

[H.A.S.C. No. 112-7]

HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2012
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION
—
FULL COMMITTEE HEARING
ON
**BUDGET REQUEST FROM THE
DEPARTMENT OF THE AIR FORCE**

HEARING HELD
FEBRUARY 17, 2011



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FISCAL YEAR 2012 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE AIR FORCE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Thursday, February 17, 2011.

The committee met, pursuant to call, at 1:00 p.m. in room 2118, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon (chairman of the committee) presiding.

OPENING STATEMENT OF HON. HOWARD P. "BUCK" MCKEON, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. Good afternoon, ladies and gentlemen. Thank you for joining us today as we consider the President's fiscal year 2012 budget request for the Department of the Air Force.

Secretary Donley, General Schwartz, it is good to have you back before the committee today.

We appreciate all you do, and we are truly grateful for both of you for your many years of service to our Nation.

Last year at this time, we talked a bit about your vision for the Air Force and specifically the need for a short-term, fix-it sort of perspective to a longer-term view that seriously addresses national security risks in a very challenging global environment.

At that time, I remarked that I believe the Air Force is at a critical juncture, one that will prove to be historic, and I cautioned that we must be wise in the path we chose. I stand by those remarks today.

There is no doubt that we must take our Nation's financial position into account, and I appreciate the fact that Secretary Gates and the Department have identified savings from lower priority programs and efficiencies that can be reinvested into force structure and modernization. However, we must be cautious moving forward that we do not take short-term savings at the risk of our longer-term security.

This year's budget request for the Air Force reflects a 2-percent reduction in real growth from the fiscal year 2011 budget request. The Air Force's operation and maintenance accounts, military construction accounts, and procurement accounts are all funded below the levels requested last year, despite inflation and despite rising fuel costs.

This committee needs to clearly understand the risks associated with these reductions. I understand that the Air Force identified over \$33 billion in efficiencies to support this budget, but it is un-

clear to me how much of that funding was retained and reinvested in the future of the Air Force.

I am also very concerned that many of these efficiencies are cost-avoidance initiatives and not clear-cut savings, and as such, they may not actually materialize. We have seen this from the Air Force before. The most recent examples being a 2006 attempt, before your time, to cut 40,000 personnel in order to fund procurement efforts and then the end-sourcing initiatives from the last budget cycle; neither of those worked out so well. We cannot and must not allow shortsighted budgets drills to drive our national security priorities and planning.

The Air Force can't continue business as usual. We must find cost savings through innovation and competition. Just last week as an example, I was briefed on an innovative approach, a business model that could significantly reduce the cost of space launch. And I think you have been informed of that. We will talk about that.

Echoing my remarks from yesterday's hearing, this Congress must finish work on defense appropriations legislation that was left unfinished in the 111th Congress. We have been working on that now all night, the last few nights, and I guess we hear we are going to be working all night tonight now and maybe tomorrow. Given our promise that we were going to be done by three o'clock today, we had two promises that conflicted: One was openness and letting everybody participate; the other was a schedule. The schedule fell to the openness and letting everybody participate. So with all the work we have done the last few nights, I am told that there is more left to do than what we have already done.

So you are going to miss that afternoon flight, as we all are.

Echoing my remarks from yesterday's hearing, as I just talked about, I am very concerned about the implications to our troops of funding the Department of Defense at fiscal year 2010 funding levels in a year-long continuing resolution. One thing we all agree on and that is we, it would be devastating to the Defense Department, to our military, to the troops, to have a year-long CR [Continuing Resolution]. We definitely need—desperately need to get this appropriations bill done for the military. Our men and women in uniform deserve more from this body.

Gentlemen, I look forward to our discussion today and hearing more from you on your vision, your strategic goals and your 2012 budget request.

Ranking Member Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 49.]

STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH. Thank you, Mr. Chairman. I start by agreeing with you on two critical points: Number one, the need to get a Defense Appropriations bill this year and not rely on a CR. I have heard from all the Services as well as many contractors who are in limbo on a number of different very important products and a number of—important programs, sorry—if we don't get that done.

So, hopefully, we will do that. Hopefully we will do it sooner rather than later, but one way or the other we will move through the process and get that done.

And also I want to agree with the chairman that as we look at the budget constraints that we face with our overall budget and within the Department of Defense as well that we make sure not to jeopardize our national security needs and priorities as we do that.

Now Mr. McKeon had alluded to the promise of we will get you out of here around three and we will have a completely open process. Occasionally those promises do conflict. And making sure that we meet all of our requirements within the tight budget environment that we have is not going to be easy. But I do believe, based on the testimony from Secretary Gates and Admiral Mullen yesterday, that both of them and all of you are doing a very good job of doing that in an efficient, responsible way.

I think the initial take, finding \$178 billion in efficiencies now, as Secretary Gates said yesterday, the great quote, he said the out-years are when everybody's dreams come true. To some degree, that applies even directly to the \$178 billion figure that he gave us. So there is going to be more work required, but I honestly believe that all the services and the Secretary have really gone in and scrubbed the budget, and they are looking for places where we can find efficiencies, get more out of the money we are spending, rethink our requirements and what we truly need to get the job done.

So I applaud you for that effort.

And I know in the Air Force, it is particularly challenging because you have significant programmatic upgrades that are being required. You know, the tanker contract, which we are all hopeful, after a long and tortured history, we will get that going and get it done.

I know General Schwartz, Secretary Donley, you have worked very, very hard to make that happen, and we appreciate that.

The Joint Strike Fighter, of course, is a huge program for the Air Force. Going forward, it needs to get straightened out. The expanding number of UAVs [Unmanned Aerial Vehicles] and other ISR [Intelligence, Surveillance, and Reconnaissance] platforms, there is a lot that you need to get done in order to meet the requirements that we are asking of you. And you are working on it and doing a good job.

And then also the personnel, as many may not be aware, I mean, starting back in 1990 with the Desert Shield program, the Air Force has actually been more or less at war for over 20 years now, and that has placed an incredible strain on the force and the equipment. And we need to make sure that we are protecting our airmen and their families as we go forward on that.

With that, I look forward to your testimony. I want to thank both General Schwartz and Secretary Donley for their outstanding leadership in the Air Force. And I look forward to your testimony and your answers to our questions.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 51.]

The CHAIRMAN. Thank you.

We have with us today the Honorable Michael B. Donley, Secretary of the Air Force, and General Norton A. Schwartz, Chief of Staff of the U.S. Air Force.

Gentlemen, we look forward to your testimony.

**STATEMENT OF HON. MICHAEL B. DONLEY, SECRETARY OF
THE AIR FORCE**

Secretary DONLEY. Thank you, Mr. Chairman.

Chairman McKeon, Ranking Member Smith, members of the committee it is a pleasure to be here today representing more than 690,000 Active Duty, Guard, Reserve and civilian airmen. I am also honored to be joined today by my teammate and a tireless public servant, our Chief of Staff, General Norty Schwartz.

I would first like to recognize the unfortunate absence of Congresswoman Giffords today. The Air Force knows and respects Representative Giffords for her strong support of our men and women in uniform and especially for the airmen who serve at Davis-Monthan Air Force Base and live in the Tucson community. We certainly wish her a speedy recovery and look forward to her return to this committee.

Today, I am pleased to report that America's Air Force continues to provide the Nation unmatched global vigilance, reach and power as part of the joint team with an uncompromising commitment to our core values of integrity, service before self, and excellence in all we do.

The Air Force is requesting \$150 billion in our baseline budget and \$16 billion in the overseas contingency operations supplemental appropriation to support this work.

Our budget request represents a careful balance of resources among the Air Force core functions necessary to implement the President's National Security Strategy and between today's operations and investment for the future.

Before discussing our fiscal year 2012 budget request, I would like to address some unfinished business from fiscal year 2011 and also set in context the changes in your Air Force over the past several years.

As you alluded to, Mr. Chairman, operating without a defense appropriations bill in fiscal year 2011 is having a significant impact on the Air Force. A decision to extend the continuing resolution at fiscal year 2010 levels through the remainder of this year would delay our ability to reach the Secretary of Defense's directed goal of 65 MQ-1 [General Atomics Predator unmanned aerial vehicle] or 9 combat air patrols by 2013 in support of current operations in Afghanistan. It would cause a production break and a likely increase in the unit cost of the wideband global communications satellite, the Joint Air-to-Surface Standoff Missile, F-15 [McDonnell Douglas/Boeing Eagle fighter jet] radar modernization and other programs.

Deeper reductions to our modernization programs would be required to fund over \$3 billion in must-pay bills for urgent operational needs in Afghanistan and Iraq, for military health care, and the military pay raise of 1.4 percent which Congress authorized but has not funded.

Without fiscal year 2011 appropriations, we face delay or cancellation of some depot maintenance, weapons system sustainment and other day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full-year CR.

Finally, fiscal year 2011 appropriations are also required for 75 military construction projects now on hold which support ongoing operational needs and improve the quality of life for airmen and their families. Passing a fiscal year 2011 Defense Appropriation bill is essential to avoid these severe disruptions. And we appreciate the efforts that are currently under way to resolve this situation.

Over the past decade, the Air Force has substantially reshaped itself to meet the immediate needs of today's conflicts and position itself for the future. While we have grown in some critical areas, it has been at the expense of others. We have added intelligence, surveillance, and reconnaissance capacity with 328 remotely piloted aircraft and over 6,000 airmen to collect, process, exploit and disseminate intelligence. We have added over 17 aircraft and nearly 2,400 airmen to bolster Special Operations capacity so necessary in counter insurgency. We have added over 160 F-22s [Lockheed Martin/Boeing Raptor fifth-generation stealth fighter jets] and 120 C-17s [Boeing Globemaster transport aircraft] to our inventory and funded over 30 satellites and added 2,200 airmen for critical nuclear and cyber operations and acquisitions support.

In the same period, however, we retired over 1,500 legacy aircraft. We have cancelled or truncated procurement of major acquisition programs, shed manpower in career fields less critical to the fight, and deferred much-needed military construction in order to balance these capabilities within the resources available.

In all, during the past 7 years, the size of the Active Duty Air Force has been reduced from 359,000 in 2004 to approximately 333,000 today. And the Air Force's baseline budget, when adjusted for inflation and setting aside the annual wartime supplemental appropriations, has remained flat.

Looking ahead, we face a multiyear effort to recapitalize our aging tanker, fighter, bomber and missile forces to continue modernizing critical satellite constellations, meet dynamic requirements in cyber domain and replace aging air frames for pilot training and presidential support.

We continue to recognize the requirement for fiscal restraint and are committed to remaining good stewards of every taxpayer dollar, improving management and oversight at every opportunity. The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the Future Year Defense Plan, which will be shifted to higher priority combat capability, by reducing overhead costs, improving business practices and eliminating excess, troubled or lower priority programs. By consolidating organizational structures, improving processes in acquisition and procurement, logistics support and streamlining operations, we have been able to increase investment in core functions, such as global precision attack, integrated ISR, space and air superiority, reducing risk by adding tooth through savings in tail.

We are fully committed to implementing these planned efficiencies and have already assigned responsibilities to senior offi-

cial and put in place the management structure to oversee this work and track progress on a regular basis.

Having faced the need to reshape our force structure and capabilities within constrained manpower and resources over the past several years, we do not view the current need for efficiencies as a singular event but as an essential and continuing element of prudent management in the Air Force.

Our investment priorities remain consistent with minimizing risk and maximizing effectiveness and efficiency across the full spectrum of potential conflict. Proceeding with the new KC-X [next-generation aerial refueling tanker aircraft] tanker aircraft, implementing the Joint Strike Fighter restructure, meeting the combatant commander's need for more ISR, investing in the long-range strike family of systems, including a new penetrating bomber, and enhancing space control and situational awareness, all remain critical capabilities both for today's and for tomorrow's Air Force.

In addition to these investments, we will continue to address challenges in readiness, in particular the slow but persistent decline in materiel readiness most notable in our nondeployed forces, and the personnel challenges across 28 stressed officer and enlisted career fields, both of which are the result of today's high operational tempo.

And of course, we will continue to support our Active Guard and Reserve airmen and their families with quality housing, health care, schools and community support.

With respect to health care, I would like to convey the Air Force's support for DOD's [the Department of Defense's] TRICARE reforms that will modestly increase premiums for working age retirees, premiums that have not changed since they were initially set in 1995. Going forward, we must continue to seek and develop reforms in the benefits that our men and women in uniform earn to make them economically sustainable over the long term.

Mr. Chairman, good stewardship of the United States Air Force is a responsibility that General Schwartz and I take very seriously, and we remain grateful for the continued support and service of this committee, and we look forward to discussing our proposed budget. Thank you.

[The joint prepared statement of Secretary Donley and General Schwartz can be found in the Appendix on page 53.]

STATEMENT OF GEN. NORTON A. SCHWARTZ, USAF, CHIEF OF STAFF, U.S. AIR FORCE

General SCHWARTZ. Mr. Chairman, Congressman Smith and members of the committee, it is a privilege to be here today with Secretary Donley representing the men and women of the United States Air Force.

Congresswoman Giffords' absence saddens us today, but her spirit compels us to continue our work.

And our airmen continue to inspire us with their dedication and service and impress us with their many accomplishments. Quietly and proudly serving alongside their Army, Navy, Marine and Coast Guard teammates, airmen every day act on behalf of the American people as stewards of the Nation's trust and defenders of her security.

This budget request, fully appreciating the extraordinary fiscal condition that our Nation faces, supports our airmen and continuing efforts to structure the force for maximum versatility across the full spectrum of operations for today's requirements and tomorrow's challenges.

Because of budgetary pressures, I echo Secretary Donley's concerns about operating under a continuing resolution. And extending far beyond March 4 without a 2011 appropriations bill, we will have to reduce flying hours, delay or cancel some weapons systems sustainment and depot maintenance activity, and disrupt other day-to-day operations, all of which will adversely affect readiness and impact our brave men and women who are preparing to serve or are serving in harm's way.

Consistent with the 2010 National Security Strategy in the Quadrennial Defense Review, our national military objectives are to counter violent extremism; defeat and deter aggression; strengthen international and regional security; and shape the future force. Airmen are committed to the task of leveraging air and space power with all of its inherent versatility in presenting to the President and our national leadership a range of strategic options to meet those objectives, even while the Nation continues to grapple with substantial deficits and related national debt.

To counter violent extremism, airmen continue to make vital contributions to our Nation's strategic objective of disrupting, dismantling and defeating Al Qaeda and its affiliates in Afghanistan and elsewhere, thereby inhibiting their return to former sanctuaries. More than 37,000 airmen, approximately 6 percent of the force, are forward-deployed worldwide. Of this group, nearly 30,000 are continuing on a rotating basis to contribute to operations in the United States Central Command area of responsibility, including 10,000 airmen in Afghanistan providing close air support to U.S. and coalition ground forces, air lift and air refueling, personnel rescue and air medical evacuation from hostile battle space, and training and exercises to develop our partner Air Force.

An additional 57,000 total force airmen, or about 11 percent of our force, are forward-stationed overseas providing capabilities in direct support of our combatant commander requirements.

And from home stations here in the United States, approximately 218,000 airmen, or 43 percent of the force, provide daily support to worldwide operations, standing nuclear alert, commanding and controlling our satellites, analyzing intelligence, surveillance, and reconnaissance data and much, much more.

To deter and defeat aggression, we maintain vigilance across the entire spectrum of conflict while we employ multirole systems with capabilities that can flex to different warfighting requirements. At the upper end of the continuum, we continue to provide two of the Nation's three arms of nuclear deterrence with steadfast excellence, precision and reliability. And across the remainder of the operational spectrum, we will continue to leverage air and space power capabilities that are vital to the Nation's ability to sustain a robust conventional deterrent.

This requires the ability to rapidly project power through the global commons and globally interconnected domains of air, space and cyberspace. Therefore, in addition to leveraging air power, we

will also magnify our efforts to reinforce our cadre of space and cyber professionals. We will continue to ensure precision navigation and timing, secured satellite communications, timely missile warning and global environmental sensing for our joint teammates, while we enhance our space situational awareness that is vital to attributing space-borne threats and protecting our systems and capabilities.

We will also continue to support the whole-of-nation efforts to team with international partners in reinforcing norms for space and cyber activities. And ultimately, developing a broader range of options to ensure our Nation's access to and freedom of action in both domains.

To strengthen international and regional security, the Air Force will translate air power's inherent ability to traverse vast distances with unmatched speed, ensuring that U.S. forces are globally available yet through inherent versatility can be tailored in scale to be regionally focused.

Through a whole-of-nation approach and with mutually supporting strategies toward this objective, the U.S. Air Force and the joint team will underwrite defense, diplomatic and developmental efforts to help address the root causes of radicalism and aggression and not just through violent manifestations. For instance, nearly 300 airmen are deployed as members of the Iraq training and advisory mission, supporting the development of counterpart capabilities in over 400 specialties.

Similarly, our airmen supporting the combined air power transition force not only advise Afghan airmen; they help to set the conditions for a viable and self-sustaining Afghan Army Air Force to meet a range of security requirements.

Ultimately, these and other coordinated efforts to build international partner capacities can help to prevent lower intensity problems from escalating into full-scale crises.

Finally, to shape the future force, we will work to ensure readiness, training and equipment while contending with serious budgetary pressures. Our systems and capabilities must be evermore adaptable to be employed across the full range of operations while agile command-and-control capabilities and shared interoperability with our joint and coalition partners.

But flexible air, space and cyber capabilities require resilient airmen. They are the lifeblood of our Air Force, to whom we owe our fullest commitment, particularly our Wounded Warriors and their families. And during this time of sustained and frequent deployments, we will bolster our capacity to provide assistance to our airmen in managing both the obvious and the less obvious challenges of returning home from war.

Since the first of July, 2010, we have made considerable progress in this regard with the establishment of the Deployment Transition Center at Ramstein Air Base in Germany, where nearly 1,200 personnel attended programs to decompress and begin a healthy reintegration into family and unit of assignment. We intend to continue this progress.

And as deployment tempos remain high, we will further strengthen our efforts to develop core components of the Air Force Resiliency Program in its ongoing assessment of the fitness of our

force. This will inform our efforts as we continue to improve quality of airmen and family services and support from child education to base fitness centers to transition assistance programs.

In closing, I would also, Mr. Chairman, like to affirm my personal support for the efforts to better control DOD health care costs.

I respect and I celebrate the service and sacrifice of our retirees. They are, and they always will be, honored members of the Air Force family. But I do believe that the current proposals are both modest and responsible.

Mr. Chairman and committee members, the Air Force remains steadfastly committed to providing global vigilance, reach and power for America.

Thank you for your continued support of the United States Air Force, for our airmen, and of course, for our families. I look forward to your questions, sir.

[The joint prepared statement of General Schwartz and Secretary Donley can be found in the Appendix on page 53.]

The CHAIRMAN. Thank you, gentlemen.

You both talked about the importance of an appropriation bill that would fund the Department of Defense for the rest of this year. We find ourselves in an awkward situation, not having done the work last year and so now we are trying to finish it up and at the same time start our work for this year.

We are 5 months into the year. We have on the floor right now a CR which contains a cut of \$16 billion over the request for this year, which leaves about \$2 billion more than was spent in fiscal year 2010. The Secretary was here yesterday and reaffirmed his strong position for the one engine for the F-35 [Lockheed Martin Lightning II fifth-generation stealth fighter jet]. And he was successful, a vote on the floor last night eliminated the second engine. In so doing, the amendment that was passed takes the \$450 million and takes it out of the defense budget, puts it into payment against the debt, so that \$2 billion is now about \$1.5 billion.

And we also have other amendments on the floor today that will be proposing further cuts in defense. The problem, as I see it, as we start our work for next year not having done the work last year is, where do you see yourself starting? You have presented a budget, and we don't really have a starting number because we don't know where we are going to be. It could actually even be less than was spent last year.

So when you talk about the things we did in the authorization bill at the end of last year that gave a raise to our troops, I don't know if you had that in your budget, but it would put us in a real quandary, I am sure, as we move forward, along with many of the other things that you have mentioned.

The \$33.3 billion in savings for efficiencies I have a couple of questions on. First of all, how do you intend to track the realization, now those were over 5 years so it is not all in this budget that you are proposing, but I would like to know how you intend to track the realization of those savings and what you expect to spend those savings on that gives us modernization and does a better job for us than the things that you have realized in the savings? If you could respond to those. Thank you.

Secretary DONLEY. Thank you, Mr. Chairman.

To one of the initial comments you made concerning the pay raise, the fiscal year 2012 budget assumes a 1.6 pay raise for military personnel. There is no pay raise assumed for civilians for fiscal year 2012 or fiscal year 2013 in the President's budget. So that is the status of our pay proposals.

To the subject of efficiencies, yes, as I indicated, we did propose and get approved \$33 billion in savings across the Future Years Defense Program. For the Air Force, those were broken up into about 12 different categories of activities, ranging from energy, IT [Information Technology] consolidation, consolidation of headquarters, infrastructure, and acquisition, changes in our acquisition process going forward.

Those were not cost-avoidance kinds of assumptions. Those dollars were assumed in our out-year program and were tracked in particular accounts. So we can track where we are against that database. So for each of those 12 areas, we have identified a senior officer or SES [Senior Executive Service], a civilian, to be the champion for that work. They have all come in with initial plans for how they intend to achieve those savings across the future year plan. We had lots of discussion on these matters before settling on the targets in the categories.

So I think we have had several months of work on this now under our belt, and we have champions for each of those 12 categories, and we have an oversight process, which will bring them back to our Air Force council on a regular basis to report progress.

Just on the flip side, we have been able to fully fund and normalize funding for the EELV, the Evolved Expendable Launch Vehicle family of launchers, which had been underfunded. And we put over \$3 billion against that in the FYDP [Future Year Defense Plan]. We have been able to start work on a new penetrating bomber. We have put dollars into enhanced F-15 radars, and we have done a number of other proposals as well.

Chief.

General SCHWARTZ. I would just mention one more, sir, to give you a sense of how we are also trying to normalize the contingency accounts versus the base budget in that we brought the MC-12 [Beechcraft twin-engine turboprop aircraft] operational costs, that is intelligence, surveillance, and reconnaissance light aircraft, from the contingency account into the base budget. And so that was enabled through these efficiencies, and that is real capability that will stay with us and should stay with us, rather than perhaps retiring it at the conclusion of the current engagements.

The CHAIRMAN. Let me thank you for that.

Let me just ask a question. If we had gotten our work done last year by—let's say if we had gotten it done before the year end, September 30, you had money that would have been in there for a pay increase for last October 1 to the coming September 30. If, in fact, we end up with what is on the floor today and there are no further changes, and it ends up at \$533.5 billion, something like that, which is considerably under what your request was for this year that would have been done for last year, what does that do to the raise that we had voted for the troops for the year that we are half-way through?

Secretary DONLEY. Well, sir, the current picture that I think I have painted but I would like to make sure that you understand is that we have broken acquisition programs as a result of staying at a fiscal year 2010 level. And I articulated the particular programs that have been affected by the extension of a CR.

But we also have bills to pay on the operations side, health care bills to pay. The pay raise is being, 1.4 percent approved by Congress last year, is being paid out to our—

The CHAIRMAN. Starting last October.

Secretary DONLEY. Starting last October, it simply means that our personnel account, the last payroll of this fiscal year is uncovered. So we cannot make payroll for the last pay period this fiscal year. And because we have those operational costs in front of us that are must-pay bills, we will dig further into our modernization accounts. We will break programs further to get the resources re-allocated toward the must-pay operational bills. That is our site picture if we had to extend a full-year CR at fiscal year 2010 levels.

The CHAIRMAN. And that extends across all the Services. So there is jeopardy about how they are going to be paid at the end of the year.

Secretary DONLEY. That is correct. One thing I would like to offer for your consideration, the lower the number is for fiscal year 2010, the more flexibility that the Department needs to move funding across accounts because we have to make some massive adjustments in our budget mid-year, so we would need special consideration to do that.

We think the better approach is to fund what is required for fiscal year 2011. But if that is not feasible for some reason, we have got to have flexibility to cover these costs.

The CHAIRMAN. And if someone is assuming that these cuts that we are talking about won't affect the troops, they are probably mistaken.

Secretary DONLEY. Absolutely.

The CHAIRMAN. If you would consider not getting your pay raise affecting the troops.

Secretary DONLEY. Well, we would have to make significant changes in our budget in order to make sure that last pay period is covered.

The CHAIRMAN. Thank you very much.

Ranking Member Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Thank you, gentlemen. I have two sets of questions. Actually I am working with Congresswoman Giffords' staff to make sure that her questions and concerns are addressed during the hearing, and I am doing that myself, so I have some for her district and then a couple on broader issues as well.

As you mentioned in your opening remarks, Davis-Monthan Air Force Base is in her district. Her staff in her notes that they gave me said that she always refers to it as the best Air Force base in the Nation. I am in a bit of an uncomfortable spot to say that, seeing as how McChord Air Force Base is in my district. I guess technically it is a joint base now. So best joint base. Best Air Force base; that is Congresswoman Giffords' opinion at any rate. And it

is a great place. I am going to have the opportunity to go down there and visit it at the end of March.

And the one question she had about the base there is a consolidation of the Air and Space Operation Centers the 612th is at Davis-Monthan and the 601st is in Florida. I just wanted to do to know what the process was going to be for that consolidation and also what impact that might have on the Air Forces Southern Command's capabilities in this area?

I will take a quick comment on that and then also if you could submit something to her office for the record, that would be great, too.

General.

[The information referred to can be found in the Appendix on page 98.]

General SCHWARTZ. Congressman, we would be happy to do that.

Just quickly, this is one of the efficiencies that gained us the 33-plus billion in savings we identified earlier. The fundamental logic of this was that our Air Operation Center, we had one aligned for each of the ten combatant commands. And that is the right alignment. But it turned, the reality was that we were never able to man those centers to 100 percent.

And as we looked at this, we had to ask ourselves, are there ways to be more efficient, to economize? And there were two locations that came to mind. One was in Europe where the 617th supports AFRICOM [U.S. Africa Command], and the 603rd supports EUCOM [U.S. European Command], and they are essentially at the same location but now separate. And it made clear sense to consolidate there.

Likewise, domestically, as you are well aware, during the Haiti operation, it was the 601st AOC [Air Operations Center] that actually did most of the work for Southern Command during the Haiti contingency. And that certainly raised the specter in our own minds, might it be possible to consolidate those two missions in a way that would serve both NORTHCOM [Northern Command] and SOUTHCOM [Southern Command]? We think that is the case.

We have a strategic basing process, sir, that we will go through, establish criteria, objective criteria, and evaluate both Davis-Monthan and Tyndall, the current locations of both of those Air Operations Centers for which is the best location to consolidate. And that decision will be taken later this spring or early summer.

Mr. SMITH. Right. Thank you.

And the only other area for Congresswoman Giffords is on energy. That has been a major focus of hers. The largest consumer of energy in the United States is the Department of Defense, so anything we can save there is great. Obviously, the Air Force fuel is a major, major issue, and I know you have launched a number of efficiencies and alternative programs. Can you give us some idea of the savings you envision being able to do in that area.

Secretary DONLEY. Sir, we have, in part of our efficiencies and savings package, we have assumed about \$700 million in savings across the Future Year Defense Program.

Mr. SMITH. How is that achieved? Just quickly what are the big programs that drive the savings?

Secretary DONLEY. There are a number of pieces to it.

Some of it is investing in energy projects which will make, help us manage our energy assets more carefully and more closely. It involves bringing into the flying units, especially the large aircraft operated by Air Mobility, Air Force Mobility Command, the—more efficiency and flight profiles by bringing in commercial best practices that are used in commercial airliners today; more, better aids to navigation, those sorts of issues that will improve flight profiles.

It also involves investing in renewables. We have about 400 projects across the Air Force that are working on energy efficiency. Well over 50 of those are focused on renewable sources of energy. And certainly, in the Southwest, solar is big.

It also involves investing in early demolition of aging infrastructure that we don't need so we can get it off our books and take a away future bills by eliminating excess buildings, for example. Those are the highlights.

Mr. SMITH. I think it is also important to point out the technology on alternative fuels is getting to the point where you can fly, even very complicated, very sophisticated Air Force airplanes, with alternative fuels. Now there is a scale problem. You have to make sure you have enough of it to be sustainable. But there is great promise I think in those areas.

Thank you.

I just have a couple of questions of my own.

General Schwartz, you had a fairly colorful way recently of describing the difficulties in our Air Force acquisition program. I won't repeat that here in public, but I will say that I completely agree with the sentiment that we have had a major, major problem in a variety of different areas of going for too much in our acquisition programs, and that certainly hasn't been peculiar to the Air Force. It has happened across the services, but it has cost us an enormous amount of money and left us with not as much to show for it as it should have.

One particular area in space, we have had a major challenge on that in terms of figuring out what the right mix of satellites is and launch vehicles. But broadly speaking, can you elaborate a little bit? Because that is a critical point. If we are going to save money, get the best equipment to our troops, we are going to have to be smarter about how we do this. Could you perhaps elaborate a little bit on what you see there?

General SCHWARTZ. Sir, there are a couple of areas where there is real promise. The way we buy satellites today is one at a time and just to meet the need, so just-in-time delivery of satellites means that you build one; you wait 4 or 5 years, and you build another one, and so on. And it entails not only stop-start of workforce but nonrecurring engineering and all expenses that are associated with not having a continuous workload. And so one of our efforts which we intend to undertake is an effort both with AEHF [Advanced Extremely High Frequency], the advanced communication satellite and SBIRS [Space-Based Infrared System]—that is the early-warning satellite—to suggest that we will build satellites in blocks, more than one, to get up the learning curve to earn the efficiencies that that brings along with it.

And likewise, on the launch side, instead of buying two this year and eight the next year, to suggest that we will try to stabilize that

as well, and to do this across the Government, not just DOD. But DOD, the NRO [National Reconnaissance Organization] and NASA [National Aeronautics and Space Administration] together, instead of competing against ourselves, we will go to the providers for these services to together.

These are the kinds of efforts that we think will yield efficiencies. It will need your support, sir, because there are, particularly on satellite side, there will be a need for traditional appropriations, some advanced appropriation, and so on. And so we will have to discuss that with you.

Mr. SMITH. We will be very, very happy to support that. And I think it is a critical issue across the DOD. And essentially the best way it was ever put to me is when I was serving on the Intel Committee and we were talking about satellites, you can sort of imagine what you want. So it is like, well, we will build this one, and then next time we will be able to do all this other stuff, and then someone said a computer model will build, will beat an actual piece of equipment every day of the week, but it is just a computer model. It is a vision off in the future that may or may not come to pass and may or may not do what we need. So I applaud you on that.

Two final things. One I will just take for the record. I am curious what your thoughts are on how the joint basing arrangement is going. I think it is working great out at Joint Base Lewis-McChord. You have got two colonels out there, Army, Air Force, who are working very closely together, doing a great job. But I am curious if you could submit for the record when you get a chance what we can do to make that work better. I think it is a very positive step in the right direction.

[The information referred to can be found in the Appendix on page 93.]

Just a quick comment on the JSTARS [Joint Surveillance Target Attack Radar System] upgrade, Joint STARS [Surveillance Target Attack Radar System] upgrade program. This is an ISR platform based off of a 707 air frame now, and you are looking at ways to upgrade that capability. Sort of two ways to go: One is just figure out a way to make the 707s that you have work better; two would be to upgrade the platform to the 737. I am curious what you think is the best approach and when you going the make a decision on that.

General SCHWARTZ. Sir, there are a couple of options. We currently have direction, both from within the Department and in language to pursue a re-engining effort for the E-8 JSTARS platform, and subject to appropriations, we will be acquiring up to four ships sets to accomplish both test and validation of that modification to give us information on what a re-engining effort on the E-8 would mean for the long-term future. We have an analysis of alternatives underway which will conclude late this spring, which is not just looking at re-engining of JSTARS and perhaps improving the radar that is inherent in that platform. But as you suggested, the P-8 is an option, the Navy airplane, and there are others. The Block 40 Global Hawk is a possibility. Likewise, there are business class jet applications that are also a possibility.

And so this study is looking at those to discern, what is the best blend to deal with the Ground Moving Target Indicator mission, the GMTI mission. That is where we are at sir.

Mr. SMITH. Thank you, General.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much, both of you, for your service.

General Schwartz, as you know, in 1979, the Chief of Staff of the Air Force wrote Congress asking the Congress to support funding for the alternate engine for the F-35.

Why did the Chief of Staff feel a need to ask for funding over and above the President's budget that year for funding for an alternate engine?

General SCHWARTZ. Sir, I will tell you my view of the alternate engine. It begins by stating that this is not 1979. The reality is that engines have matured considerably both in terms of design, in terms of manufacture, in terms of material, in terms of durability and so on, and reliability.

My view is simply this, that competition in the ideal is desirable. I agree with you, sir.

Mr. BARTLETT. Having said that, sir, I would like to put a little chart up on the screen. I believe that your staff had that yesterday. I hope that it has been shown to you. You can look at look on the screen to see it.

Last year, the Air Force provided a graphic to the committee based on a committee request for information on the Air Force experience with a primary and alternate engine for the F-16 [General Dynamics Fighting Falcon fighter jet]. How would you interpret the F-16 major accident trends for both the primary and alternate engines?

General SCHWARTZ. Again, the F-100 engine was, in the early days, was an immature platform. And my point here is that the engines we are using today are much more mature, much more reliable, as we have demonstrated in the F/A-18 [McDonnell Douglas/Boeing Hornet fighter jet], in the F-22, and, you know, certainly in the big airplanes. But in terms of the high-performance engines, as you note on your chart, sir, that the loss rate due to engine malfunctions has declined precipitously over the last 30 years. That is a factor in our recommendation not to pursue an alternate engine.

Mr. BARTLETT. But, sir, for these two engines, I note that it is just a positive correlation, which does not necessarily mean a cause-and-effect relationship, but there certainly is a positive correlation between the introduction of the alternate engine and the drastic reduction of the mishap rate.

Mr. Secretary, last year the GAO [Government Accountability Office] provided the committee with a graphic on its analysis of the average procurement unit cost per engine for both engines of the F-16. The F-16 primary alternate engine manufacturers began competing in the mid 1980s. How would you describe price trends before and after the introduction of the alternate engine for the F-16? And I think that chart is up on the screen for you, too.

Secretary DONLEY. Mr. Bartlett, I would like to look at this more closely and give you an answer for the record.

[The information referred to can be found in the Appendix on page 94.]

Mr. BARTLETT. Well, sir, as you look at the chart, it is pretty obvious that the price came down. As a matter of fact, the GAO indicated in its 2007 report on the alternative engine that prices for the F-16 engine decreased by an average of 21 percent over the four years they analyzed it.

Again, sir, this is just a positive correlation. It does not necessarily mean a cause-and-effect relationship.

But if you have enough of these circumstantial evidences, positive correlations, you begin to get a picture of that.

I have one more brief question.

Secretary Donley, in 2009, the Secretary of Defense cancelled the CSAR-X combat search and air rescue program, stating that the department was conducting a review of DOD-wide assets that could conduct this mission. At that time, the CSAR-X was the number two Air Force acquisition priority. What is the status of this review? And does the Air Force plan on restarting the CSAR-X program?

Secretary DONLEY. We are currently looking at the requirements for a future CSAR platform in conjunction with the HH-60 [Sikorsky Pave Hawk CSAR helicopter] loss replacement program that has been underway during the current conflicts. And also the replacement of other UH-1 [Bell utility helicopter]—of UH-1 capabilities across the Air Force, in particular in support of the missile fields and the nuclear mission, and a few other UH-1 units across the Air Force.

Our goal is to see if we can get those requirements aligned so that we can get a cost-effective solution to our vertical lift challenge in all of those areas. But I think the chief can amplify a little bit for you.

General SCHWARTZ. Sir, our goal here is to approach this as a minimally developmental effort. In other words, to secure a vertical lift capability that is largely off the shelf that we could modify to do both the combat rescue mission, rescue hoist, so on and so forth, as well as the nuclear site support mission, which would mean fewer modifications.

Fundamentally, though, the approach, as opposed to CSAR-X, which was a highly developmental effort, we are looking at being less ambitious and approaching this as a minimally developmental effort.

Mr. BARTLETT. Thank you, Mr. Chairman.

Mr. CONAWAY. [Presiding.] The gentleman's time has expired.

The gentleman from Texas, Mr. Reyes, is recognized 5 minutes.

Mr. REYES. Thank you, Mr. Chairman.

And, gentlemen, welcome. Thank you for being here with us.

Just 2 weeks ago, I was with the chairman and another member of the committee in Afghanistan. We actually got an opportunity to fly the Osprey, which is the equivalent of the CV-22 [Bell-Boeing tilt-rotor aircraft] for the Air Force; and I had an opportunity to ask some of the crew members how it was going, how it was flying, what their thoughts were. And they seemed to love it, they seemed

to think that it was performing well, that it gives the Marines capabilities that they don't have, or they didn't have, with the CH-46 [Boeing Vertol Sea Knight transport helicopter].

And since the Air Force Special Operations Command has the CV-22, I'm curious, in spite of the crash that occurred in Afghanistan where we, unfortunately, lost four crew members, I'm curious to know your assessment of the CV-22. And if you have any information as to the operations that are ongoing in Afghanistan, that would probably be very useful for us.

General SCHWARTZ. Congressman, the airplane does things that a conventional helicopter could never imagine doing, and I have some experience in this area. In our case, it succeeded the MH-53J Pave Hawk helicopter or Pave Low helicopter, I'm sorry, a very good machine in its own right. But what this combines is the capacity to go vertical in tight spaces as well as have a block speed that's like a turboprop; and so you can get to locations quickly and operate in a vertical dimension, which is unlike any other platform that we've ever operated. It is performing well; and there is great confidence, not just by the air crew, sir, but also by the shooters, by the people who get to the target via this mode of transportation.

The only thing I would mention is that we have experienced greater-than-expected wear on engines. In part, this is due to the environment in Afghanistan; in part, it's because we think we need a particle separator apparatus on the airplane. But the bottom line is we're working the engine issues with both Rolls, who is the manufacturer, and Boeing, who is the prime, and we'll fix that in time.

Mr. REYES. Is there a process in place that gives feedback in terms of perhaps some of the concerns that some Members of Congress—and I ask this because we just had a vote on this a couple of days ago, and members are asking questions about the operation of the aircraft, the feasibility and that. So I'm curious to know if there is a way that you can provide the crews and the feedback from those involved in the operation of this aircraft to us.

General SCHWARTZ. Sir, we would be happy to gather the sort of anecdotal testimony, if you will, from the operators and maintainers; and we'll put that together for you.

[The information referred to can be found in the Appendix on page 94.]

Mr. REYES. Thank you.

Mr. Chairman, I was referring to the Osprey that we flew in in Afghanistan. We talked to the crews, and it seemed to be performing up to the expectations. But I think, in lieu of that vote that we took earlier, I think it would be beneficial to get some feedback for Members of Congress so that they could see.

Thank you, and I yield back. Thank you, gentlemen.

The CHAIRMAN. Thank you.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

It's my understanding that next week perhaps we're going to get an announcement on the tanker, the long-overdue tanker. But I've also heard the rumor that the Air Force has decided to issue or the DOD has decided to issue a stop-work order immediately after the announcement because of an anticipated protest from whoever loses. Please tell me that's not so.

Secretary DONLEY. Sir, we have resources available to put against the engineering and manufacturing development contract that will go with the source selection on the tanker, and we will modulate the funding for that based on where we are in the process.

Mr. ROGERS. There's going to be a no stop-work order issued then.

Secretary DONLEY. We're going to modulate the funding for EMD [Engineering and Manufacturing Development] based on where we are in the process. We will be just days after this source selection process and just days into a signature of a contract, so there's going to be no appreciable effect on the ramp, if you will, in the immediate days after the decision.

Mr. ROGERS. I just know I'm sure you have a full appreciation of the fact that everybody on this committee wants to see that tanker start being built. Talking about the best Air Force base in America, Maxwell—I'm sorry. I was mistaken. It's the best Air Force in the world—are you aware of the dorm problems they're having for the visiting students that is grossly underavailable and in some of the dorms that we've got, they are pretty antiquated? I know that everybody in a blue uniform in here has been to Maxwell if they're an officer, so you're probably familiar what I'm talking about.

Secretary DONLEY. I have seen the dorms at Maxwell. I'm not aware of the current problem. But we do have a dormitory master plan across the Air Force that has tiered the requirements and the sequence of our investments for dormitories. I'm sure it is in that mix.

Mr. ROGERS. I hope you will. I know you've got a lot of things to do, but if you could visit that plan and just look and see if you do have something in the near future to address the shortage that we've got at Maxwell, I would appreciate it. And then just have one of your staffers let me know like what outyear you see that target being hit.

And then, lastly, can you talk to me a little bit about your future planning for professional military education efforts, specifically at Air University in Montgomery?

General SCHWARTZ. Sir, we certainly don't anticipate any change. I mean, as you're well aware, we have everything from Air and Space Basic, to Squadron Officer School, to Air Command and Staff, to Air War College, the School of Advanced Air and Space Studies. I mean, it is—you know, I didn't end up going there because I didn't qualify, but it is the intellectual capital of the Air Force. Those courses are essential. And we also do more near-term activity there, including one commander courses, group commander courses, preparing people to lead. So, Congressman, there will be—there's no expectation of altering the footprint of education and training activity at Maxwell.

Mr. ROGERS. Excellent. Thank you very much.

Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

Thank you, gentlemen, again, for being before us.

Space is increasingly congested, competitive, contested, and the level of funding for the space situational awareness, or SSA as we all know it, is 27 percent lower than the fiscal year '11 request level, and it's also lower than the fiscal year '10 request. So my questions to you are, does this reflect a decrease in our focus on SSA, and how do the recent agreements with France and Australia support progress on SSA?

Secretary DONLEY. Well, Ms. Sanchez, space situational awareness is a foundation in the space domain, and it is a mission of growing importance not just to the Air Force but to the joint community as well as we turn our attention to this domain, as you described the words out of the national security space strategy.

Immediate funding for space situational awareness was impacted by a programmatic decision that we made this year not to proceed with SBSS [Space Based Space Surveillance] Number Two. We had launch of SBSS One last year. It has been successful. But the cost and the capability that we intended to get from SBSS Two did not match, in our view. So we cancelled that SBSS Two. We are now in the process of evaluating what comes after and seeing if we can develop more cost-effective solutions going forward.

So that was really the main driver in the change in SSA funding, but it reflects no diminishment of our interest in this mission there. It is a very important one going forward, and I think the reference you made to the international agreements recently signed with both Australia and France is evidence of that.

Part of our strategy going forward is to do this work more effectively with international partners and also commercial and industry partners where we can. So part of our emphasis in the space community is to recognize that we cannot do all this work alone and to build the necessary partnerships that will support our interests and our pocketbooks going forward.

Ms. SANCHEZ. General, are you fine with that answer?

General SCHWARTZ. Yes. I would only add that, on the Space Fence side, there was no change. In 2015, the so-called Space Fence, the ground—the surface surveillance capability of space will proceed as was previously programmed.

And, in addition, there is an aspect of this that has to do with the space operation center out at Vandenberg and the capacity to understand the potential for collisions and so on and so forth and be able to share that both with industry partners as well as appropriate international partners, too.

Ms. SANCHEZ. My other question has to do with the industrial base, the space industrial base. Obviously, as a Californian, I'm very interested in that.

We continue to tell our people don't worry about losing jobs in factories, making televisions, because, you know, we're putting more money into education, we're doing the new, new thing. A part of that is, of course, the space industrial base. So my question is, can you talk a little bit about what the plan is for sustaining the space industrial base and making sure that we take full advantage of commercial space industry resources as well? Because it seems—I mean, these things cost quite a bit of money. How do we make that more cost-effective and really continue to be a leader when it comes to these assets of space?

Secretary DONLEY. I think, as the chief discussed a little bit earlier, we have sort of two—several lines of work under way to focus on this challenge. We do recognize the importance of this base. We do recognize the challenges that it has faced in the way that the military and other parts of our government have bought both launch services and satellites.

So, on the launch side, we've added money to EELV to normalize that program in the out-years, focused on trying to stabilize the industrial base and also our costs going forward. So we have worked closely with the National Reconnaissance Office and with NASA based on some work done by the Defense Science Board to identify the minimum number of launches that need to be covered each year.

That number is about nine; and between the Department of Defense, NRO, and NASA we have coordinated on a memorandum of understanding that will provide for our continuing coordination going forward to fund that minimum level. We need to go work on the cost and the pricing that go with that.

But, fundamentally, on the launch side, what we have done is to decouple our approach to launches and to payloads. And in prior years we had focused on not buying—always having the launcher tied to the payload. And so when we had payload delays the requirements for launchers, as the chief described earlier, went up and down wildly. And this perturbed the industrial base and cost us more money. So our approach now is to buy the launchers independently, ensure we have a stable base going forward, and hold for later decision the timing of when the launchers and the payloads get married up together.

That explains sort of the launch side.

The CHAIRMAN. Thank you.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Gentlemen, thank you for being here.

I know that you are both aware that the ECSS [Expeditionary Combat Support System] program is a major part of an important initiative known as the Expeditionary Logistics for the 21st Century, a strategy that is expected to result in a 10-percent cost savings of at least \$12 billion when fully fielded over the Future Years' Defense Programs for the Air Force.

The program is currently undergoing a Critical Change Report, CCR, process that has extended beyond the original forecasted completion date and certainly is questioning the program's funding. I know that both of you are aware that one of the reasons why the program is undergoing a CCR is because it experienced an 18-month delay due to contract protests and an additional 9-month re-planning delay, neither of which were caused by the program itself. Further delay, obviously, would result in some interruptions in the program.

I would like, if you would please, for both of you to comment on the status of the program. I think we certainly have had a significant amount of comment, positive comments that have been made about the program and what it will accomplish on behalf of the Air Force in the past; and I would like to know the status.

And then, as you gentlemen are aware, I'm the chairman of the Strategic Forces Subcommittee; and, in looking at the budget, I have several questions. I'll give them to you all at once.

With respect to the new bomber, obviously, from the perspective of my subcommittee, we're very curious as to whether or not the first lot of these new bombers will be nuclear capable and nuclear certified.

With respect to the issue of dual-capable aircraft, does the fiscal year '12 request contain funding to make the Joint Strike Fighter nuclear capable?

And with respect to ICBMs [intercontinental ballistic missile], does the fiscal year '12 request contain funding for an ICBM follow-on study?

And then with respect to cruise missiles, does the fiscal year '12 request contain funding for a follow-on air launched cruise missile and will it be nuclear capable?

Gentlemen.

General SCHWARTZ. Sir, why don't you let me give that a try; and then you can fill in the blanks.

Sir, on the expeditionary combat support system, it is an enterprise resource planning system, it's an ERP, and it's an important one. It is something that all of you here who understand big business know that, to really be able to monitor the numbers, you've got to have a system like this. But they are hard. They are difficult to implement, and they're difficult to fuel, and they are not cheap. And you know we have struggled a bit to try to get this up and running.

We have now two modules which are running. One has to do with transportation and vehicle management. The second one has to do with inventory management at the installation level. The third one is a harder one that has to do with supply chain management.

And so we have looked at this extensively; and it's our view that this is something, as hard as it is, that we have got to stick with. And so you will be hearing that from the Department. I think that we request Congress' forbearance to press on, even though our performance to date has been lackluster, to be candid.

I would only mention, in addition, that this is part of our strategy for achieving a capability to be audit-ready. You can't be audit-ready if you can't smash the numbers, and this is one of the vehicles for doing that, sir.

The second thing, on the bomber. It will be nuclear-capable. It probably won't be nuclear-certified at the outset. F-35 DCA dollars—that's dual-capable aircraft dollars, sir—are not in the '12 program. That is a decision that's further out. It's probably '14, as opposed to '12.

On the ICBM, we currently have a mission analysis under way that will lead to a formal analysis of alternatives in '13; and that's when it will be funded.

And, finally, on the ALCM [air launch cruise missile], there's about \$800 million in the '12 proposal for a follow-on air launch cruise missile; and, likewise, there's an analysis of alternatives under way that will conclude in '13.

Mr. TURNER. And will that follow-on be nuclear-capable for the cruise missile air launch?

General SCHWARTZ. Clearly. The purpose for the follow-on air launch cruise missile is the nuclear capability, yes, sir.

Mr. TURNER. Excellent. Thank you so much.

The CHAIRMAN. Thank you so much.

Ms. Bordallo.

Ms. BORDALLO. Thank you so much, Mr. Chairman and Secretary; and, General Schwartz, thank you for appearing today and service to our country.

I represent Anderson Air Force Base, one of the finest and most scenic Air Force bases in the country.

Just a comment first, gentlemen. I remain extremely supportive of the C-27J [Alenia Spartan military transport aircraft] program, but I remain deeply concerned about the program cut from 78 aircraft to 38. So I hope that we will continue to examine the lack of rationale for these cuts and work toward ensuring that we have a truly functional tactical airlift capability.

Now, my first question is for either witness. As you know, the Navy signed a record of decision on the Guam military buildup back in September of last year. As the Department continues its planning with regards to land acquisition, I remain skeptical that deals can be reached on Guam without significant changes to the Navy's plans. Further, the footprint of the Marines on the east coast of Guam to accommodate firing ranges is inconsistent with local land use. A contiguous Marine base is not likely attainable, and the land issues involved in achieving a base are daunting. So, as such, to what extent is the Air Force working with the Guam Oversight Council and the Department of the Navy to utilize some of Anderson Air Force Base for Marine basing requirements? What type of challenges or impacts should the committee be aware of if some marines are in the main cantonment area and some are on Anderson?

General SCHWARTZ. In fact, Congresswoman, they will be on Anderson. On the west side, Marine aviation will have its own area that they will use.

At the same time, however, I think it's important to recognize—and I know you appreciate this—that Anderson is a strategic location and that what we need to do is not think about trying to dense-pack Anderson, but, rather, we also need to consider what likely contingencies might unfold and what might have to fall in on Anderson in the event of such a contingency. So we want to make as much of Anderson available as is prudent but not so much that we constrain future contingency operations. This is the tension.

Ms. BORDALLO. I understand.

General SCHWARTZ. And something that we do need to keep in mind.

With respect to the contiguous nature of the Marines and so on, again, our approach has been to be as supportive as possible. And what we have asked the Navy and the OSD [Office of the Secretary of Defense] folks that are working this problem is to consider all the Federal properties, not new properties but existing Federal properties, for potential bed-down locations for the Marine Corps presence.

Ms. BORDALLO. Very good. Thank you, General.

My second question is for either the Secretary or the General. Can you update this committee on the progress of filling Air National Guard units with missions, particularly flying missions, that were lost to the result of BRAC [Base Realignment and Closure] 2005 decisions? What is the progress on this issue? I remain concerned that there are still Air Guard units with bridge missions and that we continue to hemorrhage flying capabilities out of these units, and I hope you can continue to work with me on a flying mission for Guam. We are missing a key capability out there.

Secretary DONLEY. Well, we continue to work those issues location by location. The simple fact is that many of the units that have been in the fighter business over the years, the fighter force structure has been shrinking over time. So we are looking at alternative missions going forward.

We've used the MC-12s to work through those issues. We've used the C-27s to work through those issues. The MQ-1, MQ-9 [General Atomics Reaper unmanned aerial vehicle] bed-down issues all have been part of our considerations as we take—where we do have new capability and new resources coming into our force structure.

But the one-for-one replacement models are simply not feasible going forward anymore. So we're having to—as we shed legacy aircraft or missions, we have to bring in the new capability and find homes for those; and we certainly want the Guard and Reserve to be part of that work.

Ms. BORDALLO. Thank you very much.

Mr. Chairman, I have further questions, but I would like to have them entered into the record. And I yield back the balance of my time.

The CHAIRMAN. Thank you very much.

Dr. Fleming.

Dr. FLEMING. Thank you, Mr. Chairman.

Gentlemen, welcome today. Thank you for coming. Secretary Donley, General Schwartz, thank you for your service to our country.

First of all, I want to comment or just thank you for the fact that we are moving forward now finally on the new-generation penetrating bomber. It's good to see that finally up and going.

But I am concerned about some long-range issues and certainly in terms of our nuclear strength. While our nuclear enterprise strength today is strong, there's one area of concern that I have, and that has to do with the weapon storage area. As you know, following very serious instances in 2006 and 2007 involving nuclear weapons in key components, the Air Force embarked on a top-down review of the nuclear mission; and a number of investigations and reports explored the root causes that led to the atrophy and decline in the nuclear enterprise.

One of the common conclusions of those reports was a negative impact on nuclear readiness that resulted from the closure of the Barksdale WSA [weapons storage area] in 2007. With respect to that decision, let me paraphrase from Dr. Schlesinger's report: The closure of the weapon storage area at Barksdale was a significant mistake with a negative operational impact. It created the requirement for bombers to train and exercise from their home station—

far from their home station, resulting in operational complications. Nuclear munitions training and proficiency were severely impacted owing to the inability of training weapons to simulate the real thing—to simulate the real thing. Only from a global nuclear deterrence perspective do the ramifications of this become clear.

The task force strongly encourages the Air Force to revisit the Barksdale WSA closure decision. We arrived at that decision in 2008 to recertify the Barksdale WSA. That was part of the Air Force's nuclear roadmap, which included the establishment of Global Strike Command, which of course since has been stood up at Barksdale, and an Air Force directorate to coordinate nuclear issues. And the Air Force went as far as requesting \$73 million in funding for the project in the fiscal year '10 budget request. However, the project has not moved forward, and I do not see any funding for it in this year's budget.

Just to encapsulate, the nuclear weapons are at Minot, many of the nuclear bombers are at Barksdale, and a potential adversary know this. And the whole idea was not to centralize all of our weapons, of course, in one WSA in Minot and to at least put some at Barksdale. So my question is, first of all, for General Schwartz, does the Air Force still intend to move forward with this project?

General SCHWARTZ. No, sir, we don't. And it is true that the initial assessment in the 2008 timeframe was that was the right thing to do. But when we ultimately discovered that it was a multi-hundred-million-dollar undertaking to make that come true, given the other demands to deliver the precision and reliability throughout the enterprise, we decided that that was not sustainable.

And I acknowledge Dr. Schlesinger's view, and we have talked to him about that then and since. But the evidence that we have collected to this point in time through evaluations, inspections, and so on—I don't deny that the optimal solution would be to have two WSAs. But the reality is that we had other more pressing matters to attend to—reliability on the aircraft, reliability on the missile systems, and so on—that required investment that out-prioritized the WSA.

Dr. FLEMING. Do we, sir, have any mitigating concepts, anything else that might obviously solve that problem for us?

General SCHWARTZ. We think we have. We have implemented that.

As you're aware, we move the airplanes and the crews from Barksdale to Minot on a regular basis. They have access to actuals. But, of course, at home, at Barksdale, they have access to trainers. And so the bottom line is that we think that—and so far the evidence we have collected in terms of observing proficiency, professionalism, and so on—is that the current solution is workable.

Dr. FLEMING. If I could quickly ask, is that a final decision or is it possible this could be opened up in the future?

General SCHWARTZ. I would say that in this business no decision is really ever final. But it would require Jim Kowalski and Global Strike Command to come to the conclusion that this was essential for them to maintain the level of proficiency that's required, and that has not yet occurred, sir.

Dr. FLEMING. Thank you very much, and I yield back.

The CHAIRMAN. Thank you.

Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman; and thank you, Mr. Secretary and General, for joining us here today.

First, on behalf of my constituents, I want to express my gratitude for the hard work, courage, and sacrifice of the men and women of the Air Force. These aren't easy times for those who serve, and on behalf of Georgia's Fourth District I thank you all for your service.

I would like to focus for a moment on Air Force procurement, because dysfunction in this area is of serious concern.

Secretary Donley, there were 12 years between the launch of Sputnik and the landing of Apollo 11 on the moon. It's taken nearly that long to develop and procure a new tanker for the Air Force, and on the spectrum of programs that the Air Force is developing the KC-X is one of the least technically challenging. Respectfully, I think our collective inability to develop new military systems in a timely manner is a national embarrassment and a huge strategic weakness. We on this committee bear responsibility for that, but so does leadership at the Pentagon.

Secretary Donley, why has KC-X development and selection taken so long and when do you foresee that we will finally be able to deploy?

Secretary DONLEY. Well, as you alluded to, sir, the current KC-X source selection is actually the third attempt of the Air Force in about the last 9 years or so; and the first were marred by irregularities that caused them to be thrown out, essentially. So we're—but we think we're back on track. We've worked very hard to focus on strengthening our acquisition workforce, and putting the right KC-X team together for us has been the acid test from the very beginning.

In bringing back the tanker program from the last GAO protest which was sustained in 2008 and caused us to go back to the drawing board, we've worked very carefully inside the Air Force acquisition system and with our colleagues in OSD to put together the right team of people with the right experience and gravitas to oversee this very important program.

It is an important program to us. The average age of the tankers, as you suggested, is about 48, 49 years old; and that explains why it is our highest acquisition priority at this point in time.

I would say I couldn't agree with you more on the challenge to our acquisition system at a strategic level of taking so long and having to pay so much for the new systems that we buy. There is no doubt that what we are procuring across the board in our Air Force represents significant increases in capability for our Air Force and will stand us in very good stead going forward. But sometimes the costs, the prices we pay for that are certainly more than we would like. And the increases in costs, combined with the length of time that it takes, works us into a spiral where it takes longer and longer to get these new systems field; and I do agree with you that this is a strategic problem for the United States.

In the case of the tanker and several other of the programs that were referenced today, the bomber programs, for example, those programs like the KC-135 [Boeing Stratotanker] were built in numbers 30, 40 years ago when the United States spent 8 percent

of gross national product on defense. And while we do not need to build as many as we had in the '50s and '60s, we are now trying to recapitalize those forces on a much smaller base of the Nation's economic strength. So we're more in the neighborhood of 4 percent of GDP [Gross Domestic Product], instead of 8 percent of GDP. So these programs are getting spread out and taking much longer than we would like.

Mr. JOHNSON. Okay. Point well taken.

A question to General Schwartz. Is less than 200 F-22s enough to ensure U.S. air superiority for the next three decades?

General SCHWARTZ. Sir, the short answer is we at the time made a case for somewhat more than 187 aircraft, but that decision is behind us. We now need to move on. We need to get the F-35 into the fleet. And 187 F-22s, provided we do the improvements that are in the program, the F-22 improvement program is probably one of the six or seven largest procurement efforts we have under way. That's to bring it up to weaponize it the way it needs to be weaponized and improvements for reliability and maintainability and so on.

The bottom line is it's a smaller fleet than we would like to have had. That's behind us. The object now is to make sure that the airplanes we have can kick ass and that we can keep them in the air.

The CHAIRMAN. Thank you.

Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman; and, Mr. Secretary and General Schwartz, thanks so much for your service to our country.

First of all, General Schwartz and Mr. Secretary, I want to thank you so much for achieving some cost efficiencies through consolidating commands. I think it's a great initiative on your part. And I want to ask you what further opportunities you see in terms of streamlining the top of the United States Air Force through consolidating commands or efforts to bring down cost.

General SCHWARTZ. There are a couple. In addition to the Air Operation Center effort that we talked about earlier, you know, we asked ourselves, for example, when you have two headquarters at the same location you have to ask yourself if that makes sense in the current environment. I mean, there were reasons for it, having the focus and so on, you know, one headquarters does management stuff, the other headquarters does operational stuff. But we came to the conclusion that that was no longer sustainable.

So in the case of Third Air Force, for example, at Ramstein in Germany, where we have a major command headquarters, U.S. Air Force's in Europe, we're going to collapse that.

The same thing is true at Hickam, where we have 13th Air Force, and Pacific Air Force is at the same location, is going to do that.

In San Antonio, where we have the Air Education and Training Command and 19th Air Force, we're going to collapse that.

You know, this wasn't really a stroke of brilliance. I mean, this was just recognizing that what was once a good idea was probably no longer affordable. And, importantly, it was probably less a function of dollars than it was about how precious manpower is right now; and we needed to free up uniform manpower to do the missions that are most pressing, like the 4,500 folks we put in the in-

telligence, surveillance, reconnaissance or 2,000 people into nuke or 1,000 into aircraft maintenance, that sort of thing.

Mr. COFFMAN. Thank you, General Schwartz.

Mr. Secretary, anything additional to add to that?

Secretary DONLEY. Just to add that sometimes the opportunities are available on the business side as well. So another area of significant efficiencies for us is in the IT world where there is significant coordination going on across the services to collapse the number of data centers that we have operating across the Department and to get more efficient in the way we share IT resources and conduct our business in that manner.

Mr. COFFMAN. Thank you.

The Unmanned Air Vehicles, we're across the board in all of our branches of the military. We're becoming more and more reliant upon those platforms to do everything from tactical strikes to ISR. But the development is fairly fragmented. And I know there's been efforts in the past for the United States Air Force to take the lead in this issue. Can you tell me, if the United States Air Force did have the lead on UAVs, what kind of potential savings might there be in terms of the development of these platforms?

General SCHWARTZ. Sir, I don't think it would necessarily be substantial. And I have to tell you that this is an emotional issue that—I just don't know if it's worth it to go down this path.

What Gary Roughhead and I from the Navy are doing I think is representative of what adults working together can achieve. He has BAMS [Broad Area Maritime Surveillance unmanned aerial vehicle], which is a version of our Global Hawk. And the question we asked each other is why should we have two different V posts for these airplanes? Why should we have two different training engines for these birds? Or, for that matter, why base them at different locations?

And we've come together to do that ourselves without the Air Force asserting its dominion over remotely piloted aircraft across the department. I, frankly, think that's a better strategy to do this; and certainly the budget challenges we face are motivating us to do this.

Mr. COFFMAN. Well, I think you mentioned satellites, that you're working across jurisdictional lines across branches of the Service and other governmental agencies in terms of the development of the satellites, and that's leading to a savings. It would seem to me that if we could derive a savings on the development of these satellites we could also derive a savings on a better coordination with the development of UAVs and one Service taking the lead on it.

General SCHWARTZ. I think better coordination is required. You're absolutely right on that, sir. And we're endeavoring, particularly between the Navy and the Air Force, to do that.

Mr. COFFMAN. Just one last question. For the record, if you could update us on those States that aren't—on the F-16s for those States that have F-16s for their Air Guard and where the process is on the F-35, obviously, specifically, in my case, to Colorado.

I yield back, Mr. Chairman.

[The information referred to can be found in the Appendix on page 98.]

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. I'm running around here today.

And certainly, Mr. Secretary and General, good to have you here, and thank you so much for your service.

I wanted to ask you about end strength and the fact that we're obviously pleased that you do such a great job in recruitment and retention, but that creates some real management problems for you. Could you talk a little bit more about that? And I think there was a concern that while you're looking to have both voluntary and nonvoluntary—what's the word—separations, right?

Secretary DONLEY. Incentives.

Mrs. DAVIS. Yes. That's a nice way of putting it. But separations at the same time in the fiscal year '12 budget you're looking to increase by 600. Why that kind of discrepancy?

Secretary DONLEY. Just quickly on the 600. The increase in Active Duty end strength by 600 is driven by the results of the Authorization Act last year which denied the Department's request to convert officers associated with a defense health program from military to civilian. That was our—we requested to do that. The Congress denied us that. So we reverted them back to uniformed slots. So that's the reason for that change.

What you've alluded to more broadly is our current and most immediate personnel challenge in the Air Force, which is that, given the state of the economy, airmen are not leaving the Air Force at normal rates of attrition and so we are operating above our authorized end strength, particularly for officers. We recognized this problem last year, and we did take action, both voluntary and involuntary, to get ahead of this problem, but we did not make enough progress. We made only enough progress really to tread water, and the problem has gotten even more difficult this year. So we do have force management actions planned for later this year and into fiscal year '12 that will get our end strength down to the authorized levels.

General SCHWARTZ. I would just comment that this is painful. I mean, here we are in the middle of the war, and we're trying to encourage people to move on, but we have to do it. We cannot operate above our end strength, given the other pressures that we have. Because, obviously, we have to take resources from elsewhere to make that work.

So I think the key thing here, ma'am, is that we are asking for certain authorities which go back to the case of the '90s when we had a similar situation and the Congress gave us temporarily certain authorities that enabled us to better manage the reductions that we seek to achieve. And, again, we would do this with compassion and with precision, but we need to do it.

Mrs. DAVIS. How do you work with families through this then? Is it different from other transitions that families go through?

General SCHWARTZ. I think it's similar. You know, we have transition assistance programs. Clearly, it's more difficult, though. If someone leaves voluntarily, the psychology is completely different than when we ask someone to leave involuntarily.

And so the important thing we're trying to do is indicate, as difficult as this is and it was a tough decision for the Secretary to

take, that this is for the future of our Air Force, and we need you to move on, and we'll do all we can to make it as soft a landing as possible, but that we have to do it.

Secretary DONLEY. Ma'am, if I may just add for a moment, with respect to the additional authorities that we need, we're still working with the Office of the Secretary of Defense to put together that package. We are hopeful that that will get over here to the Congress soon. Understanding the normal legislative cycle, we have flagged this as something that we would like to ask your consideration of early and to identify a legislative vehicle against which we can tag these authorities early in the year, hopeful that perhaps we could get the authorities in place before midyear as we start making—going into boards and such later this summer. If we do not miss—if we do not get the authorities this year, we'll miss a cycle. We'll pick it up next year, but it would be better if we had it earlier.

Mrs. DAVIS. And you're saying this is a majority of people or officers that are in the services and not in specialty positions then, because you've had special authority to recruit.

General SCHWARTZ. We are being careful about limiting or sort of protecting certain categories of officers. For example, we are protecting certain nurse specialties because they're in very short supply and they're essential. But we're protecting Catholic chaplains for the same reason, but it's very few, because we are serious about trying to get this behind us.

The CHAIRMAN. Thank you very much.

Mr. SCOTT.

Mr. SCOTT. Thank you Mr. Chair, Mr. Secretary, General.

As I've traveled and looked at the bases and listened, whether it's the Air Force or another agency, and talk about the procurement process and running bases, EPA [Environmental Protection Agency], OSHA [Occupational Safety and Health Administration], disgruntled voters, is there any way to calculate the cost of these burdens on our operational capabilities as a country in protecting our citizens?

Secretary DONLEY. Well, Mr. Scott, certainly we can try to put an estimate together of that. It is the policy of our Air Force to be environmentally responsible and to provide safe and healthy working conditions for our employees, so we want to understand how well we're doing on that and we need to monitor that inside our Air Force. But I don't think I've seen any estimates on the overall cost of that across our Air Force, but we could see if we can get you some more information on that front.

[The information referred to can be found in the Appendix on page 98.]

Mr. SCOTT. Don't spend a bunch of money. The tanker is more important right now.

I would like to move, gentlemen, if I could, to the airlift capabilities of the Air Force long-term with no more purchases of the C-17. What effect does that have on our capabilities going forward, as much as we're flying the plane?

General SCHWARTZ. I think we collectively—I certainly have this view—came to the conclusion that the 224 C-17 wasn't as much—wasn't as valued as the first KC-X was going to be. That is sort

of the situation we're in, and it's a question of marginal value to defense overall. And so I think where we are with a mix of C-17s, 223, 222 of them, and the remainder C-5s [Lockheed Galaxy transport aircraft], some of which will be reengined, some of which currently are not, satisfies the peak demand that we forecast for a crisis power projection scenario. I think that is a moderate risk force for us, and it allows us to devote the resources to procuring the new tanker that we need at 15 a year.

Mr. SCOTT. If I could, moving to the Middle East, how close is our relationship, Air Force to Air Force, with Israel?

General SCHWARTZ. Very close, sir.

Mr. SCOTT. Is there any room for improvement there or is that something where we work hand in hand daily?

General SCHWARTZ. You have to ask Ido Nehoshtan what he thinks, but I believe that he and I, as individuals and certainly as two Air Forces, are very close together. We share our secrets, frankly, you know, our tactics and techniques, and so on and so forth, consistent with policy; and I think that Ido would tell you that we are his best partner.

Mr. SCOTT. General and Mr. Secretary, we would like to have you at Warner Robins, Robins Air Force Base, as my guest and the people's guest down there on short order.

And, with that, I will yield the rest of my time, Mr. Speaker.

The CHAIRMAN. Thank you.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

I'll just mention the tanker and leave it at that. I'm not sure I need to say anything more. Where am I from? Thank you.

Page 12 of your testimony discusses electronic warfare as well, but that's something else I'm obviously very interested in. On the C-130 [Lockheed Martin Hercules transport aircraft] to compass call, or craft conversion, will that result in these new compass call—these converted C-130s being strictly compass call mission or will these be on call for a compass call? How do you envision that?

General SCHWARTZ. The conversion of the additional compass call airplane will be a dedicated asset.

Mr. LARSEN. It will be a dedicated asset.

General SCHWARTZ. It will be a dedicated asset.

Mr. LARSEN. And these will be active Air Force assets, not Reserve, not National Guard?

General SCHWARTZ. That's correct. One of the things under consideration is having an associate relationship, but that's not yet final, by any means. So, initially, that converted aircraft will be Active Duty.

Mr. LARSEN. And then MALD [Miniature Air Launched Decoy] and MALD-J [Miniature Air Launched Decoy-Jammer] are in production?

General SCHWARTZ. MALD and MALD-J certainly are in the program. The MALD version is in production. J will come along here. It is fully funded, because it is one of those aspects of our electronic attack effort that goes along with the long-range strike family systems.

Mr. LARSEN. And increment two, what's the timeline for that?

General SCHWARTZ. Sir, I'll take that for the record, with your permission.

[The information referred to can be found in the Appendix on page 98.]

Mr. LARSEN. Great. On page 20, you talk about your regional partnerships. I had a chance to be out in Air Force Pacific last May and had a chance to talk with Admiral Owens about the things we are doing. It's great. Do you have a particular regional focus in your regional partnership?

General SCHWARTZ. In fact, one of the things we've done is in our contingency response groups we have attempted to focus them along combatant command lines. And what that allows us is to specialize on the language skills on the sort of cultural awareness and what have you and it's very good.

Obviously, the one that's in Europe focuses on that area, the one at Anderson and the Pacific focuses on the Asian region, and the CONUS [continental United States] one splits. But I think clearly this is an area where we are committed.

As you know, in the budget we have a proposal for a light lift platform, a new start in '12 with the Congress' consent on a light strike platform. But, fundamentally, this is about enabling other Air Forces that are not as sophisticated as ours or our near-peers to build their capacity to defend their own airspace.

Mr. LARSEN. So will the light lift and light strike be strictly for partners?

General SCHWARTZ. That is our proposal sir. It would be for training our air advisors, and it would be for introducing a less complex, a more readily simulated platform into these partner Air Forces that can neither afford nor maybe have the technical capacity to operate F-16s, for example.

Mr. LARSEN. Sure.

With regards to DELV [delivery], I understand there's a pretty significant increase in that over '11 or '10, or whichever budget you're operating under today. We should be taking care of that tonight, I think. One step closer.

But the effort by the Air Force to increase access to space by making these launch vehicles more affordable and reliable is important. But I have concerns from some folks how the Air Force is—how is the Air Force ensuring that companies such as Space X, which is going to be part of that new industrial base that's out there on satellites, as well as there's other competitors out there, too, that are not traditional larger contract competitors, how are they being given access to contract competition as a way of promoting lower cost for that program or any other satellite programs?

Secretary DONLEY. We are working through the issues of what certification will be required for commercial partners to enter the space launch work. So there is more to follow on that.

NASA has had more of the lead in that. They are further along. I met with the National Reconnaissance Office the other day on some of these subjects. We are also tracking NRO and with NASA in terms of developing criteria for certification going forward.

Mr. LARSEN. I would just note, these folks might be new to this, and so I think you need to keep that in mind, as well.

Secretary DONLEY. They are, but, you know, we are very focused on mission assurance. And as I think the chief has mentioned previously, we don't necessarily want to take a \$2 billion satellite and put it on top of a launcher that is a first-time effort for someone.

Mr. LARSEN. Right.

Secretary DONLEY. Thanks.

Mr. LARSEN. Thanks a lot.

The CHAIRMAN. That is something I would want to talk to you about. You mean first time for the Air Force, not necessarily first time.

Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

And Secretary Donley, General Schwartz, great to have you back with us. We appreciate your service to our Nation.

Secretary Donley, let me begin with you. I want to talk a little bit about our ability to project power, and specifically in light of China's efforts of anti-access. As you know, their efforts there are continuing to emerge. And it concerns me, when you look at our alliances and our security partnerships in those regions, about our ability to project power into the future, especially in how it affects our ability in areas like the Western Pacific and where we are going in the future.

Let me ask this. As we look at our ability to project power, I know we have the next-generation bomber coming on line some years into the future, you do have scheduled, though, to retire the B-1 [Rockwell Lancer strategic bomber], and retiring the B-1 as excessive of requirements. It seems like to me, though, that there is a gap between the retirement of the B-1 and the introduction in a serviceable form of the next-generation bomber.

Can you elucidate a little bit for us about how we are not going to lose the ability to project force during that period of time when we are retiring the B-1 and as we are bringing the next-generation bomber on line?

Secretary DONLEY. Our bomber forces are managed very carefully inside of our force structure. We recognize the aging challenges, the maintenance challenges that go with each of the platforms, which comes from a completely different generation of technology despite all the upgrades that they have had over the years.

We have not made a decision on retiring the B-1. The proposal in fiscal year 2012 is to reduce the fleet from 66 to 60 aircraft. So it is to reduce the fleet by six aircraft. There are savings that are harvested from that. We believe that—we have, sort of, been through the analysis. The military judgment was that this is not an unreasonable burden on operational risk, this is something that we can do.

And we also harvested dollars out of that, which we can put back into the B-1 for upgrading cockpit displays and other maintenance support aspects of this work that will help sustain the platform going forward.

I have to say, this is not an unusual profile in managing inventories of aircraft, that over time they tend to shrink a little bit over time and you harvest the dollars to put them back into the long-term sustainability of the remaining fleet.

Mr. WITTMAN. So that reduction of six, then, is going to be really where the movement is going to be?

General SCHWARTZ. And the remainder is 60.

Mr. WITTMAN. Sixty, right, got you. Okay. Very good.

General Schwartz, let me ask now—and I want to go from our bomber aircraft to our fighter aircraft. As we know, some challenges there, as you know, with the F-22 program being terminated, also now with the F-35 lagging a little bit time-wise in being able to deliver those platforms to make sure that we can meet that requirement, also with the retirement of F-15s, F-16s, A-10s [Fairchild Republic Thunderbolt II close air support aircraft]. You look at our fighter component, and you look at the recent developments in China with the J-20 [fifth-generation stealth fighter jet], and you look at our strategic capability as it relates to fighters.

My question is this: Does this scenario, does this justify the 124 F-35 reduction in the FYDP? And I just want to look at that in context of where we are going, especially with concerns across all of our groups of fighters.

General SCHWARTZ. In a perfect world, if the program was absolutely healthy, my answer would be “certainly not.”

But the reality is that the bottom-up review that Admiral Venlet did on the F-35, you know, yielded insights that suggest that, number one, the plant in Fort Worth couldn't produce those airplanes right now even if we wanted them to—

Mr. WITTMAN. Right.

General SCHWARTZ [continuing]. And that there are issues in terms of development, less on our airplane—that is, less on the conventional takeoff version than the STOVL [Short Take-Off/Vertical Landing] version, to be sure.

But the reality is that, you know, where we are at right now is, I think, as aggressive as we can pragmatically be until the program picks up more momentum.

And so we have 14 airplanes in flight test. Our acquisition of assets is 203 over the program period. And that is 57 less than it would have been for the Air Force. As you suggested, it is 124 system-wide.

Mr. WITTMAN. Yeah.

General SCHWARTZ. I think, regrettably, that that is the right place for us to be, given the level of confidence that we have at the moment.

I believe that the airplane is going to be the centerpiece of our tactical fleet, you know, in due course. But getting it into full-rate production has been a greater struggle than we imagined. And I think this is a time to be a little bit more conservative.

Mr. WITTMAN. Okay. Very good.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Garamendi.

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

I was trying to remember the date that we had that wonderful lunch in Sacramento, Mr. Secretary.

Thank you for coming out for Air Force Day and for a terrific show by the Air Force, General. You and your men and women did

a wonderful job displaying the Air Force there in Sacramento when I was Lieutenant Governor. Thank you for that.

I now have the joy and the pleasure of representing Travis Air Force Base. And I want to compliment all the men and women. I won't say—well, otherwise I would get a cheer out of some ex-Travis folks here. I will just let that go. But they did a terrific job in Haiti. And, I don't know, maybe a flight will be 5 minutes or so to the theaters of war. A lot of heart but a lot of good work, and we compliment you on that.

We also compliment you on the efforts you are making for the community. You really do reach out. And the current effort under way to employ more local contractors is much appreciated.

And I also want to compliment you on the new LiMA [Light Mobility Aircraft] program and the studies that are going on and the process you are going through to select the appropriate base. I have my favorite. I will let that go for a moment. But it sounds like it is going to be a very useful—and it fits into, I guess, your new tactical fighter, which looks pretty much like a Korean War fighter, upgraded significantly.

In any case, I really don't have a question other than to compliment you on the work that you are doing and the service that you are rendering.

And one more thing, since I have three minutes and 25 seconds. I was shocked, delightfully, to hear your opening statement about the missile acquisition programs, that you are actually going to work with the other services, including NASA, for some sort of "let's see if we can make it all work together."

I was on the Science Committee last year, and I don't think NASA was quite willing to do it when they started the hearings. At the end of the hearings, they were more willing to work with you on a more common platform and the satellite business.

It is the way to go, and I want to compliment you for heading that way.

Thank you, Mr. Chairman. I will yield back my time.

The CHAIRMAN. Thank you very much.

Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman.

General, in a few minutes, we are going to have another vote on another amendment cutting V-22. I realize this question is better suited for the Marine Corps, but there are five CV-22s in the Air Force budget. Can you make a brief comment as to how that program is going and particularly how the aircraft is performing?

General SCHWARTZ. As I indicated earlier, sir, this is a capability we have never had before. We need to continue that procurement profile to the full 50 that the Air Force Special Operations Command expects to possess.

We have had it in Africa. We have had it in Iraq. It is going to be headed out to Afghanistan shortly. In fact, it has been in Afghanistan, as well. Forgive me.

I think the bottom line is that this is a machine that both the operators and the passengers—very important—you know, like to have in order to execute their missions. I would certainly say that there would be other things I would give up in the Air Force budget before the CV-22.

Mr. THORNBERRY. Thank you.

I want to go back to your conversation with Mr. Larsen about partnerships. Because, in addition to the idea that we could have some certain kinds of aircraft to help train other air forces, training is a part of that. In last year's defense bill, we had a provision to make it possible for the aircraft to bring some pilots to be trained here with the ENJJPT [Euro NATO Joint Jet Pilot Training] program from Eastern European countries. But, in a larger sense, it just seems to me that all branches of the military are going to have to do more of this training with others. And that includes the education and training piece as well as the equipment piece.

Are you all looking, whether it is that or other things, at creative ways to help these sorts of opportunities? Because some of these small countries don't have big budgets to send, to participate, whether it is to buy aircraft or to send pilots to train here. So it seems to me we are going to have to be a little more creative in sorting through these things, because it may be just one pilot from a country but he may be chief of staff of the air force before long.

General SCHWARTZ. Sir, that is absolutely true. Just a case in point, the current chief of the Indonesian Air Force was trained here in the United States. But he is the last of that genre, because there was a 12- or 14-year gap after he wrapped up his training. And he is now the chief.

There is no question but that training we do, whether it be for piloting or infantry officers or, you know, intermediate service school, what have you, is playing the long ball. And we certainly are committed to continuing to do that.

I can just give you, quickly—you talk about innovations. The Contingency Response Group that I talked about, their primary mission is opening expeditionary airfields. And they have cops and they have engineers and they have docs and air traffic controllers and so on. And what we decided was, when they are not opening airfields, they can be training and educating nascent air forces who need to develop these varied skill sets.

So they now have this additional mission to grow other air forces. I think that is an indication of the innovation we have undertaken.

Mr. THORNBERRY. Well, and we want to work with you for not only funding but legal authorities for those sorts of creative exercises.

Last question. You were talking about personnel with Mrs. Davis. For some time, we have talked about some nontraditional authorities for certain categories of personnel. Cyber is one that is fresh in my mind. Because sometimes the folks you need to run cyber may not fit a traditional military profile.

Is that something you all are looking at or have suggestions for where we can help you?

General SCHWARTZ. Sir, you are the expert on this, to be sure. But I think we do need to be a little bit more flexible. For example, thanks to the Secretary, there is an effort under way to allow people to go out of the Air Force to the Guard for a period of time and have the opportunity to come back into the Active Duty if that fits the way, you know, their lifestyle is unfolding.

I do believe that having the additional flexibility on career paths will serve us well in terms of, you know, retaining the kinds of people we need. Right now it is not an issue. The economy is not, you know—is favorable in terms of retention. But when it turns, you know, that is when we will be competing for the best and brightest.

Mr. THORNBERRY. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

I was happy to hear your comments, General, on the V-22. As Mr. Reyes said earlier, we flew in Afghanistan on the V-22, and it was a great ride. And I know there were problems early on with the development, but now it is a good bird.

General SCHWARTZ. It is a proven platform, sir.

The CHAIRMAN. Yeah.

Mr. Griffin.

Mr. GRIFFIN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General.

I represent the Black Knights at Little Rock Air Force Base and would like to talk with you about the C-130 AMP, the Avionics Modernization Program.

First, I would like to ask you—I think I know the answer to this, but I want to make sure—is there any risk to this program, to the AMP program, as a result of the efficiencies that you are implementing?

General SCHWARTZ. No, sir. The program is designed to do 221 H2, H2.5, and H3 category C-130Hs, and that is what we are going to do.

Mr. GRIFFIN. Now, my understanding, General, is that in fiscal year 2009 there was funding, in fiscal year 2010 there was not funding. And so, right now, currently, it is not funded. Is that correct? That is my understanding.

And I wanted to just—if you don't have those statistics, you may not be able to answer this. But what I am concerned about is, if the CR does not pass, I think there will be a funding gap. If I remember correctly, there was a Nunn-McCurdy breach a couple years ago or whatever, and the funding stopped.

And so, if we stay where we are, there is no funding. If we get the CR passed, then there is funding. Is that a fair characterization of where we are?

General SCHWARTZ. We need to confirm this for you, but I believe that to be the case. We did not defund this program—

Mr. GRIFFIN. Right.

General SCHWARTZ [continuing]. In the Air Force. I think this is a CR-related issue. But, sir, we will confirm that in writing for you.

[The information referred to can be found in the Appendix on page 99.]

Mr. GRIFFIN. That is my understanding. And my understanding is, if you vote for the CR, then you are voting for funding for the C-130 AMP. And if you vote against it, you are voting to keep things as they are, and there is no funding. If you could check on that and get back with me.

And I will mention, incidentally, that I am starting the C-130 Modernization Caucus. It is very important to me, in my district, and to our national security.

Have you done any sort of calculation to look at what the numbers would be, the dollar savings would be as a result of the efficiencies that we get from the AMP process, in terms of maintenance cost and operational cost savings?

General SCHWARTZ. Sir, we will have to get back to you on the details of the business case. But there was a business case done.

One thing I could comment on, though, very importantly, is that the AMP modifications also include subsystems that allow the airplanes to operate in increasingly demanding airspace—European airspace, for example—that require precision navigation and communications, which the basic airplanes do not possess.

So we will take that one, as well, for the record, sir, and get you the rough numbers on the business case for AMP.

[The information referred to can be found in the Appendix on page 99.]

Mr. GRIFFIN. Okay. If you don't know this, I would like you to add this to your list. I would be real interested in what your number is in terms of how many years of combat service you believe that we are adding to the C-130s that go through the AMP process.

[The information referred to can be found in the Appendix on page 99.]

Mr. GRIFFIN. That ultimately relates to efficiencies. And I think those numbers will bear out that the AMP investment is a good investment, and a good investment for our national security and a good investment for the taxpayer, both of which are important. I appreciate that.

I was given a couple of questions to ask for a colleague of mine, and I just wanted to see if you could get to them quickly in my 39 seconds that I have left. Representative Kinzinger of Illinois wanted me to ask about the flight suit development. He indicated that he had seen the press articles about a \$100 million price tag for developing a flight suit. And he was just wondering if that is accurate and if you have anything to say about that.

I think he is an Air Force pilot, himself.

General SCHWARTZ. We are not in the business of redesigning our flight suit under the current circumstances.

Mr. GRIFFIN. Okay. Great. I will pass that on to him.

And my time has now expired. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman. That was unexpected.

Just as an aside, there are at least two of us in the room who understand there is a second Air Force base that Mr. Rogers needs to visit before he makes categorical statements in reference to his.

Gentlemen, thank you for being here today.

I want to talk a little bit about—and even General Schwartz mentioned it—in the auditability of the Air Force's financial statements. Made the posture statement, skidded in just in ahead of "Conclusion" and "Strategic Basing," page 26 or 27, but at least made the cut. I appreciate that.

I have had good discussions with the team that you have in place to do this. The Air Force has further to go than the Department of Army, Department of Navy, and so you have to run a little bit

faster. I have great confidence in his team and his colleagues over at the Army and the Navy, as well, that they get it, they understand it.

I am wondering how much easier—or, excuse me, less difficult finding your \$33 billion share of the \$100 billion might have been had you had better systems in place. And one of my colleagues asked you for how much something cost, and, Secretary Donley, you mentioned you would try to get that number. Somebody on your team just threw up in their bucket, thinking they would have to go through whatever they had to do to get you that number, those kinds of things.

So, can you talk just a little bit about your commitment to getting this done sooner, maybe, rather than later, and your opinion as to how important good financial systems that you use to run your business—I mean, we have this issue we have been hiding behind, in the sense that your getting a clean audit requires a balance sheet and everything else, and that is a way off. But you use, day in and day out, data systems, financial systems to make decisions. That ought to be auditable sooner rather than later.

So can you just give me your side of what is going on?

Secretary DONLEY. We do think this is an important priority for the Air Force. It has been on our plate for a long time. And, certainly, we are not where we want to be. But, as I think you have been briefed, we are making some progress.

As of the end of last year, we have asserted audit readiness in a couple of areas that we think are important: 100 percent of appropriations received, used in our Automated Funds Management System. And this is the system that tracks appropriations from Congress to OMB [Office of Management and Budget], to the Department of Defense, to the Department of the Air Force, and from our Headquarters Air Force to our major commands.

We are not all the way down to the field level yet, but we are working on that part of the problem. And we think we have 100-percent auditability through the Automated Funds Management System to do that.

That is one of many aspects of auditability, but it is an important one. And it is one that I think Secretary Hale has put emphasis on. And I think you are familiar with his focus on making sure that we get the clean financial statements and the auditability on the systems we most often use and rely on.

Another piece of this has been our preparedness to assert audit readiness on about 48 percent of our mission-critical equipment, which includes all of our military equipment, our military hardware. There is more to follow in the other 52 percent in terms of spares and logistics support and where a lot of numbers are. But—

Mr. CONAWAY. Are those percentages based on dollar exposure? Fifty-two percent of what?

Secretary DONLEY. Inventory.

Mr. CONAWAY. Inventory based on dollars.

Secretary DONLEY. I think it is inventory. I think it is assets. I am not sure that it is dollar-based. I think it is asset-based.

But, in addition to these areas—and the chief mentioned one, in particular, early—the ECSS system is our enterprise resource sys-

tem for a modern logistics system. We must get this done. It is very important to us. It has been painful, continues to be a challenge, but we think it is worth sticking with, going forward.

The experience of this committee and, I think, for other committees for many years, you recognize the importance of getting software right across our weapons systems. This is a huge issue as more electronics have gone into our weapons systems. So, working through software issues is critical. In our enterprise resource systems like ECSS, software is everything. It is the whole thing.

So it is very, very hard work, but, again, we are trying to make some progress here.

Mr. CONAWAY. Thank you. I want to be careful that we don't, in our quest to cut spending and find efficiencies, that we don't become penny-wise and pound-foolish and underresource this important effort.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Mr. Runyan.

Mr. RUNYAN. Thank you, Mr. Chairman.

General Schwartz, Secretary Donley, thank you for being here. Thank you for your service. And thank you for everything you do for our airmen.

I have the pleasure to represent the Third Congressional District of New Jersey, which, as we know, is home to Joint Base McGuire-Dix-Lakehurst. And Joint Base is an air mobility center of excellence in extending air mobility forces globalwide, moving troops and cargo. But over the past 10 years, we have lowered the number of aircraft, and the aircraft capability requirement worldwide has grown. And, you know, even the hostility around the world has grown.

And, quite frankly, General Schwartz, is the requirement of the mobility aircraft lower—is it because we have less equipment, less people, less missions? Or is it just, quite frankly, because of budget?

General SCHWARTZ. First of all, I am from Toms River, so I—

Mr. RUNYAN. I am sure you have family that are constituents.

General SCHWARTZ. The bottom line is, we have better airplanes. You know, there was a day when we had C-47s that, you know, we had thousands of them. And we now have C-17s and C-5s and we have several hundred. I think, you know, we are making economic decisions here. I mean, you know, you have to be somewhat business like here. There are times when it doesn't matter what it costs. But when it comes to sizing the fleet, it does matter.

And so I think the bottom line is, we have looked at the most stressing possible contingency, scenario; we have modeled that. We have come to the conclusion that 32.7 million ton-miles a day—that is gross capacity—is what the country needs to project military power, and that that is met with a combination of C-17 and C-5 aircraft in the low 300s. And that is, you know, the tack that we are on, sir.

These are expensive airplanes to operate, but we would not have gotten 6,000 M-ATVs [MRAP All Terrain Vehicle] or MRAP [Mine Resistant Ambush Protected] vehicles to Afghanistan without them. So, yes, we have capacity. We can do that, and we have. We

did the surge in Afghanistan that ended up this summer. And, you know, we mobilized some Reserves in order to get that done.

But the bottom line is that I think that low 300s of the big airplanes is the right number for us.

Mr. RUNYAN. Thank you for that. And I live close enough there, in Burlington County, where they are overhead all the time. We see them. So I know you guys are busting your tail, and thanks.

And, with that, I yield back, Chairman.

The CHAIRMAN. Thank you.

And riding along with that, I understand that we have better planes. I remember talking about the B-2 [Northrop Grumman Spirit stealth bomber], how in previous wars we talked about how many planes it took to take out a target, and now we have talked about how many targets a B-2 can take out.

But, at some point, numbers also do matter. And hopefully we will be okay, but when we get down to the last one, it may not be enough.

General SCHWARTZ. Mr. Chairman, you can't be in two places at once.

The CHAIRMAN. Right.

Mr. Gibson.

Mr. GIBSON. Thank you, Mr. Chairman.

And I appreciate the distinguished panelists being with us here today. And I thank you for your leadership of the Air Force. And also I want to express my support and admiration for all those that serve under your command and to the families.

My question has to do with joint forcible entry capabilities. In the next 3 years or so, 3 to 4 years, we will be wrapping up—successfully wrapping up our operations in Iraq and Afghanistan, and we will be refocusing the force. And I am interested to hear your vision and commitment to providing trained and ready forces as we look towards restoring a capability, joint forcible entry, for Army Airborne and also for Marine Expeditionary.

General SCHWARTZ. We take tasking, sir, from our joint force commanders. And if that is the demand signal, that is what we will do. It is as simple as that.

And, by the way, you know, the 82nd hasn't been leg-bound, so to speak. You know, they are maintaining their jump credentials, not when they are deployed, to be sure, but certainly when they are back at Bragg. And, you know, we are providing the platforms for that training.

I would say that there are times when joint forcible entry works, and there are times when, you know—it is not as simple, perhaps, as it once was. This is the old question about anti-access and aerial denial capabilities. So we just can't run massive formations of C-130s or C-17s in areas that are too hostile for them to operate. But there is a methodology to reduce that threat, such that we can enter it at a time and place of our choice.

Secretary DONLEY. Sir, just to add there, there are a variety of Air Force capabilities that contribute to that aspect of joint operations—so, not just the lift, but the intelligence, surveillance, and reconnaissance that goes with that, the command and control backbone through satellite systems, and many other dimensions of joint operations where the Air Force is supporting with key capabilities.

Mr. GIBBONS. Well, I appreciate those comments very much.

I probably should have said at the outset that I commanded the Division Ready Brigade up until last year. And I will tell you that your formations down there at Pope really did a fantastic job. Many of them grew up at a time when that was a higher priority and are really working exceptionally hard to restore that capability in an environment that really puts a lot of demand—and, as you point out, not only C-17s but, really, this is a fully across-the-board joint endeavor to actually overcome issues of anti-access.

So, it is an area that I believe we need to work at restoring in the coming years, especially as we reset and conclude operations in Iraq and Afghanistan. And I thank you very much for your comments and look forward to working with you on that point.

Chairman, I yield back.

The CHAIRMAN. Thank you.

Just as a point of interest, I met a couple of weeks ago with General Dempsey, and he was commenting that they are changing the training. I was just recently at National Training Center with Mr. Smith and the Marine Mountain Training Center and then at Lewis-McChord. And all of the training there was geared toward Afghanistan, but they are looking out over the horizon and planning in the next round of training in those centers they are going to start focusing on the training that the colonel was talking about. And so it is good to know that they are thinking our ahead on that.

Ms. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman.

Secretary and General, it is an honor to be here today and to have an opportunity to visit with you. I am representing the Missouri Fourth Congressional District, of course home of Whiteman Air Force Base. And we are very, very proud of the good work that is being done there and the B-2 bomber.

And I wanted to ask a little bit of questions about the new bomber that is being developed. I see this year in the budget request we had \$197 million for RDT&E [Research Development Test and Evaluation]. I was just wondering, what is the timeframe for this new bomber to be able to come on line?

Secretary DONLEY. Mid-2020s.

Mrs. HARTZLER. Okay. I was just wondering, is it projected to replace the B-2 bomber eventually?

Secretary DONLEY. No, the B-2 will be part of our inventory for as far as we can see forward right now.

Mrs. HARTZLER. That is good news. That is good news.

Have you determined where the new bomber will be housed yet, or will that be down the road?

Secretary DONLEY. No, that is a down-the-road decision, ma'am.

Mrs. HARTZLER. Okay. Very good.

I also wanted to ask some questions about the new tanker, the KC-X. Of course, we have 1 in 10 Americans out of work right now, and jobs are very important to all of us, I know to the President. He says he wants to hire—we need to hire more workers. Yet, from what I understand, the competition for the tanker is between an American company and a European company.

And so I was just wondering why, when we need more work here in America, would the Administration be talking about outsourcing

some of our very important military equipment to a foreign government.

Secretary DONLEY. The acquisition process that we are using for the source selection on the KC-X is one that is governed by statutes which the Congress has created and is open to qualified bidders. So, EADS [European Aeronautic Defence and Space Company N.V.] is a qualified bidder and has been a partner in other work across our national security or aerospace establishment.

Mrs. HARTZLER. So, in the current statutes now, there is not a preference for American companies over other companies worldwide?

Secretary DONLEY. Only in some very, very specialized areas—specialty metals and these sorts of areas.

Mrs. HARTZLER. Uh-huh. Well, that is interesting to know. And I appreciate your responses and all the good work that you do.

Thank you, Mr. Chairman. I yield back my time.

The CHAIRMAN. Thank you.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Secretary Donley and General Schwartz, thank you very much for your testimony today and for the work that you are doing to keep our Nation safe.

As the ranking member of the Emerging Threats Subcommittee and the former chair of the Strategic Forces Subcommittee, I have been very concerned about the potential for a cyber attack on the national electric grid, among many other things but that in particular, and the impact, of course, on our ability to conduct our strategic military missions.

During the last Congress, I asked Major General Webber, commander of 24th Air Force, in charge of cyber operations, what measures were being taken to mitigate the risks to military bases, in particular, that rely on civilian power sources in the event of a cyber attack against these systems. As you know, many of our military bases are dependent on the electric grid that is primarily in the hands of the private sector, and the owners and operators, obviously, are in the private sector. I was pleased to hear that the general responded that the Air Force has been actively engaged in looking into these issues.

So my questions are: How much progress has been made in evaluating threats to our military bases that rely on single sources of civilian power systems? That is number one. Next, has the Air Force strengthened plans for energy security by examining new technologies that could lead to better alternative energy sources? And number three and finally, are you confident the Air Force could carry out prolonged strategic-level missions over significant amounts of time in the event of a massive commercial electric grid failure?

And, as you know, Idaho National Labs, a couple years back, had found a significant vulnerability to our electric grid whereby a cyber attack could potentially take down a power plant and potentially damage a sector of the electric grid for quite some time. And if our military bases are dependent on that grid, it would be a significant challenge for us. So I would like to ask you to address those questions.

Secretary DONLEY. A big set of issues, very important ones. Critical infrastructure protection across the board is a priority for the Department of Defense and certainly for the Air Force, as well.

The local analysis—the analysis that is there is often localized. It depends on a base's local situation, its relationships with the community, and the local power grid at that location. And so it varies from location to location.

But we are very interested in identifying single points of vulnerability and taking actions to mitigate that. We store fuel. We have backup generators in place, for example, in many, many locations so that we can operate if and when power goes down.

So this is—some of this is, sort of, standard work. But we understand the importance of getting a more strategic perspective on this. And it is going to be a challenge, I think. And I think we are, kind of, still at the front end of a lot of this work.

I would ask if General Schwartz would want to fill in a little bit.

General SCHWARTZ. Sure. I think that the key thing here is, as you know, we identify mission-essential facilities, and we posture those with backup power, either UPS [Uninterruptible Power Supply] or generators and so on.

They are not foolproof. Sometimes the power goes down, they don't turn on. We had a situation develop, in fact, recently, I think it was March, in San Bernardino, where they were controlling a couple of orbits of Predators and the commercial power went down and the backup didn't kick in right away.

So it is not foolproof. But we do know where our key missions are and what those things are that, you know, can't afford an interruption, and we try to back that up.

With respect to your question on innovation, you know, I think we are really open to about anything. I mean, Nellis Air Force Base you visited, I know. You know, the solar array there is in the top five in the world. It powers about a quarter of the base energy consumption. And we are going to expand that.

Mr. LANGEVIN. Uh-huh.

General SCHWARTZ. Wind has a place; we are looking hard at that, as well. So we are looking at ways, again, to diversify our sources of power for exactly the risk-management reasons you indicate.

Mr. LANGEVIN. Thank you. My time has expired, but I will have additional questions for the record. But, in the meantime, thank you very much for your service, and I look forward to having you before us again very soon.

Thank you.

The CHAIRMAN. Thank you.

Probably what we should do is build one of those—you know, we have all those nuclear-powered carriers and submarines? Just build some of those plants and put them on every base. You know, we could really move—we could really move forward in energy independence.

Mr. LANGEVIN. Well, it is funny you should say that, Mr. Chairman, because the Electric Boat in Groton, Connecticut, of course, we have a presence in my district, but, obviously, we build the finest nuclear submarines in the world starting in my district. And I know that General Dynamics is actually looking at producing do-

mestic smaller reactors for perhaps just that purpose. Maybe someday it will be viable.

The CHAIRMAN. They have definitely proved their safety.

Mr. Smith, do you have anything further?

Mr. SMITH. No, nothing further, Mr. Chairman. Thank you.

The CHAIRMAN. Let me just make one closing request. We had—Plant 42 in my district, we had 175 positions that were slated for conversion. Of that number, 61 were firefighters. I met with many of those gentlemen. 44 lost their jobs just because they were too old, and they are a lot younger than I am. 17 of the 61 were rehired.

The Readiness Subcommittee sent you a letter; you responded. We asked for a cost analysis. We got it, but it was about a document that thick. Is there a way that maybe you could break out how that was handled at Plant 42?

And I understand it is too late to save those jobs. That was taken care of in January of this year. You did not use your authority to waive that limit. I would like to readdress that later, which we will in the next bill. But thank you for that.

With that, this hearing—thank you for being here, for your good response. And any of the questions that were asked for on the record, if you could respond on those.

[The information referred to can be found in the Appendix on page 93.]

The CHAIRMAN. And we will continue to work together now as we go through this process. Thank you.

And this hearing is adjourned.

[Whereupon, at 3:41 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 17, 2011

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 17, 2011

Opening Statement of Chairman Howard P. "Buck" McKeon (R-CA)
House Committee on Armed Services
Hearing on Fiscal Year 2012 National Defense Authorization Budget Request
from the Department of the Air Force
February 17, 2011

Good afternoon, ladies and gentlemen. Thank you for joining us today as we consider the President's Fiscal Year 2012 budget request for the Department of Air Force.

Secretary Donley, General Schwartz, it is good to have you back before the committee today. We appreciate all you do, and are truly grateful to have leaders like you in service to our nation.

Last year at this time, we talked a bit about your vision for the Air Force and specifically, the need to move from a 'short-term, fix-it sort of perspective' to a longer-term view that seriously addresses national security risks in very challenging global environment. At that time, I remarked that I believe the Air Force is at a critical juncture—one that will prove to be historic and I cautioned that we must be wise in the path we chose. I stand by those remarks today.

There is no doubt that we must take our nation's financial position into account and I appreciate the fact that Secretary Gates and the Department have identified savings from lower priority programs and efficiencies that can be reinvested into force structure and modernization.

However, we must be cautious moving forward that we do not take short-term savings at the risk of our long-term security. This year's budget request for the Air Force reflects a two percent reduction in real growth from the Fiscal Year 2011 budget request. The Air Force's operation and maintenance accounts, military construction accounts and procurements accounts are all funded below the levels requested last year, despite inflation and despite rising fuels costs. This committee needs to clearly understand the risks associated with these reductions.

I understand that the Air Force identified over \$33 billion in efficiencies to support this budget, but it is unclear to me how much of that funding was retained and reinvested in the future of the Air Force. I'm also very concerned that many of these efficiencies are cost avoidance initiatives and not clear-cut savings, and as

such, may not actually materialize. We've seen this from the Air Force before—the most recent examples being a 2006 attempt to cut 40,000 personnel in order to fund procurement efforts, and in the insourcing initiatives from the last budget cycle—neither of those worked out so well. We cannot, and must not, allow short-sighted budget drills to drive our national security priorities and planning.

The Air Force can't continue business as usual. We must find cost savings through innovation and competition. Just last week, as an example, I was briefed on an innovative business model that could significantly reduce the cost of space launch.

Echoing my remarks from yesterday's hearing, this Congress must finish work on defense appropriations legislation that was left unfinished in the 111th Congress. I am very concerned about the implications to our troops of funding the Department of Defense at Fiscal Year 2010 funding levels in a year-long continuing resolution. Our men and women in uniform deserve more from this body.

Gentlemen, I look forward our discussion today and hearing more from you on your vision, strategic goals and your 2012 budget request.

Statement of Ranking Member Adam Smith (D–Washington)

House Committee on Armed Services

Hearing on

Fiscal Year 2012 Budget Request from the Department of the Air Force

February 17, 2011

Yesterday the committee heard from Secretary Gates and Admiral Mullen about the many challenges faced by the Department of Defense and how the fiscal year 2012 budget will allow the United States to meet these challenges. The issues they laid out fell into two broad categories: threats we face abroad, and difficulties we face here at home—including the economic challenges and enormous budget pressures our country faces.

Today the committee will hear from the leaders of the Air Force about their portion of the budget and how it impacts the Air Force today and in the future.

Overall the Air Force request looks good, but it must be looked at in the context of the many pressures the Air Forces faces. Like all the services, the Air Force is under significant strain as it attempts to both meet today's requirements and prepare for tomorrow. Additionally, we must review this budget proposal in the broader context of our overall federal budget challenges and be sure that every taxpayer dollar spent is spent wisely and effectively.

While it is commonly said that the nation has been at war since September 11, 2001, the Air Force has in fact been involved in constant combat operations since Operation Desert Shield in late 1990.

Success during this challenging 20-year period for the Air Force has, however, come at a cost.

The first cost is the impact on our Airmen and their families. Lengthy and constant deployments place stress on families that few Americans outside the military family can truly appreciate. Even when not deployed, our Airmen conduct difficult and dangerous work every day here at home, keeping aircraft flying, our nuclear deterrent strong, and vital satellite systems up and running.

As a result, in past years this committee has focused closely on pay, benefits, and family support programs. The committee must fully understand the impact of the 2012 budget request on the more than 690,000 military and civilian members of the Air Force.

The second impact on the Air Force of two decades of combat is the stress and wear on the aircraft and other equipment that the Air Force relies on to accomplish its missions.

No matter how efficient we are in terms of maintenance and logistics, at some point mounting flight hours on aircraft has an impact, and today's operations are especially harsh on our airlift, ISR, and fighter aircraft.

While our aircraft are by and large performing well, the current operational pace is creating a future bill the Air Force may have to pay in the form of increased reset and replacement costs as aircraft wear out.

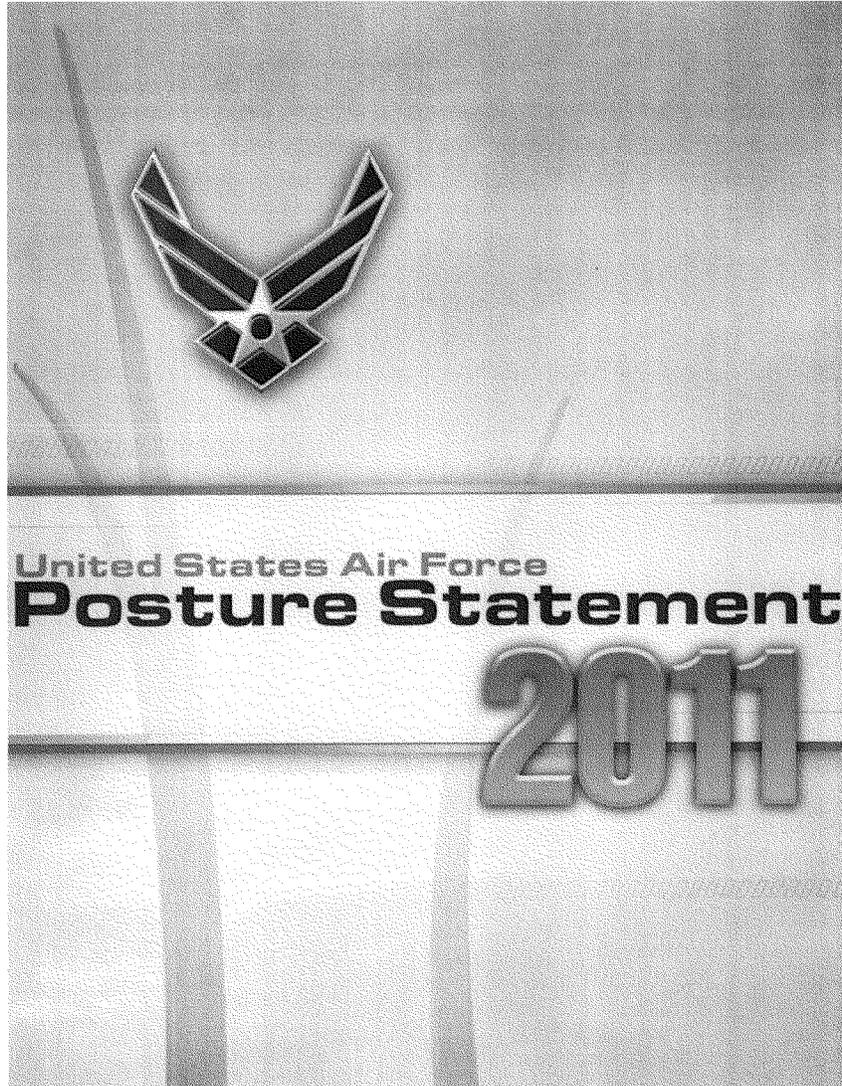
In his testimony yesterday, Secretary Gates cited this mounting future cost of recapitalizing the Air Force as a significant issue. I share his concern.

A final impact is found in readiness. While there is no doubt the Air Force of today excels at providing global logistics, ISR support, and close air support to ground forces, the focus on these critical tasks has come at the expense of training and readiness for other missions.

The risk of this focus on current operations is likely manageable, but there must be a constant dialogue between Air Force leaders and Congress to ensure that sufficient resources are made available to the Air Force to prepare for tomorrow's conflicts as well as today's.

As the committee proceeds with its consideration of the Air Force's budget request, it is my hope that we can understand how this request will help deal with these three broad areas of stress on the Air Force, and how it positions the Air Force for the future.

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DEPARTMENT OF THE AIR FORCE

**PRESENTATION TO THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

FISCAL YEAR 2012 AIR FORCE POSTURE STATEMENT

**STATEMENT OF: THE HONORABLE MICHAEL B. DONLEY
 SECRETARY OF THE AIR FORCE**

**GENERAL NORTON A. SCHWARTZ
CHIEF OF STAFF, UNITED STATES AIR FORCE**

FEBRUARY 17, 2011

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

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Introduction

The United States faces diverse and complex security challenges that require a range of agile and flexible capabilities. From the ongoing conflicts in Afghanistan and Iraq, to potential confrontation with aggressive state and non-state actors, to providing humanitarian assistance, the United States Air Force continues to provide capabilities across the full spectrum of potential military operations. The Air Force's Fiscal Year (FY) 2012 budget request aims for balance and versatility to meet the demands of this environment. We believe the request enables our efforts to prevail in today's wars, prevent and deter conflict, and prepare to defeat adversaries across the range of military operations—all the while preserving and enhancing the all-volunteer force.

We remain mindful of our Nation's budgetary challenges and fiscal constraints, because fiscal responsibility is a national security imperative. This environment requires that we balance our capabilities between current combat operations and the need to address emerging threats and challenges. We continue to pursue cost-effective systems that leverage existing capabilities and maximize interoperability and integration of legacy and future systems. The commitment of the Air Force to collectively discern, access and provide tailored and scalable effects with *Global Vigilance*, *Reach*, and *Power* virtually anywhere in the world is reflected in our acquisition priorities. These priorities are:

- Tanker Recapitalization (KC-X);
- Joint Strike Fighter (F-35) Restructure and F-16 Service Life Extension Program (SLEP);
- Intelligence, Surveillance, and Reconnaissance (ISR) Systems;
- Long-Range Strike Family of Systems; and
- Space Systems and Launch Capability Acquisition Strategy.

Global Vigilance is the ability to provide surveillance around the world. As the demand for ISR continues to grow, the Air Force is aggressively fielding enhanced ISR capability and capacity across the widest range of military operations to counter threats and defeat our adversaries. The Air Force will continue to enhance space control and situational awareness capabilities, as well as space management, to ensure we operate effectively in the increasingly competitive, congested and contested space domain. This includes implementing the Evolutionary Acquisition for Space Efficiency (EASE) concept to drive down costs, improve stability in the fragile space industrial base, invest in technology that will lower risk for future programs, and achieve efficiencies through block buys of satellites. There is also an on-going collaboration between the Air Force, the National Reconnaissance Office (NRO) and the National Aeronautics and Space Administration (NASA) to maintain a healthy industrial base to meet government launch and range requirements in an efficient manner.

Global Reach is the ability to project capability responsively and advantageously without regard to distance. Air Force mobility assets are essential to Joint, Interagency and Coalition operations in peace and war as we provide critical supplies and personnel through strategic and tactical delivery—airlift and airdrop. Air refueling aircraft play an integral role by providing reach and persistence for aircraft to operate inter-theater and intra-theater, alike. As such, the procurement of the KC-X remains the top acquisition and recapitalization priority for the Air Force.

Global Power is the ability to hold at risk any target in the world. The Air Force must continue to modernize and recapitalize our aircraft inventory to remain effective against global and regional competitors as they continue to modernize and improve their own air defense capabilities and harden valued targets. We will continue to work with Congress to enhance capabilities in our existing fighter and bomber fleets to mitigate delays in the F-35 development and procurement programs. One key to that mitigation effort is a focused F-16 SLEP. We must sustain our ability to consistently hold any target on the planet at risk with the development of a Long-Range Strike Family of Systems capability—including a new penetrating bomber—to create desired effects across the full range of military operations in both permissive and contested environments. Lastly, a multi-faceted effort is underway to enhance our air superiority legacy fighters, maximize the capabilities of the F-22 fleet, invest in preferred air-to-air munitions, and optimize our electronic warfare systems.

The Air Force must take the necessary steps today that will allow future generations to continue to provide consistent, credible and effective air, space and cyber capabilities on which our Nation depends. Our ability to do so is constrained by the increasing costs to design and build platforms and by the accelerating costs of personnel benefits and other must-pay operational bills in a particularly challenging budget environment. We will ensure we maximize combat capability out of each taxpayer dollar by identifying waste, implementing efficiencies, pursuing continuous process improvement initiatives and making smart investments. We will provide the necessary capability, capacity and versatility required to prevail today and in the future.

Lastly, our FY12 budget request recognizes the need to properly manage our force structure. We recognize that our most valuable assets—our people—are critical to achieving our broadest strategic goals, and our near- and far-term mission success is inextricably linked to the overall well-being of our Airmen and their families.

Continuing Resolution

Operating without a defense appropriations bill in FY11 is having a significant impact on the Air Force. Under a Continuing Resolution (CR), we are unable to raise procurement to requested levels in several critical areas. Constraining MQ-9 procurement to 24 aircraft versus the 48 requested will delay our ability to reach the Secretary of Defense's directed goal of 65 MQ-1/9 Combat Air Patrols (CAPs) by 2013 in support of ongoing operations in Afghanistan. The inability to initiate a contract for the Wideband Global SATCOM (WGS)-7 satellite will cause a production break and a likely increase in unit cost. Production breaks and delayed procurements will also negatively affect the Joint Air-to-Surface Standoff Missile (JASSM), F-15 active electronically scanned array (AESA) radar, F-15 APG 63 radar, and other programs. In addition to these impacts, deeper reductions to our modernization programs would be required to fund over \$3 billion in must-pay bills for urgent operational needs in Afghanistan and Iraq, military healthcare, and the military pay raise of 1.4 percent, which was authorized by Congress and is being implemented, but was not funded. FY11 appropriations are also required for 75 military construction (MILCON) projects, now on hold, which support on-going operational needs and improve the quality of life for Air Force personnel and their families. Lastly, the Air Force would have to delay or cancel some depot maintenance, weapon system sustainment and other

day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full year CR.

In summary, continuing the CR far beyond March 4 would severely impact program and budget execution in the Air Force, delaying modernization and causing significant restructuring and potential cost increases to many acquisition programs, and creating larger backlogs for maintenance and other operations. Passing a FY11 defense appropriations bill is essential to avoid these severe disruptions.

Efficiencies and Enhancements

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support and other less mission-essential areas. The efficiency target for the Air Force was \$28.3 billion across this Future Years Defense Program (FYDP). The Air Force is committed to enhancing capabilities by reducing expenses allocated to overhead and support functions, while shifting resources to modernization and readiness programs.

As part of the FY12 budget, the Air Force exceeded our efficiency target by \$5 billion and identified \$33.3 billion in efficiencies in an effort to make resources available to better support warfighter and readiness programs across the FYDP. Examples of these efficiencies include:

- Consolidating three Numbered Air Forces with colocated Major Command staff and consolidating the activities of four Air and Space Operations Centers into two, thereby achieving a redistribution of 347 military authorizations (228 in FY12 and 119 in FY13) across the FYDP and eliminating 212 civilian authorizations beginning in FY13 which will save \$100.1 million across the FYDP;
- Consolidating installation support management to improve Air Force-wide standardization and prioritization;
- Reallocating 5,600 active duty billets over the FYDP from lower priority support functions to higher priority, growth areas;
- Saving more than \$3 billion from anticipated growth in Weapon System Sustainment (WSS) portfolio efficiencies across the FYDP by reviewing operational requirements, depot processes and the sustainment of the supply chain without degrading operational capabilities or support to the warfighter;
- Reducing fuel consumption within the Mobility Air Forces by leveraging proven commercial aviation practices for flight planning and weight reduction, and implementing other initiatives to save \$715 million (net) across the FYDP;
- Reducing acquisition costs by consolidating services, scrutinizing contracts, reducing contract support, and more efficiently using resources to deliver capabilities and support to the warfighter;
- Reducing information technology costs by more than \$1.2 billion over the FYDP by adopting DoD-level Enterprise Information Services including enterprise core services, consolidating and standardizing the network information technology infrastructure from nine Air Force and Air National Guard Regional Processing Centers to five centrally

controlled centers, and migrating current and developmental applications, services and data to DoD-provided enterprise computing centers; and

- Improving our procurement of satellites with a new acquisition strategy which, subject to Congressional approval, will lower procurement costs and stabilize the defense industrial base.

The realization of these efficiencies allowed the Air Force to reallocate funding to modernize and recapitalize weapons systems, improve capabilities and enhance warfighter operations. Examples of these enhancements include:

- Investing in the Long-Range Strike Family of Systems, including a new penetrating bomber as a key component of the Joint portfolio;
- Investing an additional \$3.5 billion to fund the Evolved Expendable Launch Vehicles (EELV) program to the Office of the Secretary of Defense (OSD) Independent Cost Assessment, with the Department of Defense (DoD) committed to buying five boosters per year to meet national space launch requirements and stabilize the industrial base;
- Repurposing 5,600 active duty billets over the FYDP to support ISR capability, U.S. Pacific Command force structure requirements, Total Force Integration, the U-2 continuation, building partnership capacity, increasing support to the Air Force District of Washington UH-1N mission, among other increases;
- Procuring an additional 16 simulators for F-35 aircrew training bringing the total procurement to 30 simulators to ensure an effective training pipeline throughput and operational unit pilot proficiency and cost control;
- Recapitalizing the aging special operations forces MC-130H/W aircraft;
- Improving the aircraft computer infrastructure of the B-52 to enable more rapid machine-to-machine retargeting;
- Enhancing combat capability of the F-15C and F-15E with additional AESA radars and electronic protection software upgrades;
- Continuing to fund the development of next-generation Global Positioning System (GPS) III Operational Control Segment;
- Researching and developing electronic protection and suppression of enemy air defense (SEAD) capabilities for the F-22;
- Transitioning MC-12W Liberty Project from Overseas Contingency Operations (OCO) funding into the Air Force baseline budget beginning in FY13;
- Continuing maximized production of the MQ-9 Reaper to ensure delivery of 65 CAPs by the end of FY13;
- Extending U-2 operations through FY15 to ensure a smooth high-altitude transition; and
- Baselining the Air Sovereignty Alert program across the FYDP to solidify support to homeland security operations.

The Air Force leadership recognizes the importance of achieving planned efficiencies to avoid future bills and a negative impact to our mission and our Airmen. We are taking a long-term view of this initiative and will address our efficiency targets annually to further refine and identify follow-on opportunities. We assigned responsibility for initiatives to individual senior leaders who are developing their detailed implementation plans to oversee our efforts. Quarterly executive-level reviews will monitor plans and progress, and ensure that efficiency initiatives do

not inadvertently impact readiness, mission performance, or quality of life for our Airmen. Our continuous process improvement program, Air Force Smart Operations for the 21st Century (AFSO21), is well-established and provides our Airmen with the tactics, techniques and procedures to improve performance while achieving efficiencies.

In order to ensure Air Force leadership has reliable and relevant financial information to monitor our efficiency goals, we are further emphasizing our work in Financial Improvement and Audit Readiness. In FY12, the Air Force is dedicating \$29 million to audit readiness and validation and \$327 million to modernize our business systems.

Personnel and Readiness

Mission effectiveness of the Air Force is linked to the overall well-being of our Airmen and their families. The Air Force will continue to find innovative and efficient ways to provide and sustain programs that support our Airmen and their families, including our critical civilian personnel. We must ensure programs and services foster a greater sense of community, strengthen a sense of belonging and value to the Air Force, and improve Airman and family resiliency.

As mission demands continue to evolve and budgets flatten, the Air Force is making key strategic choices to leverage the collective talent and experience of our Total Force. Through improved integration across the Total Force Enterprise of active, Guard and Reserve forces, we are seeking greater Service-wide efficiencies and effectiveness to maximize combat capability for the Joint warfighter. We are developing business case analyses to inform decisions on how best to structure Active and Reserve Component relationships, especially in new areas. As missions such as cyber and dynamic battlefield ISR mature, so too will the Total Force investment in these areas.

End Strength, Retention and Recruiting. The overall programmed Air Force end strength for FY12 is more than 690,000 personnel. This includes 332,800 active duty, 71,400 Reserve, 106,700 Air National Guard, and more than 182,000 civilian personnel. To support the efforts of our Airmen and to recruit and retain the highest quality Air Force members, the FY12 budget request includes \$30.2 billion in military personnel funding and a military pay raise in FY12 of 1.6 percent.

The retention rates in the Air Force are the highest they have been in 16 years and recruiting has also been successful. Therefore, the \$626.6 million requested in the FY12 budget for recruiting and retention bonuses is highly targeted. Bonuses are proposed for specific career fields with critical wartime skills including pilots, control and recovery, intelligence, contracting, security forces, health professionals, civil engineering, special operations and explosive ordnance disposal.

In addition, the current economy has slowed attrition from the Air Force and had the effect of increasing active duty manning above planned levels. As a result, the Air Force is making difficult, but fiscally responsible decisions to implement force management programs that allow

us to remain within authorized end strength ceilings. Specifically, we continue to progress toward an active duty end strength goal of 332,800 by the end of FY12. To address excess end strength, particularly in the officer force, we will reduce accessions, continue to waive Active Duty Service Commitment and Time in Grade requirements for voluntary separations and retirements, continue to conduct enlisted Date of Separation rollbacks, and institute involuntary separation and retirement programs for officers through Selective Early Retirement, Reduction in Force and Force Shaping boards. We will also work with OSD to seek additional legislative authority to help the Air Force meet end strength ceilings by the end of FY12 and maintain the appropriate level in FY13 and beyond.

Civilian Workforce. The Secretary of Defense has limited our civilian workforce to FY10 levels, with limited growth allowed for specific priorities like the acquisition workforce. This policy will require significant changes to previously planned civilian growth. The Air Force will also conduct an enterprise-wide review of civilian personnel end strength to facilitate DoD's efforts for efficiencies and reinvestment possibilities.

Contractor Reductions. The Air Force is looking at the way we utilize the contract workforce as we answer the Secretary of Defense's challenge to find efficiencies and to reduce duplication, overhead, and excess, and reinforce our culture of efficiency and restraint across the Air Force. This will impact the service support contract workforce in the following areas:

- Reduce our staff support contractor workforce by ten percent per year, over the next three years in accordance with DoD's guidance with an estimated FY12 savings of \$127 million; and
- Reduce the funding for advisory studies by 25 percent from the FY10 levels over the FYDP with an estimated FY12 savings of \$41 million.

The Air Force identified two other areas that will result in reductions to its headquarters contract workforce and release resources for warfighter use. These include:

- Knowledge-based services estimated at \$252 million in FY12; and
- Program Management Administration estimated at \$191 million in FY12.

Man-Days. Active Duty Operational Support days play a critical role in resourcing extended military operations. They allow for the active duty appropriation to pay for temporary use of National Guard and Reserve personnel to support military missions beyond the regular component's capability. In support of the Secretary of Defense's efficiency initiative, the Air Force reduces, by 1,250 work years, the Reserve Component FY12 man-day program that supports non-critical administrative and overhead activities.

The demand for global mobility and related airlift support remains high in FY12 as the Air Force will continue to support a large footprint in Afghanistan. The Air Force identified \$1.4 billion to support FY12 OCO requirements. Our reliance on the Total Force is by design, and we recognize and value the contributions of the members of the Reserve Components who have performed tirelessly in support of our Nation. The Air Force will continue to prioritize Reserve

Component requirements prudently and in accordance with mission needs as we transition to a lower steady state tempo.

Diversity. The Air Force widened the aperture beyond traditional views of diversity, and defined it to include personal life experiences, geographic background, socioeconomic background, cultural knowledge, educational background, work background, language abilities, physical abilities, philosophical/spiritual perspectives, age, and more. We declared diversity a military necessity, as both a source of greater combat effectiveness and as means toward a force that more closely mirrors American society. Deliberate plans are being developed to attract, recruit, develop, and retain a more diverse force.

Repeal of "Don't Ask, Don't Tell." The Air Force will execute the plan established by OSD for the effective implementation of the repeal of Section 654 of Title 10 of the United States Code, known as "Don't Ask, Don't Tell." We are also developing strategic communications, and we will provide initial and sustainment education and training at all levels.

Readiness. With Air Force personnel deployed to more than 135 locations worldwide on an average day, we rely heavily on the Total Force. Currently, more than 37,000 Airmen are deployed and more than 57,000 are forward-stationed. In addition, approximately 134,000 Airmen are directly supporting Combatant Commander requirements from their home stations daily. These Airmen contribute in a variety of ways, to include operating the Nation's space and missile forces, processing and exploiting remotely collected ISR data, providing national intelligence support, operating and defending our networks, and executing air sovereignty alert missions.

The Air Force has flown more than 419,000 sorties in support of Operations IRAQI FREEDOM and NEW DAWN and more than 244,000 sorties in support of Operation ENDURING FREEDOM since September 11, 2001. During this time, we delivered over 6.3 million passengers and 3.3 million tons of cargo, employed almost 23,800 tons of munitions, flew more than 15,750 personnel recovery sorties recording over 2,900 saves and 6,200 assists, and transported more than 85,000 patients and more than 15,400 casualties from the U.S. Central Command alone. In 2010, our Airmen averaged approximately 400 sorties every day.

This level of activity reflects our commitment to provide *Global Vigilance, Reach, and Power* in today's Joint fight. However, our high operations tempo (OPTEMPO) has also had some detrimental effects on our overall readiness. Readiness for full spectrum military operations is a challenge for our combat air forces and some other limited-supply/high-demand aviation units. Since 2003, we have seen a slow but steady decline in reported readiness indicators. Our OPTEMPO since 2001 has produced lower deploy-to-dwell ratios for high-demand skills. At present, 19 enlisted and nine officer career fields are "stressed." We have improved funding to WSS; however, sustainment challenges continue as we field new weapon systems and balance contract versus organic sources of repair. To address these readiness issues, we must keep aircraft recapitalization and procurement programs on track and continue managing our force to ensure the right numbers and mix of skills in our highly tasked and highest priority mission areas.

Air Force Core Functions

The Air Force Core Functions, assigned by the Secretary of Defense and recognized by the Joint community, provide a framework for balancing investments across Air Force capabilities. While this document describes the Core Functions individually, we recognize the inherent interdependence of these capabilities within the Air Force, the Joint force, and throughout the United States Government. When considered together, the Core Functions encompass the full range of Air Force capabilities. The budget request in this posture statement provides an appropriate balance of investment across our Core Functions. The table below depicts the FY12 budget request and the projected allocation of resources across the FYDP, by Air Force Core Function.

Air Force Core Function	FY12 PB Request (\$B)	FYDP(\$B)
<i>Nuclear Deterrence Ops</i>	\$ 5.2	\$ 28.0
<i>Global Precision Attack</i>	\$16.0	\$ 93.7
<i>Air Superiority</i>	\$ 9.2	\$ 46.1
<i>Rapid Global Mobility</i>	\$15.9	\$ 89.5
<i>Global Integrated ISR</i>	\$ 8.2	\$ 41.4
<i>Space Superiority</i>	\$11.6	\$ 56.2
<i>Cyberspace Superiority</i>	\$ 4.6	\$ 21.9
<i>Command and Control</i>	\$ 6.3	\$ 33.5
<i>Special Operations</i>	\$ 1.4	\$ 6.5
<i>Persommel Recovery</i>	\$ 1.6	\$ 9.0
<i>Building Partnerships</i>	\$ 0.5	\$ 1.9
<i>Agile Combat Support</i>	\$33.8	\$175.0

Note 1: This table does not include OCO, Non-Blue or classified programs.

Note 2: The funding for Nuclear Deterrence Operations includes weapon systems, support systems, as well as nuclear command, control, and communications requirements.

NUCLEAR DETERRENCE OPERATIONS

Continuing to strengthen our nuclear enterprise remains the number one Air Force priority, and we have taken positive steps within the FY12 budget request to continue to strengthen and improve this Core Function.

Air Force Global Strike Command achieved full operational capability (FOC) on September 30, 2010, moving all Air Force nuclear-capable bombers and Intercontinental Ballistic Missiles (ICBMs) under one command. The Air Force Nuclear Weapons Center continues to pursue vital and deliberate sustainment of the nuclear enterprise through efforts such as the Air Force Comprehensive Assessment of Nuclear Sustainment process. Bomber force modernization continued in an effort to maintain a viable force beyond 2030. We have completed the transition to four B-52 operational squadrons with the addition of the 69th Bomb Squadron at Minot Air Force Base, North Dakota. ICBM modernization and sustainment also continued with investments in new test equipment and launch facility environmental control systems. Although

an initial study for the Ground Based Strategic Deterrent to replace the Minuteman III will begin in FY11, we must continue sustainment efforts to ensure Minuteman III viability through 2030.

An important event for the ICBM force in 2010 was a temporary loss of the ability to monitor the status of 50 missiles at F.E. Warren Air Force Base, Wyoming. At no time was there any danger to the public or to the safety and security of the weapon system. The missiles are protected by multiple and redundant safety, security, and command and control features. The root cause of this communication interruption was identified, and the necessary technical and procedural changes to prevent future occurrences have ensued. In addition, the Air Force has completed a number of assessments including initiatives to address systemic issues with ICBM infrastructure and operating procedures as well as a report on the age and pedigree of the infrastructure and equipment associated with the ICBM system. Based on these assessments, it is clear that a significant portion of the existing infrastructure will eventually require modernization or complete replacement in the years ahead.

The FY12 budget request of \$5.2 billion continues to invest in the future of nuclear deterrence. The Air Force is committed to sustaining the ICBM force through 2030 with investment including command and control, cryptographic improvements and ballistic missile fuze sustainment. Bomber modernization and sustainment efforts include the B-52 Combat Network Communications Technology program, the B-2 Extremely High Frequency communications program and the Defensive Management Systems program. The Air Force removed early-to-need procurement funding in bomber extremely high frequency communications and the ground element of the Minimum Essential Emergency Communications Network program due to program delays. The Air Force is committed to continuing to strengthen the nuclear enterprise through other programs such as the tail kit portion of the B61 nuclear weapon life extension program, the future long-range standoff weapon, and the Common Vertical Lift Support Platform. Beyond weapon system sustainment and modernization, the Air Force is focusing on human capital as we carefully balance requirements for our limited, intensively scrutinized, high-demand Airmen in the nuclear enterprise.

The Air Force is prepared for a new verification regime and is planning for the elimination and conversion of launchers under the New Strategic Arms Reduction Treaty. We will work with the OSD and U.S. Strategic Command to identify and assess options for future force structure adjustments consistent with the Treaty provisions.

GLOBAL PRECISION ATTACK

Many of our global precision attack forces are meeting the current requirements of ongoing contingency operations by performing precision strike and ISR support roles. However, the proliferation of anti-access and area-denial capabilities will challenge the ability of current fourth-generation fighters and legacy bombers to penetrate contested airspace in the longer term.

The Air Force used a balanced approach across the global precision attack portfolio in FY11, prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35, Joint Strike Fighter. We continue to modernize our bomber fleet to sustain our capability and capacity as we invest in a Long-Range Strike Family of Systems.

The FY12 budget request for this Core Function is \$16 billion. Investments in global precision attack will fund modernization of legacy fighters and the B-1B, development and procurement of the F-35A, preferred munitions, and simulators for Tactical Air Control System training. The FY12 budget request adds \$15 million to begin design and development of structural and capability modifications for the F-16 Block 40/42/50/52 fleet. The SLEP initiatives for the F-16 airframe are scalable and responsive to the Air Force's total fighter requirements. The Air Force is also studying F-16 modernization efforts, to include a new AESA radar, center displays, electronic warfare defensive suite, and an improved data-link in anticipation of F-35A delivery delays.

The multi-role F-35A is the centerpiece of the Air Force's future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing across Services and partner nations. It will also serve to fulfill our commitment to NATO's dual-capable aircraft mission. The FY12 budget includes \$5.3 billion for continued development and procurement of 19 F-35A, Conventional Take-Off and Landing (CTOL), production aircraft.

The F-35A program team achieved a number of accomplishments over the past year, including the first flight of the first mission systems aircraft, arrival of the first four F-35A test aircraft at Edwards Air Force Base, California, completion of F-35A static structural testing five months ahead of schedule with no failures, roll out of the first Low Rate Initial Production (LRIP) F-35A, completion of 410 total F-35 test flights in 2010 of which 171 were F-35A flights, negotiation of the first fixed price type production contract (LRIP Lot 4 – 10 CTOL aircraft), and the signing of a Letter of Acceptance to procure the F-35A by Israel.

Also in 2010, the Air Force announced the preferred alternatives for F-35A operational and training bases. Those bases are Hill Air Force Base, Utah, and Burlington Air Guard Station, Vermont for operational squadrons and Luke Air Force Base, Arizona for training.

The program continues to experience challenges as it transitions from development to production despite the significant accomplishments. The Secretary of Defense announced a program restructure in February 2010. The restructure resulted in increased funding for development and production in accordance with Joint Estimate Team II estimates, reduced procurement by 122 aircraft over the FYDP in the FY11 PB, upgraded the Program Executive Office position from a 2-star to 3-star flag rank, extended development by 13 months, added an additional LRIP lot prior to entering full rate production, and reduced the ramp rate to less than 150 percent of the previous year's production. Program cost growth, including growth from the restructure, resulted in a critical Nunn-McCurdy breach in March 2010. The Under Secretary of Defense for Acquisition, Technology, and Logistics subsequently certified the program in accordance with the Nunn-McCurdy statute, allowing the F-35 program to continue.

The DoD tasked the program office to perform a bottom-up review of the remaining development effort after the program Nunn-McCurdy certification. This Technical Baseline Review (TBR), completed in November 2010, became the basis for additional program

restructuring within the FY12 PB. The TBR informed the need for an additional \$4.6 billion to complete the Joint development effort. To fund this new development effort, and recognizing a continued lagging performance in production, the DoD reduced procurement by 124 aircraft over the FYDP in the FY12 PB, 57 of which were F-35As.

The Air Force intends to accelerate the procurement of the F-15E AESA radar modernization program, funding 88 radars and electronic protect software upgrades across the FYDP to keep our legacy platforms viable well into the future. Other legacy fighter improvements in the FY12 budget include the continuation of the A-10C wing replacement program.

The FY12 budget request includes funds to modernize the B-1B fleet, including the central integrated test system, fully integrated data link, and vertical situation display unit. To provide the funds to modernize the B-1B fleet, the FY12 budget request also reduces B-1B force structure by six primary aircraft authorizations leaving 60 B-1Bs in our inventory. Investing in a new penetrating bomber is critical to maintaining our long-range strike capability in the face of increasing risk associated with anti-access and area-denied environments.

To this end, the Secretary of Defense announced on January 6, 2011, that the Air Force will invest in a new long-range, penetrating, and nuclear-capable bomber capable of both manned and unmanned operations. A major focus of this program is to develop an affordable, long-range penetrating strike capability that delivers on schedule and in quantity. This aircraft will be designed and built using proven technologies, will leverage existing systems to provide sufficient capability, and allow growth to improve the system as technology matures and threats evolve. This program should start now to ensure that the new bomber can be ready before the current aging B-52 and B-1 bomber fleets go out of service. The follow-on bomber represents a key component of a Joint portfolio of conventional deep-strike capabilities, an area that must be a high priority for future defense investment given the anti-access challenges our military faces. It is a central element in a Family of Systems that includes enabling electronic warfare, ISR, and communications capabilities, as well as new weapons.

Anti-access and area-denial challenges have also caused us to pursue the Air-Sea Battle concept in partnership with the U.S. Navy and Marine Corps, so that together we can preserve and bolster our Nation's freedom of action in the air, maritime, space, and cyberspace domains. Once implemented, Air-Sea Battle will guide us to develop a more permanent and better-institutionalized relationship between Departments that will ultimately shape our Service organizations, inform our operational concepts, and guide our materiel acquisitions.

This budget request also includes Developmental Test (DT)/Operational Test (OT) and procurement of the Joint Air-to-Surface Stand-off Missile baseline and Extended Range programs. As Small Diameter Bomb (SDB)-1 production concludes in FY11, the Air Force plans to transition to development and production of the SDB-II in FY12. Additionally, the FY12 budget request continues funding for integration of the Hard Target Void-Sensing Fuze onto the BLU-113 and BLU-109 weapons, and funds weapon DT/OT for the Massive Ordnance Penetrator.

FY12 budget investments in global precision attack reflect the requirement to win today's fight while recognizing that proliferation of anti-access and area-denial capabilities will increasingly challenge America's ability to penetrate contested airspace. The Air Force continues to modernize the legacy fighter and bomber fleet to maintain sufficient capability and capacity as we transition to a fully operational F-35A fleet and field a modern Long-Range Strike Family of Systems.

AIR SUPERIORITY

Air superiority is crucial in modern warfare. It enables air, land and maritime operations in support of our Joint, Interagency and Coalition partners. For over five decades, Air Force investments, expertise and sacrifice in achieving air superiority have ensured that friendly ground forces operate without threat of attack from enemy aircraft. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid mobility, ISR and precision strike are broadly available to the Combatant Commander. Ongoing air defense modernization efforts by global and regional competitors will challenge the Air Force's ability to attain the same degree of control in the future. The FY12 budget request for air superiority is \$9.2 billion.

We plan to continue upgrading to a fifth-generation fleet with F-22 modifications to provide fleet commonality and ensure the viability of our legacy weapons systems. We will also continue the development of preferred air-to-air munitions and defenses such as the AIM-9X, AIM-120D and electronic warfare capabilities.

We are currently modernizing our legacy fleet of F-15 fighter aircraft with AESA radars to ensure their viability well into the future. Other F-15C/D modernization programs underway include an advanced display core processor upgrade with vertical situation display, beyond line of sight radios, and Link-16 cryptographic upgrades. The FY12 budget request continues funding for the F-15C/D AESA radar modernization program. The Air Force has recently restructured this program, procuring 90 radars across the FYDP and an additional eight radars in FY17.

The Air Force is also incrementally modernizing the F-22 Block 30/35 aircraft and requests funding in the FY12 budget for the F-22 Block 20/30/35 Common Configuration, Reliability and Maintainability Maturation Program and enhancement of the air-to-air and SEAD capabilities on F-22 Block 30/35 aircraft.

Select electronic warfare enhancements continue in FY11, including EC-130H Compass Call fleet upgrades, and a flight deck and mission crew simulator to increase training capacity. The FY12 budget request begins funding 13 electronic attack pod sets for MQ-9s and the conversion of a C-130 to EC-130H Compass Call aircraft, adding two mission aircraft authorizations across the FYDP. The FY12 budget also funds concurrent production of Miniature Air-Launched Decoy (MALD)/MALD-Jammer (MALD-J) and development of MALD-J Increment II to improve the system's electronic warfare capabilities.

The Air Force continues to enhance development, production, and integration of critical munitions for air superiority. The FY12 budget requests funds for the development and full-rate production of the AIM-9X Block 2; development, integration, and production of the AIM-120D; and development and integration of the AGM-88 HARM control section modification. The FY12 budget also requests research and development funding for the "Next Generation Missile," an air launched missile to replace both the AIM-120D and the AGM-88. This funding will provide for a competitive prototype demonstration and technical development preceding entrance into the Engineering and Manufacturing Development phase of the program.

Other key enhancements in the FY12 budget request include the development and fielding of new training range equipment and updates to threat systems to provide realistic combat training. Among these are the P5 Combat Training System and Joint Threat Emitters. Also, the FY12 budget request provides procurement of F-16 Block 40/50 Full-Mission Simulators, affording high-fidelity simulation for use in Distributed Mission Operations. Enhanced opportunities to migrate aircrew training into high fidelity simulators will help realize efficiencies in the peacetime flying hour program, as well as support energy efficiency.

The proposed FY12 investments will sustain America's air superiority advantage and expand the multi-role capability of the Air Force's most advanced aircraft. Additionally, these investments continue the development and procurement of electronic warfare capabilities and preferred air-to-air munitions.

RAPID GLOBAL MOBILITY

The Air Force continues to provide unparalleled airlift and air refueling capability to support our national defense. Mobility forces provide a vital deployment and sustainment capability for Joint and Coalition forces, globally delivering equipment, personnel, and materiel essential for missions ranging from major combat to humanitarian relief operations worldwide.

The Air Force is accelerating the retirement of our oldest legacy airlifters, the C-5A and C-130E, in FY11. Airlift capacity and capability will be maintained through continued recapitalization and modernization. The Air Force will take delivery of seven C-130Js, and continue to ensure world-wide airspace access through avionics modernization of C-130H2/3, KC-10 and the C-5. In 2010, the C-27J completed transition from a Joint to an Air Force-led program, and we continued C-27J procurement as an investment in overall fleet viability.

The FY12 budget request balances tanker and airlift requirements to ensure that we sustain the critical needs of the warfighter. This is accomplished by prioritizing recapitalization of the tanker aircraft while ensuring the continued viability of the legacy fleet. Tanker capability investments of \$877 million are heavily weighted toward our top acquisition priority, the KC-X program. The Air Force submitted a Request for Proposal for a KC-X replacement tanker in February 2010, and is anticipating contract award in early 2011. While moving aggressively to recapitalize the tanker fleet, we also continue maintaining the health of legacy aircraft. The budget includes \$147.4 million in FY12 for the airspace access requirement and sustainment of the KC-10 and KC-135 fleets.

In conjunction with the continued procurement of C-130Js, the FY12 budget continues to modernize C-130Hs through the Avionics Modernization Program, ensuring continued global airspace access. Similar efforts to modernize C-5 avionics remain on track and the C-5B/C Reliability Enhancement and Re-engine Program (RERP) has completed operational testing. In October 2010, OSD approved RERP for full rate production with the final C-5M "Super Galaxy" scheduled for delivery in the third quarter of FY16. Additionally, in accordance with the results of the Mobility Capabilities and Requirements Study 2016, and subject to authorization by the Congress, we intend to retire some of the oldest, least capable C-5As and C-130H1s. The C-17 Globemaster III remains the backbone of our Nation's strategic airlift fleet, and the Air Force takes delivery of 11 new C-17s in FY11 and eight in FY12. These additions bring the total C-17 fleet to 221 aircraft. The Air Force will continue to modernize its mature C-17s to the production line standard by accelerating the Block 13-17 upgrade program, and retrofitting the aircraft with extended range fuel tanks and an improved on-board inert gas generating system.

Efforts to increase direct support airlift continue, with plans to beddown 38 C-27Js in the Air National Guard. The Air Force continues Operational Support Aircraft/Very Important Person Special Airlift Mission modernization with the upgrade of VC-25 avionics, with completion in FY18 enabling unrestricted global access for the Presidential aircraft.

GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE

The Air Force continues to rapidly increase its ISR capability and capacity to support all military operations. Air Force ISR provides timely, fused, and actionable intelligence to the Joint force from forward-deployed locations and distributed processing centers around the globe.

The exceptional operational value of Air Force ISR assets has led Joint force commanders in Iraq, Afghanistan and the Horn of Africa to continually increase their requests for support. To help meet this demand, the Air Force currently has more than 90 percent of all available ISR assets deployed. Over the last two years, the Air Force increased the number of remotely piloted aircraft (RPA) and completed deployment of 30 MC-12W Project Liberty aircraft to theater to complement remotely piloted capabilities. This is being accomplished as we transition MC-12W Liberty Project from OCO funding into the Air Force baseline budget beginning in FY13. Additionally, the Air National Guard, already full partners in the RPA enterprise, has also deployed the RC-26B in support of operations in Iraq. Finally, both the Air Force and Air National Guard operate the RC-135 RIVET JOINT and SENIOR SCOUT, respectively, in support of global signals intelligence taskings.

In FY11, we will increase the number of CAPs in theater to 50, maximize the MQ-9 production rate to 48 per year, complete the procurement of eleven RQ-4 Block 40, and will deliver five additional MC-12W aircraft. We also will maintain our current Joint Surveillance Target Attack and Radar System-based Ground Moving Target Indicator (GMTI) capability as we complete an Analysis of Alternatives to determine the future of GMTI.

Our FY12 ISR budget request of \$8.2 billion fully supports the Joint force emphasis on ISR capacity and allows the Air Force to sustain maximum MQ-9 production and achieve 65 RPA CAPs in theater by the end of FY13. In intelligence production, we corrected an internal

Operation and Maintenance shortfall within the Air Force Distributed Common Ground System to sustain intelligence analysis and dissemination. The budget request also continues support for the U-2 Dragon Lady manned aircraft through the end of FY15 to ensure a smooth high-altitude transition to the unmanned RQ-4 Global Hawk. This extension enables a measured reduction of the U-2 program as RQ-4 Block 30 aircraft become operational and ensures continued support to national leadership, Combatant Commanders and Joint warfighters.

The FY12 ISR budget also realigns resources within the RQ-4 program to correct a \$979 million diminishing manufacturing sources disconnect across the FYDP. To optimize our support of the overall RQ-4 program, the Air Force decided to curtail production of the RQ-4 Block 40 at eleven aircraft. This decision allows the Air Force to fully support and sustain the required RQ-4 Block 40 capability already procured and concentrate on fielding effective Block 30 multiple intelligence platforms on time.

SPACE SUPERIORITY

The DoD, civilian agencies and our Nation rely on space capabilities developed and operated by the Air Force. The FY12 space superiority budget request of \$11.6 billion will enable the Air Force to field, upgrade and sustain vital space systems for the Joint warfighter. As part of the Joint force, we integrate and operate these capabilities to execute the space support, force enhancement, space control and force application missions; and, as launch agent for both the defense and intelligence sectors, provide reliable and timely space access for national security purposes.

Space capabilities provide the United States and our allies' unprecedented national security advantages in national decision-making, military operations, and homeland security. The Air Force's budget priorities align closely with the goals and principles outlined in the National Space Policy (NSP) and support the DoD's National Security Space Strategy (NSSS) and the National Military Strategy with specific emphasis on building international partnerships to establish mutually beneficial space capabilities and developing a better understanding of the space domain. International agreements are being pursued to expand space-based communication capability through the procurement of a ninth Wideband Global SATCOM satellite (WGS-9), and to meet National Search and Rescue requirements by working to integrate the Canadian-provided Distress Alerting Satellite Systems as a secondary payload on GPS Block III Increment B & C satellites. Additionally, realizing the space domain is becoming increasingly congested, contested and competitive, we will continue efforts to establish a Space Situational Awareness (SSA) partnership with Australia by jointly employing and operating a space object detect and track radar in Australia. This system will provide better understanding of the current and future strategic space environment and establish a foundation for continuing nation-to-nation cooperation.

In close cooperation with OSD and the Office of Management and Budget, the FY12 Air Force budget request proposes a new acquisition strategy for buying military spacecraft, Evolutionary Acquisition for Space Efficiency (EASE). The current practice of procuring satellites one-at-a-time or on a just-in-time basis has inadvertently increased costs due to production line breaks, parts obsolescence, and inefficient use of labor. Numerous space experts and Congressional

committees have expressed concern with the inefficiency and disruption caused by the status quo approach to procuring satellites. EASE is an acquisition strategy that encompasses the following tenets: block buys of satellites, fixed price contracting, stable research and development investment, and a modified annual funding approach. We believe this approach will result in savings that can be reinvested in research and development that will further improve the performance and lower the cost of follow-on systems. Commitment to satellite production and reinvestment in technology development provides stability and predictability for a fragile space industrial base.

The Air Force budget request reflects the use of EASE for acquisition of the next blocks of Advanced Extremely High Frequency (AEHF) protected communications satellites in FY12 and Space Based Infrared System (SBIRS)-Geosynchronous missile warning satellites in FY13. Once the EASE approach is proven, we will examine the application of this acquisition strategy to a wider portfolio of space programs. Relying on a combination of regular appropriations, advance appropriations, and multi-year procurement authority, the EASE proposal is consistent with the full funding principle and is a critical part of the Air Force's efficiency agenda. The Air Force recognizes the need to work with Congress to define and obtain the necessary legislative authorities to achieve our vision.

Spacelift is a critical component of the national security space enterprise. Despite our having achieved a record 76 consecutive successful launches since 1999, spacelift is still a complex and costly undertaking. Three recent launch studies reached the same conclusion that immediate commitment to a fixed annual production rate for launch vehicles is imperative to sustain the industrial base and control costs. To ensure this commitment, the FY12 budget submission requests an additional \$3.5 billion across the FYDP to procure five DoD launches each year. In addition, the Air Force is working aggressively to reduce the cost of providing this critical launch capability. Additionally, the Air Force is collaborating with the NRO and NASA to explore synergistic solutions to maintain a healthy industrial base and meet government launch requirements.

Our Combatant Commanders and national leadership rely on satellite communications for continuous secure communications around the world. In FY10, we successfully launched the third Wideband Global SATCOM (WGS) satellite and first AEHF satellite. AEHF will provide ten times the throughput and greater than five times the data rate of the current MILSTAR II Satellite Communication System. To increase the effectiveness of our Joint warfighting operations, we are expanding communications capability with the launch of another WGS satellite in FY12. Each WGS satellite delivers the equivalent capacity of the entire existing Defense Satellite Communications System constellation. WGS has become the keystone for international cooperation measures in space, with our Australian allies funding the sixth WGS satellite in return for a portion of the overall bandwidth. We requested \$469 million in the FY12 budget request to fully fund WGS to meet Combatant Commander's bandwidth requirements. These essential systems provide our forces the vital communications needed to remain effectively coordinated, synchronized, and responsive in global operations.

For over 20 years, GPS has been the global standard for positioning, navigation and timing (PNT) and is used in everything from consumer automobiles, precision farming and smart

phones, to enabling the Nation's most sophisticated weaponry and financial systems. In FY11, we will continue to launch GPS Block IIF satellites to maintain the constellation as a global utility. The FY12 budget request includes \$1.7 billion for PNT capability and incorporates initial funding of the next generation GPS III satellite production, development of the next-generation operational control segment and upgraded military user equipment.

Our FY12 budget request also includes \$87 million for the Operationally Responsive Space program to pursue innovative capabilities that can be rapidly developed and fielded in months rather than years to respond to Combatant Commanders' immediate space requirements. In the critical areas of missile warning and SSA, we requested \$1.2 billion for the SBIRS program, which will launch the first geosynchronous satellite in FY11 to begin our transition to a highly effective space-based missile warning system, and \$122.1 million for the Joint Space Operation Center Mission System. We will continue to improve SSA ground-based systems and space-based capabilities to ensure continued freedom to operate in the space domain. The Air Force also recognizes that space capabilities are essential to the nuclear enterprise for its operational readiness, providing key decision making information through missile warning and nuclear event detection, along with essential communications. Weather and forecasting data is another important source of information for our forces in peacetime and in conflict. We requested \$444.9 million for the Defense Weather Satellite System in FY12. This system will replace the Defense Meteorological Satellite Program in the early morning orbit slot, ensuring continuity of detailed overhead weather imagery and sensing information. All elements of space capability must operate through the full spectrum of potential contingencies.

While participating, last year, in the DoD's development of the national long-term space strategy as part of the Space Posture Review and Quadrennial Defense Review, the Air Force recognized a need to review our own internal space governance structure to better position us to properly execute the direction resulting from these reviews. During our review, the position of the Under Secretary of the Air Force was identified as the focal point for oversight of all Air Force space activities. In addition, space acquisition responsibilities were consolidated in the office of the Assistant Secretary of the Air Force for Acquisition. At the DoD level, the Secretary of the Air Force was revalidated as the DoD Executive Agent (EA) for Space. The EA is charged with the integration and assessment of the DoD overall space program, the conduct and oversight of long-term space planning and architecture development, and the facilitation of increased cooperation with the intelligence community. The EA also chairs the newly established Defense Space Council with representatives from across the DoD, and was directed to establish a jointly manned space office to restructure and replace the current National Security Space Office. This organization will not only better position the DoD to coordinate implementation of space policy and strategy, it will also provide the framework for the DoD's support for development of new national security space capabilities. Furthermore, the Secretary of the Air Force, in his role as the EA for Space is fully engaged with the DoD in the implementation of the recent NSP and NSSS.

CYBERSPACE SUPERIORITY

The Air Force FY12 budget request includes \$4.6 billion to sustain and maintain our critical cyberspace capabilities and to enable Air Force expeditionary and CONUS-based operations in

support of Joint force commanders. The Air Force contributes to the Joint force by developing, integrating, and operating cyberspace capabilities in three mission areas: support, defense, and offense.

Cyberspace superiority enables precise force application in all domains, generates effects across the full spectrum of operations, and preserves an agile and resilient cyberspace infrastructure for assured mission execution.

Access to cyberspace is increasingly critical to meet Joint and allied requirements for freedom of maneuver in all domains. Air Force networks face a continuous barrage of assaults from state-sponsored actors, terror networks, international criminal organizations, individual hackers, and all level of threats in between. We are expanding collaboration with Service, Joint, Interagency, academic, and international partners on several cyber initiatives to safeguard our access to the cyberspace domain. To this end, we are operationalizing our approach to cyberspace with emphasis in this budget request on protecting the Air Force infrastructure, developing expertise to meet mission needs, and accelerating our acquisition processes.

The 24th Air Force, the Air Force component of U.S. Cyber Command, achieved FOC on October 1, 2010, and the Air Force will expand the cyber rapid acquisition process to cope with constantly evolving technologies. The Air Force is also aligning education and training programs with our operational approach to cyberspace to properly develop our cyberspace professionals. In December 2010, we graduated our first cadre of cyberspace operators. Additionally, efforts to enhance the cyber-related investigative and forensic capabilities resident in the Air Force are forging a solid foundation for Service and Joint cooperation. For example, Air Force Space Command transitioned the Defense Cyber Crime Center back to the Air Force Office of Special Investigations to help strengthen the ties.

The Air Force has strengthened its efforts in the support mission area by continuing work on the Single Air Force Network migration, which increases situational awareness of Air Force networks while securely improving information sharing and transport capabilities. Examples of this support are reflected in several investments in this budget. The Air Force continues to support its capability for live, virtual, and constructive simulation and training. Based on the Fort Hood follow-on review, enhancements were made to the Installation Emergency Management system to ensure a standardized, robust emergency notification system.

For the defense mission area, the Air Force invested in additional network defenders to increase protection of information vital to Joint force operations. The Air Force continues to invest in network defense tools and other advanced technologies to monitor and secure classified and unclassified networks.

In the offensive mission area, the Air Force seeks to field appropriate and sanctioned capabilities supporting assigned missions. The Air Force established formal training programs for both initial and mission qualification to provide trained forces to U.S. Cyber Command when tasked. Additionally, as the lead support agency to U.S. Cyber Command, the Air Force is responsible for the construction and installed infrastructure for the new U.S. Cyber Command Integrated Cyber Center at Fort Meade, Maryland.

COMMAND AND CONTROL

Command and Control (C2) of our forces has never been more vital or more difficult than in the 21st century. Supporting the National Security Strategy requires commanders to integrate operations in multiple theaters, at multiple levels, and across the full range of military activity. Secure strategic and nuclear C2 remains an Air Force priority. The Air Force must sustain, modify, and enhance current command and control systems, and develop deployable, scalable and modular systems that are interoperable with Joint, Interagency and Coalition partners.

In FY11, we will improve assured communication links for U.S. Strategic Command's Distributed Command and Control Node and U.S. Northern Command's National Capital Region-Integrated Air Defense System. The Air Force has also done the following: expanded the training pipelines for Joint Terminal Attack Controllers (JTACs); began fielding advanced video downlinks, and airborne radio and datalink gateways to improve the connectivity of air support operations centers and JTACs; and modernized the 1970s-era technology of the E-3 airborne C2 node with the Block 40/45 program. In addition, the Air Force created pipeline training in support of the warfighting elements of the Commander, Air Force Forces theater staff.

In FY12, the Air Force requests \$6.3 billion for full spectrum C2 sustainment, replacement, and development efforts. Of note, \$19.1 million is requested to bolster the Air and Space Operations Center's (AOC) C2 capability and interoperability with programmed Joint systems to execute the Integrated Air and Missile Defense mission. Secure and reliable strategic level communications are improved with a \$53.2 million request for modernization to Senior Leader Command and Control Communication Systems for senior leader support aircraft and the E-4 National Airborne Operations Center. Support to Combatant Commanders is also enhanced with almost \$60 million in FY12 for improved airborne and mobile C2 systems. The Air Force maintained our commitment to the Joint development of the Three-Dimensional Expeditionary Long-Range Radar. Three-Dimensional Expeditionary Long-Range Radar will be the future long-range, mobile ground-based sensor for detecting, identifying, tracking, and reporting aircraft and missiles in defended airspace. Additionally, the United States secured a cooperative development position in the NATO Airborne Warning and Control System avionics and navigation modernization program.

SPECIAL OPERATIONS

Geographic Combatant Commanders and U.S. Special Operations Command rely heavily on Air Force Special Operations (AFSOC) capabilities to support missions worldwide. As the DoD continues to develop capabilities effective against irregular and hybrid threats, increased Air Force Special Operations close air support, foreign internal defense and ISR capabilities will be required.

In FY11, the Air Force will continue procurement of five CV-22s and MC-130Js for the recapitalization of AFSOC's MC-130E/P and AC-130H aircraft. The FY12 budget request includes an investment of \$503.7 million toward recapitalization of AFSOC's MC-130H/W fleet, with an additional investment of \$26 million across the FYDP to align MC-130J program funding with OSD cost estimates. Additional investments were made to enhance CV-22 mission

capability with upgraded cockpit data recording and Communication Navigation System/Air Traffic Management modifications. Finally, a low-cost engine wiring modification allowed the Air Force to realize a \$9.6 million efficiency and reduce MC-130J spare engine inventories.

PERSONNEL RECOVERY

Personnel recovery (PR) remains a vital core function in support of every contingency operation. The increased utilization of military and civilian personnel in support of OCO has significantly increased the demand for Air Force rescue forces beyond the conventional combat search and rescue mission. Air Force PR forces are fully engaged in Afghanistan, Iraq and the Horn of Africa, accomplishing lifesaving medical and casualty evacuation missions, while also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief (HA/DR) and mass casualty evacuation missions.

In FY11, the Air Force will continue to recapitalize HC-130N/P aircraft and procure H-60 Blackhawk helicopters under the operations loss replacement (OLR) program to restore the fleet to 112 HH-60G aircraft. The FY12 request funds four HH-60G OLR aircraft, and provides a \$2 billion investment for procurement of 54 HH-60 replacement aircraft across the FYDP. We will also accelerate the procurement of our HC-130J rescue/tanker aircraft by procuring three aircraft in FY12 to replace the 1960s-era HC-130P fleet on a one-for-one basis, up to 37 aircraft. Finally, the FY12 budget funds \$73 million for the Guardian Angel program which will standardize and modernize mission essential equipment for an additional five pararescue teams.

BUILDING PARTNERSHIPS

Developing mutually beneficial partnerships with militaries around the world is vital for the Air Force. Successful partnerships ensure interoperability, integration and interdependence between Coalition forces while providing our partner nations the capability and capacity to resolve their own national security challenges. Today's engagements require Airmen to perform their duties effectively and achieve influence in culturally-complex environments around the globe.

The Air Force continues to emphasize extensive language skills and regional knowledge in its growing cadre of Regional Affairs Strategists. These personnel possess a regionally-focused advanced academic degree and language proficiency. They work with partner nations as attachés and Security Cooperation Officers. Political-Military Affairs Strategists and best-fit officers also fill positions requiring in-depth understanding of the interagency processes key to building partnerships. The Air Force has also increased the culture and language content of selected pre-deployment training courses and recently inaugurated a new language learning program—the Language Enabled Airman Program. This program provides an opportunity to create a cadre of language-capable Airmen who are deliberately developed for requirements, leverages the capability attained in foreign language accession programs, and provides a systemic opportunity for these Airmen to maintain these skills throughout their careers. Our FY12 budget request includes funding to expand foreign language instruction for officer commissioning programs as well.

The Air Force continues to engage our international partners across the spectrum of operations. The fielding of the F-35, Joint Strike Fighter, will further our partnerships with more established allies, while the three C-17s procured for the 12-nation Strategic Airlift Capability are fully operational and currently meeting the airlift requirements of our European allies. We are funding new initiatives which support longer term Building Partnerships Capacity (BPC) efforts. For instance, \$65.7 million was budgeted toward the procurement of 15 Light Mobility Aircraft (LiMA) to assist partner nations in building their airlift capability in FY11. These aircraft are scheduled to be fielded and achieve initial operating capability (IOC) in the second quarter of FY12. We are also requesting \$159 million in FY12 to procure the first nine of 15 Light Attack/Armed Reconnaissance (LAAR) aircraft. These LAAR aircraft will be used to train a cadre of pilots who will subsequently export their BPC aviation skills to international partners who may operate the same or similar platforms. To ensure the proper capability is provided to build partner capacity by Contingency Response Forces, LiMA and LAAR personnel, we funded the formal establishment of an Air Advisor Academy in FY11 to expand our current efforts that include training air advisors heading to Iraq and Afghanistan and training air advisors for engagements globally. English language proficiency is a prerequisite to nearly all of the education and training that the Services provide to our partner nations. To meet increasing partner demand for English language training, the FY12 Air Force program expands the capacity at the Defense Language Institute English Language Center.

AGILE COMBAT SUPPORT

Underpinning the work of all Air Force Core Functions are the capabilities included in agile combat support (ACS). ACS is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations and spans a diverse set of Air Force functional capabilities. The FY12 budget request of \$33.8 billion for ACS accounts for efforts affecting our entire Air Force—from the development and training of our Airmen to regaining acquisition excellence.

Airmen and Families. The Air Force is proud of its commitment to supporting its Airmen and families. The nearly two decades of sustained combat operations has imposed extraordinary demands on them and underscores the need to remain focused on sustaining quality of life and supporting programs as a top priority. To help address the demands, in 2010 the Air Force executed the Year of the Air Force Family and highlighted support programs focused on three outcomes:

- Fostering a Strong Air Force Community;
- Strengthening an Airman's Sense of Belonging; and
- Improving Airman and Family Resiliency.

The Year of the Air Force Family deepened leadership's understanding of current support services and capabilities and what needs to be done in the future to maintain and improve outcomes in the three primary focus areas.

First, the Air Force will maintain an enduring emphasis on Airmen and families by actively engaging the entire Air Force Community: Total Force Airmen, Department of the Air Force

civilians, single and married personnel, primary and extended family members, retirees, and on and off-base community partners. The Air Force will maintain an atmosphere that is supportive, team-oriented, and inclusive, but diverse enough to meet the current and emerging needs of the entire Air Force Community. Policy and process priorities have been translated into actions and tasks that will be accomplished over the next few years, perpetuating the Air Force's commitment to strengthening our ties to one another, improving our operational abilities and ensuring our Air Force Community is best positioned to meet future commitments and requirements.

Second, we continue to strengthen our Air Force Community by expanding child care through different programs such as the Extended Duty Program, Home Community Care, Missile Care, and the new Supplemental Child Care initiative to provide flexibility in meeting child care needs. In FY11, the Air Force will continue to demonstrate our commitment to military child education, funding full time School Liaison Officers (SLO) Air Force-wide. SLOs and our new Air Force Exceptional Family Member Program Coordinators will work in close collaboration to address educational and other assistance for families with special needs. The Air Force FY12 budget request includes \$4 million to assist with respite child care for military family members with special needs children.

Third, the budget reflects a \$4.4 million increase to our Air Force Mortuary Affairs program, supporting travel for family members from home of record to Dover Port Mortuary to receive and honor fallen loved ones. Increases also reflect our commitment to maintaining the Port Mortuary's Center for the Families of the Fallen, used as the reception facility and host site for visiting family members at Dover Air Force Base, Delaware.

Airman dining facilities remain an important commitment of the Air Force as we plan to increase funding for dining facilities at basic military training and technical training bases by \$14.9 million in FY12. In FY11, we launched the Food Transformation Initiative (FTI) to address Airmen's concerns with dining facility closings, lack of healthy food options, and insufficient hours of operation. FTI is designed to enhance food quality, variety and availability while maintaining home base and warfighting capabilities.

The Air Force continues to expand our efforts to improve resiliency of Airmen and their families before, during, and after deployments and has significantly expanded capabilities to ensure support and reintegration of our Total Force. In continuing its efforts to improve the resiliency of Airmen and their families, the Air Force moved forward with several initiatives in 2010.

We established a new Resiliency Division at the Air Force level to take the lead and develop an overarching Air Force Resiliency Roadmap. The Deployment Transition Center (DTC) was established at Ramstein Air Base, Germany on July 1, 2010. The DTC and Chaplain Corps Care for the Caregiver programs provide valuable decompression, reintegration and resiliency training for those exposed to significant danger and stress in combat zones. To support these efforts, the Air Force FY12 budget request includes \$8 million for the Air Force Resiliency Program for research, curriculum development, materials and intervention training for the DTC. We will continue to develop our Airman Resiliency Program by identifying needs, researching best practices, partnering with internal and external organizations, and developing targeted and tiered

training that is integrated into an Airman's career to allow a building block approach that leads to life-long resiliency that benefits both Airmen and their families. We are also requesting an increase in the Chaplain Recruitment program by \$1.5 million in FY12 to better provide for religious accommodation and support of Airmen. This includes chaplain-led MarriageCare Retreats, that help heal and save marriages, and deployment reintegration programs expanded to meet the needs of redeploying Airmen.

The Air Force is highly committed to the Wounded Warrior Program that ensures access to medical and rehabilitation treatments for the ill and wounded. The Air Force Warrior and Survivor Care Division is dedicated to building a culture of understanding and concern for wounded, ill and injured Airmen. The Air Force has hired 33 Recovery Care Coordinators and a Program Manager to support 31 locations across the Air Force. Recovery Care Coordinators serve as the focal point for non-clinical case management, development of comprehensive recovery plans and creation of timelines for personal and career accomplishments. Additionally, the Air Force has implemented new personnel policies regarding retention, retraining, promotions, assignments and evaluation of Wounded Warriors. In FY12, the Air Force is requesting \$2.8 million for additional case workers and program managers to provide non-clinical case management services to meet the growing demands of the Wounded Warrior population.

Healthcare Initiatives and Costs. As key team members of the federal and Military Health System (MHS), the Air Force Medical Service (AFMS) is seeking innovative solutions to deliver world class care while slowing the rising costs of healthcare. For example, the AFMS is taking the lead in building the largest patient centered medical home capability in the DoD over the next 12 months. This includes the Family Health Initiative, designed to improve continuity of care and healthier outcomes. Additional emphasis is being placed on delivering better care by streamlining our hospital surgical operations and improving the experience of care. Current efforts have demonstrated recapture of services in key market areas with the overall results of reduced cost, increased currency of our surgeons, and improved patient satisfaction. In addition, the AFMS is transitioning from healthcare delivery to delivering health. Through patient-centered care, improved teamwork with our patients, and leveraging partnerships with DoD, VA and civilian institutions, Air Force medicine is shaping the future of healthcare.

Our strategy to control DoD healthcare costs is the right approach to manage the benefit while improving quality and satisfaction. Adjustments to the benefit such as raising TRICARE enrollment fees for working retirees, phasing out enrollment for some high-cost health plans, paying community hospital Medicare rates, and incentivizing the use of the most effective outlets for prescriptions is prudent. There will be limited impact (prescription only) on active duty family members. By implementing these important measures, we will be able to positively address the rising costs of healthcare and improve the health of our population.

Suicides. Air Force suicide rates have been on the rise since 2007, although primary risk factors for suicide among Airmen remain the same. The most commonly identified stressors and risk factors have remained the same over the last ten years: relationships, financial problems and legal problems. Although deployments can stress Airmen and their families, deployment does not seem to be an individual risk factor for Airmen—many Airmen who have committed suicide

have never deployed. The Air Force is providing additional support to our most at-risk Airmen by providing additional frontline supervisor suicide prevention training to all supervisors in career fields with elevated suicide rates. In addition, mental health providers are based in primary care clinics across the Air Force to counsel patients who may not otherwise seek care in a mental health clinic because of the perceived stigma. The Air Force has significantly expanded counseling services in addition to those available through the chaplains or the mental health clinic.

Other helpful programs that provide non-medical counseling include Military Family Life Consultants, which can see individuals or couples, and Military OneSource, which provides sessions for active duty for up to twelve off-base sessions.

Fort Hood. In the wake of the Fort Hood shooting, the Secretary of Defense directed the Air Force to conduct a follow-on review to identify ways to better protect Airmen and families. Our review yielded 118 findings and 151 recommendations. The key revelation of the study is that we must do a better job of preventing and responding to violence. Specifically, we must improve our ability to identify indicators of potential violence and share that information with those who are best positioned to prevent a violent outcome. This will require improved understanding, education, processes and training, as well as more integrated processes at both the installation and interagency levels. To undertake these efforts, the FY12 budget request includes \$37 million across the FYDP. We anticipate that our resource requirements will increase as we refine the implementation of our recommendations. We are confident that the resources Congress provides, coupled with our sustained effort, will help the Air Force reduce the likelihood of tragedies like Fort Hood and position us to respond more effectively should prevention fail.

Information Protection. The Air Force will enhance its capabilities to assess and mitigate risks to national security information across the enterprise. It will advance efforts to identify risks that reduce the surety of research, development, and acquisition and operations or enable potential opponents to illicitly increase their technological capabilities. These efforts will enable commanders to effectively execute intelligence-led, risk based protection across the Air Force.

Science and Technology. Air Force warfighting capabilities have a proud heritage of being born from the very best science and technology (S&T) our Nation can produce. The creation of the Air Force is closely intertwined with the development of advances in S&T. In 2010, the Air Force presented the “Technology Horizons Study” to serve as a roadmap for guiding Air Force science and technology investments during the next 20 years. Despite current fiscal constraints, the Air Force is increasing its investment in basic research by \$18 million and in Advanced Technology Development by \$76 million, while continuing FY11-level investment in Applied Research.

Acquisition Excellence. The Air Force continues to strive for acquisition excellence by increasing the rigor and transparency of its processes and by stabilizing requirements and funding. As one of our top five Air Force priorities, we have taken a multi-faceted approach to recapturing acquisition excellence to include:

- Rebuilding the acquisition workforce;

- Delivering a fully implemented Acquisition Improvement Plan (AIP) to guide and shape current and future efforts;
- Creating a foundation for a robust Continuous Process Improvement (CPI) function within acquisition; and
- Implementing approximately 75 efficiency initiatives that range in scope and impact throughout the acquisition enterprise.

Continued improvements support moving resources from "tail to tooth" to fully support the Air Force's direct mission activities. Efficiency savings in overhead, support and other less mission-essential areas will increase funding available for our critical mission functions. The Air Force, as a good steward of taxpayer resources, is committed to delivering products and services that perform as promised—on time, within budget, and in compliance with all laws, policies and regulations.

An example of the successful implementation of recapturing acquisition excellence is the consolidation of FY08 OCO, FY09 OCO and base-year funding, FY10 base-year funding, and Foreign Military Sales C-130J contracts into one negotiation. By taking advantage of economies of scale, the Air Force realized a savings and was able to procure two additional C-130Js. This effort reduced the number of aircraft the Air Force needs to buy in the out years to meet its requirement.

Installations and Operational Energy. The Air Force views energy efficiency as a mission enabler that can increase combat effectiveness, expand reach and minimize operational risks. The Air Force is integrating energy considerations across the Air Force enterprise with a three-pronged approach: reduce demand, increase supply, and culture change. We can identify efficiencies that increase our capabilities and reduce our costs, while also increasing and diversifying our energy supply to improve our energy security and our ability to meet our critical operational requirements. Finally, by creating a culture that makes energy a consideration in everything we do, and that values energy as a limited mission-critical resource, we ensure enduring and far-reaching utilization improvements and savings.

As part of our institutional effort to utilize energy to maximize mission effectiveness, the Air Force is requesting over \$550 million for energy initiatives in FY12. Initiatives include investments in reliable alternative energy resources, enhancing energy efficiency, and reducing environmental impacts and life cycle costs. In addition, the Air Force is continuing to take steps to reduce mission risk by increasing critical infrastructure resiliency to ensure reliable energy availability at Air Force installations.

We have reduced energy use at facilities by nearly 15 percent since 2003, and expect to achieve nearly a 30 percent reduction by 2015. In addition, we have instituted a number of fuel saving initiatives and reduced the amount of fuel our aircraft have consumed by over 46 million gallons since 2006, despite increased operational requirements associated with ongoing operations. The Air Force is continuing to explore opportunities to reduce demand for aviation fuel. For example, the 618th Tanker Airlift Control Center is optimizing flying routes by working clearances to allow flights to transit through previously denied airspace. We can save the Air

Force an estimated 2.6 million gallons of fuel per year by optimizing our flight routes and clearances. Some of the initiatives we will pursue to achieve fuel efficiencies are:

- Providing aircrews in-flight guidance on the optimum airspeed and altitude based on current flight conditions;
- Expanding the use of simulators to conduct training;
- Implementing a program, already an industry standard, that cleans components allowing the engine to run cooler saving fuel and prolonging engine life; and
- Refining fuel and cargo policies to reduce carrying costs and potentially the number of missions required to support the Combatant Commanders.

We are also increasing the energy supplies we can use to meet our mission. We have certified over 99 percent of our aircraft fleet for unrestricted operational use of a synthetic aviation fuel blend. This fuel can be produced domestically, and we are looking to industry to help us meet our needs. We are in the process of certifying our fleet to use biofuel blends as well. These alternatives provide our fleet with additional flexibility and enable our freedom of action. The Air Force is also looking at alternative sources for energy at our facilities. In the upcoming years, we will quadruple on-base solar energy production and dramatically increase the amount of wind energy consumed. These clean sources of energy will serve to enhance our energy security.

The Air Force is working cooperatively with the Army and the Marines to reduce fuel requirements at forward operating bases by decreasing energy demand, utilizing efficient power distribution and increasing alternative supplies. These bases require generators, typically running on diesel, that require fuel to be brought in by convoy. We are working to improve the energy efficiency of our Basic Expeditionary Airfield Resources assets, commonly called BEAR, in the expeditionary environment. One of the Air Force's efforts is focused on reducing the energy demand for expeditionary shelters by 50 percent, while using photovoltaic tent flies to generate a minimum of three kilowatts per shelter. We are also working with industry to design a portable, expandable microgrid for our remote airfields. The system will integrate solar, wind and other renewable sources of energy into the existing BEAR power grid, reducing the system's reliance on traditional, carbon-based fuel by as much as 25 percent. It will be able to withstand the harsh conditions in which our military operates. More importantly, it will help reduce the inherent wartime dangers that come with delivering the fuel by convoy.

We have made significant and positive progress in reducing our consumption, increasing the energy available to the operational Air Force and changing the culture within the Air Force to ensure energy is a consideration in everything we do. Energy availability and security impact all Air Force missions, operations and organizations. The Air Force will increase warfighting capabilities, and efficiency, and help the Nation reduce its dependence on imported oil by continuing to ensure energy availability and re-engineering our business processes to become more efficient.

Reducing Excess Physical Plant and Infrastructure. The FY12 budget request includes a \$300 million demolition and \$100 million consolidation investment to reduce long-term fixed costs through the consolidation and demolition of unneeded facilities and infrastructure. In line with

the June 10, 2010 presidential memorandum, the Air Force intends to reduce energy use and curtail unnecessary sustainment activities by eliminating physical plant that is no longer needed.

MILCON. The Air Force's FY12 \$1.4 billion MILCON request provides funding for our most critical requirements including new construction aligned with weapon system deliveries and the Combatant Command priorities. This includes projects supporting beddowns and upgrades for F-22, F-35, HC-130J, EC-130H, RPA and B-52, as well as projects supporting our mission support facilities most in need of recapitalization. The Air Force MILCON program supports the U.S. Strategic Command Headquarters replacement facility in three increments beginning in FY12, the new U.S. Cyber Command Headquarters in FY13, an additional phase of the Blatchford Preston Dormitory Complex at Al Udeid, Qatar, and an air freight terminal on Guam.

Additionally, the budget request sustains our effort to provide quality housing for Airmen and funds \$254 million in improvements to meet DoD performance standards to provide 90 percent of our permanent party dorm rooms in good or fair (Q-1 or Q-2) condition. The Air Force investment strategy is to fund improvements in all Q-3 and Q-4 dorms, referred to as Tier 1 dorms in the 2008 Dorm Master Plan, by 2017.

The Air Force recognizes the critical role MILCON holds in successful mission execution and is taking action to increase MILCON funding in the near years of the FYDP—the Air Force proposes to increase MILCON in FY12, FY13, and FY14 by a combined \$1.8 billion over the FY11 PB submission.

Finally, in an effort to ensure the most critical mission and infrastructure projects are funded first, the Air Force used asset management and efficient facility operations processes to evaluate MILCON requirements. In essence, the Air Force is considering how these projects and programs help reduce our out-year investment needs as part of our overall cost control strategy.

Logistics. WSS is a vital element in sustaining Air Force readiness. The Air Force faced a \$7 billion increase in WSS requirements across the FYDP at the beginning of the FY12 budget cycle, largely due to increasing numbers of weapon systems, such as C-17, F-22 and MQ-1/9 aircraft that use contractor logistics support. We recognized that we cannot sustain that kind of growth in requirements, so we implemented a WSS end-to-end assessment to identify efficiencies with respect to supply chain management, centralized asset management, and depot performance.

We were able to reduce WSS investment from \$7 billion to \$4 billion through efficiencies in depot and supply chain processes identified in the assessment. While we will still experience growth, this \$3 billion FYDP offset represents important savings that the Air Force applied elsewhere. Prior to the WSS end-to-end assessment, the sustainment funds requested in FY12 would have supported 80 percent of the WSS requirement. Following the assessment, and the resulting reduction in growth, the same amount of funds requested will actually support 84 percent of the FY12 WSS requirement.

While the peacetime flying hour program is fully funded, reprogramming may be necessary to cover increased fuel costs due to the volatility of fuel prices. Over the longer term, enactment of

the DoD's legislative proposal for the Refined Petroleum Products Marginal Expense Transfer Account would reduce disruptions to operations and investment programs by providing the flexibility to meet fuel price fluctuations.

The Air Force is successfully fielding a pilot of the first increment of the Expeditionary Combat Support System (ECSS). We will conduct an independent cost estimate as part of, and in conjunction with, the ongoing Critical Change Review to assess the cost effectiveness of proceeding with additional ECSS releases that support retail and wholesale supply and depot maintenance activities. The Air Force will continue to maintain legacy logistics support systems while determining the best course of action for developing information technology tools to enhance the visibility and management of supplies and equipment.

Financial Improvements. The Chief Financial Officers' Act provides direction for achieving a clean audit through leadership commitment, modernized government financial management systems, and strengthened financial reporting. Sound financial management helps to ensure the maximum combat capability for each taxpayer dollar. The Air Force is committed to achieving the legislative requirement for a clean audit by 2017. While 2017 is a challenging deadline for a military organization as large and diverse as the Air Force, the strong engagement of Air Force leadership, additional financial resources provided in recent years, and focus on fielding effective financial systems will help achieve it. We are focusing our efforts on the information most relevant to decision makers, and the Air Force Financial Improvement Plan is closely aligned with the DoD strategy to achieve a clean audit.

Strategic Basing. In 2009, the Air Force established a standardized, repeatable, and transparent Strategic Basing Process. Guided by the Strategic Basing Executive Steering Group and coordinated through the lead Major Commands, over 115 basing actions have been accomplished ensuring that mission and Combatant Commander requirements are linked to installation attributes that identify those locations that are best suited to support any given mission. This process supports IOC, aircraft delivery, personnel movement, and other mission requirements. Recent improvements in the process have formalized actions to expedite simple, specialized or particularly time-sensitive basing initiatives, to support more timely decisions.

During 2011, the Air Force will utilize the Strategic Basing Process to support basing decisions for the MQ-1/9, LiMA, LAAR, and KC-X.

Conclusion

In developing our FY12 budget request, we looked at ways to maximize combat capability out of each taxpayer dollar by identifying waste, implementing efficiencies, pursuing continuous process improvement initiatives and making smart investments. Recognizing the need to shift resources from "tail to tooth," the Air Force identified efficiencies across the enterprise that will enable investments in enhancements to increase our warfighting capabilities. This includes the continued pursuit of cost-effective systems that leverage existing capabilities and maximize interoperability and integration of legacy and future systems.

Our ability to project *Global Vigilance, Reach, and Power* is constrained by the increasing costs to design and build platforms in a particularly challenging budget environment. Our FY12 budget request reflects the difficult choices that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the all-volunteer force.

We are confident in our Airmen. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle and defeat any enemy as long as they are given adequate resources. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of \$119 billion for FY12.



MICHAEL B. DONLEY
Secretary of the U.S. Air Force



Mr. Michael B. Donley was sworn in as Secretary of the Air Force on Oct. 17, 2008. Previously, he served as Director of Administration and Management (DA&M). As the DA&M, Mr. Donley was the principal staff assistant to Secretary Robert Gates for Department of Defense (DoD) Organizational and Management Planning. He oversaw the DoD Freedom of Information and Privacy programs, and Historical and Information Technology / Chief Information Officer (CIO) programs for the Office of the Secretary of Defense (OSD). He was also responsible for Washington Headquarters Services, a 1,300-employee, \$1.3 billion Field Activity that oversees management of the Pentagon, DoD leased space and DoD administrative services within the National Capital Region; the Pentagon Force Protection Agency which is responsible for Antiterrorism, Security and Law Enforcement; and the \$5.5 billion Pentagon Renovation and Construction Program.



Mr. Donley has over 26 years of experience in the national security community, including service in the Senate, White House and the Pentagon. During his career he has been involved in strategy and policymaking at the highest levels and is a recognized expert in national security organization, planning and budgeting.

From 1996 until his appointment as DA&M, Mr. Donley was a Senior Vice President at Hicks and Associates, Inc., a subsidiary of Science Applications International Corporation (SAIC). During this time he served as a Special Advisor to the Defense Reform Commission in Bosnia-Herzegovina for the State Department and contributed to several major Defense projects involving organizational reform and planning. From 1993 to 1996, Mr. Donley was a Senior Fellow at the Institute for Defense Analyses. Prior to this position, he served as the Acting Secretary of the Air Force for seven months. From 1989 to 1993 he served as the Assistant Secretary of the Air Force (Financial Management and Comptroller) with responsibility for all CFO functions including budgeting, cost and economic analysis.

Mr. Donley served the National Security Council as Deputy Executive Secretary from 1987 to 1989 and as Director of Defense Programs from 1984 to 1987. He was also a Professional Staff Member on the Senate Armed Services Committee (1981-84), a Legislative Assistant to the U.S. Senate (1979-81) and the Editor of the National Security Record for the Heritage

Foundation (1978-79).

Mr. Donley served in the United States Army from 1972 to 1975 with the XVIIIth Airborne Corps and 5th Special Forces Group (Airborne), attending the Army's Intelligence and Parachute Schools and the Defense Language Institute.

Mr. Donley earned both B.A. and M.A. degree in International Relations from the University of Southern California. He also attended the Program for Senior Executives in National Security at Harvard University and until recently was a PhD Candidate at Georgetown University.

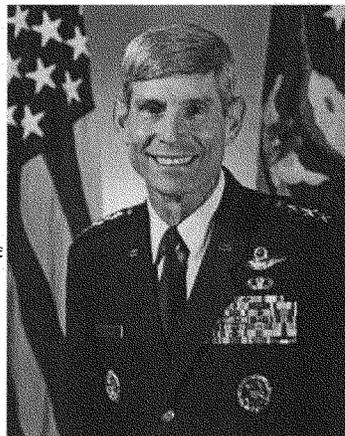


General NORTON A. SCHWARTZ

Chief of Staff of the U.S. Air Force



Gen. Norton A. Schwartz is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 680,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.



General Schwartz graduated from the U.S. Air Force Academy in 1973. He is an alumnus of the National War College, a member of the Council on Foreign Relations, and a 1994 Fellow of Massachusetts Institute of Technology's Seminar XXI. He has served as Commander of the Special Operations Command-Pacific, as well as Alaskan Command, Alaskan North American Aerospace Defense Command Region, and the 11th Air Force. Prior to assuming his current position, General Schwartz was Commander, U.S. Transportation Command and served as the single manager for global air, land and sea transportation for the Department of Defense.

General Schwartz is a command pilot with more than 4,400 flying hours in a variety of aircraft. He participated as a crewmember in the 1975 airlift evacuation of Saigon, and in 1991 served as Chief of Staff of the Joint Special Operations Task Force for Northern Iraq in operations Desert Shield and Desert Storm. In 1997, he led the Joint Task Force that prepared for the noncombatant evacuation of U.S. citizens in Cambodia.

EDUCATION

1973 Bachelor's degree in political science and international affairs, U.S. Air Force Academy, Colorado Springs, Colo.

1977 Squadron Officer School, Maxwell AFB, Ala.

1983 Master's degree in business administration, Central Michigan University, Mount Pleasant

1984 Armed Forces Staff College, Norfolk, Va.

1989 National War College, Fort Lesley J. McNair, Washington, D.C.

1994 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge

ASSIGNMENTS

1. August 1973 - September 1974, student, undergraduate pilot training, Laughlin AFB, Texas
2. October 1974 - January 1975, student, C-130 initial qualification training, Little Rock AFB, Ark.
3. February 1975 - October 1977, C-130E aircraft commander, 776th and 21st tactical airlift squadrons, Clark Air Base, Philippines
4. October 1977 - December 1977, student, Squadron Officer School, Maxwell AFB, Ala.
5. December 1977 - October 1979, C-130E/H flight examiner, 61st Tactical Airlift Squadron, Little Rock AFB, Ark.
6. October 1979 - November 1980, intern, Air Staff Training Program, Office of the Deputy Chief of Staff for Plans, Operations and Readiness, Headquarters U.S. Air Force, Washington, D.C.
7. November 1980 - July 1983, MC-130E flight examiner, 8th Special Operations Squadron, Hurlburt Field, Fla.
8. July 1983 - January 1984, student, Armed Forces Staff College, Norfolk, Va.
9. January 1984 - April 1986, action officer, Directorate of Plans, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
10. May 1986 - June 1988, Commander, 36th Tactical Airlift Squadron, McChord AFB, Wash.
11. August 1988 - June 1989, student, National War College, Fort Lesley J. McNair, Washington, D.C.
12. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe, Patch Barracks, Stuttgart-Vaihingen, Germany
13. August 1991 - May 1993, Deputy Commander for Operations and Commander, 1st Special Operations Group, Hurlburt Field, Fla.
14. May 1993 - May 1995, Deputy Director of Operations, later, Deputy Director of Forces, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
15. June 1995 - May 1997, Commander, 16th Special Operations Wing, Hurlburt Field, Fla.
16. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii
17. October 1998 - January 2000, Director of Strategic Planning, Deputy Chief of Staff for Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
18. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla.
19. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska
20. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C.
21. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C.
22. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill.
23. August 2008 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS

1. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe,

- Patch Barracks, Stuttgart-Vaihingen, Germany, as a colonel
2. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii, as a brigadier general
 3. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla., as a lieutenant general
 4. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska, as a lieutenant general
 5. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C., as a lieutenant general
 6. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C., as a lieutenant general
 7. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill., as a general

FLIGHT INFORMATION

Rating: Command pilot
Flight hours: More than 4,400
Aircraft flown: C-130E/H, MC-130E/H/P, HC-130, AC-130H/U, YMC-130, MH-53 and MH-60

MAJOR AWARDS AND DECORATIONS

Defense Distinguished Service Medal with two oak leaf clusters
Distinguished Service Medal
Defense Superior Service Medal with oak leaf cluster
Legion of Merit with two oak leaf clusters
Defense Meritorious Service Medal
Meritorious Service Medal with two oak leaf clusters
Air Force Commendation Medal with oak leaf cluster
Army Commendation Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 6, 1973
First Lieutenant June 6, 1975
Captain June 6, 1977
Major Nov. 1, 1982
Lieutenant Colonel March 1, 1985
Colonel Feb. 1, 1991
Brigadier General Jan. 1, 1996
Major General March 4, 1999
Lieutenant General Jan. 18, 2000
General Oct. 1, 2005

(Current as of August 2009)

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

FEBRUARY 17, 2011

RESPONSE TO QUESTION SUBMITTED BY MR. MCKEON

General SCHWARTZ. In-sourcing guidance developed by the Office of the Under Secretary of Defense for Personnel and Readiness was issued on May 28, 2009. This guidance outlines a systematic, well-reasoned, and strategic approach that helps ensure in-sourcing decisions are analytically based and fiscally informed. If contract workload is found to be inherently governmental, experiencing contract administration problems, providing unauthorized personal services, or otherwise exempt from contracting under Department of Defense (DoD) Instruction 1100.22, Guidance for Determining Workforce Mix, the function must be in-sourced regardless of cost. If the contract does not fit one of the above-mentioned criteria, a cost analysis is required to determine the most cost-effective means of performing the function.

Air Force Material Command's (AFMC) initial cost analysis, completed in July 2009, indicated that it would be more cost effective to perform the workload currently performed by the Pyramid Services, Incorporated contract at Air Force Plant 42 in Palmdale, California, with 185 DoD civilian employees. AFMC re-validated the business case model in April 2010 using the costing guidance in Directive—Type Memorandum 09–007: Estimating and Comparing the Full Costs of Civilian and Military Manpower and Contract Support. The re-validation shows a \$2,500,000 savings across the next five years by performing the work with DoD civilian employees. Based on the re-validation of the business case analysis, AFMC proceeded with implementation of its transition plan for this business case, to include hiring actions.

When filling civil service positions, federal agencies are required to adhere to Title 5 U.S.C. 2301, which requires fair and open competition consistent with merit systems principles. As allowed in Title 5 U.S.C. 3307(d) & (e) and DoD Instruction 1400.25-v336, the DoD established the maximum entry age of 37 for original firefighter appointment to positions with primary duties directly connected to controlling and extinguishing fires. Those eligible for veterans' preference, who exceed the maximum entry age for primary firefighter positions, will receive a waiver consistent with the Merit System Protection Board decision in *Isabella v. Department of State and the Office of Personnel Management (OPM)* and in accordance with OPM and DoD implementing guidance. The Secretary of the Air Force approved waivers for the nine selectees who met the criteria for veterans' preference eligibility. Waivers were not granted for five selectees as they were not veterans' preference eligible and there was not a shortage of qualified candidates who met the entry maximum age. [See page 44.]

RESPONSE TO QUESTION SUBMITTED BY MR. SMITH

General SCHWARTZ. Most of the Joint Bases have been at full operational capability for less than a year. At this point, they are still working start-up issues, and identifying best practices among the different operating procedures used by each Service Component. In an effort to make Joint Basing work better, we have several ongoing initiatives. We are collecting lessons learned from Joint Bases and sharing the solutions. I have also directed that an Air Force team visit both Air Force-led and sister Service-led Joint Bases to help identify problems, determine trends, and capture best practices. We are planning a conference where we can share this information and Joint Base commanders can discuss issues and share ideas to improve Joint Basing. In addition, the Office of the Secretary of Defense and each Service Component review Joint Base performance quarterly and work solutions for issues beyond the Joint Base's control. All of these efforts are focused on helping the Joint Bases through their start-up phase, developing organizations that effectively support installation missions, and gaining efficiencies where possible to accommodate fiscal constraints. [See page 14.]

RESPONSE TO QUESTION SUBMITTED BY MR. BARTLETT

Secretary DONLEY. In 1985 GE began production of the GE F110, an alternate engine for the F-16. GE offered and achieved unit prices for the F110 that were below those offered by Pratt & Whitney for the F100. For instance, during the competition in 1991, the F110 was priced 16.1 percent below the F100 engine. Subsequently, in 1992, GE raised its prices to a level only 4.8 percent below Pratt & Whitney's prices. In 1993, the GE price exceeded the Pratt & Whitney price. In 1994, the Air Force awarded GE a sole-source contract for the F110 engine. Competition resumed in 1995 and continued through 1998. While the competition did appear to improve engine pricing, there were only minimal reductions in the acquisition unit price of the engines. [See page 16.]

RESPONSE TO QUESTION SUBMITTED BY MR. REYES

General SCHWARTZ. Section 1 of this document contains crewmember and maintainer testimonials and Section 2 features a variety of CV-22 vignettes provided by Air Force Special Operations Command.

Section 1: Crewmember and maintainer testimonials

1. Location of assignment: Hurlburt Field Florida

Crew position/Primary duty: Evaluator Pilot/B Flight Commander

Length of experience with CV-22 (years or flight hours): 5½ years

Opinion of CV-22 performance, reliability, and safety: "If you were to compare the CV-22's performance to that of any military helicopter, you would find that there are some with more lift capacity or larger cabin area. You would also find that they had half the speed and range of the CV-22. If you were to compare the CV-22's performance to that of any military airplane, you would find that there are some faster and again, some with more lift capacity. You would also find that none of them could land vertically in unimproved areas. You simply cannot compare the CV-22 performance to conventional helicopters or airplanes because a tilt rotor is a different category of aircraft all together."

A specific event that shaped your opinion of the CV-22's performance, reliability or safety: "I feel safer in the CV-22 than in any other aircraft I have flown over the last 22 years. Every type of aircraft that has been deployed to Afghanistan has experienced losses. These losses have less to do with the nature of any particular aircraft type and more to do with the nature of Afghanistan. Afghanistan is an extremely challenging flight environment. My deployment to Afghanistan in the CV-22 last year was my sixth since 2001, and my fourth to Afghanistan. I felt safer flying the CV-22 in Afghanistan than I felt flying the MH-53M on previous deployments to the same Area of Responsibility."

The CV-22 is as reliable as any other complex Special Operations aircraft. Special Operations Forces (SOF) aircraft are necessarily complicated and well equipped in order to be able to perform their precision tasking. These aircraft have robust communications and countermeasures equipment, precise navigation systems, and additional sensors to allow them to operate in poor weather. This additional equipment and the arduous duty these aircraft perform in the conduct of their assigned mission generally equate to a lower reliability rate than that of traditional, non-SOF aircraft."

2. Location of assignment: Hurlburt Field, Florida

Crew position/Primary duty: CV-22 Evaluator Pilot/Commander

Length of experience with CV-22 (years or flight hours): 4 years

Opinion of CV-22 performance, reliability, and safety: "CV-22 performs unlike any other aircraft in our military inventory. The combination of speed and range with a vertical lift capability allows SOF to solve tactical problems in a revolutionary way. Additionally, this aircraft is the most stable platform in a hover or 100 percent dust out than any other platform I have ever flown."

A specific event that shaped your opinion of the CV-22's performance, reliability or safety: "While deployed in support of Operation IRAQI FREEDOM, we were able to generate and launch three aircraft, fly more than 2,500 nautical miles in just over 12 hours. In less than 24 hours after landing, the unit and aircraft reset and assumed an alert posture. There were no safety concerns with flying the aircraft continuously for over 12 hours, nor was there any doubt the aircraft were ready for the mission the next day."

3. Location of assignment: Hurlburt Field, Florida

Crew position/Primary duty: CV-22 Pilot/Operations Officer

Length of experience with CV-22 (years or flight hours): 2.5 years/200 hours

Opinion of CV-22 performance, reliability, and safety: “For an initial operational capability aircraft, the CV-22 has been very reliable and its effectiveness rates continuously improve. Performance as a tilt rotor is impressive; it has great speed with vertical landing capability. [The CV-22 provides] niche capability with a good safety record.”

A specific event that shaped your opinion of the CV-22’s performance, reliability or safety: “Several missions in Afghanistan demonstrated the impressive speed and distance capabilities of the CV-22. The fact that the CV-22 can cross oceans and conduct helo insertion and extraction missions with a very reliable launch rate sets it apart from any other aircraft.”

4. Location of assignment: 46 OG/OGV Eglin AFB—Attached to 8th Special Operations Squadron

Crew position/Primary duty: CV-22B Flight Engineer/Evaluator

Length of experience with CV-22 (years or flight hours): 4½ years/850 flight hours

Opinion of CV-22 performance, reliability, and safety: “Performance of the aircraft is great! The speed and hover combinations bring a new capability to war fighter. I believe the current block of aircraft is very safe. Reliability, in my opinion, is on par with other aircraft of the same stage of development.”

A specific event that shaped your opinion of the CV-22’s performance, reliability or safety: “Being able to take half the time to accomplish the same missions as helicopters, demonstrating the ability to be at 230 knots airspeed within seconds, converting the aircraft to Vertical Takeoff and Land mode, and performing two-hoist operations [are events that have shaped my opinion.]”

5. Location of assignment: 8th Special Operations Squadron, Hurlburt Field, Florida

Crew position/Primary duty: Pilot/Instructor Pilot

Length of experience with CV-22 (years or flight hours): 7 years (including MV-22 time)

Opinion of CV-22 performance, reliability, and safety: “I have been amazed in the rapid improvements to reliability over the last seven years. There are still a few components with questionable reliability (i.e., Engine Air Particle Separator). Safety and performance are both truly remarkable.”

A specific event that shaped your opinion of the CV-22’s performance, reliability or safety: “I flew a CV-22 from Cape Verde non-stop to St. Thomas (2,500 miles). Has any rotary-wing aircraft ever done that? This aircraft has already gone places and done things that no helicopter is capable of. The [aircraft’s] speed and range compresses time such that the teams we fly have more time available in one period of darkness than ever before.”

6. Location of assignment: 8th Special Operations Squadron, Hurlburt Field, Florida

Crew position/Primary duty: Evaluator Flight Engineer/Squadron Superintendent

Length of experience with CV-22 (years or flight hours): 7 years/1004 flight hours (including MV-22/CV-22) 2800 total hours

Opinion of CV-22 performance, reliability, and safety: “I have been a flight engineer for 15 years. I spent 8 years on the MH-53 Pave low performing the same mission the CV-22 does now. Is the aircraft perfect? No. Is there room for improvement? Yes. However, when executing Special Operations Forces (SOF) missions to insert, extract, and resupply SOF personnel, at night, in adverse weather, there is no other aircraft I would want to be on.”

A specific event that shaped your opinion of the CV-22’s performance, reliability or safety: “There is no specific event that I can point to. It would be made up of my experiences over a seven year period on this aircraft. If you need to cover a great distance, over a short period of time there is no other aircraft in the world that could do it. I have seen the CV-22 do this mission over the course of seven years. I am convinced there is no better aircraft for the mission. When I look at where the aircraft was when I first flew on it in 2004, let alone when it first flew, I can only imagine how good it is going to get.”

7. Location of assignment: Hurlburt Field, Florida

Crew position/Primary duty: Evaluator Flight Engineer/HQ AFSOC Command Flight Engineer

Length of experience with CV-22 (years or flight hours): 5 years/1012 CV-22 hours

Opinion of CV-22 performance, reliability, and safety: “In my opinion, the CV-22 is as safe as any other aircraft in the inventory. The performance is unlike any other aircraft I have flown on; if you are not watching out, it will throw you back in your seat on take-off. In combat, this aircraft knows when the business needs to be done. It will go and go until the team is safe back at the forward operating base (FOB).”

A specific event that shaped your opinion of the CV-22’s performance, reliability or safety: “One night in Iraq, we were gearing up to depart our main operating base (MOB) to pick up the team at their forward operating base (FOB). Helicopters departed the MOB approximately 30–45 minutes prior to us. The FOB was 40 minutes away (at the speeds we fly), which means about 1.5 hours for the helicopters. We landed and had time to brief with the team. After we briefed, the helicopters landed, did not shutdown, picked up their team, and departed the FOB. We cranked up, loaded the team, and departed approximately 20 minutes after the helicopters. The CV-22 allows us to depart later and still give the team the most time on the objective, and still return in one period of darkness.”

8. Location of assignment: Hurlburt Field, FL

Crew position/Primary duty: Maintenance Officer in Charge

Length of experience with CV-22 (years or flight hours): 6 months

Opinion of CV-22 performance, reliability, and safety: “I won’t speak on the performance of the aircraft in operation, as that is outside of my specialty. However, from a maintenance safety standpoint, the aircraft is built around several redundant systems which all communicate with each other electronically on a timescale measured in fractions of a second. In the most general of terms, the aircraft will either default itself to the most safe condition, alert the crew to a possible area of concern, or both.

From a reliability standpoint, the aircraft is still new and we are still gathering data. If the amount of lead time on receiving replacement components in the field is any indication, parts are failing before they were anticipated to fail during the design phase.

It has been reported that the Air Force fleet of CV-22s is maintaining an extremely low (in the 50 percent range) Aircraft Availability rate. This is due to several factors: a relatively low experience base in the maintenance technician arena; a laundry list of inspections that require extensive downtime; and the low availability of spare parts.

I believe that a number of these issues will be resolved in time; experience will grow as the fleet ages, the inspections will take less time as the maintainers gain experience, certain inspection requirements could be dropped if the data collection supports it, and there will be a larger pool of supplies as failure data is solidified and the production effort is geared towards sustainment rather than output after the fleet has been delivered to the service.”

9. Location of assignment: Hurlburt Field, FL

Crew position/Primary duty: Maintenance Officer in Charge

Length of experience with CV-22 (years or flight hours): 14 months

Opinion of CV-22 performance, reliability, and safety: “The CV-22 has the unique capability of speed, range, and vertical takeoff/landing that allows it to perform special operations missions unlike any other aircraft; however there are some maintenance issues that we encounter that puts some burden on maintainers. The majority of our work and issues in generating sorties is focused in several areas which include parts availability in supply, component reliability, engine performance, fault detection, experience, cleaning (in sandy environments), and inspections. While the CV-22 has several challenges to maintenance, it must be understood that the CV-22 is not only a new aircraft, but a new technology; being that it is the first mass produced production tiltrotor. With this it is difficult to accurately predict what components will fail and when because there isn’t that much historical data. In addition it is difficult to allocate spare parts if there isn’t historical data to justify failure rates. Our maintainers also need to gain experience on the aircraft because there frankly isn’t any out there to draw from, due to how new the aircraft is and the small Air Force fleet, which leads to a small pool of maintenance experience. On other aircraft like C-130s, which have been around for more than 50 years, people can spend an entire career on that airframe making them very knowledgeable and efficient at troubleshooting problems because they have truly seen and done it all. Additionally, the inspections can be laborious and are performed often; however, the requirements continue to decrease as more historical data is collected.

The engine performance is mainly attributed to an inadequate intake filter system which is currently being improved. While deployed to Afghanistan we were changing engines with less than 50 flight hours on the aircraft due to the ingestion of sand.

When operating in austere sandy environments, the V-22 incurs additional maintenance related to cleaning filters, oil coolers, and engines which are generally not encountered in non-sandy environments. The dirty, sandy environment also created problems with detecting faults. Shorts in the wiring are produced when vibrations in combination with a sand paper like substance created from dirt, oil, and sand in hard to reach places of the nacelle result in wires chaffing.

Overall, the reliability and performance of the CV-22 will increase over time as parts dependability, parts spares, historical data, and experience improves. Just in the short time our unit has been operating (less than four years) there has been great improvement overall in performance and reliability. In fact our unit produced a noticeably higher mission capability rate during our most recent Operation ENDURING FREEDOM tour compared to the previous Operation IRAQI FREEDOM tour. Despite the challenges, we as maintainers are dedicated to providing safe, serviceable, and properly configured aircraft every time. And we did just that during our Afghanistan tour, providing Special Operations a unique capability unlike any helicopter that brought and will continue to bring the fight to the enemy.”

A specific event that shaped your opinion of the CV-22's performance, reliability or safety: “Being deployed with the CV-22s in Afghanistan for four months was a strong contributing factor to my opinion on the aircraft.”

Section 2: AFSOC vignettes

VIGNETTE 1—MAJOR CONTINGENCY OPERATIONS (OEF/OIF)

The CV-22 supports the QDR mandate and USAF strategic focus to “prevail in today’s wars” and “succeed in a wide range of contingencies.” In support of OEF and OIF, the CV-22 has conducted 120 assaults resulting in the capture of 363 detainees. Due to its incredible speed, the time required by a ground force to action an objective is practically cut in half. On many occasions, the speed of the aircraft compared to a traditional vertical-lift platform allowed ground forces to action multiple objectives during a single period of darkness. For instance, any objective in Iraq could be serviced from Balad with less than a 1.5 hour flight in a CV-22, versus 3 hours using a legacy platform.

The CV-22 provides unique, critical combat capability to our special operation forces (SOF), combining vertical take-off and landing ability with the speed of a fixed-wing turboprop aircraft, presenting unprecedented global mission agility and reach.

VIGNETTE 2—LONG-RANGE RESCUE

In June of 2010, a coalition helicopter conducting a Special Operation Forces exfiltration mission was disabled while departing a nighttime target in the Baghlan Valley (south of Konduz, Afghanistan). Multiple coalition attempts to retrieve the aircrew and ground team were unsuccessful due to limited visibility and mountainous terrain between Konduz and the target. CV-22 capabilities conquered these obstacles within two hours. After being notified, two CV-22s were launched from Kandahar and conducted a high-altitude, 450 mile flight to the target area recovering all personnel and returning them to Konduz. The CV-22s were able to perform this mission without needing to be refueled. Those recovered stated, “Thanks for picking us up when no one else could.”

VIGNETTE 3—RAPID RESPONSE

A recent successful national contingency mission used three CV-22s, which self-deployed over 2,500 nautical miles. These CV-22s performed two air refuelings on their 13-hour non-stop flight to the objective area. During this operation, the CV-22 was used for combat search and rescue, personnel recovery, and quick reaction force support. The CV-22’s objective was 500 nautical miles from the staging base; this increased stand-off distance reduced the US signature in the target area helping to make the operation a success. The enemy never knew the Americans were on his door step.

VIGNETTE 4—DEMONSTRATED ABILITY TO MEET “FUTURE CHALLENGES”

The CV-22 is optimal for use in areas without a large United States footprint and robust aviation support infrastructures. This was demonstrated through exercise and contingency operations conducted in SOUTHCOM (Honduras) and AFRICOM (Mali). The CV-22 has the ability to depart the Continental United States, conduct vertical-lift infiltration/exfiltration operations throughout Central America, and return to CONUS within a single period of darkness. Exercise FUSED RESPONSE demonstrated the CV-22’s capability of flying 1,100 nautical miles from Hurlburt Field, perform a vertical landing mission within the Dominican Republic, and re-

turning within a single crew duty day. This is equal to flying missions from Dallas, Texas, to Philadelphia, Pennsylvania, and back.

“The CV-22 is my weapon of choice.”—75th Ranger Regiment Commander to 3-star Special Operation Forces Commander, June 2010.

VIGNETTE 5—MAINTENANCE

Overall, the reliability and performance of the CV-22 meets requirements and is expected to increase over time as parts dependability, parts spares, historical data, and experience improves. Just in the short time our unit has been operating (less than four years) there has been great overall improvement in performance and reliability. In fact, our unit produced a noticeably higher mission capability rate during our most recent Operation ENDURING FREEDOM tour compared to the previous Operation IRAQI FREEDOM tour. Despite the challenges, we as maintainers are dedicated to providing safe, serviceable, and properly configured aircraft every time. And we did just that during our Afghanistan tour, providing special operations a unique capability unlike any helicopter that brought, and will continue to bring, the fight to the enemy. [See page 17.]

RESPONSE TO QUESTION SUBMITTED BY MR. COFFMAN

General SCHWARTZ. The Air Force uses an iterative, continually informed process for fielding weapon systems intended to optimize mission sets and requirements of the Total Force to meet Combatant Commander requirements. The Air Force is committed to fielding the F-35A Lightning II aircraft in the Reserve Component with the first increment of operational basing, and fully supports further Reserve Component fielding in the future. The Air Force believes the combination of a collaborative and fully operational Total Force Enterprise process, an open and transparent Strategic Basing process, and effective linkages with the Planning, Programming, Budgeting, and Execution process will provide avenues to balance the Active Component and Reserve Component workload while prioritizing Combatant Commander requirements. The Air Force is dedicated to using these processes, with full Reserve Component participation, to refine concepts of balanced fielding and to ensure fielding of the F-35A in the most effective and efficient manner. Colorado’s bases are a valuable asset to the Air Force and will be considered as part of the enterprise-wide look in each of these basing actions. [See page 27.]

RESPONSE TO QUESTION SUBMITTED BY MR. LARSEN

General SCHWARTZ. The MALD-J Increment II is scheduled to enter technology development in FY12, production in FY15, and begin fielding in FY16. [See page 31.]

RESPONSE TO QUESTION SUBMITTED BY MR. SCOTT

Secretary DONLEY. There is no way to calculate the impact of the procurement processes, oversight requirements associated with Environmental Protection Agency and the Occupational Safety and Health Administration, or the impact of the political process on Air Force operational capabilities. The Air Force is actively implementing efficiency initiatives to minimize the amount spent on overhead functions such as these, while maximizing resources available for operational requirements. [See page 29.]

RESPONSE TO QUESTION SUBMITTED BY MR. SMITH ON BEHALF OF MS. GIFFORDS

General SCHWARTZ. The Fiscal Year (FY) 2012 President’s Budget directs the consolidation of two Continental United States Air and Space Operations Centers (AOC) into one. The Secretary of the Air Force (SecAF) and the Chief of Staff of the Air Force (CSAF) directed the use of the Strategic Basing process to determine the consolidated location. The SecAF and CSAF determination of the preferred alternative location should be made in late spring or early summer 2011. To mitigate risk and ensure continuity, the consolidation will be a phased approach through the fourth quarter of FY12. Finally, we do not foresee any operational impact on Air Forces Southern Command’s capabilities based on lessons learned from recent operations. The AOC at Al Udeid Air Base, Qatar has successfully coordinated air operations in Iraq and Afghanistan, while AOC operations in support of Haiti relief have

also demonstrated the ability to handle multiple contingencies in different areas of responsibility from a single facility. [See page 12.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. GRIFFIN

General SCHWARTZ. The C-130 Avionics Modernization Program (AMP) program requires either an appropriations bill to legally issue FY11 Aircraft Procurement Air Force (APAF) funds, or an exception clause in a Continuing Resolution authorizing the C-130 AMP program to expend APAF funds. [See page 36.]

General SCHWARTZ. The Air Force Cost Analysis Agency (AFCAA) summarized the projected Operations and Support (O&S) savings in support of the C-130 Avionics Modernization Program (AMP) Milestone C decision in June 2010. The AFCAA analysis projected the total O&S cost savings for C-130 AMP, relative to the legacy fleet, at \$163.8 million. [See page 37.]

General SCHWARTZ. The C-130 Avionics Modernization Program (AMP) modernization does not directly add any years of combat service to the C-130 Fleet. C-130 AMP is primarily focused on capability enhancements to enable C-130 aircraft to operate well into the future in compliance with Federal Aviation Administration (FAA) and international airspace mandates. AMP will allow the modified C-130 Combat Delivery aircraft unlimited access to United States airspace past January 1, 2020, when the Federal Aviation Administration's NextGen airspace access mandates take effect in United States airspace. Similar international airspace mandates are anticipated. [See page 37.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 17, 2011

QUESTIONS SUBMITTED BY MR. MCKEON

Mr. MCKEON. During the previous Next Generation Bomber program cancelled just two years ago by Secretary Gates, the program was described by Air Force acquisition officials as having the attributes of: long-range, penetrating, optionally-manned, nuclear capable and survivable. Further, the program was founded and grounded in the integration of existing technologies and not invention of new technologies. Ironically, Air Force officials have been using the same terms to describe the new Next Generation Bomber program in this year's budget. What's going to be different about this platform, compared to the last planned platform, so that it doesn't meet the same cancellation fate as before? Have any requirements or capabilities changed?

General SCHWARTZ. A thorough Department of Defense review of future options for Long-Range Strike provided the opportunity to refocus Air Force requirements and technology and better reflect the bomber's role in a balanced portfolio of long range strike capabilities. The new penetrating bomber program emphasizes affordability. This program will leverage mature technologies, utilize a streamlined acquisition process, and constrain requirements by making informed capability tradeoffs. Additional details with regard to the new program are protected with enhanced security measures and will be addressed in the proper channels. I would be happy to have my staff provide a follow-up classified briefing to you.

Mr. MCKEON. The Air Force has a request to retire 6 B-1 bomber aircraft in fiscal year 2012. Given that the Air Force only has 96 combat-coded aircraft, of which only 20 are low-observable (the B-2), isn't it premature to retire any bomber aircraft before the new Next Generation Bomber aircraft is fielded? How did you determine, and what analysis supports, the Air Force decision in determining that 6 B-1 aircraft are excess to warfighting requirements?

General SCHWARTZ. The Air Force carefully considered current bomber force structure, existing capabilities, and future power projection requirements in determining the risk associated with a B-1 fleet reduction.

The results of high-fidelity modeling and simulation analysis conducted by Air Force Studies and Analysis indicated a reduction of six B-1 primary aircraft authorizations still meets currently approved Office of the Secretary of Defense Analytic Agenda scenarios.

The Air Force conducted comparative analysis between the B-1, B-2, and B-52 fleets' current and historical mission capable rates, as well as model driven variable cost per flying hour data using the Air Force Cost Analysis Agency's 2010 Air Force Cost and Performance tables, in order to support measured force structure adjustments. However, the B-1 in particular faces several grounding concerns due to a thin industrial base and avionics sustainment issues. In light of these facts, the Air Force feels a reduction of six B-1s is a prudent course of action to address these critical issues thereby increasing the pool of equipment spares and freeing funds to source critical sustainment and capability modifications. The Air Force expects to achieve an increase in aircraft availability in the near-term as a result of these retirements, while bridging the gap to the future long range penetrating bomber.

Mr. MCKEON. Do you plan to decrease the number of combat-coded B-1 aircraft, currently at 36 aircraft, if Congress allows you to retire the 6 B-1 aircraft in the Air Force request?

General SCHWARTZ. The Air Force conducted a comprehensive review of current bomber force structure, existing capabilities, and future power projection requirements in determining the risk associated with a B-1 fleet reduction. The FY12 President's Budget requests retirement of six B-1 aircraft in order to improve the B-1B program inventory. All options regarding end state force structure composition are under consideration, but reducing Primary Aircraft Inventory assets produces the greatest impact on the readiness of the remaining fleet.

Mr. MCKEON. The Air Force currently maintains 96 combat-coded aircraft, however, according to recent Air Combat Command statistics on average among the bomber fleet, only 44 percent of combat-coded aircraft are available at any given moment. This equates to approximately 42 aircraft available, out of 96 combat-coded. Is it prudent to consider any bomber aircraft retirements at this time?

General SCHWARTZ. Recent aircraft availability statistics and near-term estimates indicate a declining trend in aircraft availability and support the Air Force's decision to commence a modest reduction in bomber force structure. The B-1 in particular faces several grounding concerns due to a thin industrial base and avionics sustainment issues. In light of these facts, the Air Force feels a reduction of six B-1s is a prudent course of action to address these critical issues thereby increasing the pool of equipment spares and freeing funds to source critical sustainment and capability modifications. The Air Force expects to achieve an increase in aircraft availability in the near-term as a result of these retirements, while bridging the gap to the future long range penetrating bomber.

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." Has NASA selected the National Museum of the United States Air Force in Dayton, Ohio as the site for one of the retiring space orbiters?

Secretary DONLEY. The National Aeronautics and Space Administration (NASA) did not select the National Museum of the United States Air Force (NMUSAF) as a site for one of the retired space orbiters. However, NASA did select NMUSAF to receive the crew training module and a shuttle engine as well as other smaller artifacts. The NMUSAF is pressing on to develop, design and implement an exhibit and Science, Technology, Education and Math (STEM)—related activities on the USAF/NASA partnership.

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." Has the Museum entered into any preliminary discussions or agreements with NASA on this subject?

Secretary DONLEY. No, the National Museum of the United States Air Force did not enter into any preliminary discussions or agreements with National Aeronautics and Space Administration on this subject.

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." If not, is it premature for the Air Force to be allocating funds for this activity?

Secretary DONLEY. Due to the Department of Defense budget process, any substantial known requirement for FY2012 must be included in the President's Budget to prevent an unplanned execution year bill. The National Aeronautics and Space Agency (NASA) is scheduled to retire shuttles in FY2011 and deliver them and other equipment to the recipients by the end of FY2012. The cost of preparing, transporting and accepting the crew training module, shuttle engine and other smaller artifacts and the subsequent development and implementation of an exhibit and Science, Technology, Education and Math (STEM) activities could be as much as \$1 million. Since the announcement is recent, the Air Force is just now entering into discussions with NASA as to the process and projected costs of transferring the items.

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." The budget states that the Air Force has 'requested an interagency transfer of the Space Shuttle Atlantis to the National Museum of the United States Air Force.' Was this a formal request and when was it placed? Can you define what is meant by an interagency transfer? What, if any, is the significance of the Space Shuttle Atlantis to the Air Force?

Secretary DONLEY. An "interagency transfer" is a common phrase used to describe how a United States Government agency or department may obtain excess property directly from other Federal agencies. The process is regulated by the Federal Management Regulation (FMR), Title 41 of the Code of Federal Regulations, Section 102-36.145. The National Aeronautics and Space Agency (NASA) has designated the National Museum of the United States Air Force to receive the crew training module and other items. These will be transferred through interagency agreement for development and implementation of an exhibit and Science, Technology, Education and Math (STEM) activities related to the USAF/NASA partnership.

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." What does the \$14 million cost in the

budget represent? NASA documents reveal the costs to prepare and deliver a shuttle to be much higher. Has NASA provided the Air Force with a separate cost estimate?

Secretary DONLEY. Since no orbiter was designated for the National Museum of the United States Air Force, costs of transfer have reduced significantly. Although the National Aeronautics and Space Agency has not provided the Air Force a separate or detailed cost breakdown, the Air Force will require approximately \$1 million to prepare, transfer and accept the crew training module, shuttle engine and smaller items and develop exhibits and education activities. Display of these artifacts will commence immediately upon receipt to further educate the American and international public of our nation's great achievements in space. With the concurrence of the Congress the remaining \$13 million will be reprogrammed for critical Operation and Maintenance needs.

Mr. SMITH. Excerpt from USAF budget request: "A one-time cost of \$14 million for National Aeronautics and Space Agency Orbiter (Operation and Maintenance, Air Operations, Service-wide Activities)." I understand that there are a number of non-government museums across the country that are qualified to display a NASA shuttle and are hoping to secure one. How does the Air Force answer the charge that including Federal funds in the FY 2012 budget for this purpose gives the National Air Force Museum an unfair advantage in the NASA selection process?

Secretary DONLEY. As a Federal Entity, the National Museum of the United States Air Force (NMUSAF) depends on the budget process. It is precluded by law and regulation from soliciting private funds; therefore, it must seek the support of Congress. This is not an unfair advantage. Rather, the NMUSAF is following the normal budget processes available to it in order to meet its mission requirement for preserving, maintaining and making available to the widest public audience possible portions of our nation's heritage. A Space Shuttle Orbiter is an important part of the Air Force's history and heritage and as such, it is appropriate for the Secretary of the Air Force to request a Space Shuttle for display and to seek budget support. Since the time of this hearing, NASA announced the locations designated to receive an orbiter. The NMUSAF was not selected.

QUESTIONS SUBMITTED BY MR. FORBES

Mr. FORBES. The Air Force has identified specialties within active component career fields that are experiencing significant stress and maintains what it calls the stressed career field list. For a specialty to be considered stressed, it must meet two of the following conditions: high personnel deployment rates, career field manning shortages, or low personnel inventory and retention. As of October 31, 2010, over 63,000 individuals, or around 19 percent of Air Force active component personnel, were in a stressed specialty. Many specialties have remained on the list for several years, including Security Forces, Contracting, and multiple Civil Engineering specialties." What steps is the Air Force taking to mitigate the strain on the career specialties on the stressed career field list in general and on the specialties that have perennially appeared on the list in particular?

Secretary DONLEY and General SCHWARTZ. A career field is designated as stressed if it is critical in at least two of three measures: 1) Operational Demand which expresses the effort required of an Air Force Specialty (AFS) to meet contingency demands with both active and reserve component Airmen; 2) Work Tempo which measures home station and deployed requirements versus funded authorizations and inventory; and 3) Career Field Health which measures manning, career field shape, Personnel Tempo, and retention. The Air Force uses a variety of tools to address stress depending on the specific problems leading to a stress designation. As of 28 Feb 11, there are 16 stressed enlisted Air Force Specialty Codes (AFSCs) and 6 stressed officer AFSCs which totaled just under 55,000 Airmen, 17.9 percent of the active Air Force population. All but one of these 22 AFSCs are in high operational demand. Since authorizations are funded based on a stable peacetime mission, not the surge of two simultaneous combat operations, and the Air Force grows and maintains the active component inventory to meet authorizations, we do not expect these AFSCs to come off the stressed list until the contingency demand decreases. Until then, demand will exceed supply for some AFSCs, and at least one of the three measures will remain critical.

When manning and retention add to stress, the Air Force works solutions across the career continuum to correct it. We have increased accessions to reasonable levels to build a healthy future force without creating a bulge in the inventory in years-of-service groups. We have implemented opportunities for voluntary and involuntary retraining, which is a long-standing formalized annual process for enlisted but a new formal process for officers. Enlisted first termers can retrain through the CA-

REERS program and mid grade Airmen through the Noncommissioned Officer Retraining Program. The Air Force recently selected 73 officers to crossflow into unmanned non-rated line officer AFSCs. The Air Force also offers bonuses to encourage longer enlistments and improve retention and manning in officer AFSCs through the Critical Skills for Retention Bonus (CSRB) program and for enlisted Airmen through the Selective Reenlistment Bonus (SRB) program. When necessary, the Air Force will limit developmental opportunities/assignments for officers to utilize them more fully in core AFSC requirements. For enlisted AFSCs, the Chronic Critical Skills for Promotion program provides extra promotions for shortage skills and grades.

Bottom line, the Air Force continues to closely monitor and manage all stressed specialties, and we will take appropriate force management actions to improve retention and manning. We will continue using SRBs and CSRBs to manage retention and address shortfalls in critical skills.

Mr. FORBES. Each Air Force unit is designed to perform a specific mission requiring a particular skill set. However, Air Force personnel may be assigned to support current operations by deploying to perform a related mission that does not necessarily require their full skill set. When individuals are engaged in operations that require only a subset of their full skill set, their competence in some other skills may erode because the individual is unable to complete the full extent of their training requirements to remain qualified in their core mission." To what extent has the Air Force identified unit types or career specialties, in which assigned personnel are not receiving comprehensive training for their core missions and what steps, if any, have been taken to mitigate any identified gaps in training?

Secretary DONLEY and General SCHWARTZ. The Air Force has approved specialized procedures for maintaining specialty skills to include comprehensive training management processes. Air Force Instruction (AFI) 36-2201, *Air Force Training Program*, requires supervisors to review the training records of enlisted Airmen prior to their deployment to ensure the training continuum is not broken. In turn, the supervisors document any remaining upgrade training requirements and training remarks as appropriate on the On-the-Job Record Continuation Sheet, or automated version. If airmen are out of their career specialties long enough to diminish the proficiency in their particular specialty skills set, Airmen will increase their proficiency in lost competencies through Air Force Force Development programs that include any combination of education, training, and experience (i.e., Career Development Courses (CDC), OJT, and/or specific placement in development positions).

Additionally, the Air Force trains rated personnel in accordance with (IAW) 11-series Mission Design Series (MDS)-Specific Volume 1 AFIs, which identify events to be accomplished for aircrew personnel to maintain mission qualification and currency. Depending on real-world mission requirements, some skill sets may experience a loss in training, in order to accommodate immediate mission requirements, which reinforce other skill sets. When personnel return to their unit, individuals receive the necessary training to regain proficiency in unit mission tasks and accomplish training events as necessary to comply with Volume 1 requirements. This is a recognized issue associated with the Air Expeditionary Forces (AEF) cycle, and is provided for in the cycle dynamic. The Air Force is standardizing deployment lengths to 179 days, increasing dwell, to afford more time for reset and training opportunities. The Air Force restructured the AEF to include TEMPO banding for high stressed capabilities in response to the long term surge.

Mr. FORBES. In a 2007 memorandum and subsequent implementing guidance to the services, the Secretary of Defense established deployment rotation goals that generally call for reserve component personnel to be involuntarily mobilized for no more than 1 year and then demobilized for 5 years, and for active component personnel to be deployed for 1 year and then at home station for 2 years." What percentage of Air Force personnel are currently deploying within these rotational goals and what steps is the Air Force taking with the aim that all personnel meet these goals in the future, particularly personnel who provide critical capabilities in support of current operations and have traditionally deployed at rates that exceed the Secretary's deployment goals?

Secretary DONLEY and General SCHWARTZ. There are ~178K personnel in the Reserve Component (RC) with 3,420 currently mobilized under Title 10, United States Code, section 12302, which is considered an involuntary action. Of those, 2,843 or 83 percent are meeting or exceeding the Secretary of Defense's established mobilization to demobilization ratio minimums of 1:5 for the RC. However, a significant portion of the remaining 17 percent volunteered to be mobilized. Therefore, in practice, we are actually closer to Secretary of Defense's goal than the statistics indicate.

There are ~332K personnel in the Active Component (AC) with 29,325 currently deployed on contingency operations. Of those, 27,350 or 93 percent are meeting or

beating the Secretary of Defense's established deploy to dwell ratio minimums of 1:2 for the AC.

The Air Force strives to provide all Airmen, to include those in critical capabilities that traditionally deploy at rates exceeding the Secretary's deployment limits, as much time at home as possible after a deployment or a mobilization. In fact, the Air Force Generation Construct maximizes dwell and provides greater deployment predictability for all Airmen. The Air Force also uses the civilian workforce and Air Reserve Component volunteers to increase dwell for Active Component members and involuntarily mobilized Active Reserve Component personnel. The Air Force's Force Engagement Strategy sizes and shapes the force with the appropriate balance of skills to meet the needs of the current and future fight.

Mr. FORBES. The Air Force is in the process of enhancing its fighter aircraft capability by replacing fourth-generation fighters such as F-15s and F-16s with fifth-generation fighters such as the F-22 and F-35. The Air Force has stated a strike fighter operational requirement of 2,000 aircraft, and, under current procurement and retirement plans, the Air Force does not project a strike fighter shortfall. However, delays in deliveries of the F-35A aircraft will affect the Air Force fighter aircraft inventory. To what extent do Air Force aircraft retirement plans and life extension and modernization plans for the F-15, F-16, and A-10 aircraft factor in potential delays in the deliveries of the F-22 and F-35?

Secretary DONLEY and General SCHWARTZ. A 2010 comprehensive review of the current and projected force structure revealed a shortfall of approximately 3–5 percent of the total aircraft (60–100) through the Future Years Defense Plan (FYDP). The last two production F-22s are on schedule for delivery in March 2012. F-35 program status remains the key variable in the fighter force structure forecast as the Air Force transitions to a 5th generation force. F-35 delays are manageable across the FYDP, but have long term impacts that require mitigation. These impacts will be mitigated through aggressive management of F-35 production, legacy fleet review and sustainment, along with selected service life extension program (SLEP) and modernization program. In the FY2012 (FY12) President's Budget (PB), Air Force continues to sustain Block 25–32 F-16s via structural sustainment funded through the fleet management program utilizing existing Operation & Maintenance funding. The FY12 PB also adds \$15M to begin Research, Development, Testing and Evaluation for structural modification and avionics modernization as part of selected Block 40/50 F-16 SLEPs.

Mr. FORBES. According to the FY12 budget submission, the Air Force has identified 33.3 billion dollars in savings from efficiencies that will be reinvested into its budget, including improving depot and supply chain business processes (3 billion) and reorganizations (4.2 billion) such as consolidating staff (4 operations and 3 numbered) and streamlining installation support. What are the specific actions that will be taken to realize the savings from improving processes and reorganizations. How does the Air Force intend to track the realization of these savings? How will realizing the total amount of \$33.3 billion improve Air Force readiness, i.e. what tangible evidence will the Air Force be able to show that gaining greater efficiencies has benefited its readiness posture?

Secretary DONLEY and General SCHWARTZ. We have developed a series of Priority areas with supporting Objectives which include specific tasks and actions to realize our efficiencies. The following are some of the major objectives for improving organizational and business process:

- Consolidating three Numbered Air Forces with co-located Major Command staff and consolidating the activities of four Air and Space Operations Centers into two, thereby achieving a redistribution of 347 military authorizations (228 in FY12 and 119 in FY13) across the Future Year Defense Plan (FYDP) and eliminating 212 civilian authorizations beginning in FY13 which will save \$100.1 million across the FYDP
- Consolidating installation support management to improve Air Force-wide standardization and prioritization
- Reallocating 5,600 active duty billets over the FYDP from lower priority support functions to higher priority, growth areas
- Saving more than \$3 billion from anticipated growth in Weapon System Sustainment (WSS) portfolio efficiencies across the FYDP by reviewing operational requirements, depot processes and the sustainment of the supply chain without degrading operational capabilities or support to the warfighter
- Reducing fuel consumption within the Mobility Air Forces by leveraging proven commercial aviation practices for flight planning and weight reduction, and implementing other initiatives to save \$715 million (net) across the FYDP

- Reducing acquisition costs by consolidating services, scrutinizing contracts, reducing contract support, and more efficiently using resources to deliver capabilities and support to the warfighter
- Reducing information technology costs by more than \$1.2 billion over the FYDP by adopting Department of Defense (DoD)-level Enterprise Information Services including enterprise core services, consolidating and standardizing the network information technology infrastructure from nine Air Force and Air National Guard Regional Processing Centers to five centrally controlled centers, and migrating current and developmental applications, services and data to DoD-provided enterprise computing centers
- Improving our procurement of satellites with a new acquisition strategy which, subject to Congressional approval, will lower procurement costs and stabilize the defense industrial base.

Across our Efficiency efforts we assigned Senior Leaders (by name) as the responsible owners and champions to achieve their assigned portion of \$33.3 billion in Efficiency savings. They work across our major commands and functional organizations to develop and manage Efficiency Plans. Their plans address the Efficiency objective, specific steps to achieve that objective with associated completion dates, and forecasted results. The plans include financial performance, manpower savings, and mission area performance projections.

Corporately, we are reviewing progress on a Monthly basis in the Air Force Board (attended by Flag Officer/Senior Executives from across Headquarters Air Force and the major commands) which then informs a Quarterly Air Force Performance Review in the Air Force Council (chaired by the Under Secretary and Vice Chief of Staff). These reviews will monitor plans and progress and ensure that Efficiency outcomes are in fact delivered and do not inadvertently impact readiness, mission performance, or quality of Life for Airmen. As fact of life issues surface during the year of execution, deviations from approved plans will be thoroughly assessed by senior leadership. To alleviate fact of life impacts and to continue to foster a culture of stewardship, we know we will need to fill gaps and shortfalls in existing plans with modified or new Efficiency initiatives. Our process for management of Efficiencies and corporate oversight has considered that some initiatives will be more successful than others and that we must have the ability to fill gaps when they arise. This is to ensure we do not create future bills and preserve investments in mission and readiness.

Within the dynamics of today's resource constrained environment, the chance to redirect Efficiencies to other higher priority Air Force operations and investments is a strategic opportunity that can enhance readiness and warfighting capability. The Secretary of Defense's Efficiency challenge has allowed us to re-invest our efficiencies. The following mission funding enhancements are included in our budget submission:

- Investing in the Long-Range Strike Family of Systems, including a new penetrating bomber as a key component of the Joint portfolio
- Investing an additional \$3.5 billion to fund the Evolved Expendable Launch Vehicles (EELV) program to the Office of the Secretary of Defense (OSD) Independent Cost Assessment, with the Department of Defense (DoD) committed to buying five boosters per year to meet national space launch requirements and stabilize the industrial base
- Repurposing 5,600 active duty billets over the FYDP to support Intelligence, Surveillance and Reconnaissance capability, U.S. Pacific Command force structure requirements, Total Force Integration, the U-2 continuation, building partnership capacity, increasing support to the Air Force District of Washington UH-1N mission, among other increases
- Procuring an additional 16 simulators for F-35 aircrew training bringing the total procurement to 30 simulators to ensure an effective training pipeline throughput and operational unit pilot proficiency and cost control
- Recapitalizing the aging special operations forces MC-130H/W aircraft
- Improving the aircraft computer infrastructure of the B-52 to enable more rapid machine-to-machine retargeting
- Enhancing combat capability of the F-15C and F-15E with additional Active Electronic Scanned Array radars and electronic protection software upgrades
- Continuing to fund the development of next-generation Global Positioning System (GPS) III Operational Control Segment
- Researching and developing electronic protection and suppression of enemy air defense (SEAD) capabilities for the F-22

- Transitioning MC-12W Liberty Project from Overseas Contingency Operations (OCO) funding into the Air Force baseline budget beginning in FY13
- Continuing maximized production of the MQ-9 Reaper to ensure delivery of 65 Combat Air Patrols by the end of FY13
- Extending U-2 operations through FY15 to ensure a smooth high-altitude transition
- Baselineing the Air Sovereignty Alert program across the FYDP to solidify support to homeland security operations.

Mission support enhancements that were enabled include \$7.0B into Weapon System Sustainment to support readiness and \$327.0M in military construction (MILCON) enhancements to meet critical Combatant Commander requirements, bed-down new mission weapons systems and improve the quality of life for our Airmen through the construction of six additional Airmen dorm projects.

Other tangible evidence that Efficiencies have benefited readiness will be accomplished through our continual review of readiness indicators throughout the year as well as our annual reassessment of capability gaps and annual future year programming reviews.

QUESTION SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. The Air Force has been a leader in developing their Computer Network Operations capabilities. However, I have some serious questions about how progress has been made in developing the personnel and acquisitions side of your cyber policy. The fiscal year 2010 National Defense Authorization required the development of a new acquisition process for IT systems that focused on the rapid deployment of emerging technologies. The same bill also required of the entire Department a study on the recruitment, retention, and career progression of uniformed and civilian military cyber operations personnel. What is the Air Force specifically doing to make its IT acquisitions more nimble and encourage airmen with critical cyber skill to stay in uniform?

Secretary DONLEY. There are several actions the Air Force is taking to accelerate Information Technology (IT) acquisition. In concert with Section 804 of Department of Defense (DoD) Acquisition Reform efforts, the Air Force is developing processes and models to streamline and speed IT acquisition through a “services” development and delivery process. This “Services-based” model will allow the Air Force, and ultimately the entire DoD, to quickly develop services and applications. To attain this vision, we will first build a common platform or infrastructure as part of Secretary of Defense’s efficiency initiatives. From this common platform we will be able to quickly develop, test, and field new IT services and applications. The first step to achieve this objective occurred when the Air Force Chief Information Officer (CIO), in consultation with the Air Force Chief Management Officer (CMO) and Service Acquisition Executive (SAE), released a directive which will ensure all future IT developments are done in accordance with web-based standards and protocols. The Air Force is also restructuring IT programs, when feasible, to deliver rapidly executed increments/releases of capability. The goal is to release capability improvements every 18 months. The Air Force program, Defense Enterprise Accounting and Management System, is a pilot program for developing this new model. Taken together, these are some of the prerequisite steps which will enable the Air Force to make IT acquisitions more cost effective and schedule efficient.

The Air Force manning for Cyberspace Operations and Support personnel in the 17D, 3D, and 1B4 Air Force Specialty Codes are currently within sustainment levels. Overall retention is good for the Air Force, and this holds true for the majority of our Cyberspace career fields. We do provide reenlistment bonuses to four Cyber Support specialties (1B4X1, Cyberspace Defense Operations; 3D0X2, Cyber Systems Operations; 3D0X3, Cyber Surety, and 3D1X5, Radar) whose historical reenlistment rates are below desired levels. All others (military and civilian) do not require any retention incentives. Additionally, the Air Education and Training Command and 24th Air Force continue to train and produce critical cyberspace operators to meet operational needs. However, as operational requirements emerge (United States Cyberspace Command, etc), the Air Force will continue to evaluate the need for special incentive programs to ensure the Cyberspace force continues to meet sustainment levels and operational needs.

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. The Air Force has exceeded its authorized end strength for the past several years. We are told the Air Force will meet its authorization by the end of FY12. What makes this year different than the past and how will you be successful in achieving your desired end strength? What assistance from the Congress will you need to facilitate your efforts to stay within the end strength limits?

General SCHWARTZ. We are committed to reaching our authorized end-strength by the end of FY12 and we are implementing several force management actions to meet end strength requirements. Force management is a multi-year effort and we are taking aggressive measures for both officers and enlisted to meet requirements. We are using existing authorities to the maximum extent; however, renewed and expanded measures would enable us to be even more effective in shaping our force. Thank you for the FY11 National Defense Authorization Act renewed authority to allow officers with 20 or more years of total service to retire with eight versus ten years of commissioned service. We implemented this authority in our current Force Management strategy to help manage our end strength for FY11 and may continue it, if our request for another extension is granted beyond September 2013. In addition we are utilizing several voluntary and involuntary measures.

In coordination with our sister Services, we are working with the Office of the Secretary of Defense (OSD) to request additional legislative authorities. As you may be aware, our authorities to shape our mid-grade officers by offering voluntary separation pay and conducting an involuntary reduction in force board expires in December 2012. We have successfully implemented this legislation in the past, and request an extension of these authorities. To manage officers with more than 15, but less than 20 years of service, we are requesting a Temporary Early Retirement Authority. Additionally, to incentivize officers to retire in skills excess to Air Force requirements, we are requesting authority for a voluntary retirement incentive pay. We currently have the authority to selectively retire lieutenant colonels and colonels early; however the existing authority is limited. Renewing the enhanced selective early retirement authority will allow the Air Force to more precisely manage our lieutenant colonels and colonels. We also request flexibility to adjust the maximum years of active commissioned service for lieutenant colonels and colonels. Lastly, we are requesting an extension to the Career Flexibility to Enhance Retention program beyond December 2012, to authorize service members to assume inactive status from active duty in order to meet personal or professional needs, and then return to active duty at the end of such period of inactivation.

We are working all of these items through OSD. Each of these legislative authorities will provide all of the Services with additional tools to size and shape the armed forces, to best meet current and future mission requirements.

Mr. WILSON. I appreciate that the Air Force retention-oriented culture will have great difficulty with the involuntary officer separation/retirement actions being introduced. How will the Air Force prepare the officer corps for these actions and avoid the morale problem that might cause retention problems when the job market improves?

General SCHWARTZ. The Air Force must balance the desire of Airmen wanting to serve with the need to operate within our Congressionally authorized end strength ceiling. In doing so, the Air Force is concerned about doing the right thing for our Air Force, our Airmen and their families. Air Force leaders at all levels are communicating with Airmen in clear candid terms to minimize uncertainty and maximize employment options. Airmen eligible for involuntary separation, discharge or retirement programs have opportunities to separate from the active duty force voluntarily in lieu of the involuntary force management actions. The Air Force has many programs to help Airmen transition from active duty and those who leave the active duty force are encouraged to consider opportunities along the continuum of service in the Air Force Reserves and Air National Guard. The Air Force Reserves and Air National Guard are working closely with the active duty force to fill shortage skill areas with Airmen transitioning from active duty. Transition programs are also in place to facilitate opportunities available to Airmen in our Sister Services. Many Airmen are also uniquely qualified for federal service. Airman and Family Readiness Centers offer transition assistance planning and veterans benefit seminars. Transitioning Airmen are encouraged to capitalize on opportunities available with the Post 9/11 GI Bill to further their educational goals.

Mr. WILSON. Given that in FY11 the Air Force will use both voluntary and involuntary measures to reduce end-strength, why does it make sense for the Air Force in FY12 to add 600 people to its active duty end-strength?

General SCHWARTZ. In the FY10 President's Budget (PB), the Air Force programmed active duty end strength at 331.7K in FY10, increasing to 332.2K by FY11

and 332.8K in FY12–15. The growth of 600 between the FY11 and FY12 PBs are in support of the Defense Health Program (DHP), specifically due to FY08 National Defense Authorization Act reversal of planned military to civilian conversions for DHP. The growth has been in the Air Force's program since the FY10 PB.

Mr. WILSON. The Joint Chiefs of Staff signed off on a letter conveying their "strong support for the military health care program changes that are included in the President's proposed fiscal year 2012 budget." Please explain in your own words why you support the proposed changes. These changes will go beyond the beneficiaries and will impact the people who support the Department of Defense health system. Are you concerned about the implications these changes will have on hospital employees, pharmacists, vendors, just to name a few? In your opinion, will these effects harm the quality and access to care for our servicemembers, military retirees, and their families. For example, there are hospitals located very close to Holloman Air Force Base, Malmstrom Air Force Base, F.E. Warren Air Force Base, and Grand Forks Air Force Base that will be significantly affected by the plan to reduce the rate that TRIACRE pays them to care for our beneficiaries. Does that concern you?

General SCHWARTZ. We will continue to provide the finest health care benefit in the country to our active and retired military service members and their families. In an effort to slow the growth in health care costs, the Department of Defense (DoD) is proposing TRICARE adopt Medicare rates at 420 Sole Community Hospitals (SCHs). In the early 2000's, Centers for Medicaid and Medicare Services changed medical inpatient reimbursement rates for 420 SCHs throughout the United States; DoD did not implement this change for TRICARE network hospitals. As such, TRICARE currently pays 29 percent above the Medicare rates. The proposal will match Medicare reimbursement.

The SCH reimbursement change will not affect active duty (AD) military members and their families' access to health care. While SCH will receive lower rates, there will be no additional out of pocket costs for the AD families. This change also does not impact professional fee reimbursement only hospital charges.

As for the impact of health care providers, we have a long history of partnership with the SCHs and have helped them expand services that are now available without a TRICARE payment above Medicare rates.

However, per the Office of the Secretary of Defense for Health Affairs and TRICARE Management Authority, about 5 percent (20) of the 420 SCHs could be significantly affected by the proposed change. This is because these SCHs receive more than 5 percent of their revenue from TRICARE. Eight of these 20 are near and support Air Force Military Treatment Facilities (MTFs). To reduce the affects of this proposed change on these 20 SCHs, a phased approach to the reimbursement rates over a four year period will be used and we will closely monitor the impact on availability of network care. Further, the Department is working a payment adjustment above the Medicare rate for SCHs with greater than five percent of overall income from TRICARE, where network care may be adversely affected. To this end, we are watching Whiteman, Holloman, Minot, and Altus communities very closely.

The Air Force values our partnership with the community medical facilities that care for our Air Force beneficiaries and supports the efforts to minimize the impact of this proposal.

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. Secretary Donley, to what extent is the Air Force working with the Guam Oversight Council and the Department of the Navy to utilize some of Andersen Air Force Base for Marine basing requirements? What type of challenges or impacts should the Committee be aware of if some Marines are in the main cantonment area and some are on Andersen?

Secretary DONLEY. The Air Force is working closely with the Guam Oversight Council, chaired by the Deputy Secretary of Defense and the Department of the Navy to best utilize the existing Department of Defense lands on Guam. In February 2011, the Chief of Staff of the Air Force (CSAF) sent a memo to the Deputy Under Secretary of Defense (Installations and Environment) restating our strong support of efforts to consider all options for Marine housing on Guam. The CSAF identified prioritized areas of emphasis during analysis of housing options and the buildup in general. These are:

- a. Protect and preserve the Air Force's mission readiness and Operation Plan execution.
- b. Ensure any alternatives factor in operational suitability and compatibility to existing Air Force training.

c. Analyze and provide Joint Service Mission Support Requirements (JSMSR) in a fair and equitable fashion with respect to quality of life standards, avoiding the “haves” and “have nots”, and sustaining the quality of life for Air Force members and families currently assigned to Andersen Air Force Base.

d. Continue our track record of protection of some of Guam’s most sensitive environmental areas.

Ms. BORDALLO. Secretary Donley, please update this committee on the progress of filling Air National Guard units with missions, particularly flying missions that were lost as a result of the BRAC 2005 decisions. What’s the progress on this issue? I remain concerned that there are still Air Guard units with bridge missions and that we continue to hemorrhage flying capabilities out of these units.

Secretary DONLEY. All Air National Guard (ANG) units impacted by Base Realignment and Closure 2005 have had permanent follow-on missions assigned. Of the twenty-one ANG flying units which divested aircraft, sixteen have received new flying missions to include Remotely Piloted Aircraft. Three of the sixteen units are operating bridge missions (C-21) to maintain flying skills as they await delivery of their permanent aircraft, the C-27J, with the last delivery scheduled for 2015. Five ANG units have received new non-flying permanent missions.

Ms. BORDALLO. Secretary Donley, will the general concept for the new bomber be an improvement over the previous program? How so? Will requested funding be adequate to support the bomber industrial base over the next three years and how do you intend to manage the cost growth of a new bomber program? And lastly, Mr. Secretary, can you please explain the rationale behind your decision to build a long range manned bomber with the ability to penetrate defended air space. Why is standoff insufficient to meet future Combatant Command requirements? What are the inherent limitations within our existing legacy bomber fleet?

Secretary DONLEY. The new penetrating bomber program puts more emphasis on affordability. This program will leverage mature technologies, utilize a streamlined acquisition process, and constrain requirements by making informed capability and cost tradeoffs. Specific capabilities are classified, but I would be glad to have my staff brief you on the details.

The Future Years Defense Plan (FYDP) includes \$3.7B for the new penetrating bomber program. The Air Force believes that this funding is sufficient to maintain the bomber industrial base.

The Air Force remains committed to providing standoff strike capabilities as well. Over the FYDP we continue our investment in the Joint Air-to-Surface Standoff Missile-Extended Range. Additionally, we will initiate the Long Range Standoff program which will replace the Air Launched Cruise Missile. These existing and emerging stand-off weapons, coupled with a penetrating bomber, provide the President with the option to hold virtually any target at risk at any point on the globe. The penetrating bomber’s long range and significant payload will provide operational flexibility for Joint commanders. The penetrating bomber also offers broad geographic coverage, a wide mix of stand-off and direct attack munitions, and is usable across the spectrum of conflict.

The greatest inherent limitation of our existing bomber fleet is age. The mainstay of our legacy force, the B-52H was initially fielded in 1962. Our most advanced platforms, the B-1B and the B-2A were fielded in 1985 and 1993, respectively. The effectiveness of the legacy bomber fleet is dependent upon the threat environment which will continue to increase over time as advanced integrated air defenses continue to proliferate. Throughout several conflicts our adversaries have had the opportunity to observe how we employ these systems and subsequently have adapted their technology and tactics to attempt to challenge our ability to hold the global target set at risk.

Development of a new penetrating bomber will allow future leaders to leverage the capabilities of the existing fleet while also providing an asymmetric advantage over adversary advances.

QUESTION SUBMITTED BY MR. LOBIONDO

Mr. LOBIONDO. How does the proposed Fiscal Year 2012 Budget Request from the Department of the Air Force address not only the current needs of the Air National Guard’s Fighter Wings, but also the need for service life extension programs and modernizing its aging fleet of F-16s?

Secretary DONLEY and General SCHWARTZ. The FY12 Budget Request adequately meets the needs of the Air National Guard’s Fighter Wings. The Air Force, with inputs from the Air National Guard, programs and schedules the modernization of the entire F-16 fleet. The management of service life extension programs and mod-

ernization is an utmost priority. In addition, the Air National Guard utilizes critical National Guard and Reserve Equipment Account funding to increase the capabilities of legacy F-16 aircraft no longer in the active duty fleet (Block 30 and below).

QUESTION SUBMITTED BY MR. SMITH ON BEHALF OF MS. GIFFORDS

Mr. SMITH [for Ms. GIFFORDS]. My question is in regard to the Air Sovereignty Alert (ASA) system. ASA is charged with providing aerospace control to ensure air sovereignty and air defense of the air space of both Canada and the United States. This is an issue that has been discussed in the Committee before; an issue my good friend Congresswoman Giffords has worked on throughout her years on this committee. I understand this mission is under NORAD command, but Air Sovereignty Alert (ASA) units include both Air National Guard (ANG) and active duty Air Force personnel. We have seen a reduction of ASA sites and we are hearing additional funding and resources could be in danger, leaving in danger our air space.

General SCHWARTZ. The security of the United States and its citizens is at the top of the Nation's enduring national interests, as codified in the President's 2010 National Security Strategy. Operation NOBLE EAGLE is just one of many contributions the Air Force makes every day in defense of the homeland. The Air Sovereignty Alert (ASA) posture of Operation NOBLE EAGLE (ONE) is the Air Force's first layer of deterrence and defense of North American air sovereignty.

The Air Force/Air National Guard (AF/ANG) team is committed to ASA and fully funded the requirement across the Future Years Defense Plan (FYDP). The Air Force made this commitment to the aerospace control and warning mission in the 2012 President's Budget submission to Congress ensuring resources and manpower are strategically programmed and available.

Currently, the Air National Guard is filling most of North American Aerospace Defense Command's (NORAD) requirements for ground alert forces by establishing ASA locations at strategic points in the continental United States and Hawaii. Those units can change due to conversions, deploying in overseas contingency operations (OCO) or vital combat training missions. However, these changes or adjustments are carefully reviewed and mitigated by the Air Force in coordination with joint force providers and our NORAD customer.

The Air Force maintains a trained, equipped, and ready force to meet Commander, NORAD's operational mission requirements for a 24 hours a day, 7 days a week, response.

QUESTIONS SUBMITTED BY MR. TURNER

Mr. TURNER. The burgeoning use of Unmanned Aerial Vehicles poses an increasingly realistic threat to national security. This threat could be reduced through detect and destroy technology which the Air Force is developing. The Air Force has the scientists who are specialists in sensor technology who are working the problem, and also has the research radars for testing. But the problem is that we don't have special use airspace to fly UAVs to take advantage of the people and equipment. What is the Air Force doing to secure the necessary special use airspace so that we can develop the critically needed UAS countermeasures utilizing our research equipment and scientific personnel?

Secretary DONLEY and General SCHWARTZ. Air Force supports establishment of Special Use Airspace (SUA) to allow for the development of counter-Unmanned Aerial Vehicles (UAV) technology test and evaluation. Current airspace constraints do not enable AF Research Lab to meet increasing demands for new Unmanned Aerial Systems (UAS)-related Research, Development, Testing and Evaluation (RDT&E) and operations. The Air Force has been working with the Federal Aviation Administration (FAA) to determine the safety challenges inherent in use of UAVs. We are in the process of completing a proposal to the FAA that we believe will allow the Air Force to move forward.

Mr. TURNER. The Air Force is currently the federal government's top energy consumer, requiring 2.5 billion gallons of fuel each year to power its operations. This heavy dependence on fossil fuels poses a significant risk to our national security. The Air Force's Energy Plan states that "Energy security is at the nexus of national, environmental, and economic security." One of your "End State" goals is to have aircraft "flying on alternative fuel blends if cost competitive, domestically produced, and have a lifecycle greenhouse gas footprint equal to or less than petroleum."

a. What investment in alternative fuels has the Air Force made to achieve these goals?

b. What progress has been made?

c. Does the Air Force still expect to meet half of the its aircraft jet fuel needs with alternative fuels by 2016?

Secretary DONLEY and General SCHWARTZ. a. Since 2007, the Air Force has invested over \$120M to certify aircraft and systems for unrestricted operational use of a 50/50 blend of synthetic fuel and traditional JP-8, where the synthetic component is produced via the Fischer-Tropsch process, and a 50/50 blend of hydroprocessed renewable jet fuel (HRJ) and traditional JP-8. At this point, sufficient funding is in place for the Air Force Certification Office to complete certification of both alternative fuel blends.

b. To date, the Air Force has certified over 99 percent of its fleet for unrestricted operations using the synthetic fuel blend. Final certification efforts are underway for the RQ-4, or Global Hawk, which is the only remaining Air Force-owned platform to be certified. The Air Force is working with the U.S. Navy to achieve certification for both the CV-22 and F-35, which are Joint programs.

The next step in diversifying aviation fuels was to begin certifying aircraft for operational use of a 50/50 HRJ blend. The Air Force, using lessons learned from the synthetic fuel certification initiative, is certifying the fleet using a pathfinder approach instead of testing each individual air frame. On 4 February 2011, the Air Force certified the C-17 for unrestricted operations using the 50/50 HRJ blend—the first Air Force platform certified on this blend. The entire HRJ fuel blend certification is expected to be completed by the end of 2012.

c. The Air Force's 2016 goal is to be prepared to purchase 50 percent of its domestic aviation fuel as alternative fuel blends; however, the Air Force will not be a producer of fuel, but will use what the market cost competitively provides. Once the commercial market is ready, having the ability to use non-traditional aviation fuels will provide the Air Force with an improved energy security posture and increased protection from price fluctuations resulting from foreign oil sources. The Air Force is looking to private industry to develop alternative aviation fuels in commercial-scale quantities, and in a cost competitive and environmentally-friendly manner, so we can provide the best value for the taxpayer and our environment. If industry achieves these criteria, the Air Force is confident it can meet its goal.

Mr. TURNER. The Air Force has proposed to defer investments again in facilities restoration and modernization. At Wright Patterson Air Force base we have important research being conducted in the Air Force Institute of Technology (AFIT) laboratories that were built during the cold war and were only meant to be temporary. These dilapidated buildings support important graduate research in the areas of electromagnetic field theory and low observables, communications, radar and electromagnetic warfare programs.

a. Given the strategic value of the training conducted in AFIT's buildings, when does the Air Force plan to modernize the facilities?

b. With respect to the Air Force budget in general, why did the Air Force elect to take risk in the facility accounts and delay critical sustainment, restoration and modernization activities?

c. What is the long-term effect of a delay in funding this facility maintenance account?

Secretary DONLEY and General SCHWARTZ. a. The Air Force recognizes the importance of the training provided by the Air Force Institute of Technology (AFIT)—we have a military construction (MILCON) project entitled “AFIT Research Lab” programmed at \$18.3M to address the needs of that mission. With that said, as we worked within the current fiscal environment to build our budget requests, the Air Force made tough choices between many valid requirements. In our final FY2012 President's Budget (PB) submission, we were unable to include this project when balanced against the many other competing requirements. However, given its importance, we have maintained the project within our FY12–16 Future Years Defense Plan (FYDP) for future consideration.

b. The Facility Sustainment efficiency saves \$1.7B across the FYDP. The efficiency allows the Air Force to fund Facility Sustainment at 80 percent of the requirements identified by the Office of the Secretary of Defense Facility Sustainment Model without mission degradation. In fact, the Air Force MILCON and Operation & Maintenance (O&M) programs are funded at increased levels from the FY11 PB. The MILCON program is \$3.0B greater across the FYDP and \$1.8B higher in the near years (12, 13 & 14) over the FY11 PB position. The FY12 MILCON program hits the highest priorities—as analyzed through the lens of efficiencies and “tail to tooth”—only the most critical aspects of our program are funded. Similarly, the Air Force had a net increased investment of \$160M in FY12 from FY11 in active infrastructure O&M accounts to ensure our most critical requirements are met. We continued our focused investments in dorms and energy reduction initiatives and initiated focused investments in airfield pavement repair. Additionally, the Air Force in-

creased investment in demolition and consolidation initiatives to “shrink from within” and reduce future O&M requirements.

c. The Air Force will implement the Facility Sustainment efficiency by leveraging sustainable facility design, demolishing excess infrastructure, sourcing strategically, enforcing common standards, and employing smarter support practices. The Air Force facilities and infrastructure programs include Facility Operations, Sustainment, Restoration and Modernization and MILCON. These programs have interdependent relationships where a funding reduction in one account typically has ramifications across the others. In this case however, because the reductions are driven by efficiencies, with defined implementation plans, we believe the reductions to the Facility Sustainment account will have minimal impact on other programs over the long term.

QUESTIONS SUBMITTED BY MR. KISSELL

Mr. KISSELL. How well is the Air Force balancing shifting mission expectations, training facility and installation capabilities against reductions in budget?

Secretary DONLEY. Over the past decade the Air Force has substantially reshaped itself to meet the immediate needs of today’s conflicts and position itself for the future. While we have grown in some critical areas it has been at the expense of others. We’ve added intelligence, surveillance and reconnaissance capacity with 328 remotely piloted aircraft and over 6,000 airmen to collect, process, exploit and disseminate intelligence. We’ve added over 17 aircraft and nearly 2,400 airmen to bolster Special Operations capacity so necessary in counter insurgency.

We’ve added over 160 F-22s and 120 C-17s to our inventory and funded over 30 satellites and added 2,200 airmen for critical nuclear and cyber operations and acquisition support. In the same period, however, we retired over 1,500 legacy aircraft. We’ve cancelled or truncated procurement of major acquisition programs, shed manpower in career fields less critical to the fight and deferred much-needed military construction in order to balance these capabilities within the resources available.

In all, during the past seven years the size of the active duty Air Force has been reduced from 359,000 in 2004 to approximately 333,000 today and the Air Force’s baseline budget, when adjusted for inflation and setting aside the annual wartime supplemental appropriations, has remained flat. Looking ahead, we face a multiyear effort to recapitalize our aging tanker, fighter, bomber and missile forces, to continue modernizing critical satellite constellations, meet dynamic requirements in the cyber domain and replace aging airframes for pilot training and presidential support. We continue to recognize the requirement for fiscal restraint and are committed to remaining good stewards of every taxpayer dollar, improving management and oversight at every opportunity.

The FY12 budget request incorporates over \$33 billion in efficiencies across the Future Years Defense Plan which will be shifted to higher priority combat capability by reducing overhead costs, improving business practices and eliminating excess, troubled or lower priority programs.

By consolidating organizational structures, improving processes in acquisition and procurement, logistics support and streamlining operations, we have been able to increase investment in core functions such as global precision attack, integrated intelligence, surveillance and reconnaissance, space and air superiority. We are reducing risk by adding “tooth” through savings in “tail.” We are fully committed to implementing these planned efficiencies and have already assigned responsibilities to senior officials and put in place the management structure to oversee this work and track progress on a regular basis.

Mr. KISSELL. What lower priority initiatives (for example) Silver Flag Site, are being impacted by shifting budget thresholds?

Secretary DONLEY. The Air Force is committed to reducing excess overhead and support activities, to ensure sufficient funding for force structure and modernization. We are taking on the President’s challenge to reduce the deficit by eliminating waste, improving efficiencies and effectiveness through a comprehensive review of our mission capabilities and roles in a changing world environment. Some of these lower priority initiatives include programmatic adjustments to reduce Air Force management infrastructure, and reducing some low priority installation services and headquarters programs. Many other initiatives are identified in the budget documents provided to the Committee. The Air Force, through its normal budgeting process, will continue to identify cost savings and additional efficiencies in future budgets in order to meet mission needs. In reference to the Silver Flag Site, the decision to not beddown a fourth site was not based on shifting budget thresholds. It

was based on being able to fulfill the training requirements at the already existing Silver Flag sites so that the fourth site was no longer required.

Mr. KISSELL. What readiness areas are being impacted that simply did not make the report language; has a low visibility but high Airmen impact?

Secretary DONLEY. Lower visibility issues with high impacts to readiness include stressed career fields and reduced dwell times for high demand skills.

The Air Force has identified six officer specialties and sixteen enlisted specialties as “stressed”, in terms of deploy-to-dwell time. Stressed officer specialties include Control and Recovery (13D), Airfield Operations (13M), Intelligence (14N), Public Affairs (35P), Contracting (64P), and Civil Engineer (32E). Stressed enlisted specialties include Airborne Cryptologic Language Analysts/Airborne ISR Operators (1A8), Tactical Air Control Party (1C4), Structural (3E3), Explosive Ordnance Disposal (3E8), Contracting (6C0), Command Post (1C3), Geospatial Intel 1N1, Network Intel (1N4), Combat Control (1C2), Pararescue (1T2), Pavement/Construction Equipment (3E2), Operations Intel (1N0), Special Ops Weather (1W0), Utilities Systems (3E4), Engineering (3E5), and Security Forces (3P0). The high OPSTEMPO in these career fields has resulted in reduced dwell times that have diminished readiness for full spectrum operations due to missed training opportunities.

Finally, the Air Force may have to reduce the Combat Air Force sponsored GREEN FLAG/RED FLAG exercises as we balance meeting the warfighter’s needs in a fiscally constrained environment.

Mr. KISSELL. With the availability of numerous advanced engines and the JSF now 4 years behind in engine development, when will the engine be ready for full deployment?

Secretary DONLEY. The F135 is in full deployment. Both Pratt & Whitney engine variants have achieved Initial Service Release (ISR) (Conventional Take-Off and Landing/Carrier Variant (CTOL/CV) in Feb 2010 and Short Take Off and Vertical Landing (STOVL) in Dec 2010) and production representative engines have been delivered to the government, installed in production aircraft, and flown in the case of the CTOL (AF-6 in Feb 2011).

Mr. KISSELL. With the increased use of older air platforms, are we allocating enough funding for training and is the Air Force providing enough training opportunities to maintain a robust personnel capability in support of these platforms? Additionally, how does the continued use of older platforms impact the readiness of the Air National Guard and Reserve forces?

Secretary DONLEY. Until the Air Force modernizes aging air and space inventories, legacy platforms will continue to provide significant contributions in our Active Duty, Reserve and Air National Guard forces. The current fiscal environment, ongoing combat operations, and delays in standing up new weapon systems have stressed our ability to maintain our aircraft and train our aircrew. Despite these challenges, the Air Force continues to meet standard training requirements for our legacy platform operators and maintenance personnel.

The Air Force is currently able to sustain our legacy aircraft and manage associated risk to balance total force needs in today’s high-tempo operational environment. Although the Reserve and Air National Guard components have legacy platforms, the Air Force budgets to meet warfighters’ requirements by investing in improvements, such as service life extension programs and capability upgrades, to ensure the Air National Guard and Reserve have a viable combat force. While reductions in worldwide deployments are expected to improve recent declining readiness levels, the increased resources that are needed to maintain legacy platforms will continue to challenge Air Force efforts.

QUESTIONS SUBMITTED BY MR. FRANKS

Mr. FRANKS. Mr. Secretary, on the same date which the Air Force announced its F-35 Basing Plan Preferred Alternatives—which included Luke AFB as the Active Duty Training site, the Department proposed other force structure adjustments. One of these was moving two Luke F-16 training squadrons to Holloman AFB because of F-22 consolidation. What is the basis to move two (of four) critically needed F-16’s squadrons from Luke given its Active Duty F-16 training mission, while it awaits confirmation of a future F-35 Active Duty Training mission starting in 2015; and what are the associated additional costs? What would be the annual net through-put of F-16 pilots trained be if the F-16’s remained at Luke vs. splitting these assets between Luke AFB and Holloman? Won’t there be an actual reduction in the number of pilots we can train given this division of the F-16’s between the two locations—a clearly inefficient configuration? Luke currently operates two models of F-16’s for training. What is the concurrent impact on training tempo and cur-

riculum at Luke given the movement of either model aircraft to Holloman? Which model F-16 is under consideration for transfer? What is the net personnel impact to Luke if the Air Force proceeds with the transfer of half of its F-16 training assets as announced and what is the net impact to Holloman's total manning if the F-16's remain at Luke, given the recent addition of the RPA mission the status of F-22 manning at Holloman prior to the July announcement?

Secretary DONLEY. The Air Force long-term vision is to make Holloman Air Force Base our primary F-16 formal training unit, and the decision was made to move two squadrons of our more advanced Block 42 aircraft to Holloman. At the time the decision was made, F-35 deliveries to Luke were expected to start in 2013 and training was to start within the year. As F-35 programmatic changes occur, the Air Force will continue to evaluate the best timing for the transfer. The current cost estimate for the move is \$100M. During the move itself, the Air Force loses the ability to produce 32 new F-16 pilots (16 pilots in FY12 and 16 pilots in FY13). Once the move is complete in FY14, the net loss of training will be marginal. After the move, the F-16 squadrons will be able to train the same number of initial F-16 pilots, however there will be a marginal reduction in capacity for transition and/or instructor upgrade courses. Luke will retain one Block 42 squadron and one Block 25 squadron for the foreseeable future. The net effect is approximately 52 percent of Luke's current F-16 training will be transferred to Holloman by the end of FY13. Finally, regarding manning impacts at Luke and Holloman, Luke would transfer to Holloman 432 billets in FY12 and 556 billets in FY13. If the F-16s were to remain at Luke, Holloman would gain 153 billets in FY12 from Remotely Piloted Aircraft growth with a manpower total of 4,694 positions, and they would lose 463 positions in FY13 due to the drawdown of the 7th Fighter Squadron (F-22s).

Mr. FRANKS. Mr. Secretary, the Air Force Fiscal Year 2012 RDT&E Budget Request includes \$15.9M for the completion of concept development activities and initiation of the Technology Development phase for the T-X Advanced Trainer Replacement Program, a family of fully integrated systems that will modernize how effectively and efficiently we train Air Force pilots. Given the significance of this major acquisition effort in the coming years, how does the Air Force plan to meet a 2017 Initial Operational Capability (IOC) for the T-X, and given budget constraints, how do you intend to prioritize and demonstrate life cycle costs within this program?

Secretary DONLEY. The Air Force plans to meet a 2017 initial operational capability date for the T-X by pursuing an acquisition strategy that minimizes schedule risk. Specifically, the Air Force is giving primary consideration to existing, non-developmental advanced trainer aircraft. The Air Force is developing a 30-year life cycle cost estimate in accordance with Department of Defense and Service guidelines. This estimate will project life cycle costs for a variety of alternative courses of action, including service life extension of the current aircraft as well as non-developmental and developmental solutions.

QUESTION SUBMITTED BY MRS. CASTOR

Mrs. CASTOR. I represent MacDill AFB, home of the 6th Air Mobility Wing (6AMW). There we also operate the KC-135. As you know it has been serving with the USAF since 1957, it is one of just six military fixed wing aircraft with over 50 years of continuous service with its original operator. I don't have to tell you Mr. Secretary and General Schwartz, that we need new ones. I'm hearing we are scheduled to hear an award announcement soon. My question is what are we going to do if we have another protest of the award? How long can we expect the process to continue?

General SCHWARTZ. The KC-X contract was awarded to Boeing on February 24, 2011. The tanker is designated the KC-46A. On March 4, 2011, EADS-NA announced at the National Press Club that they would not protest the award.

QUESTION SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. In January, the Secretary of Defense announced a reduction of 124 F-35s over the FYDP. He further stated that the savings from this reduction would be used to fund \$4.6 billion to extend the development period and add additional flight tests; as well as using \$4 billion for additional purposes, such as purchasing more F/A-18s for the Navy. How does this decision impact you? Would any of the \$4 billion being used for additional purposes be used to support Air Force requirements?

General SCHWARTZ. The impact on the program is positive in nature. The resources applied to the development program add realism and prudent reserve, to ab-

sorb expected further learning and discovery. The difference between the decrease in the procurement account and the increase in the Research Development Test & Evaluation account cannot be traced precisely by the Air Force to any particular Service or program. The Department used these funds in the areas of greatest need across all Services and programs.

While resources cannot be directly attributed to any program, the Air Force places a high priority on the F-16 Service Life Extension Program (SLEP) program. The program will ensure sufficient fighter strength in the years to come in lieu of the previously expected F-35 fleet.

QUESTION SUBMITTED BY MS. SUTTON

Ms. SUTTON. One issue I believe has significant relevance to discussions of cost reduction and readiness is the concept of corrosion prevention and mitigation. A key component of modernizing our infrastructure, preserving our military assets, and saving money in the process is adopting a robust corrosion prevention and mitigation strategy. As you know, the DoD Office of Corrosion Policy and Oversight plays an important role in this process, and each of the services faces a unique set of issues with respect to the maintenance of their assets. For the FY2011 Defense Authorization bill, this committee's report discussed the issue of corrosion and how it impacts the Air Force. The report cited the grounding of the F-22 Raptor fleet due to corrosion on ejection seat rods due to poorly designed drainage in the cockpit. With respect to the Air Force, what potential issues do you face with corrosion? Are there any specific Air Force programs or assets currently experiencing these issues? How can this committee best support DoD efforts to tackle these problem and do you believe sufficient funding and resources have been devoted to address these issues?

Secretary DONLEY. In order to perform its mission, the Air Force must train and fight in all environments including many of the most austere and corrosively aggressive on the planet and in space. In the broadest sense, designing, employing and sustaining weapons systems, equipment and infrastructure able to not only perform our unique mission but also endure these harsh conditions at an economical cost remains our most significant challenge related to corrosion. Operating in these conditions makes our weapons systems and equipment susceptible to corrosion. All aircraft experience some form of corrosion during their life cycle. The Air Force attempts to mitigate the effects of corrosion by inspecting and repairing corrosion during Program Depot Maintenance, phase, and isochronal inspections.

Additionally, the Air Force mitigates corrosion by periodically rotating aircraft out of highly corrosive environments and by performing clear water rinses at various intervals depending on the aircraft's proximity to salt water as directed by Air Force Technical Orders. The Air Force closely monitors aircraft specific corrosion issues from initial discovery until a repair is designed and completed. For example, there are currently fifteen F-16s that are restricted from carrying wing tanks due to wing pylon rib corrosion; inspection procedures are in place to closely monitor the remainder of the fleet. Furthermore, we worked closely with industry to develop an F-16 wing pylon repair, saving millions of dollars. On the F-22, we continue to mitigate corrosion concerns by working with industry partners to develop new materials not as susceptible to corrosion. We also research, develop, and field aircraft modifications to restore known problem areas to serviceable conditions and apply treatments to reduce risk in the future. Our C-130 fleet is replacing the Center Wing Box due to corrosion and there are several components on the C-5, C-130, and KC-135 that are being replaced during Program Depot Maintenance. To repair, control and mitigate the effects of corrosion on our critical assets is both a sustainment and a design issue. The Air Force sustainment effort centers around the rigorous process of inspection, prevention, treatment, repair and modification identified above. Additionally, with respect to design, we have initiated a comprehensive revitalization of our systems engineering processes to instill discipline and improve processes to help our design engineers take a total life cycle, total systems approach to planning, development and implementation of systems to meet warfighting capability requirements.

Congress can best support the Air Force's efforts by continuing to support the Department's strategic planning efforts to influence acquisition design and development to incorporate corrosion resistant technology and materials as a key consideration during acquisition of all new aircraft, weapons systems and equipment as well modification of existing Air Force assets. We do have sufficient funding and resources to devote toward addressing these issues. Our ongoing DoD-wide efficiency initiatives are reducing costs and enabling us to invest in newer technologies to combat the effects of corrosion and improve our readiness.

QUESTIONS SUBMITTED BY MR. LAMBORN

Mr. LAMBORN. Why is the Air Force continuing with its insourcing policies while the Army stopped? What direction did DoD give to the Air Force concerning this issue?

Secretary DONLEY. It is our understanding that the Army did not stop in-sourcing but raised the approval level to the Secretary of the Army. In-sourcing can be an effective tool in re-balancing the workforce, and the Air Force continues to comply with applicable statutory and policy guidance in using this tool.

Title 10 United States Code, Section 2463 requires Department of Defense (DoD) to ensure consideration is given to DoD civilians to perform duties currently performed by contractors.

The Air Force is committed to complying with the statutory requirement of 10 USC 2463. Given the Secretary's direction to hold to FY10 civilian funding levels, any future civilian increases as a result of in-sourcing in most instances will have to be offset through realignment of existing civilian end strength, although the exceptions may be made for critical functions and needs such as the acquisition or cyber workforce.

Mr. LAMBORN. With all the near-term position and personnel cuts and freezes (both contractors and defense), are they all synchronized so that we don't have a gap in covering the mission and services?

Secretary DONLEY. The Air Force is conducting a senior-level strategic review to effectively position our civilian workforce to accomplish essential joint/Air Force mission areas. This group is also assessing trade-offs to balance risk to include reevaluating our in-sourcing plans as we rebalance the workforce within authorized end strength levels. We will work with Congress in FY2012 to inform more refined decisions in the Air Force's FY2013 President's Budget submission.

QUESTION SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. Admiral Mullen spoke of the extensive high operational tempo of both the Navy and Air Force over the past ten years of sustained combat in Iraq & Afghanistan; do you feel that the Air Force has an adequate budget to carry on enduring missions while balancing critical life cycle maintenance programs? How has the past ten years affected the service life of your force? Do you have a budget that allows for sustained life cycle management and operation and maintenance cost for new acquisition?

General SCHWARTZ. Yes, with requested Overseas Contingency Operation (OCO) funding, the Air Force sustainment budget is adequate. Currently, the Air Force is developing a plan to realign OCO to baseline funding and ensure maintenance programs are sufficient for enduring missions. Despite an aging fleet and extensive use in contingency operations, less than 0.5 percent (1 percent last year) of aircraft are grounded and fewer than 1.7 percent (5 percent last year) are flying with operational restrictions. Over the past ten years, service life has been preserved by funding structural improvements and Service Life Extension Programs. The FY12 budget submission adequately funds sustainment of newly fielded weapon systems.

QUESTIONS SUBMITTED BY MR. COFFMAN

Mr. COFFMAN. I understand that personnel retention has not been problematic for the US Air Force. In fact, personnel retention in the Air Force is actually higher than projected, therefore complicating achieving ultimate end strength goals. Given the retention rate in the Air Force, how would you characterize the performance and practicality of the all-volunteer force?

Secretary DONLEY. By all accounts, the all-volunteer force continues to provide world-class Airmen while meeting our Combatant Commanders' needs. In an all-volunteer environment, recruiting has continued to be successful with all quality indicators either remaining the same or improving over the last five years. The Air Force has continued to meet its quality objectives and recruiting goals since 2002. To our advantage is a professional and dedicated staff of recruiters along with a motivated, bright, and eligible youth population. In addition, military pay remains high as compared to private sector earnings for high school graduates. An Oct 06 Congressional Budget Office study on recruiting and retention states the combination of better educated Airmen and Airmen who score high on aptitude tests make them more likely to complete their initial training and remain in the service beyond their first term of enlistment. Generally, the all-volunteer force is less expensive to train since they stay longer and become more effective and experienced performers.

However, there are still challenges to our Air Force to maintain our recruiting and retention success. We anticipate that the current environment will become more challenging as the economy improves. We also believe that maintaining steady recruiting resource levels will be critical to our future efforts if we are to be successful in achieving our longer term goals. Although the Air Force is currently experiencing high retention, there are some significant shortages in some skill sets which highlight the need for continued enlistment and retention bonuses in these critical occupations.

The Air Force has been engaged in a multi-year effort to reduce excess military end strength and associated costs through voluntary and involuntary measures. Without action, the Air Force projects we would have exceeded FY12 end strength of 332.8K by approximately 7K Airmen. This is especially burdensome considering the real cost of an Airman increased 26 percent from \$76K in FY01 to \$96K in FY12 (normalized to FY12 dollars). This equates to an approximately \$5B increase in the Military Personnel Account from FY01 to FY12 (normalized to FY12 dollars and not including health care costs). Therefore, it is absolutely essential for the Air Force to continue its efforts to maintain the force at its funded end strength.

Mr. COFFMAN. For the F-35 basing issue, what data was used to determine the airspace and other factors that made up the "objective criteria" by which prospective basing locations were evaluated? Who provided the data for the criteria? Were units evaluated for possible F-35 basing briefed on their score and given an opportunity to respond? Was the airspace attributed to Buckley Air Force Base limited to the state, or was the airspace of nearby states considered as well? What weight did unit quality have on the grading? Why were bases without runways (such as Cheyenne Mountain Air Force Station) scored and how did they score better on airspace than bases currently conducting the air sovereignty mission? Finally, how much infrastructure will need to be constructed at the selected bases and has this factor been weighed against existing operational facilities?

Secretary DONLEY. The criteria applied to the enterprise of Air Force installations for basing F-35A operational and training missions were designed to evaluate an installation's ability to support specific mission requirements. Data such as pilot qualification syllabus training events, recurring readiness requirements for combat coded units, logistics support infrastructure, existing operational facilities, base operating support, and environmental considerations were all dimensions of criteria development. Unit quality was not a specific criterion.

Applying the criteria in an enterprise-wide look was accomplished through mining authoritative data sources coupled with Major Command and installation data calls. Real property and civil engineering databases were the sources for a majority of the physical infrastructure data. Mission-specific data (airspace, weather) was sourced from the Federal Aviation Administration, National Geospatial-Intelligence Agency, Department of Homeland Security, United States Census data, and the Air Force Weather Agency. Data layers were imported into a geographic information system (GIS) for analysis as required. The airspace for all installations, including Buckley Air Force Base, was evaluated through GIS geospatial referencing. No state boundaries were considered in this analysis and all airspace within 120 nautical miles for training locations and 200 nautical miles for operational locations was scored. The score for an airspace complex can be expressed through the following formula:

airspace attributes \times airspace capacity \times distance to the installation = total score

Scores for individual installations in their Congressional district are available to the delegation upon request.

Installations without runways were also scored in the interest of a thorough, transparent analysis. If an installation scored well in the enterprise-wide look based on distance to appropriately configured and sized airspace, subsequent analysis and military judgment would be required to determine whether there could be future military and fiscal value in constructing a runway at that location. For the recent round of F-35A basing, none of these installations were considered as candidates or preferred or reasonable alternatives for the required basing actions.

Infrastructure requirements vary by base. During the Strategic Basing process, site surveys are conducted to determine facility and other infrastructure requirements. Use of existing facilities is the preferred option. In the event existing facilities are unavailable, new construction would be required.

Mr. COFFMAN. There are thousands of Air Force personnel stationed on the Korean Peninsula, including units of the 7th Air Force. Recently there have been initiatives to increase the number of families allowed to accompany their deployed service members in South Korea. Accordingly, new infrastructure, housing, and support facilities must be built to accommodate these families. What is the cost incurred by the increase of accompanied tours to the Korean peninsula by Air Force

personnel and how much—if any—of this cost is being borne by the Republic of Korea?

General SCHWARTZ. In accordance with Department of Defense (DoD) policy, Air Force has recently increased the opportunity for service members to bring their families to the Republic of Korea. By the end of 2010, Osan Air Base had increased the number of families to 632, including more than 100 Army families. This was done by using existing capacity on base for support and off-base rentals for housing. In their report released on 15 Apr 2011, DoD Cost Assessment and Program Evaluation identified the marginal cost of families in Korea. Extrapolated for current Overseas Housing Allowance (OHA) rates, a family in Korea costs \$83k/yr and the cost for an unaccompanied soldier in Korea with his family collecting housing allowance in the continental United States (CONUS) as \$55k/yr. If we apply these generalizations across the 700 accompanied USAF service members in Korea (including Seoul and other locations), the marginal cost is ~\$2M/yr. This includes PCS costs (transportation), moving costs, training, tuition and the difference between OHA and CONUS housing allowance. No additional funds were expended for facilities. There are 695 Air Force families in Korea, including those supported in and around Seoul. We are currently developing plans to further increase the opportunity for accompanied tours, but no funds have yet been programmed for this. There are currently no plans for Republic of Korea to contribute to the cost of accompanied tours. The cost to the U.S. Government will depend on several policy decisions and financial arrangements with local developers, but will be a combination of construction costs for new schools, housing and other support facilities, maintenance of those facilities, and the cost of moving families to and from Korea and supporting them there. The Office of the Secretary of Defense is currently gathering data from the Services and will prepare a report and recommendation to the Secretary of Defense not later than 31 March.

QUESTION SUBMITTED BY MR. RUNYAN

Mr. RUNYAN. I am very proud to represent New Jersey's Third District, home to Joint Base McGuire-Dix-Lakehurst. As you are aware, the Joint Base is an Air Mobility Center of Excellence extending total force global air mobility through the movement of troops and cargo. Over the past 10 years, air mobility studies have lowered the number of aircraft for the airlift capacity requirement even as world situations are becoming more complex and we go into more hostile environments. General Schwarz: Has the requirement for the number of mobility aircraft been lowered because we have less equipment, people, and missions or because this number is all that the Air Force can "afford" to provide?

General SCHWARTZ. The current Million Ton Miles Per Day (MTM/D) requirement is based on the Mobility Capabilities and Requirements Study 2016 (MCRS-16), conducted by the Office of the Secretary of Defense, Cost Assessment and Program Evaluation, and United States Transportation Command, and utilizes current OSD approved wartime planning scenarios for 2016. The previous Mobility Capabilities Study 2005 requirement was based on OSD wartime scenarios considered valid in the 2005 timeframe.

QUESTIONS SUBMITTED BY MR. GRIFFIN

Mr. GRIFFIN. Can you provide us with the details on the business case for the C-130 Avionics Modification Program (AMP)?

General SCHWARTZ. An official Business Case Analysis was not performed. However, the Nunn-McCurdy certification process was performed in two phases. The first phase assessed five alternatives for the Air Force C-130 fleet and determined the Air Force Avionics Modernization Program (AMP program) provides the most military capability at the lowest cost. The second phase identified an affordable, low-risk acquisition program for certification.

The first phase assessment identified five alternatives based on an extensive review of on-going and potential C-130 upgrades, as well as procurement of new C-130J aircraft: 1) Global access and navigation safety upgrade; 2) Global access, navigation safety, and survivability upgrade; 3) Navy/Marine Corps AMP program; 4) Air Force AMP program; and 5) Replacement with C-130J aircraft.

Additionally the alternatives were evaluated against four criteria: 1) Performance measured against Joint Requirements Oversight Council (JROC) validated capability gaps; 2) Number of aircraft modified during the Future Years Defense Program; 3) Cost (acquisition and life cycle cost); and 4) Program risk.

Only alternatives 2 and 4 met the criteria for further evaluation. While the acquisition cost for alternatives 2 and 4 were nearly identical, alternative 4 provided greater military capability at a lower life cycle cost. Based on these results, the Air Force C-130 AMP provides military capability equal or greater than alternative programs and at less cost than those programs.

The second phase identified the subset of C-130 Mission Design Series (MDS) that best met Department of Defense affordability and acquisition risk goals. All C-130 MDS were evaluated using this assessment to identify the lowest risk alternative within the total acquisition cost. This alternative provides for upgrade of 222 aircraft, consisting of C-130H2, C-130H2.5 and C-130H3, and is the basis of the certified program. The Department recognizes this program covers only a portion of the JROC-validated capabilities deemed essential to National Security and has directed the Air Force to develop an investment strategy for the remaining 166 C-130 aircraft not included in the certified program.

Mr. GRIFFIN. Is it necessary that Congress pass an appropriations bill to ensure the funding for the C-130 AMP?

General SCHWARTZ. The C-130 Avionics Modification Program (AMP) program would have required either an appropriations bill to legally issue FY11 Aircraft Procurement Air Force (APAF) funds, or an exception clause in a Continuing Resolution authorizing the C-130 AMP program to expend APAF funds. The Air Force is grateful that the Congress passed H.R. 1473 to provide appropriations for the remainder of Fiscal Year 2011.

Mr. GRIFFIN. How many years of combat service will modernization add to the C-130 fleet?

General SCHWARTZ. The C-130 Avionics Modification Program (AMP) modernization does not directly add any years of combat service to the C-130 Fleet. C-130 AMP is primarily focused on capability enhancements to enable C-130 aircraft to operate well into the future in compliance with Federal Aviation Administration (FAA) and international airspace mandates. AMP will allow the modified C-130 aircraft unlimited access to United States airspace past 1 January 2020 when the FAA's NextGen airspace access mandates take effect in United States airspace. Similar international airspace mandates are anticipated. Although C-130 AMP does not extend the service life of the aircraft, select C-130s are receiving center wing box replacement modifications, extending expected flight hours from 38,000 hours to 67,500 hours.

QUESTIONS SUBMITTED BY MR. PALAZZO

Mr. PALAZZO. Remotely Piloted Aircraft have played a large role in our ongoing military operations in the Middle East and are now being used in a homeland security role. I believe it is extremely important that we continue to develop this technology and train new operators. What kind of partnership has the Air Force had with the FAA to facilitate continuing training and testing here in the U.S.? Do you see any specific problems with domestic access that you believe we must change to ensure we are able to fully utilize these tools?

Secretary DONLEY and General SCHWARTZ. The Air Force is working closely with the Federal Aviation Administration (FAA), Department of Homeland Security, National Aeronautics and Space Administration (NASA), Department of Commerce, state aviation authorities and academia to facilitate training and testing. The Air Force fully supports the language in the FAA Reauthorization Bill that calls for establishment of Unmanned Aircraft Systems (UAS) training sites and Centers of Excellence to move forward integration of UAS into the National Airspace System (NAS).

During the last 18 months, Air Force, FAA, US Army, Customs and Border Patrol and NASA worked together to develop an airspace access plan supporting beddown of MQ-1 Predators at Grand Forks Air Force Base, North Dakota. The Air Force also participated in two Certificate of Authorization (COA) Working Groups that identified 24 specific improvement areas. Those improvements will streamline the COA process and result in more timely access to the NAS. Finally, the Air Force, as a member of the interagency UAS Executive Committee, developed a Congressionally directed joint FAA and Department of Defense UAS NAS Access Plan. The plan established the roadmap for improving remote piloted aircraft (RPA) access to the NAS. The Air Force is in the initial planning stages to validate two of the access profiles, vertical and horizontal.

While much work is being done to improve RPA/UAS airspace access, the development of standards and procedures is hindered by the limited number of areas to test

and develop technical solutions. The Air Force will continue to work with the FAA to increase RPA test sites.

Mr. PALAZZO. On February 9th you offered some strong words to a group of defense contractors regarding industry making promises that they are not always able to keep. You were quoted as saying, "If industry makes a commitment you will have to deliver." We can all agree that the system is being abused and some contractors are no longer held to the same requirements that most businesses are. Do you have any specific plans about increasing the accountability of contractors?

General SCHWARTZ. The Air Force Acquisition Community strives to deliver warfighter requirements on cost and on schedule. For example, we are complying with the Office of the Secretary of Defense's guidance in being more deliberate with choosing contract type, like fixed-price and incentive structures, which better share the risk with our contractors and increase their accountability to the Air Force and our tax payers. Additionally, we continue to incorporate our Services Acquisition Post Award reviews (which assess contractor proposal promises to actual performance) to a broader population of service contracts.

Furthermore, part of holding our contractors accountable is increasing our understanding of our contractor performance across the enterprise. In October of 2010, by direction of the Secretary of the Air Force, the Air Force stood-up SAF/AQXL, the Air Force Industrial Liaison Office. Central to the mission of SAF/AQXL is improving the knowledge and insight of the Air Force as a consumer, and to provide Air Force senior leadership, program managers, contracting and other acquisition organizations with actionable business intelligence to improve the Air Force position as a consumer in the marketplace, increasing Air Force buying power. Increasing our understanding of our industrial counterparts enables our ability to incentivize corporate behavior in the manner most advantageous to the Air Force.

