpful and why should we have to have a separate hearing for this, Mr. Secretary. I am sorry to——

Secretary WYNNE. Sir, I think there is——

The CHAIRMAN. I am sorry to tell you I am disappointed, but we can have a budget hearing anytime. We need to know the strategic requirements to defend the national interest, and the Air Force in so many respects is the glue between all the other services. They can't get there but for you. They can't defend against so much but for you. You are the power projection. And where you fit into this whole scheme of strategy is so important, and that is why we should have benefit of that, and that is what I was hoping, Mr. Secretary, you would do this morning. Well, I won't belabor it.

The gentleman from New Jersey, Mr. LoBiondo.

Mr. LOBIONDO. Thank you. Thank you, Mr. Chairman. I don't know if these mikes are on or not.

The CHAIRMAN. Yes.

Mr. LOBIONDO. Well, thank you, Mr. Chairman and Mr. Secretary and General. Thank you for coming today.

My questions I hope will address a very important element of the Air Force, the fighter fleet. We have had some discussions before, and I am deeply concerned not only for the ability of the Air National Guard fighter wings such as the 177th in my district to perform in the war over there, but for their ability to protect the homeland in a vital air sovereignty alert mission. As I am sure you are well aware, the number of Class A accidents for F–16s has increased per year and has increased in recent years as the planes age.

Potential for loss for life and property and maintenance costs increase with the age of the airframe. Age issues affect the Air National Guard heavily as the Air National Guard flies older planes such as the Block 30 F–16.

As part of your September remarks, you stated that in the near future, conflicts with countries possessing newer Russian SAM systems, the F–15, 16 and 18, would not be able to participate in the fight over these countries. That knocks out every Air National Guard unit in the country from the warfighting half of their mission.

The second half of the air sovereignty alert mission is equally bleak. The F–16s at the 177th are projected to run out of flight hours around 2012. Unless newer aircraft are procured, the 177th and many other air sovereignty alert missions, the units will be out of business protecting America's cities such as New York, Baltimore, Philadelphia, and Washington.

My question, Mr. Secretary, as you noted in September, when the age of equipment reaches a certain point it means you are going out of business. It is simply a matter of time. I think, sir, that was essentially your quote. Is there a recapitalization plan for the Air National Guard fighters and will it be implemented in time to avoid having units such as the 177th with missions but without planes?

Secretary WYNNE. I started that whole conversation by saying when we went into Baghdad in 2003, we only took F–117s and B–2s. We actually restricted anybody else from going into the fight until 72 hours after the city had been opened, and we didn't put B–52s in until 10 days after. I hope those dates are correlated with my—the guy who ran the air war. But frankly, that tells me that as modernization happens in our enemies, yeah, we are going to—we are going to put behind us the fourth generation, and are wanting to invest in the fifth generation airplanes. And we feel very constrained by—as the Chairman has indicated, as we forecast the requirement for 381 F–22s and 1,763 F–35s, we feel like that is a sufficient quantity to replace what we have now. And we have a bed-down plan through 2025 to lay those in to all of the squadrons that deserve them.

We haven't been flying F–15s for a very long time because we know that we cannot replace all of that, and they are very effective

in areas where we have air dominance and where we have air superiority. So we feel like there is going to be an ongoing mission. And if you fly within the continental United States (CONUS) on an operational level, you need a little bit less, because this is U.S. sovereign airspace. So we feel like, yes, the National Guard is going to be playing a role for a long time to come.

General MOSELEY. Congressman, let me add to that, sir. I would offer to you that our aggressor squadrons that we have right now and the Thunderbirds, the Air Force Jet Demonstration Squadron flies Block 30s. So this is not an issue of the Guard having something that the active doesn't have. We fly the same airplanes. And we are a total force.

Yesterday, when we sat down and went through every single one of the road maps and potential bed-down locations and new equipage to get at the strategic setting that the Chairman is talking about—how many fighters do you need to do what and where should they be—we had a TAG invited and we had the international Guard on board and we showed the entire bed-down, whether it was Active, Guard, or Reserve.

And, sir, when we fielded the F–22 first at Langley, that was a Guard-associated unit with Virginia. As we look at the next set of bed-downs for the F–22, there is Reserve units in—Reserve or Guard in New Mexico, Reserve in Alaska, and there is a full Guard squadron in Hawaii.

On the F–35 bed-downs, we are looking at immediate association with Guard and Reserve in every one of those units. So, sir, we are dead serious about the strategic setting of how many tactical fighters do you need, roughly 2,250, and how do you wrap up and imbed in that the Guard, Reserve, and inactive to make sure that you get absolute benefit from each of those aircraft in each of those locations?

Mr. LOBIONDO. Thank you, General. Just very quickly because I know my time is running out. I am aware of the so-called four-corners proposal for the transition of F–22s into the—maybe I can get to you later, General. Thank you.

The CHAIRMAN. Ms. Castor, please.

Ms. CASTOR. Good morning, gentlemen. Across all of the services, all service members, men and women, are struggling now. Here we are in the fifth year of the war in Iraq, well into the fifth year, and servicemen and women are struggling with very lengthy war zone rotations, worn-out equipment. We have growing discipline problems and sometimes disjointed medical care when they return as wounded and injured veterans.

And then for the Air Force, you add on top of that the challenges of the in-lieu assignments where members of the Air Force are assigned to tasks and missions that are outside of their training. I think you testified we are now up to well over 6,000; is that right?

General MOSELEY. Sixty-one hundred today.

Ms. CASTOR. Sixty-one hundred. And that trend has just continued to increase over the past year. Do you see any sign of that changing?

General MOSELEY. Ma'am, there is actually 15,000 because you have people in training and in the pipeline. But you have got 6,100

deployed. Now, I will say that the Air Force is part of a joint team. And if there is a requirement for us to participate, we will do that.

Ms. CASTOR. And I understand and I hear that from folks that serve in the Air Force, that they are proud to do that. But it comes at a cost. And I have heard estimates that it is costing us three times the amount of money that it does. Is that an accurate assessment?

General MOSELEY. Ma'am, I don't know where that calculation came from. I would have to take that for the record and see——

Ms. CASTOR. This was from a four-star general in the Air Force recently.

General MOSELEY. I probably know him, if you have got his name there.

Ms. CASTOR. I do. I do. He says it costs as much as three times when you consider the training, preparation, recertification for airmen being set down range, those just returned home and those preparing——

General MOSELEY. Let me get the facts for you, ma'am.

[The information referred to can be found in the Appendix beginning on page 69.]

Ms. CASTOR. Because I would like to know how, if we can quantify that in dollars a little bit more, it costs three times more? What does that do?

And now back to the Chairman's overriding concern and you stated it, that you are also concerned, as the new chairman of the Joint Chiefs of Staff is as he enters his new assignment with this strategic risk confronting this country because of the war in Iraq and the way it has played out. I imagine you have been involved in significant discussions on how that affects your strategic missions. I know the defense bill contains a new direction to examine the roles and missions.

But what are the—if you can get back to the Chairman's point and point out to us how all of this informs you and what your general direction will be for strategic roles and missions and try to quantify it in dollars for us, but also especially noting the strategic risks that confronts this country.

General MOSELEY. Ma'am, I would offer first that the Air Force has been in combat out there for 17 years. Since the deployment for Desert Shield/Desert Storm, the Air Force hasn't left the region. In fact, we flew 12 years in the no-fly zones, being shot at almost every day on top of Bosnia, Kosovo, then Afghanistan and Iraq. So our clock started in August of 1990 in the Middle East. And so our deployment schedule and our rotation schedule has been changed over time to adapt to that high tempo.

We also understand that we will be there for a long time because the attributes of air and space power are the exact things that will be constant.

Now, once the land component has other challenges and perhaps become smaller, you will always have a requirement for intelligence, surveillance, reconnaissance. You will always have a requirement for lift, for combat search and rescue, for strike. My prediction is the Air Force, with elements of the Navy and the Marines that fly, also will be there probably for another decade. We are prepared to do that. So the in-lieu-of tasking is one of those

things that we are having to work very hard and take care of our people to make sure they are actually trained to do the things we ask them to do.

Our red lines are that we don't send anybody into one of these mission sets that is not their competency. So we train them inside—whether security forces or civil engineering or intelligence—to do the things that we are asking them to do.

But it is slightly different when you do it in this in-lieu-of tasking than when they are assigned to an air expeditionary force. And that is the delta in training and that may be where the price that you referenced comes from. I will get those numbers for you.

Ms. CASTOR. And how does it impact the growing global strategic risk? How does that focus in the CENTCOM area affect what we need to be doing around the world?

Secretary WYNNE. As we have been preparing for this conference, as well as over time, we have been assembling statistics that basically show we have a steady erosion in the operational readiness of our force structure. Recently we have had some erosion in our statistics for retention and for recruiting. We worry.

Ms. CASTOR. Thank you.

The CHAIRMAN. I thank the gentlelady. Mr. Jones from North Carolina.

Mr. JONES. Mr. Chairman, thank you very much. And Secretary Wynne and General Moseley, it is always a pleasure. And thank you for your leadership for this Nation.

Along the lines of what Ms. Castor was talking about, I want to kind of build on that for just a moment. I was not here for your formal presentation. I apologize. But I have written down just words, and I want to get to a question after I just—I think, Secretary Wynne, you said I hope we won't be too small in the future; budget pressures; chicken and egg; desperate to save money; other comments that I have no need to read.

I realize that, you know, this country is not your doing; that you have got to adjust to what is happening within this country. We are getting ready to have close to 80 million baby boomers to retire over the next 2 or 3 years that will start drawing Social Security.

Congressman Sestak mentioned the issue of the $10 billion a month in Iraq, $300 million per day roughly. I am just at a point of—Secretary Wynne, how long—your comment again I repeat, "I hope we won't be too small in the future."

Let us talk a little bit about the future. I am always concerned about China. Not so much that China is going to attack America, but China is a nation that has proven that it is very smart in the respect of patience. And if this country is in such a situation where you, as a Secretary of the Air Force, and certainly the other secretaries would say the same thing, that they have budget pressures, I hope we are not too small in the future. Knowing that we have a trade deficit of about $300 billion with China, being told that—I think you testified to this several months back—that they are spending their money to build their Air Force, they are buying the fastest fighter that the Russians make. The difference is we still have the best pilots. But how soon in the future are we going to compromise our air superiority with all of the problems that you can't control and we can't even control them in Congress, talking

about the growing debt? How soon will that future come that we could be too small and our air superiority could be challenged?

Secretary WYNNE. Sir, let me start by saying that tonight and tomorrow morning we are prepared to go to war, without a doubt, and we would be victorious. There is not a doubt in my mind. As Chairman Pace, I think was asked, "What do you do about additional threats?" Clearly they rely on the Air Force and the Navy. And the both of us, by the way, are getting smaller in the number of ships and the number of airplanes. So right today we have no problem.

What I worry about is the 2020 to 2025 time frame. That is when we will have essentially—if you look at our timeline, we will have theoretically shut down every production line in America other than the F–35. And at that point in time, you have got to ask yourself—and perhaps the tanker will be going on by then. And you have got to ask yourself, "Is that what we want?" And right now, I can tell you, with the erosion in operational readiness, the Chief and I see no alternative but to essentially recapitalize our way out of this operational readiness decline. I think our training is good. I think the spares are good. I think having some of the instructor pilots engaged in war, that could have an effect. We are trying to calculate that.

Mr. JONES. General Moseley, would you speak to that also, please?

General MOSELEY. Congressman Jones, the technology imbalance, we are already there. The F–15s that are in your district, they are wonderful airplanes, they are very capable airplanes. But against the new generation threat systems, they don't have the advantage that we had when they were designed in the late 1960's and built in the 1970's.

The F–22 and the F–35 are the answer to the air dominance piece which is the predicate to anything that happens in a theater. So the deliveries of the F–22 and the F–35 are critical not just for the Air Force, but for the entire joint team in a strategic setting.

So as far as the balance of technological capability, we are there with the threat system. That is why the F–35 and the F–22 are important. I could make the same point for the new bomber. I could make the same point for the tanker. I could make the same point across the spectrum on the space systems as well, and the capabilities that we can field that gives us that strategic leverage in the future.

Mr. JONES. Thank you, Mr. Chairman.

The CHAIRMAN. Ms. Boyda, please.

Mrs. BOYDA. Thank you, Mr. Chairman.

And thank you for your service and being here. This can't be easy on anyone. As a member of the Personnel Subcommittee, I was just going to direct some of my questions in that regard. Just with the ILOs, you have kind of taken, or you have taken on a new mission, an additional mission. How are the ILOs affecting your retention and recruitment?

General MOSELEY. Ma'am, they are having some impact. It was the same question that Congresswoman Castor was asking. We have been doing this for a while, and so we are seeing some cracks in some of the retention numbers.

The recruiting numbers, we have not had a problem yet, touch wood. We are very selective about our recruiting. We have not changed the standards. We have not lowered the standard. We don't intend to lower the standard because of the nature of the Air Force. That has not been the problem to date. Even the Guard, which we thought we were going to have a hiccup with that, we are now at I think 99.3 percent of their meeting their requirement.

Mrs. BOYDA. About 104 in Kansas.

General MOSELEY. There you go.

But the retention piece is different. Once you get into the folks that have been on active duty 6 years or 10 years or more, and they have had multiple deployments into tasking that is not in their mind their core competency, then we are having some challenges with that. And we work that very hard. We work that with the families. We work that with the training. We work that with the recovery time. We work that in theater, so that airmen work for airmen. We know where every one of them goes, what they are supposed to do.

Mrs. BOYDA. Let me ask another question as well, and I appreciate your direct answer on that. With contractors and, you know—we said that we know that this whole conflict is not going to be over any time soon—how many contractors would you say are working for the Air Force right now? And let me tell you where I am going with that question, so I don't have that little yellow light pop up here. When we—we are going to cut our troop strength in the active and the Guard, or the Reserve components of the Air Force. A year from now, how many more contractors will you have hired or employed or contracted with? And two years from now, how many more contractors for every hundred people that are cut, how many more contractors? And by the way, I hope to be here in two years to ask you this question, Secretary.

Secretary WYNNE. We are going to have to get back to you on the baseline, so that you can properly ask the question and we can get a score sheet for you.

[The information referred to can be found in the Appendix on page 69.]

Mrs. BOYDA. My anticipation is, how many of those are going to be replaced by contractors?

Secretary WYNNE. I am cutting the operations and maintenance money as well, and we are actually—so we are driving out contractors. I have asked for a 10 percent reduction in contractor labor over the course of time. This is not going to be a suffering that is just inside the service. This is going to be in our contractor support, too. I got a lot of push back. I got a lot of push back, because there is a great contractor community. And we all try to add value to the Air Force.

Mrs. BOYDA. So the airmen, and I appreciate and agree with what you are saying, the airmen, the thousands of airmen that were additional airmen that we are going to be cutting, active and Reserve, do you anticipate any of those being picked up? Is there any place in the budget, any place, any budget, are we going to be replacing airmen with contractors?

Secretary WYNNE. It is all on the basis of need and requirement. But, right now, we are actually looking at the Reserve, as whether

or not they should have some restoration. If we examine how we spend our money across our Air Force, we are looking at all the active, all the National Guard and all the Reserve to make sure that, if we have to go up as a result of the ground force improvement, that we kind of bias it to the Reserve, the National Guard and the active, in that kind of order.

Mrs. BOYDA. Again, I don't know if I got—are you anticipating any of these airmen cuts to be replaced by contractors?

Secretary WYNNE. As I said, I have asked for a reduction in contractors as well. I don't know the specifics of your answer because that is a very office-to-office thing.

Mrs. BOYDA. If there is a chance to take a look at that, I certainly would appreciate it.

Secretary WYNNE. Yes, ma'am.

Mrs. BOYDA. Thank you very much.

The CHAIRMAN. Thank the gentlelady.

Mr. Akin to be followed by Mr. Marshall.

Mr. AKIN. Thank you, Mr. Chairman.

And Mr. Secretary and General, earlier this year, the Air Force leaders testified in support of the retirement of at least 30 of the C–5s and procurement of at least an additional 30 C–17s. Is this still the Air Force's official or unofficial position? If yes, does the Air Force plan on funding C–17s in 2009 or 2010 or beyond? And if not, why has the Air Force stopped talking about the working for the so-called 30–30 proposal?

Secretary WYNNE. Thank you for the question. The 30–30 proposal was just that, a proposal. It was in response to requests from Congress as to what would be a preferred, if you were just taking life cycle costs into action. We have never had the money to fund the C–17s. So we are congressionally restricted by law from retiring C–5s. So we did not put anything in our budget that would violate the law. And that is where we stand right now.

Mr. AKIN. So, then, if the C–5 part of the law were taken away, would it then be your interest, if you could, to replace those 30 C–5s with C–17s?

Secretary WYNNE. If the C–5 law was taken away and we could manage the fleet, I think what we would like to do is pretty much documented in that proposed 30–30, because we still need 300 lifters.

General MOSELEY. Sir, we still need the C–5s. The ones that remain in the inventory, we need them in the best shape we can possibly put them in.

Secretary WYNNE. Right.

Mr. AKIN. As I recall, there are different models of those, and it was the earliest model, the performance of those has been very poor in terms of maintenance. And apparently, the costs are just continuing to skyrocket on those. Is that correct?

[Nonverbal response.]

Mr. AKIN. So if we did see fit to take out the language that the Senate had put in in protecting those planes that are, what, 30 percent available or something like that; if we could not protect those anymore, then it would make sense to have some other lift capability. The C–17 has been working well for you. So that would

make—so that is that 30–30 proposal. So you still support that. Just we have to get that language out. Is that correct?

Secretary WYNNE. Right. Because I cannot tell you that I have a lot of money to put against C–17s. And as I mentioned, I really can't go against the law until you all act.

Mr. AKIN. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentleman from Missouri.

The gentleman from Georgia, Mr. Marshall.

Mr. MARSHALL. Thank you, Mr. Chairman. I appreciate—am I on here? Thank you, Mr. Chairman.

I appreciate your leadership for our Air Force and the job that you do and the job that the Air Force does. The chairman encouraged you to think strategically, or to at least make more strategic presentations to us. And just on the C–5/C–17 continuing debate that has been going on for, gosh, at least 10 years now, we have got the recent news concerning reliability enhancement and re-engining program (RERP) and the dispute concerning the anticipated costs between the Air Force and the contractor and then Institute for Defense Analyses (IDA) stepping in and splitting the difference between the two contestants here and the possibility of a Nunn-McCurdy breach.

It seems to me that that is—and it is necessary for you to do this in the day-to-day management of the Air Force. But that is getting down into the weeds a little bit more than we ought to. And the reason I say that is because I continue to be convinced, and I think an awful lot of other people are also, that 300 is not the number and that the minimum need is probably a good bit more than that. That the Air Mobility Study, it was fundamentally flawed with the assumptions that were required to be made, and with the absence of any real study of the inter-theater use of C–17s specifically. And we have got to be above 300. And to get above 300, it may well be that we wind up concluding it is wisest for us to keep those C–5s, or at least an awful lot more C–5s and add more C–17s. And if the Air Force—are we going through another or an update to the Air Mobility Study? I know——

Secretary WYNNE. Yes, sir, I understand we are going through another. It is called MCS–08, which I guess is Mobility Capability Study, fiscal year 2008, which I think is underway.

General MOSELEY. Yes, it is.

Mr. MARSHALL. Mobility capability study concept of this?

Secretary WYNNE. Yes.

Mr. MARSHALL. That would be great. I really think it is foolish for us to make some dramatic move with regard to the C–5/C–17 choice before we hear what our real strategic need is. JCA, Representative Courtney mentioned, it is probably inappropriate for us to take any dramatic steps to change the present course as part of the conference committee, given what the Senate has done. My reaction, Chief, is to agree with you. This is a roles and missions issue. It is an Air Force kind of deal. Air Force ought to be taking the lead with regard to this lift and ought to be taking the lead with regard to lift and all aspects, training, maintenance, et cetera. And, you know, part of whether or not we change clearly would be whether or not there are going to be substantial delays. Senator

Levin sent a letter. Question six in the letter specifically raised the question of delay. Air Force gave one response, Army gave another response.

It would be very helpful, Chief, if General McNabb perhaps could take the lead, I don't know who you would direct to do that, in responding to the Army's response. Army clearly contemplates that there will be substantial delays. General McNabb's comment was pretty brief, simply says, no, we don't anticipate there will be any delays. But then Army got into the details concerning why there would be delays. So, you know, obviously, we are not going to move forward in conference here to make some dramatic change unless Senator Levin's question concerning number six is answered. And maybe you guys could get that done.

General MOSELEY. Sir, please let us take that for the record, and we will get Joe McNabb to provide that for you.

[The information referred to can be found in the Appendix on page 65.]

Mr. MARSHALL. UAVs, I guess I could get you to speak for a while on that subject. It has got to be a sore point at this point. Back to roles and missions again. I hope that the deputy Secretary's recent decision is a temporary decision, and that the DOD will be complying with our directive and committee report that some clear statement is given to us by DOD concerning roles and missions effectively by March 31st of next year.

Secretary WYNNE. One thing we know for sure, sir, and from a strategic basis there would be no argument over UAVs if we didn't have air dominance.

Mr. MARSHALL. Absolutely.

Secretary WYNNE. Because we own the skies, we can talk about it.

General MOSELEY. Congressman Marshall, this is another one of those topics George and I are going to spend some time with. As you would imagine, as service chiefs, we see this pretty much the same about competencies and about providing, at the strategic level, the operational level, the tactical level, where those demarcations are.

Mr. MARSHALL. Before my time expires, Chief, I am so tired of this particular subject—I know you are as well—it is the Air Force Personnel Reorganization. You know, frankly, my impression is that Air Force Personnel Center (AFPC) is designing a test to prove that it works. And that is not a real test. You know, if AFPC considers that there needs to be one standard for all of the Air Force concerning fill, look at San Antonio's progress with regard to fill. It is pitiful, frankly, compared to what the large civilian centers are capable of doing. I am tired of bringing this up. I wish we could get some resolution that makes sense.

General MOSELEY. Agree, sir.

Mr. MARSHALL. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you very much.

Mr. Turner, to be followed by Mr. Taylor.

Mr. TURNER. Thank you, Mr. Chairman.

I appreciate the Chairman's comments concerning strategic and visionary thinking.

And I want to thank you, Secretary Wynne and General Moseley, for your efforts in not only leading the Air Force strategically, but also in trying to give us a picture of some of the variables that you face in thinking visionarily, as a vision for the future. Your presentation has included descriptions of cutting personnel, aging aircraft, escalating costs in acquisition and modernization, long lead times for replacement, congressional restraints on retirement, and declining and projected shutdowns of industrial base. Those are pretty significant variables that impact the ability of the Air Force in its future strategic thinking and in being visionary.

As you know, in my district, we have Wright-Patterson Air Force Base, which is a base that is focused on our advantage on the battlefields of tomorrow. And that tomorrow is the future that we all look to you for as to how we are going to ensure that we have air dominance. And you have brought to us some significant issues that are impacting your ability to project our success in the future. In thinking on a visionary and strategic basis, looking at the restraints that you have on retirements, I was wondering if you could talk for a moment about that policy. Because I want to echo what Mr. Saxton has been saying on the restraint on retirements, specifically in the C–5 and the C–17 area. But I don't see any real good policy basis for the restraint that you have. And if you could give us some insight as to how a restraint on retirement fits within the Air Force or limits the Air Force and its ability for strategic and visionary thinking.

Secretary WYNNE. There is a belief, which we apparently have been unsuccessful in disproving, that if you park the airplanes on the side of the ramp somehow, a balloon goes up, those will magically turn into 5-year-old airplanes or 10-year-old airplanes. It is a problem that I think we have tried to attack from several perspectives. But I must tell you, I would be disappointed with myself to tell you that we have yet been successful. There is clearly money to be saved and manpower to be saved in not maintaining these airplanes any longer. It is scary for the crews, frankly. It is getting that way. Although we have a Fleet Viability Board that tries to make sure that we don't violate the safety of flight.

General MOSELEY. Sir, I feel frustrated in not being able to articulate something as simple to an aviator as having an airplane on these restrictions and not being able to retire it and move to the next generation. It seems so simple to me. So I suspect this is a failure on myself. I won't accuse my boss. But it seems we have been unable to articulate what I perceive to be the obvious on being able to manage our inventory and being able to put the money in the right place to meet the strategic vision of recapitalization and modernization and the new technologies. While we are managing the oldest inventory we have had in the history of the Air Force, and still have the restrictions on us that we have to attach a tug to airplane every 7 to 10 days and tow it to keep the tires from going bad that we have no intention of flying, or we have to take to an engine test stand and run every 25 or 30 days just to keep it in the status as required by the language. So I accept this as a failure. I have been unable to articulate why this is a bad idea.

Mr. TURNER. Of course, I don't see it as your failure that you are having to operate within a restraint that is imposed upon you. I see

it as a great benefit that you are ensuring that we are well aware and continuously aware of how this impacts your ability to strategically and visionarily—and have vision for moving forward. On the issue of personnel, it seems to me, and I was a little confused by the discussion, you are proposing significant reductions in personnel in attempts to fund your modernization and recapitalization. But I did not believe that that was strategically where you wanted your personnel level to be. It is not as if you decided where your personnel should be and then from that looked where you would take those cost savings. You looked at your immediate need on equipment, recapitalization and modernization and then sought where you could find savings. How does that impact the future of the Air Force?

Secretary WYNNE. If you recapitalize on a reasonable schedule, what we note is you save maintenance and manpower almost immediately. If you can retire airplanes on a schedule, you save maintenance. We have forecasted that savings.

Mr. TURNER. Thank you.

The CHAIRMAN. Thank the gentleman. Just before I ask Mr. Taylor, as I understand it, General, if an airplane, because of age and because of structure problems, is, in the opinion, of the Air Force unworthy to fly, you decommission that airplane despite the fact that it has not been officially retired by Congress. Is that correct?

General MOSELEY. Sir, what we will do, because we cannot take it off the books, we are still required to spend money on it in the top 1,000 status or the XJ status. What we will do is just ground it and not fly it, which we have with some of the KC–135Es and C–130Es. But because of the language, we have to maintain it in a certain status, which means we have to put manpower, crew chiefs and money against it.

The CHAIRMAN. Would it ever be flyable again?

General MOSELEY. Theoretically, you could bring it back to flight status, but it would take an infinite amount of money to be able to do that for the entire fleet.

The CHAIRMAN. Thank you.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman. And General, thank you for your service. Secretary Wynne, thank you for your service. Secretary Wynne, I am going to direct this question to you because I regret it has taken me so long, but I have now come to clearly see a pattern. For seven years now, representatives of the Bush Administration come to this committee in January and February, tell us everything is fine, we need some slight tweaking of the budget, but we don't need a whole lot of money for this program. For seven years, in the fall, the same Administration officials will come before this committee with a story of gloom and doom. But by January when the budget request comes along, the gloom and doom has been transformed to this just needs a little tweaking. So in our annual gloom and doom—and I am in agreement with you, by the way—we hear about the KC–135s, we hear about the B–52s, we hear about the B–1Bs, and we hear about HH–60s. Giving you now one last opportunity to come before this committee in January and February, what are you going to propose to fix these things?

Because, quite frankly, if Congress adds money that the Administration doesn't ask for, then all these nice folks in the media back there are going to say it is pork barrel. So you have articulated very well some problems. And I am in agreement with you on these problems. And I know you are putting your budget together for January now. So which of these things are you going to propose to fix, or is it going to be like mine resistant ambush protected vehicles (MRAPs)? Is it going to be like body armor? Is it going to be like jammers? And is it going to be like up-armored Humvees, where the Administration fails to come up with a proposal and Congress has got to do it for them?

Secretary WYNNE. One thing we are charged to do, Congressman, and I am probably talking to the choir here, but when we understand the amount of resources that we get, we array those resources to the best defense America can afford. And we recognize that we are a wealthy country, but we are not spending at a rate anywhere close to what we would spend in a wartime event. We have made these choices. So when we get to understand what budget we are being allocated, it is much like the Chairman has indicated, we will array those resources to make sure that America stays protected to the best of our ability.

Mr. TAYLOR. In the context of your answer, which I am in agreement with, when you hear the President say we need another round of tax cuts, does anyone in the DOD say, Wait a second, Mr. President, we got kids flying in 50-year-old airplanes, how about instead of a tax cut for your contributors we fix that airplane? Or that ship? Or produce those MRAPs, which the Administration has most reluctantly come around to the decision that we are going to build?

I mean, I think these are all very fair questions, Secretary Wynne. And it is not that you have done this for one year—I am not saying you, I am saying the Administration people who have held your job. It is not that this has happened one time. This is now the seventh time that we have gone through this cycle where everything—and I guarantee, if you hold this job and I hold this job, come January, whomever is in your job is going to come before the committee and say, everything's cool, and we just need to tweak it a little bit. I am hoping to see you break that cycle in January. I am hoping you will come to this committee and not only say, We got old B–52s, but I am asking for this much money to replace them with something better. I am asking for this much money to replace the KC–135s. I am asking for this much money to replace the B–2s. Because I do sense some inconsistency on the part of the Administration request. And I think it has—the fix has really got to start with you all.

Secretary WYNNE. Well, in every good budget session, sir, we try to arm up our representatives that go to OMB. And I know they are going to argue to the best of their ability. We don't get invited to those sessions, so I would say to you that we try to arm them up with the best of the arguments that we can to make sure we can in fact get an affordable Air Force.

Mr. TAYLOR. Again, I appreciate both of you for your service. Thank you for being here.

The CHAIRMAN. Dr. Gingrey, please.

Dr. GINGREY. Mr. Chairman, thank you.

Thank you Secretary Wynne, General Moseley. We appreciate so much your testimony here today. I just want to comment that I think the C–17, of course, is a great airplane. And the C–5 provides its own very unique capability as well. And as they are complementary in our airlift capability, and I hope, I truly hope we can find a way to buy C–17s and also continue to modernize our C–5s. But I wasn't here for the entire hearing, but I don't think that the C–5 has been treated fairly here today by the testimony that I heard and comments from some of the members.

I want to ask you this question. If the Air Force signs a fixed price contract, and Lockheed was wrong, and the actual cost exceeds the contracted amount by $30 million, at that point, Mr. Secretary, Mr. Chief, at that point the contractor has to eat the difference, not the Air Force. And certainly not the taxpayer. Wouldn't the Air Force want the fixed price offer to be as low as possible, even if they were wrong, if it results in greater budget flexibility and allows us to buy more of other platforms like the very important C–17? It just seems like we are searching for an excuse here, any excuse to get away from the program of record. I wonder what the excuse would be if the contractor indeed offered a fixed price contract to modernize all the C–5s for free. Then would it be that the modernization was too cheap? Maybe we could call that a Mendoza breach, after a light hitting shortstop Mario Mendoza. Answer that question for me. Why, you know, the contractor offers a fixed price, they miss the mark a little bit, and you hold them to it. Is that not good for the taxpayer? And in fact, you know, as far as what the contractor said the price would be and what the Air Force said, there was a difference there of about $5 billion. But really when we had an independent body look at it, it was much more, much closer to what Lockheed said would be the price for the RERP and the avionics modernization program (AMP). So they were pretty close to accurate. Now, whether or not that is a Nunn-McCurdy breach I guess remains to be seen, but I would appreciate your answer to that question.

Secretary WYNNE. Sir, if you have ever dealt with a building contractor that has to tear into a wall, you know that it has to do with the terms and conditions of the agreement that you reach. And in a situation like this, I would tell you that a fixed price contract is the least you will ever pay. And the reason is because when you open up a C–5, the contractor has got to assume liability for making sure that it is safe to fly when it comes off of his line. And he has no idea what that looks like under the skin. Part of the disagreement here is that Lockheed is unwilling to take a fixed price with an unknown fix on an airplane. And part of the problem is that these C–5As, they are old. And I kind of agree with them that that is a very tough thing to do. So what you are saying is, can you limit the scope to those things that they do understand? And the answer is, that is not going to buy me a flyable C–5 airplane. So I have to go in and look at how things are working. But I know that Lockheed is trying very hard to bring us the best deal that they can, and I appreciate that. And I hope that they do, because I want to fly C–5Bs and some C–5As for some years to come.

Dr. GINGREY. Well, let me just move onto another question. Regarding the 30–30 swap-out that has been talked about here this morning, the funds needed for the C–17 are a fiscal year 2008 issue. C–5 RERP funds are not projected to be available until 2011. And I think General Schwartz put it best when he said, budget lines to pursue this option don't coincide. C–17 procurement is a fiscal year 2008 issue. C–5 RERP funds for fiscal year 2008 are $253 million less than the cost of a single C–17. So how does retiring 30 C–5s pay for 30 new C–17s? If you retire C–5s now, will that pay for the C–17s?

Secretary WYNNE. That is right. If you think about current budget, answer is no. If you think about budget over the next 25 years, answer is yes. It is very difficult, though, to line things up. I agree with you.

General MOSELEY. Congressman, the dilemma we have, and I will speak for myself, I am a fan of the C–5 because of what it provides, the outsize cargo, the amount, the bulk, the square, the cube. The airplane is a magnificent airplane. Except some of them are getting to the point where they are not useful. The MC rates are not high. That is the concern we have got, not about retiring all of the C–5s, but getting and managing this inventory so we can get the right number of them so we can fly and operate them.

Dr. GINGREY. Mr. Chairman, I know my time has expired. Thank you for letting us go over just a little bit. Thank you.

The CHAIRMAN. Mr. Larsen.

Mr. LARSEN. Mr. Secretary and General, thanks for coming, helping us out today. General, you are somewhat apologetic in what you profess is your inability to communicate to folks like us the need for the flexibility in order to manage your platforms the way you need to do that. And I am with you. I wrote down something. Maybe you need something more pithy. That is we are forcing you to choose between requirements and retirements. And that is essentially what we are doing. We are forcing you to make that choice in a budget context that is very restrictive for you as well. And perhaps if we focused more on helping you meet your requirements and less on preventing retirements of platforms, we could have easier conversations with the Air Force.

Secretary Wynne, just a quick note, I want to just review what I heard earlier in response to Mr. Everett's questions about the KC–X. You said you hope the KC–X decision will be in January 2008. So it is not going to be this calendar year?

Secretary WYNNE. I am trying very hard to retain it, but in response to our inquiries, the contractors did a superb job of responding to us and in some depth. And that is what caused us to miss some interim milestones. And bless their hearts, I know they are working their butt off, and I want to give them a fair treatment.

Mr. LARSEN. And fair treatment is going to be important. However, do you anticipate that this phase one of the buy will be an all or nothing? That is that it won't be a split procurement? Do you at least anticipate that?

Secretary WYNNE. Yes, sir, I do now.

Mr. LARSEN. You do now anticipate that will be an all or nothing? Phase one.

Secretary WYNNE. Phase one.

Mr. LARSEN. Okay. Sure. I want to give you an opportunity to talk about something other than airplanes. You recently found or heard that the Air Force recently found some additional problems in Space Based Infrared System (SBIRS) and released a memo with a cost assessment of a billion dollars to solve that problem. Have you identified the problems and the mitigation efforts?

Secretary WYNNE. The problem is in the software integration. It is as a result of a lesson learned from a current flyer, and it is a problem of fail-safe. In other words, one of the satellites that is in fact in orbit could not fail in a safe mode and so had to be taken off line. We think the same software is in the space based infrared system (SBIRS). It is a very fragile architecture. And we need to take some time so we don't essentially break the architecture trying to fix this what I consider to be a relatively easy problem. That having been said, I can tell you that because of the marching Army that associates with the satellite, once it is in construction, you have to keep it going.

Mr. LARSEN. Right.

Secretary WYNNE. And that is where the money comes from. And it pushes the entire program out. So it is my—I mean, reach for how bad could this get? It is not an estimate that I would be proud of. And I am hoping that by the November 7th meeting with the Under Secretary of Acquisition, Technology, and Logistics (AT&L), we have a much better handle on it.

Mr. LARSEN. So the $1 billion estimate is an estimate, and you are trying to work that——

Secretary WYNNE. Down.

Mr. LARSEN [continuing]. That number down.

Secretary WYNNE. Yes, sir.

Mr. LARSEN. And the problem in November—I don't want get into too much detail, but as I understand it, the problem you have identified is a software problem that you found in a current satellite——

Secretary WYNNE. Right.

Mr. LARSEN [continuing]. That will be in SBIRS, and you want to make sure that you fix that in SBIRS as you move forward.

Secretary WYNNE. Yes, sir.

Mr. LARSEN. Just so I understand. By November 7th, then will you have an idea on the schedule then, the impact on the schedule?

Secretary WYNNE. Yes, sir, that is our forecast for the Under Secretary is to come to him with an impact to cost and schedule, and which we hope to be robust.

Mr. LARSEN. Okay. Can you at that point then get back to us on what cost, what the impact on costs will be?

Secretary WYNNE. Yes, sir, I am pretty sure he will put out an acquisition decision memorandum (ADM), and you will be able to see that.

Mr. LARSEN. All right. Good. That is fine then. Mr. Chairman, thank you very much and thank the gentlemen.

The CHAIRMAN. Thank you very much.

Mr. Bartlett? Mr. Bartlett, let me ask one question right before I recognize you.

General, what can a C–5 carry that a C–17 can't?

General MOSELEY. Sir, latest data with current equipment, which is a partially erected Patriot battery and a Mark V boat—but—that is the outsize bulk. But the advantage the C–5 has is it can carry more pieces of equipment than the C–17. But the size cube, the only two things that won't fit are the partially erected Patriot battery and the Mark V boat. That is half the answer. The other answer is just more stuff, more vehicles, et cetera.

The CHAIRMAN. Thank you so.

Mr. Bartlett.

General MOSELEY. Sir, that is why the C–5 is so valuable to us.

The CHAIRMAN. Yes. Thank you.

Mr. BARTLETT. I want to apologize for having to leave the committee for a markup in another committee and for a floor debate.

Thank you very much for your service. Secretary Wynne, in September, you were quoted as saying, "Right now, we like Boeing, but it is now, let the best company win." What did you mean by that, and do you think it was really appropriate to make that comment while the program was under such a high level of scrutiny?

Secretary WYNNE. Sir, that is the CSAR–X program that you are referring to. And by that time we had actually down selected Boeing as the winner, and the protesters—were protests, and the GAO was continuing to decide. And I will tell you that the Air Force did a superb study and down selected to Boeing. I think the GAO has told us go back. And I think my direction to the team is, you treat every contractor like they just walked in the door. So, right now, we have to treat every contractor like they are brand new, including Boeing.

Mr. BARTLETT. Thank you very much. I am glad we can get that on the record. General Moseley, you have said that the Chinook would not have been your choice for the combat search and rescue (CSAR) platform, that you were surprised when it was selected, but that the service would make it work. Why wouldn't you have picked the Chinook, and why do you think it emerged as the winner?

General MOSELEY. Sir, I think it met the criteria of low technology risk. I think our acquisition people did everything they could to look at an open and transparent competition, and the Chinook won. But from my experience commanding the theater air effort in Afghanistan and Iraq, the Chinook is a big, heavy helicopter. Our combat search-and-rescue helicopters have not been that big and that heavy. So I was honest when I answered it, and I will still say it is not the one I would have picked, but if we end up with this helicopter, we will make it work. And our Army flies this into some very dangerous places. The airplane is survivable. We will make it work.

Mr. BARTLETT. Thank you very much. I appreciate your honesty, sir, and the opportunity to get this on the record. Are we relatively happy with the KC–135R?

General MOSELEY. Yes, sir. We are very happy with it, but I don't know how much longer we can be happy with it until we——

Mr. BARTLETT. How do we get KC–135Rs?

General MOSELEY. Sir, we put bigger engines on them.

Mr. BARTLETT. We put bigger engines on what?

General MOSELEY. On both the KC–135E and the KC–135R from the original baseline. They had much more efficient engines. The R model is the most efficient.

Mr. BARTLETT. Don't we convert Es to Rs?

General MOSELEY. Sir, we have converted some Es to Rs. If you allow me to take that for the record, we will get you the exact details of the entire inventory.

Mr. BARTLETT. I think we convert a lot of Es to Rs. Do you know how much it costs to convert an E to an R?

General MOSELEY. Sir, we will take that for the record if you allow us.

[The information referred to can be found in the Appendix on page 69.]

Mr. BARTLETT. It is just a fraction of the cost of buying a new tanker. And since we are happy with the Rs, and an R made today is going to be better than an R that was done 10 years ago, right? I am having some trouble understanding, with our tight budgets, why we aren't more interested in converting the Es, with which we are considerably unhappy, to Rs, with which we are quite happy, when the cost is very small compared to the cost of buying a new platform.

General MOSELEY. Congressman, let my take that on from aviator perspective. The airplanes were designed in the 1950's, and those airplanes were built during the Eisenhower Administration. And the structure on those airplanes is not a modern structure. We have also operated those airplanes now for about 40 years. So the money spent on modification of one of the old airplanes is you still have an old airplane. My fear, when I am asked what do you worry about at night, is a catastrophic failure of one of these 707 air frames, and we ground the entire fleet. And the impact we will have in the strategic setting of no jet tanker, sir, I believe is an unacceptable risk.

Mr. BARTLETT. It is just a matter of priorities. If we had all the money in the world, clearly we would replace all of them. We don't. And I just am concerned that there may be higher priorities for the use of our limited dollars. And we are pretty happy with the R. The E is a problem. Let's convert the Es to the Rs. And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you. It appears, Mr. McIntyre, you will be able to close out our hearing. We do have votes. However, I think Mr. Saxton will have a question or two afterward. But we will be able to squeeze it all in before we go vote. Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman. I have three or four questions, and I will say them quickly, and then what you can answer very succinctly, please do. Number one, with all the space systems providing so many critical capabilities to the warfighter, to global positioning, protected communications, intelligence and so on, do you see the Air Force, as we talk about the future, requesting a larger percentage of the budget toward supporting space program needs?

Secretary WYNNE. Yes, we do. We have got the space I think under control, and now is the time to exploit the management techniques that we brought to bear on back to basics.

Mr. MCINTYRE. Do you know about how much you expect that percentage to grow by?

Secretary WYNNE. No, sir, I don't.

Mr. MCINTYRE. If you have any projections on that, if you could supply them that would be helpful. Second, speaking of the future, the next generation bomber you talk about wanting to field by 2018 in your testimony. Can you tell us if you have any particular designation for this bomber yet, and if you have any of the plans on the drawing board?

General MOSELEY. Sir, we would have to go to a different setting and a different classification to talk about that.

Secretary WYNNE. We don't have any names for it, though, like any snappy names. If you have one, we——

General MOSELEY. No, sir. But to talk about those sorts of things, we will need a different configuration.

Mr. MCINTYRE. But are you working on that next-generation bomber?

General MOSELEY. Absolutely, sir.

Mr. MCINTYRE. And there is not a designation number yet for it at all?

General MOSELEY. No, sir.

Mr. MCINTYRE. Okay. There have been several accidents involving F–16s. Many reported nationwide through the AP just as recently as yesterday. And we know that there have been 10 class A F–16 accidents in the past fiscal year, which was up from 9 the previous year, up from 5 the year before that, up from 2 the year before that. I don't know if you all have done a study or have an answer to what is occurring here that you can supply in more detail. Or if you have a short answer, you can give that right now.

General MOSELEY. Sir, you know, we take this very serious about the safety of the airplanes and the people that we ask to fly them. So the loss of any airplane, and for sure the loss of any of our pilots is a catastrophic event for us and the families, whether it is Guard, Reserve or active. Sir, you also know that we take every opportunity in training and in rules of engagement and in training rules to minimize the threat. The details of each of those losses are all somewhat different. We haven't got a constant thread of a wing failure or a tail failure. It is a moving challenge to operate aging aircraft and to protect our people and still meet the mission requirements. If you will let us take that question for the record, we will get you the details of each of those, and the constancy of each of the outcomes of the investigations.

Mr. MCINTYRE. That would be helpful. Do you have someone specially designated, given this increasing pattern of failure, that is specifically looking at this?

General MOSELEY. Sir, we have a major general who runs our office of safety, and that is his entire life is to watch this.

Mr. MCINTYRE. What is his name, sir?

General MOSELEY. Griffin. Sir, we will get you all of that.

Mr. MCINTYRE. If you could, at least a preliminary report in the next two weeks to my office, that would be helpful.

General MOSELEY. Yes, sir.

Mr. MCINTYRE. Finally, can you tell me why, this is something that many people have wondered, but no one will ever address it,

why we jumped in designation from F–22 all the way to F–35? Are all those numbers intermittently not going to be reserved for future aircraft? Are they just going to be skipped?

General MOSELEY. Sir, previous administrations, previous predecessors made some of those decisions. If you have watched how we have gone back to the basics on designation of numbers, we are going back to a sequence. I can't answer why we went from F–22 to F–35, but I can tell you, as we get into the new tanker, it will be a KC something that is in sequence with the rest of the airplanes. Each of the new aircraft we field the nomenclatures will be in sequence, because I believe that is the only right way to do it.

Mr. MCINTYRE. Correct. Do you know the answer to that, Secretary?

Secretary WYNNE. No, sir, I don't.

Mr. MCINTYRE. Okay. A few years ago, when I asked that question, I was told, because it was a favorite number of one of the generals; he liked the number 35. I don't know if you can check that.

General MOSELEY. Sir, I have no clue, but we will go check.

Mr. MCINTYRE. All right. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you so much.

Mr. Saxton, you have a wrap-up question?

Mr. SAXTON. Thank you very much, Mr. Chairman.

Quickly, back to fee-for-service demonstration for just a minute. General Moseley, do you need legislation to proceed with the fee-for-demonstration project? And second, if you are not forced to do this with legislation, will you still give it full and fair consideration?

General MOSELEY. Sir, I think there is something to be said to doing it. The Secretary and I have talked about this. I think there is a very useful notion of looking at this concept. And so I believe we will do it, whether we have language or not, to look at that scope and look at the validation of that. We need to know that before we can answer the specific questions on operational impact. And I don't have that yet.

Mr. SAXTON. So to answer the question, do you need legislation to proceed with the fee-for-service demonstration, you would say——

General MOSELEY. No.

Mr. SAXTON. Thank you.

General MOSELEY. Sir, the follow-on is, would we conduct the test? Yes.

Mr. SAXTON. Thank you. I am told that in the cost of the C–5 modernization program which caused the Nunn-McCurdy breach, the level of confidence in that number, which you wrote in a letter to us was $17.8 billion, the confidence level that that number is correct is apparently 50 percent. What would that number look like—I mean, that is a fairly low confidence level, I would assume. If a business person started out on a project assuming that he was going to spend X number of dollars and he had a 50 percent confidence level that that is what he was going to spend, the business person wouldn't feel real good about that. What would that number look like if we had a higher level of confidence, let's say 80 percent, that the number is correct?

Secretary WYNNE. Sir, I would have to get you that for the record. I don't have it right off the top of my head. It would be higher.

[The information referred to can be found in the Appendix on page 69.]

Mr. SAXTON. It would be higher. Okay. There have been several members here today who have advocated for modernizing—continuing the modernization program for all 111 C–5s. I read in some papers recently that, if we did that, it would give us the equivalent of 10 additional airplanes. Can you speak to that, Mr. Secretary?

Secretary WYNNE. I believe the intent of the program, sir, was to increase the operational readiness from what is apparently in the mid–60's, say 65, to apparently in the mid–70's, say 76. So that would be an improvement of approximately 11 percent. I think where the calculation goes is that 11 percent of what? And 11 percent of operational readiness applied to 111 airplanes is approximately 11 airplanes. And I think that is what, when you compare that to the cost of the program, you can see that it is a very different division than if you divide by 111.

Mr. SAXTON. We can argue about what the real cost of the modernization of the entire 111 is. The number that you wrote to us was 17.8 billion. Lockheed says 14 billion. But in either case, to increase the equivalent number of airplanes by 10, isn't that pretty expensive per airplane?

Secretary WYNNE. Per airplane, sir, by that divisor, it would be.

Mr. SAXTON. It would be like a billion-plus an airplane; wouldn't it?

Secretary WYNNE. By that divisor, it would definitely be in that range.

Mr. SAXTON. Mr. Chairman, I have found this hearing to be very useful and informative today. And I again want to thank you for hearing it. And I want to thank the Secretary and Chief for being here to share this information with us today. Thank you.

The CHAIRMAN. Thank the gentleman, Mr. Saxton, from New Jersey. The Air Force I know has strategic vision. The Air Force I know has a strategy in the defense of American interests. And it would be very helpful to us to share that with us as we fit the budget or lack of budget into that strategic vision.

General, you were good enough to speak about the war colleges and the larger thought that the military needs. And sitting behind you are six airmen who have either been to a senior or junior or intermediate or all of the war colleges. That is what they have done. And it would be very helpful if you would fit the jigsaw puzzle, Mr. Secretary, together for us next time that you come. It would be very, very helpful. And we know you live with budget problems. We know that. And they jump at you every day. They probably keep you awake at night. But it also would be very helpful for us to have that strategic vision shared with us, and how you may or may not be able to meet it through the budget. We thank you for your service. It is excellent. We thank you for your knowledge and, most of all, for your leadership. Thank you.

Secretary WYNNE. Thank you, sir.

General MOSELEY. Thank you, sir.

[Whereupon, at 11:49 a.m., the committee was adjourned.]

A P P E N D I X

October 24, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

OCTOBER 24, 2007

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE ARMED SERVICES COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: STRATEGIC INITIATIVES

STATEMENT OF: THE HONORABLE MICHAEL W. WYNNE
SECRETARY OF THE UNITED STATES AIR FORCE

GENERAL T. MICHAEL MOSELEY
AIR FORCE CHIEF OF STAFF

24 October 2007

NOT FOR PUBLICATION UNTIL RELEASED
BY THE ARMED SERVICES COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

I. Introduction

America's Air Force is engaged around the world, fighting terrorism and insurgents in the Global War on Terror (GWOT) and fulfilling our roles and missions as Airmen for the joint team. Simultaneously, we also shoulder much of the burden as our nation's strategic deterrent. We fly and fight in three war fighting domains – air, space and cyberspace – giving our nation sovereign options to employ military force no other nations possess.

While we are fighting the war we are also preparing for an uncertain future by doing all we can to become an even more efficient and effective instrument of national power. While the GWOT is the near-term priority, we firmly believe that the nation and the Air Force must prepare for emerging *global* threats at all levels of warfare. While we expect to be engaged in CENTCOM for another ten or more years, we must also continue to be able to detect, deter and dissuade other potential enemies – both state and non-state actors – and fight battles across the spectrum of conflict. We remain convinced that the future security environment will be more complex, lethal and demanding than today's operating environment, and that the Air Force and our Department of Defense will require the full range of military capabilities to maintain our relevance and our advantages. In fact, we believe it's time to re-focus on and increase the asymmetric advantages the Air Force offers the nation. Our nation expects and deserves no less.

II. Mission

Since becoming Secretary of the Air Force and Chief of Staff of the Air Force, our first priority has been fighting the long war against terrorism and ensuring that our Total Force – including Active Duty, Guard, Reserve, and civilian – is prepared for the next war. The Air Force's strategic roles call for us to maintain the ability to detect, deter, dissuade, and defeat those who seek to harm America.

Today's GWOT missions are only the latest in a string of nearly 17 years of continuous combat, beginning with our initial Operation DESERT SHIELD deployments in August 1990 through ongoing operations in Iraq, Afghanistan and the Horn of Africa (HOA) today. Today's Air Force provides the Joint Force Commander a range of capabilities, from traditional ones like close air support and armed reconnaissance, to non-traditional ones like presence, infrastructure protection, and election support. The Air Force flies approximately 430 airlift;[1] aeromedical evacuation; air-refueling; Command and Control and Intelligence, Surveillance, and Reconnaissance (C2ISR); strike; and electronic warfare sorties daily as part of Operations IRAQI FREEDOM and ENDURING FREEDOM (OIF/OEF).

Of the approximately 25,000 Airmen deployed in the CENTCOM AOR, approximately 6,100 are considered "in lieu of" (ILO) taskings – meaning we are filling

[1] In Iraq alone, USAF airlift delivers approximately 3,500 trucks' worth of cargo in an average month, taking more than 8,600 people off dangerous roads and providing the Army and Marines the flexibility to re-mission those vehicles and associated support troops to alternate missions.

other Services' billets in some of their stressed skill areas and taking on tasks outside Air Force core competencies.[2] Since 2004 we have deployed approximately 24,000 Airmen in support of such ILO tasks, and we expect a steady increase in that total.[3]

But our engagement in CENTCOM is only the "tip of the iceberg." In addition to the 25,000 Airmen deployed to CENTCOM's AOR at any one time, we also have approximately 213,000 Airmen (183,000 Active Duty plus an additional 30,000 Guard and Reserve) fulfilling other daily COCOM tasks.[4] That equates to about 40% of our Total Force and about 53% of the Active Duty force.[5] From controlling satellites to flying Predators, Airmen influence events worldwide every day without actually physically being around the world.

Our Total Force Airmen are also busy defending our homeland, having flown over 50,000 fighter, tanker, and Airborne Warning and Control sorties since 11 September 2001, and having flown over 3,500 counter-drug sorties since 1991.

III. People

Another priority is developing our Airmen and caring for them and their families. Airmen are our most precious resource – our "number one weapon system" – and make the Air Force the instrument of national power it is today. So this priority is aimed at ensuring our Total Force Airmen are well-trained and ready for their expeditionary warfighting responsibilities by charting out a career full of education and training for each Airman. Because it is clear that, while *we recruit the individual, we retain the family*, our "People" priority also includes ensuring that Air Force quality of life standards remain the highest of any service.

However, fiscal constraints are tightening as health care costs continue to skyrocket. With Program Budget Decision (PBD) 720, the Air Force planned to reduce by 40,000 Active Duty, Guard, Reserve and civilian Full-time Equivalents (FTEs) in order to self-finance the critical re-capitalization and modernization of our aircraft, missile and space inventories. Because our Airmen are so important, this self-financing decision was difficult, but we saw it as our only viable re-capitalization option in this extremely tight budgetary climate. During the 1990s the Air Force suffered a seven year "procurement holiday" that we believe must be addressed. With increased fuels and maintenance costs dramatically reducing our buying power, and with our TOA cut significantly from planned and promised levels, we saw reducing our own end strength

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[2] Examples include detainee operations, convoy operations and protection, explosive ordnance disposal, civil engineering, security, interrogators, communications, fuels, medical, logistics, intelligence, and base operating support (BOS).

[3] The Air Force ILO footprint has grown from about 1900 in 2004 to 5000 in 2007, and is projected to reach approximately 6000 ILOs in 2008. (AFPC/A1P) On top of ILO tasks, the Air Force also supports another 1,200 Individual Augmentee (IA) joint manned positions.

[4] Other COCOM tasks include such missions as space control and situational awareness, counter-drug, homeland defense, nuclear deterrence, and national C^4ISR.

[5] As of December 2006, the Air Force comprises approximately 347,400 Active Duty, 105,600 Guard and 73,800 Reserve, or 526,800 Total Force uniformed Airmen. We also have 165,700 civilian Airmen.

by 40,000 full-time equivalents over a 3-year period as the "lesser of evils" alternative to generate the vitally needed investment capital.

Our force drawdown efforts have placed us on a glide slope to meet our PBD 720 end strength targets of 334,200 in FY07 and 328,400 in FY08. But personnel changes of this magnitude come with a degree of uncertainty and difficulty for our Airmen and their families. We are making every effort to use voluntary measures to shape the force with the right skills mix, increase manning in stressed career fields, leverage new technologies, and lean our internal processes to reduce workload and reduce or eliminate unnecessary work through Air Force Smart Operations 21, or AFSO21. Ultimately, our goal is to ensure the Air Force maintains the right size and mix of forces to meet the global challenges of today and tomorrow. While our force size is getting smaller, we are making every effort to do business smarter. For that reason education and training remain top priorities.

We believe voluntary education (tuition assistance) makes Airmen even smarter, better American citizens during their enlistment(s), and better air, space and cyberspace combatants for the nation. Tuition assistance also continues to be a strong incentive that helps ensure we meet our recruiting and retention goals. For every one Air Force enlistee we turn 99 others away, so we continue to be able to choose the cream of America's crop. Our recruiting and retention figures remain impressive. Our challenge is to reprioritize funded Air Force professional education opportunities to better reflect a balance between the fight today and the fight tomorrow.[6]

Since 2001 the Active Duty Air Force has reduced its end-strength by almost 6% but our deployments have increased by at least 30% – primarily in support of GWOT. To accomplish the increasing "in lieu of taskings," many of our Airmen require a great deal of additional training. Such extra training means even more time away from families and from units already stretched thin by the Air Force's high OPSTEMPO and force drawdown. These ILO tasks add significant levels of stress on the deployed Airmen as well as the rest of our force. Because ILO-tasked units and Airmen are no longer available for core Air Force or home-station missions, and because our core missions must still be accomplished, the workload shifts to other Airmen at home and abroad. But the issue goes beyond strain on people. Airmen's skills in their core competencies are perishable, and we must give them time and training to hone those skills.

Additionally, faced with more austere budgets and a reduced inventory of support personnel, commanders are assessing how they can operate base support functions more efficiently given fewer resources. Inevitably, commanders may be required to consolidate capabilities on some bases to maintain services to our people. We must face these tough decisions today, so that tomorrow's Air Force will be better than today's. In our profession, the mission must come first, but in today's high OPSTEMPO

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[6] Institutions include the Air Force Institute of Technology (AFIT) and AFIT-sponsored degree programs, intermediate and senior developmental education (IDE/SDE), Basic Military Training and professional continuing education (PCE). Re-emphasized priorities include irregular warfare, homeland security, regional affairs strategists, foreign language programs, science and technology, and the faculty requirements the Air Force Academy, AFIT, and Air University need to create tomorrow's Airmen.

environment it's critical we take care of our Airmen and their families so they can better focus on the mission.

We have trimmed our Air Force using a methodology that preserved a strong expeditionary capability, but at considerable risk of "burning out" our Airmen. Any significant growth planned for active duty ground units – such as announced by the President and Secretary of Defense – would inherently drive a commensurate need to increase Air Force strength to directly and indirectly partner with these larger ground units. Our airlift units, for example, are intrinsically tied to our Army and Marine teammates. We give the nation's ground forces the logistical reach to be delivered, supplied, re-supplied, and extracted via air anywhere in the world. Our weather teams, tactical air control parties, and other forces are embedded or closely tied with ground forces. And, of course, the Air Force provides the Joint Force Commander the full range of our air assets as part of the interdependent joint fight.

Some of our most successful initiatives have led to even more seamless integration of all elements of our Total Force, and leveraging to a greater extent than ever the capacities inherent within our Total Force. Though the Air Force is already the model for melding its Active Duty elements with its Guard, Reserve, and civilian elements, there is still more we can do to ensure our governors, states and Nation get the most combat effective, most efficient force possible – to accomplish our mission more quickly and with greater capacity.

IV. Tomorrow

Our final priority is to maintain well into the future the same advantages over existing and emerging competitors that we enjoy today. Because these competitors are not sitting idle, we must act now to replace obsolete air and space systems. Our Airmen and their equipment have been in combat for the past 17 straight years, and the years of flying and fighting have taken a toll on our people, our machines, and our organization. Our old aircraft are harder and more expensive to maintain than newer ones, they require a larger footprint when they are deployed, and most importantly, they are significantly less combat-capable in today's lethal environment. Further, every one of our major satellite systems must be replaced in the next ten years. Because of the significant lead times associated with developing, acquiring, and fielding new systems, we *must invest today to ensure tomorrow's air, space and cyberspace dominance*. We have therefore accelerated the move from Cold War infrastructure and platforms, and we are doing our best to resource the change to fielding a force that is prepared for 21st Century challenges.

We are saddled with air and space inventories that are the oldest in our Air Force's history. As of the end of September 2007, our aircraft are, on average, 24 years old, with selected genres and platforms being considerably older. For example, our tankers average 44 years old, with the oldest KC-135E entering active service on 28 December 1957. Our venerable B-52H bombers average nearly 46 years old, and the oldest of them entered service on 28 January 1960. The Air Force has not purchased significant quantities of new aircraft since the 1980s. With the funds we have available,

have programmed, and have tried to free up with personnel endstrength cuts, we are attempting to halt, then reverse the steadily aging trend.

In the 1990s, the Air Force deliberately chose to assume risk in modernization and, instead, sustained aging weapon systems throughout continual combat operations. The tragedies on 9/11 and resulting War on Terror regrettably coincided with the period when the Air Force expected to recover and begin a true force-wide re-capitalization. While victory in the war on terror is our number one priority, the nation cannot afford to take another procurement holiday that places our future at grave risk. We will not win tomorrow's fight without re-capitalization, and we cannot sacrifice victory in today's fight to prepare for tomorrow.

Perhaps more worrisome, the procurement holiday the entire Department of Defense took during the 1990s is already impacting our ability to meet the ends we have been assigned. For example, the B-52Hs that comprise more than half our total bomber inventory and the "newer," sleeker B-1Bs (even they average more than 20 years old each) do not have the ability to penetrate modern integrated air defense systems. They are great bomb trucks and serve today's GWOT needs well, but they are not survivable platforms in contested airspace. Recognizing this, our enemies and potential competitors have gone about upgrading their air defenses by purchasing new 4th generation and generation 4.5 fighters and sophisticated anti-access weapons. Lest anyone think this reality is a long way off either in physical or temporal terms, Venezuela's leaders have embarked that country on a path that might deny us access to that country or its neighbors in the near future. Clearly, we need a new penetrating bomber with the range, payload, survivability and lethality to project our nation's power.

Similarly, the HH-60G PAVE HAWK helicopters we use for Combat Search and Rescue (CSAR) average over 17 years old, with the oldest entering service on 8 Dec 1982. Today's HH-60Gs lack the range, payload, power, and survivability required for today's operating environments – ranging from extreme altitudes and frigid cold of the mountains of Afghanistan to the brutal heat and sand of the deserts of Iraq – let alone tomorrow's. We owe it to our nation's Airmen – and to our Joint and Coalition brethren – to be able to penetrate defenses and fly to extreme ranges to pick them up should they become isolated. We owe them a new CSAR helicopter.

Thus, our approach has been two-pronged: first, since 2005 we have been pushing to divest the Air Force of significant numbers of old aircraft that are either too costly to operate or obsolete. We appreciate Congressional language in the 2007 National Defense Authorization Act supporting our efforts to retire our older aircraft. However, legislative restrictions on aircraft retirements remain an obstacle to efficient divestiture of our older, least capable, and costly to maintain platforms and equipment. We are still encumbered with language that prevents us from smartly managing our own inventories of C-5A, C-130E/H, KC-135E, U-2S, and B-52H, which will cost us $229 million in operations and maintenance in FY2008.

For example, the Eisenhower administration-era KC-135Es that have served our nation so well for 50 years have exceeded available engineering data and we can no

longer accurately anticipate what element of the weapon system will fail next. We know for certain that KC-135Es have a problem with engine strut corrosion. Years ago we tried to temporarily fix the problem, but that stopgap measure has itself now worn out.[7] Twenty six of them have therefore been grounded, and yet we are prohibited from retiring any KC-135E aircraft during fiscal year 2008. We desperately need to retire these KC-135Es and move forward procuring a new, more reliable, more agile KC-X. Our *Global Reach* is at risk without it.

Likewise, our inventory of C-130Es is, on average, more than 43 years old (oldest entered service 28 June 1961). More than 20% of them are grounded or have flight restrictions preventing them from being useful to the Air Force, and the Fleet Viability Board has recommended monitoring C-130Es closely and retiring them as they become non-flyable. Considering we have an open C-130J production line, it makes sense for them to be retired. Yet we are prohibited from retiring any C-130E/H aircraft in fiscal year 2008 and are required to maintain each C-130E tactical airlift aircraft retired after 30 September 2006 in a condition that allows recall of that aircraft to future service even though they may not be flyable.

Second, we are in the midst of the Air Force's biggest, most complex, and most important recapitalization and modernization effort in history. This sweeping effort aims to equip our Airmen with fewer numbers of dramatically more capable systems to meet the needs of our nation at war as well as to ensure our Total Force's readiness for future conflict. Successfully executing our re-capitalization plan requires carefully balancing the requirement to continue to meet today's operational needs while also ensuring future Airmen fly and fight in an Air Force that is relevant, capable and sustainable.

The Air Force's top five procurement priorities – the new jet tanker (KC-X); replacement rescue helicopter (CSAR-X); new space systems for early warning, communications, weather, and position, navigation and timing; F-35 Joint Strike Fighter; and the next generation bomber we'll field by 2018 – will begin to address our re-capitalization and modernization needs. We must field 5th generation platforms with increased stealth, survivability, stand-off, reach, integration, speed, lethality, and precision capabilities if we are to maintain dominance in tomorrow's battlespace and if we are to maintain interoperability and partnerships with our international partners and allies.

V. Conclusion

America's Air Force is the most powerful air force on the planet, with *Global Vigilance, Global Reach,* and *Global Power* to be envied. Yet we cannot – and will not – rest on the laurels of our current dominance. We anticipate a future security environment that is fundamentally different from the Cold War-era, so we are building a 21st Century Air Force prepared to:

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[7] An EIR (Enhanced Interim Repair) was instituted to provide a 5 year extension of engine strut serviceability. As of 30 Sep, 26 aircraft have exceeded their PDM and/or EIR expiration dates.

- Harness and exploit new technologies, and adapt our strategies, organization, tactics, and training to meet both current and future warfighting requirements

- Project power into a theater from locations in the United States through and from the air, space, and cyberspace

- Detect, deter, dissuade, and defeat our Nation's enemies, no matter *who* they are, *where* they are, or *what* their weapons

- Dominate our three warfighting domains for the United States of America, her interests, and her ideals, alongside our global partners – strategically, operationally, and tactically

We appreciate the Congress's continued partnership in making that happen.

DOCUMENTS SUBMITTED FOR THE RECORD

OCTOBER 24, 2007

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE CHIEF OF STAFF
UNITED STATES AIR FORCE
WASHINGTON DC 20330

NOV 6 2007

HQ USAF/CV
1670 Air Force Pentagon
Washington, DC 20330-1670

The Honorable Jim Marshall
U.S. House of Representatives
Washington, DC 20510-6050

Dear Congressman Marshall

I appreciate the opportunity to clarify my statements regarding the potential transfer of the Joint Cargo Aircraft (JCA) program to the Air Force and any delays this transition might cause. As stated in my 18 October letter to Sen. Levin, we don't think shifting resources to the Air Force necessarily delays the program. The Air Force has been a full partner in the requirements and source selection processes. We should be able to devise a transition schedule that minimizes or results in no delay to the program and the agreed upon beddown timeline.

The Army Vice Chief of Staff's response to Sen. Levin assumed the JCA would transition to an Air Force only program. However, as the CSAF stated in his testimony to the HASC on 24 October, he supports the same units receiving C-27s and continuing with the beddown plan as proposed. As such, the JCA would remain a joint program with leadership of the Joint Program Office (JPO) transitioning to the Air Force. Joint program offices are a proven concept utilized on programs such as Joint Strike Fighter, V-22, Joint Primary Aircraft Training System (JPATS), C-130s, and several space programs.

If we use this well proven concept to acquire this new capability, the Army concerns are fully addressed. Program documentation is not an issue since the program remains joint. Force structure is not an issue since the beddown of aircraft continues as currently planned. The existing JPO remains in place; so, the program remains on schedule. I believe the Services can ensure a smooth transfer of executive authority.

The JCA is an important joint capability which will help meet airlift requirements of the future. It will provide greater flexibility in meeting intra-theater mission requirements while also supporting homeland security and other domestic requirements.

Sincerely

DUNCAN J. MCNABB
General, USAF
Vice Chief of Staff

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

OCTOBER 24, 2007

RESPONSE TO QUESTION SUBMITTED BY MR. SAXTON

Secretary WYNNE. Sir, the $17.8 billion ($TY) we previously provided for total program cost at the 50% confidence level was subsequently adjusted to $17.5 billion ($TY) due to a reduction in spare engine requirements. That total program cost at the 80% confidence level would be $20.2 billion ($TY). [See page 49.]

RESPONSE TO QUESTION SUBMITTED BY MR. BARTLETT

General MOSELEY. The KC–135 Reengining line is closed. The cost to reopen the line is $40–50M. In addition to this one-time cost, the 2005 Fleet Viability Board estimated the cost to convert a KC–135E to a KC–135R at $37.1M. [See page 46.]

RESPONSE TO QUESTION SUBMITTED BY MR. MARSHALL

General MCNABB. [This information is provided in a 6 Nov 07 letter to Congressman Marshall, which can be found in the Appendix on page 65.] [See page 38.]

RESPONSE TO QUESTION SUBMITTED BY MRS. BOYDA

Secretary WYNNE. We have not offset the current organic reduction with an equivalent increase in contractor support. In addition to the manpower reduction referenced above, the AF reduced contractor support by ~$6.2B through the FYDP to help pay for recapitalization and modernization of the AF air, space, and cyberspace systems.

We do not track the actual number of contractors in accordance with the 2002 National Defense Authorization Act (NDAA), Sec. 802, Savings Goals for Procurements of Services. Our contracts are written, and funded, for a specified level of service, not for specified numbers of contractor personnel. We have instituted policies and procedures to ensure that the scenario you described above does not happen.

The Air Force continues to implement functional reengineering, reachback, warfighting headquarters, and continuous process improvement strategies to transform our Service to meet present and future missions within existing resources. We also instituted a policy that requires senior leadership approval of requirements exceeding $10M. The MAJCOM commander must approve requirements in excess of $10M with the AF Service Acquisition Executive approving requirements over $100M. [See page 35.]

RESPONSE TO QUESTION SUBMITTED BY MS. CASTOR

General MOSELEY. For the Air Force, costs for in-lieu-of (ILO) tasking expand beyond typical dollar costs. Impacts are pervasive within limited communities. Direct relationships, secondary and tertiary impacts, and cause/effect can only be characterized in a subjective manner.

ILO Opportunity Costs:

Retention—We are seeing affects on continuation and upgrade training for our airmen, yet we are still on track with our overall retention goals.

Air Force (AF) retention slightly below expectations: 97% of goal; as of 30 Jun 07 (3% below goal)

AF carefully monitoring retention trends

ILO tasked Air Force Specialty Codes (AFSC) 7% lower retention than non-ILO Vehicle Maintenance, Vehicle Operations, Paving & Construction Equipment, Structural Engineering, Aerospace Medical, and Explosive Ordinance Disposal (EOD) falling short of retention goals

Mobilization—Fiscal Year 2007 (FY07) mobilizations amounted to 2,902 authorizations. Of these 1,033 were for ILOs filling EOD, Security Forces, Combat Search and Rescue (CSAR), Intelligence positions.

Medical—Currently the Army is unable to fill all requirements. This situation has AF medical personnel currently filling 62 deployments that last for 365 days. It is important to note the 60-day training tail makes the time away from home station up to 15 months, and home station medical facilities must backfill through Global War on Tenor (GWOT) contracts due to local healthcare market and short-notice notifications. There is the inevitable learning curve and training tail associated with bringing new members into the organizations. During the last six months AF Medical has lost 14 professionals (senior leaders, high demand specialists, and mid-level officers) who opted to separate and/or retire rather than deploy for 365-days. If a deployed professional is backfilled with contract civilians, the cost is steep. For example: a radiologist at a rate of $425,000 per year/per Radiologist. When filling ILO solutions, the Air Expeditionary Force (AEF) process loses its "predictability and stability", as ILO tour lengths don't always afford the opportunity to plan within AEF rotations. Access to care is an on-going issue. Two family practioner physicians on 365-day deployments equate to a loss of 20 visits/day and roughly $70/visit resulting in a loss of $1400/day in purchased care.

CSAR—ILO taskings continue to stress the CSAR HH–60 community with over half of all deployed assets supporting ILO missions. Due to focus on ILO taskings, the ability to concentrate on core CSAR mission has been greatly diminished with fewer opportunities to perform integrated Combat Search and Rescue Task Force (CSARTF) operations with CSAR and supporting forces, minimizing traditional CSAR experience across the force. In addition, the ops tempo of CSAR units has created the inability to maintain specific qualifications. For instance, Active Duty (AD) Continental United States (CONUS) units have ceased sustainment of NVG water operations and shipboard deck landing qualifications due to the inability to maintain currencies with deployment tempo.

Intelligence—To date, intelligence is accomplishing all JCS-directed requirements, but may soon need to reclama requirements. Many workarounds have been enacted. For example, US Air Force Europe (USAFE) fighter squadron intelligence shops have consolidated intelligence support functions at the Operations Support Squadrons (OSS) in order to accommodate deployment tempo. The primary deployers are 5- & 7-level enlisted, captains and majors. With these Airmen down range, there's no one at home to truly accomplish the OJT, mission certifications/qualifications, and very critical day-to-day mentoring of 3-levels and trainees. This may lead to a generation of Airmen who are not be properly trained and equipped to handle the missions of the future. Extensive pre-deployment training requirement for the ILO positions adds 2–4 months additional time away from home station. This extensive absence impacts two primary areas:

1. A good number of Intelligence positions have on-going currency and certification requirements to ensure the Airmen remain qualified to perform the mission. Examples are Air Operation Center positions, Distributed Common Ground System crews, and OSS-level platform currency. Therefore Intel professionals must spend another 1–3 months regaining qualifications in order to recertify in previously held positions.

2. Due to the length of ILO taskings and the 1:1 dwell of most intel AFSCs, the home stations must make critical risk assessments to determine what ingarrison mission will bear the loss of the ILO deployer. This degradation is starting to show in poor performances in Staff Assistant Visits and Unit Compliance Inspections, because the home station missions can't support the continuous loss of 50% of their personnel.

EOD—Unaccomplished training is the greatest cost of ILO support. EOD lacks the ability to completely support flying operations on various aircraft and weapons systems in the event of a ground or in-flight emergency. Standards are being lowered—range clearance standards have been reduced by 50% (1 yr waiver submitted) due to a lack in manning. Base Force Protection suffers without the ability to enact mutual support agreement with local authorities at home locations. This also leads to a deficit in Homeland Defense; EOD does not have resources to train with local authorities. Equipment is showing signs of degradation due to lack of manpower to perform maintenance.

ILO Dollar Costs:

We estimate in FY07 the AF expended over $80M in operations and maintenance costs to support Army ILO missions. The major expense areas for FY07 include TDY travel to and from various training locations prior to members augmenting the ILO

missions as well as additional personal equipment and gear to meet soldier standards. FY07 GWOT Supplemental funding was adequate to cover the day to day expenses associated with ILO missions. [See page 32.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

OCTOBER 24, 2007

QUESTIONS SUBMITTED BY MR. BARTLETT

Mr. BARTLETT. Is the Air Force considering a combined CSAR/CVLSP acquisition program? Do you believe that a combined approach could be a way of achieving long term cost-savings and reduction of risk?

General MOSELEY. The Air Force originally considered a combined Combat Search And Rescue (CSAR–X)/Common Vertical Lift Support Platform (CVLSP) acquisition strategy. In March 2005, CVLSP was separated from the CSAR–X acquisition strategy to keep the CSAR–X effort on track and allow the Air Force to conduct further analysis supporting the CVLSP requirement. As of this writing, CVLSP requirements have not been vetted through the Joint Requirements Oversight Council (JROC), preventing a combined CSAR–X/CVLSP effort at this point. Once the program is funded and the requirements are validated, market research will be conducted to determine a material solution to replace the UH–1N.

Mr. BARTLETT. The CSAR–X program is facing significant funding cuts in 2008. At this point, what is the need for any funding in FY08?

General MOSELEY. FY2008 dollars will go towards the Combat Search And Rescue–X (CSAR–X) System Development and Demonstration (SDD) contract, including the purchase of test vehicles, as well as to pay for government costs, studies and test planning support.

Mr. BARTLETT. What lessons has the Air Force learned from the CSAR–X debacle that can be applied to other high-level acquisition programs?

General MOSELEY. We believe, in today's economy, protests will become more and more prevalent as aircraft manufacturers compete for a shrinking number of majority aircraft acquisition programs. While the government will never be able to completely mitigate the risk of protest in the acquisition process, we should be prepared to review even our most time-tested approaches to ensure clarity in our communications to offerors, transparency in our processes, and verifiable acquisition decisions.

QUESTIONS SUBMITTED BY MR. LOBIONDO

Mr. LOBIONDO. During the hearing, you mentioned Associate Basing for ANG units who received and are to receive fifth-generation fighters. How do individual ANG units become eligible for Active Associate Basing status? What was the notification process for ANG of the policy of Active Associate Basing equaling fifth-generation fighters? Can you provide to the Committee the guidance for Active Associate Basing which were provided to ANG units? What concerns, legal and practical, about the integration of ANG and Active Duty personnel in the operational environment were considered in the Active Associate Basing development process?

General MOSELEY. As the Air Force finds ways to recapitalize its fleet and yield a smaller, yet more capable force, it is using innovative basing constructs, known as associations, as one means of maximizing efficiencies. We must balance the need to enhance capabilities force-wide, but must do so with a shrinking inventory. As the Air Force strives to manage its assets across the 54 states and territories, associations have become the best way for bases to both retain and obtain flying missions. While we realize that all current Air National Guard locations would like to receive fifth-generation aircraft, and Active Associate basing constructs with this capability are in high demand, the fiscal responsibility that comes with such restructuring is enormous. The Air Force must be judicious in its decision-making processes; the demand for fifth-generation capabilities is growing against a fiscally limited supply.

The primary, and most important factor driving all basing decisions, is the ability to generate combat capability to meet force structure and COCOM requirements. All Air National Guard bases currently flying comparable fighter aircraft will be considered for fifth-generation fighters except those bases that have been assigned new missions as a result of BRAC; these units will retain their new missions. In conjunction with the criteria that determines fifth-generation fighter beddown, the Air Force takes into consideration factors such as available facilities, environmental impact, available manpower, usable airspace, and current number of aircraft when considering association basing opportunities.

The National Guard Bureau is the primary channel of communication between the Secretary of the Air Force and the Adjutants General. Any state wishing to pursue an association should do so through the National Guard Bureau. Headquarters Air Force, in close coordination with the MAJCOMs and the National Guard Bureau, develops missions, basing decisions and identifies potential integration opportunities to satisfy current and future capabilities requirements.

The successful planning and execution of Total Force association models relies upon the active participation of all stakeholders. Interested parties are strongly encouraged to familiarize themselves with the available Total Force Integration guidance, particularly Air Force Instruction 90–1001, *Responsibilities for Total Force Integration.* This guidance provides an extensive look at Total Force Integration associate basing models, objectives, command arrangements, roles and responsibilities, and essential direction regarding initiative establishment procedures.

Legally, Title 10 and Title 32 of United States Code have presented some of the more difficult challenges to the Total Force mission. The FY2007 National Defense Authorization Act has helped knock down many of the barriers between Title 10 Federal and Title 32 State chains of command impeding successful integration. Continued discussion of legislative and policy changes are occurring and will need to continue to ensure that the Air Force is able to operate as a Total Force with the most effective use of resources.

Practically, our experiences with Guard and Regular Air Force active associations have been very positive. To date, we have two fighter and one airlift Active Associate units (Burlington, VT, McEntire JNGB, SC, and Cheyenne Air National Guard Base, WY) that are working examples of successful integration. Success depends not only on the sound guidance of leadership and careful planning, but also on the relationships fostered between the Airmen of the associating units. Associate models ensure partnership in virtually every facet of Air Force operations, and great care must be taken to support each component's unique culture, heraldry and history.

Mr. LOBIONDO. How committed to the Air Sovereignty Alert (ASA) mission to protect the homeland is the USAF? Should the ASA mission not be the number one priority for the ANG? If ASA is the number one priority, why are some ASA units only given 90 days of work days (MPA) at a time? Are there plans to correct this funding/priority issue? If not, why not?

General MOSELEY. The Air Force is 100 percent committed to protecting the Nation from all threats as directed by the President and the Secretary of Defense, and has provided a Total Force (Air National Guard (ANG), Air Force Reserve Command and Active Duty) solution for totally supporting the North American Aerospace Defense Command (NORAD) Air Sovereignty Alert missions. This support has been provided without reliance on other Services' air assets since the inception of this steady state activity.

As part of the Air Force Total Force solution to the ASA mission, the ANG units tasked to participate have also provided 100 percent commitment to the NORAD operations. In FY2006, the ANG flew 1,365 sorties and 4,021 hours defending the Nation's skies, including the tens of thousands of hours ANG members spend watching radarscopes, or sitting alert waiting for the call, or maintaining alert aircraft and facilities. This commitment to defend the United States homeland does not begin and end at our national boundaries, but the Air Force Total Force solution to the Global War on Terrorism (GWOT) guarantees that America is protected both within the U.S. and abroad.

MPA days are resourced and executed throughout the fiscal year. To sustain maximum flexibility, the Air Force's Major Commands balance the needs of the Combatant Commanders with the requirements on a quarterly basis. We continue to search for solutions funding ASA just as we do with the full spectrum of missions as we seek to achieve total force victory in the GWOT against the asymmetric threat we face as a sovereign nation.

Mr. LOBIONDO. Is there a plan to keep ANG units currently flying F–16s viable for both the ASA mission and a warfighting mission? What is that plan? Is there a performance metric for determining which ANG units are best suited to warfighting or homeland defense missions? Can you provide those metrics for review by the Committee?

General MOSELEY. In short, yes. Air National Guard (ANG) units along with the rest of the Total Force maintain capability to meet both the Air Sovereignty Alert mission and expeditionary mission sets. F–16 Ready Aircrew Program training requirements ensure that ANG, Air Force Reserve Command and Active Duty pilots are trained to meet combatant commander requirements, both in the homeland and overseas. While there is not a performance metric specifically designed to determine which ANG units are "best" suited for mission sets, all Total Force units train to meet requirements specified in their Designed Operational Capability (DOC) state-

ment. Those requirements are evaluated by inspection programs at the local and Major Command (MAJCOM) level. Any unit that does not meet the warfighting readiness posture as specified by their USAF MAJCOM documentation receives daily attention of the MAJCOM commander and operations staffs who immediately initiate remediation to attain acceptable risk in warfighting readiness. Additionally, local commanders assess and report their ability to meet the DOC requirements monthly.

Mr. LOBIONDO. What is the "Sierra Bravo" Base Design Concept? How will it impact the ANG's ASA mission? Have the expected savings and benefits from Sierra Bravo implementation been analyzed from the perspective of ANG units operating older 4th generation fighters? Is it not true that many of the savings are based on speculative estimates of reliability of 5th generation fighters?

General MOSELEY. "Sierra Bravo" is an Air Force reorganization concept which includes putting flight-line maintenance functions under the Operations Group as well as moving all other functions, including support shops, to depot or other centralized locations. We expect little impact on the Air Sovereignty Alert (ASA) mission. The Air Force does expect a savings, but fully recognizes that "Sierra Bravo" contemplated a "Clean Sheet" Air Base; and there are none of those. Thus the savings are very dependent on what idea is adapted from the many generated in the study. However, the Air National Guard, which operates with a small fulltime workforce in maintenance, medical and other support shops, does not expect to realize significant savings under this concept.

Mr. LOBIONDO. Regarding the Thunderbird's Block 30 F–16s, how many of the manufacturer's suggested upgrades do the Thunderbird's planes have? How many of these "optional" upgrades have the typical ANG unit's Block 30s received?

General MOSELEY. In order to maintain a consistent configuration control baseline, modifications are frequently applied to all aircraft within a specific Block of the weapon system and are not considered "optional" enhancements. Thunderbird and Air National Guard (ANG) F–16s have received all of the basic structural modifications required for the specific Block of aircraft. Similarly, the mechanical system modifications are fully distributed across the Block 30/32 fleet as the aircraft all have the same egress, landing, and hydraulic systems. However, the ANG has both Block 30 and Block 32 aircraft which are identical except for the engines.

The largest difference (outside the presence of the Thunderbird smoke generating system) between a Block 30 Thunderbird and a Block 30/32 ANG aircraft is the modifications to the avionics systems. Due to warfighter requirements, ANG aircraft have been modified with significant enhancements over their Thunderbird counterparts. For example, the avionics modifications to the ANG Block 30/32 aircraft include Time Compliance Technical Orders (TCTOs) upgrading the color video camera, Situational Awareness Data Link (SADL) radios, antennas for the threat warning system, updates to the Fire Control and GPS/Inertial Navigation System, and Advanced Color Programmable Display Generator (ACPDG).

Mr. LOBIONDO. The USAF standard PAA (Primary Aircraft Authorized) for an F–16 wing is 24 planes. How many support personnel are allocated to a 24 PAA F–16 air wing? How many support personnel are allocated to a typical ANG F–16 wing with an 18 PAA? With the current emphasis on Total Force Integration, why are there two different PAAs, one for Active Duty and one for the ANG, when ANG units are frequently tasked to warfighting missions in lieu of Active Duty units with more robust PAAs?

General MOSELEY. The standard of 24 Primary Aircraft Authorized (PAA) per squadron is applied to CONUS fighter wings. This number does vary across active duty units. For example, during the fourth quarter FY2009, the overseas F–16 wings at Kunsan, Misawa, and Aviano, have a programmed squadron size of 18, 18 and 21 PAA per squadron respectively.

Using the 20th Fighter Wing (FW) at Shaw AFB as the model for a 24 PAA Active Duty (AD) F–16 wing, the USAF has 776 programmed support personnel.

An 18 PAA Air National Guard (ANG) F–16 wing has an average base operating support of approximately 400 military with 120 of these being full time.

As stated, variations do exist with PAA. The Base Realignment And Closure (BRAC) FY2005 report suggests that 24 PAA is best for efficiency and effectiveness with respect to the older legacy fighters. However, the report also states that ANG wings can accommodate an 18 PAA squadron size because of the higher experience level of the personnel.

Mr. LOBIONDO. When can the Committee expect a detailed plan for distribution of fifth-generation fighters such as the F–22 and F–35 to ANG unit? Would a full Committee hearing on the ASA mission on the issue so Members could gain insight and provide input be helpful?

General MOSELEY. The Air Force gathered its senior leaders in late October to finalize a single vision, or "roadmap" for basing fifth-generation fighters, as well as for other future weapon systems. Since this meeting there has been a concerted effort to work the details of this roadmap; a follow-up meeting to present the plan to the 54 Adjutant Generals is slated for the first week of December. We expect to publicly announce a list of candidate bases in the near future. The Air Force goal is, to the maximum extent possible; integrate assets from the Total Force (Active Duty, Air National Guard, and Air Force Reserves) at each location. While the Air Force stands ready to answer any questions presented by Congress, our basing plan will take into account the importance of the ASA mission, and an additional Committee hearing on the matter will not be necessary.

Mr. LOBIONDO. I am aware of the so-called "Four Corners" proposal for transition of the F–22 into the Air National Guard. Is there a similar proposal for integrating new F–35s into the ANG for the ASA mission? What factors were considered or do you expect to be considered in formulating such a plan? Under the current proposal, are the F–22s to come from the 183 USAF buy or from a separate buy coming from "ANG funds"?

General MOSELEY. The FY08PB funds F–22A production at 183 aircraft. The last F–22As will deliver to the Hawaiian Air National Guard (ANG) in FY2011. Based on the requirement to fill out existing combat squadrons to an optimum 24 Primary Assigned Aircraft end strength, F–22A procurement must increase beyond 260 before the Air Force considers "Four Corners" basing locations. Future procurement decisions that address the 381 F–22A requirement will take ANG basing locations into consideration. There is currently no proposal for distributing F–35s based solely on the Air Sovereignty Alert (ASA) mission. The F–35 will assume the ASA mission as the legacy workhorses, F–15 and F16, phase out of service. The Air Force plans to procure large numbers of F–35s to replace the currently aging legacy fighters, ensuring the ANG's integral role in F–35 basing plans.

Mr. LOBIONDO. Does the USAF direct a flying hour reduction "tax" program to recoup dollars for other programs and then take manpower positions away from Wings because they say the positions are tied to flying hour programs? Is it not true that positions have traditionally been tied to numbers of aircraft assigned to a wing, i.e. PAA, not the number of flying hours expected to be flown?

General MOSELEY. The Air Force does not direct a flying hour reduction "tax." The Air Force programs and executes flying hours in the President's Budget to meet its "peacetime" training requirement. Manpower is earned by the number and type of Primary Aircraft Authorized (PAA) in support of War Mobilization Plans and Training/Test Requirements. The process used to determine manpower per PAA takes wartime and peacetime flying hours, as well as a number of other variables (e.g. sorties rate, sortie duration, deployment location) into account. Minor changes in any one variable result in a negligible impact to manpower requirements.

Mr. LOBIONDO. Does the USAF now look at "seasoning days" for newly minted pilots just back from earning their wings as less important today then just two years ago?

General MOSELEY. The Air National Guard (ANG) views the training of our Airmen as our single highest priority. Seasoning days are exclusive to the ANG and Air Force Reserve. Seasoning days are utilized as a mechanism for providing experience to our "newly minted" fighter pilots upon completion of their Formal Training Unit (FTU) training and after they return to their home unit. Seasoning days are designed to allow the pilot to concentrate on honing their skills without conflict from their civilian job and provide base-level of experience before transitioning to a traditional, part-time status.

Mr. LOBIONDO. Isn't it true that the mission has become more complex and very difficult especially since we're at war, yet the USAF has taken away the standard two years of seasoning in favor of less seasoning days (255 instead of 365 days per year)?

General MOSELEY. The first and second-year fighter pilot seasoning requirements are being funded as part of the Air National Guard formal school training program. The first year seasoning requirement is programmed and budgeted specifically for the purpose of seasoning; and immediately following completion of training at the Formal Training Unit (FTU). The second-year fighter pilot seasoning is a different issue. As a result of increased complexity in aircraft and missions, we expanded the seasoning program from one-year to two-years of fighter pilot seasoning. Prior to Fiscal 2007, the second year seasoning days were funded from an existing program, the special training (ST) funds. The impact of using an existing source of funding is management must take an innovative approach to address all requirements.

We have taken this challenge and developed a comprehensive method of assuring the "totality" of training requirements is achieved. Each member is entitled to 254

days for first and second year seasoning. When these 254 days are combined with other training programs, 15 days of annual training (AT), 48 additional flying training periods (AFTP), and 48 unit training assemblies (UTA), each member receives a total of 365 days of duty towards each year fighter pilot seasoning requirement.

Mr. LOBIONDO. Why has the USAF chosen to toughen the inspection standards into areas of minutia while knowing that ANG units are stretched very thin performing dual tasked missions and supplying airmen into war Areas of Responsibility (AORs)? Could this be considered an unprecedented demand to ask of the volunteer airman and unlike any other wartime schedule where inspections were put on the back burner to fight the war with the full impact of people not worn down by off cycle inspections? Why does the USAF talk about "transformation" and how to change the construct into more efficient warfighting capability and yet the inspection process has not evolved out of the Cold War mindset?

General MOSELEY. Inspection standards have not been toughened into areas of minutia. The Air National Guard (ANG) is inspected by the same standards as the active duty. ANG are designated as an operational reserve and are therefore an integral part of Air Force operational forces. Because the Air Force operates as a total force, it is critical that the ANG, Air Force Reserve, and active duty maintain the highest levels of force readiness. The inspection process is how the Air Force validates its capability and ensures units remain viable, relevant members of the Total Force.

Inspections are designed to complement not detract from real-world missions. While inspections were put on hold immediately following September 11, 2001, once Air Force got into a battle rhythm, inspections were re-started because readiness is not just the next deployment to Southwest Asia, but includes the ability of the unit to meet other potentially assigned wartime, contingency, or force sustainment missions.

The Air Force inspection system has undergone significant changes over the past 10 years and thus has been on the leading edge of transformational change. In 1997, the CSAF commissioned a Blue Ribbon Commission to conduct an "end-to-end" review of the Air Force assessment program. The 1997 Blue Ribbon resulted in sweeping changes to the Inspector General (IG) inspection process including the elimination of Quality Air Force assessments and reduction in the quantity of items required for compliance inspections. Additional Air Force level inspection policy changes have been implemented since that time. It is now Air Force policy to minimize the inspection footprint to the maximum extent practical. MAJCOM IGs use sampling, combined inspections, multi-MAJCOM inspections, credit for unit activity in conjunction with exercises and contingencies, and other measures of sustained performance as inspection credit. The results of these changes have been significant. MAJCOM IG staffs have been reduced from over 1100 in 1997 to approximately 500 today and inspection intervals between Operational Readiness Inspections (ORI) and Compliance Inspections (CI) have increased (not decreased). In 1999 ARC units could expect an inspection every 3 years, today's average is 4 years.

Mr. LOBIONDO. How would you address concerns that the overall "inspection creep" bar for performance has risen "over the top" and detracts from the real world missions ANG units are expected to perform and perform well? Is the USAF substituting inspection ratings for real world performance in assessing ANG unit capability?

General MOSELEY. Inspections are designed to complement, not detract from real-world missions. They are how we validate our capability and show combatant commanders we perform our missions by the book and do it well. Inspections are a good way to train, test, and validate combat readiness before a unit has to send personnel in harms way. The governing instruction on Inspector General (IG) activities, Air Force Instruction 90–201, states that it is Air Force policy to minimize the inspection footprint to the maximum extent practical so as not to detract from real world missions. Major Command (MAJCOM) IGs understand the unique characteristics of the Air National Guard (ANG) and go to great lengths to ensure inspection schedules are properly coordinated and deconflicted with known, major deployments.

The Air Force is not substituting inspection ratings for real world performance in assessing ANG unit capability. Many MAJCOM IGs provide inspection credit for real-world training and contingency events. However, it is impractical for IGs to deploy with a unit to a forward operating location and actually observe real-world combat operations. The IG is tasked to evaluate a wide spectrum of combat readiness scenarios vice a single specific scenario potentially seen during an IG inspection at a forward operating location. The ANG is committed to the Air Force's inspection process. Inspections conducted by an objective and independent IG are key to certifying our ability to provide forces anytime, any place and ensure we are prepared for more than the next deployment to Southwest Asia.

Mr. LoBIONDO. Are there plans or proposals to eliminate the National Guard Bureau realigning the Guard Directors' reporting chain directly to their Service Chiefs? Would this not usurp the traditional balance of authority within the National Guard? How do you envision any such proposal interacting with the National Guard Empowerment Act?

General MOSELEY and Secretary WYNNE. The Air Force is unaware of any plans or proposals to realign the reporting chain of the Director of the Air National Guard (ANG) to the Chief of Staff of the Air Force. The Air Force continues to integrate the ANG as part of the Total Air Force as it has for over twenty years. The existing reporting chain of the Director of the Air National Guard has been effective and the Air Force believes that it is more efficient to keep the current command alignment in its present format where many Title 10 and Title 32 requirements are executed and effectively coordinated. Finally, the Air Force cannot predict how such a proposal would interact with pending legislation such as the Guard Empowerment Act.

QUESTIONS SUBMITTED BY MR. BISHOP

Mr. BISHOP. What is the Air Force doing today or in the near future to plan for the next generation ground-based ICBM once the Minuteman III missiles have aged out of the inventory starting in 2020? Are Air Force or Department of Defense dollars currently being used to begin advanced planning in this area inasmuch as it takes between 18–20 years to field a major new weapons system?

General MOSELEY and Secretary WYNNE. The Air Force is committed, in accordance with Congressional direction in the FY2007 National Defense Authorization Act (NDAA), to sustain the deployed force through FY2030, ten years past the previously estimated end of service life. To comply with NDAA direction, the Air Force is extending the service life of the Minuteman III missile and supporting infrastructure by continuing our integrated process of aging surveillance, timely sustainment activities and modification programs. As our focus shifts from the current modernization programs to long-term weapon system sustainment, the Air Force will continue to assess advanced strategic missile technology through the ICBM Demonstration/Validation (Dem/Val) program. The ICBM Long Range Planning (ILRP) element of Dem/Val coordinates and balances these efforts to ensure the viability of the current ICBM weapon system while identifying potential areas of enterprise investment that could be applied to future ICBM recapitalization or other strategic missions.

Mr. BISHOP. Are you concerned about preserving the U.S. industrial base in the sensitive area of ICBM production and technology once the Minuteman III Propulsion Replacement Program (PRP) is completed in view of the likely gap between the end of the Minuteman III PRP program and production of a follow-on system. If so, what are your plans to address that concern?

General MOSELEY and Secretary WYNNE. The ICBM industrial base remains a critical element in the Air Force's ability to sustain the Minuteman III force through FY2030, in accordance with the FY2007 National Defense Authorization Act. This represents a service life extension of the Minuteman III program, so as Minuteman modernization activities such as PRP are completed our focus will shift to weapon system sustainment, with the Air Force planning to continue to exercise unique industrial skills/capabilities through several existing programs such as: the ICBM Demonstration/Validation program; the Integrated High Payoff Rocket Propulsion Technology program; and the Technology for the Sustainment of Strategic Systems program. The intent of these programs is to investigate/demonstrate advanced strategic concepts and address science and technology issues to sustain strategic capabilities, to include solid rocket motor propulsion.

Additionally, the Air Force continues to participate in recurring technical interchange meetings with the Navy Strategic Systems Program (SSP) to jointly identify/analyze areas of common technologies to most efficiently leverage the strategic industrial base.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. The Army currently plans to field 75 Joint Cargo Aircraft over the next several years. I am concerned that if the Air Force were to take the lead in the Joint Program Office that the fielding plan for the Army would be terminated. If the Air Force were to become executive agent for the Joint Cargo Aircraft (JCA) program, would the Air Force commit to continue fielding the current Army requirement of 75 aircraft for the JCA?

General MOSELEY. The Air Force supports the same units receiving C–27s and continuing with the beddown plan as proposed.

Ms. BORDALLO. I have read in recent media reports that the Air Force believes it should become the executive agent for the Joint Cargo Aircraft's Joint Program Office. As you are aware, on June 20, 2006, General John Corley, Vice Chief of Staff for the Air Force signed a Memorandum of Agreement (MOA) with General Richard Cody, Vice Chief of Staff for the Army that stated the Army would lead the Joint Program Office. What has changed since the signing of this MOA that would lead the Air Force to want to wrest control of the office away from the Army? Do you feel the results of the JROC process that lead to the eventual MOA with the Army were not thorough or complete enough?

General MOSELEY. Since the 20 June 2006 Joint Cargo Aircraft (JCA) Memorandum of Agreement (MOA), the Air Force has supported the joint program. Its support included the JCA Capabilities Development Document approval in the 19 April 2007 Joint Requirements Oversight Council. As General Moseley stated in the 24 October 2007 hearing, he "absolutely" supported the Army portion of the program.

Intra-theater airlift, including time-sensitive mission-critical support to the Joint Force Land Component Commander, is essential to the success of the Joint Force Commander (JFC). The threshold issue is how best to employ any airlift platform, including the JCA, to meet joint intra-theater airlift needs. The Air Force believes the JFC can most effectively and efficiently match intra-theater airlift resources to requirements in a single pool of mobility assets under the Joint Force Air Component Commander.

In response to related Senate Armed Services Committee language, the Air Force supports the proposition that if given the resources, the mission, and the requisite joint coordination process, it can and will continue to support JFC requirements. The Air Force is better positioned today than any other organization to accomplish the intra-theater airlift mission and it does not expect delays in delivery of the JCA, should Congress decide to transfer the JCA program to the Air Force.

QUESTIONS SUBMITTED BY MR. FRANKS

Mr. FRANKS. On October 23, 2007 the President reiterated his direction to the Department of Defense to achieve a credible deterrent in nuclear warheads. It is my belief that Congress must sufficiently fund the Department of the Air Force so that it does not have to run budget drills and be forced to decide between funding fighter jets, bombers, or nuclear missiles. I have been told the land-based leg of our nuclear Triad, the Minuteman III Land-Based Strategic Deterrent program, recently lost its "highest national defense urgency "DX" designation. My understanding is that the sea-based leg of our nuclear Triad, the Trident II D5 program, is still considered to be a DX program of "highest national defense urgency," as is demonstrated by the Navy's long-term budgeting for the D5 service life-extension program. Currently, the Air Force does not yet have any plans in place to either extend the life of the Minuteman III system, or to replace it with another system. How should this committee interpret the discrepancy between these two critical programs? I understand a Land-Based Strategic Deterrent (LBSD) Acquisition Decision Memorandum (ADM) that provided recommendations for a follow-on Strategic Deterrence capability is awaiting determination by the Secretary of the Air Force. I am concerned that failure to forward a Land-Based Strategic Deterrent (LBSD) Acquisition Decision Memorandum (ADM) to OSD is another indication that the Air Force may not see the need to plan how to replace this critical capability when it ages out. Should the HASC conclude that these Department actions—or lack of—constitute a means of eliminating the land-based leg of the Triad entirely? Is the Air Force choosing not to fund the land-based leg of the Triad due to higher funding priorities?

General MOSELEY. Minuteman III is a critical element of the Nation's strategic deterrence and the Air Force is committed to sustaining the Minuteman III force through FY2030, in accordance with the FY2007 National Defense Authorization Act (NDAA). To this end, we are extending the service life of the Minuteman III missile and its supporting infrastructure by continuing our integrated process of aging surveillance, timely sustainment activities, and modification programs. Earlier this year, the Department reduced the DX rating list from 22 to 7 programs. The Air Force is requesting OSD (AT&L) give Minuteman III the industrial priority ranking appropriate to ensure its readiness by restoring the Minuteman III DX rating.

The Air Force remains committed to maintaining a robust land-based strategic capability. The decision to defer development of a follow-on ICBM program was based on the extension of the Minuteman III service life to FY2030. Based on this extension, an Acquisition Decision Memorandum to support a follow-on ICBM program would be premature at this time.

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