[H.A.S.C. No. 112–104]

HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

FULL COMMITTEE HEARING

ON

BUDGET REQUEST FROM THE DEPARTMENT OF THE AIR FORCE

HEARING HELD
FEBRUARY 28, 2012

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HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, February 28, 2012.

The committee met, pursuant to call, at 10:04 a.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. The committee will come to order.

Good morning, ladies and gentlemen. Thank you for joining us today as we consider the President's fiscal year 2013 Budget Request for the Department of the Air Force.

Secretary Donley, General Schwartz, it is good to have you back again before the committee today, at least for us. I hope you enjoy your time here.

We are fortunate to have experienced leadership on our Air Force in this challenging period. We appreciate all that you do and we are truly grateful to have leaders like you in service to our Nation. When you took your respective positions, you probably didn't fully appreciate the leadership challenges that you would confront.

The Air Force has been engaged in combat operations supporting the Joint Forces for the past 20 years, beginning with the Gulf war in 1991 and continuing thereafter through enforcement of the Iraq no-fly zones; combat operations in the Balkans, Iraq, and Afghanistan; the related logistics support missions; and worldwide humanitarian support missions. And of course the Air Force has continued the 24/7, 365-day-a-year nuclear-deterrence mission.

Everyone should fully understand that our vital interests have not changed since last year. The threats to those interests have not decreased, and they are not likely to diminish over the next 5 years. What has changed is that the President directed at least $400 billion in cuts to our military, which were reflected in the Budget Control Act.

Despite the suggestion by some that the strategy evolved independent of the President's fiscal guidance, each of the military services is making force-structure and equipment-modernization recommendations to Congress based purely on the budget and not based on the world security environment.

For example, there are 54 aircrafts in the Air Force budget request. If procurement continues at this rate, and assuming an air-

craft lifespan of 25 years, the resulting force structure is 1,350 aircraft; one-quarter the size of the current force. I do not believe 1,350 total Air Force aircraft—bombers, fighters, airlifts, search-and-rescue, rotorcraft, and trainers—is in the national security interest of this country. And this is without the potential of sequestration.

Furthermore, the budget request does little to mitigate the consequences of aging force structure resulting from the procurement holiday of the 1990s. Operation and Maintenance accounts are not increasing to sustain and extend these aging platforms. Other budget-driven choices include the requested increase in TRICARE fees for retirees. Congress addressed this issue at length last year and enacted what I considered a reasonable approach for managing cost.

The Department's proposal would increase the fees by 96 percent to 345 percent over a 5-year period which, in my opinion, is unreasonable. With that said, I am pleased to see the priorities for strategic airlift, a new bomber, and an airborne tanker have been preserved. As well, the Air Force has deliberately elected to ensure the percentage of the Air Force's combat and mobility forces that are on Active Duty will increase after the implementation of the force structure changes.

This is appropriate from a risk perspective, but I believe it is important for the Air Force leadership to continue this public discussion to better ensure that Guard and Reserve personnel fully accept that they have received and will receive equitable and fair treatment in this transition process.

Thank you very much again for being here. Representative Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 57.]

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

Mr. SMITH. Thank you Mr. Chairman.

And I thank Secretary Donley and General Schwartz for being, once again, before this committee, and for their great leadership of the Air Force and their service to our country. It is terrific to have such able people in charge of such an important task. We appreciate you being here.

The Air Force has been critical to all of our missions in the recent past—in Iraq, in Afghanistan, in the Balkans, as the chairman mentioned—and also, you know, providing critical lift capacity for humanitarian response in Haiti and Japan and many other places. The strength of our Air Force is one of the great strengths of our national security and the strengths of our entire Nation, and we do appreciate that leadership.

This is a very challenging time, as the chairman mentioned. The needs are still great. We are still fighting in Afghanistan. We still face threats on a number of fronts and needs globally. At the same time, the budget picture is not good. We are running a significant deficit and we have challenges to figure out how to make that work within the budget. We have had that debate, and I am sure we will

continue to have the debate on the committee about whether or not strategy or budget should drive what we do in the national-security realm; and of course my position is both.

We are always, no matter what you are doing, constrained by the budget to a certain extent. And we would not pretend that nobody thought for a second about the budget when putting together the strategy. But I do think that the gentlemen before us and everyone over at the Pentagon and the White House did put together a strategy looking at our national security needs first to figure out what needs to be met, and then figuring out how to match that strategy to the budget constraints that we have. And I want to compliment both of these gentlemen for doing a great job of that—for, I think, realistically looking at our choices going forward.

I mean, the bottom line is, over the course of the last 10 years in the Air Force and elsewhere, we have started more projects than we could ever possibly have the money to finish; in part, because some of them have wound up costing far more than we thought they would. But that forces difficult choices, frankly, almost no matter the budget environment. I think those choices have been made wisely in the Air Force budget that has been put forth. And we have a good strategy and I think we have a budget to match it, but there will be challenges.

And I think this hearing is a perfectly appropriate form to have the gentlemen before us explain how they met some of those challenges; how they see some of the tougher aspects of it coming to pass over the course in the next several years. And I look forward to their comments. And, again, I thank them for their leadership in very, very difficult times. I look forward to the testimony, and I yield back.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith can be found in the Appendix on page 59.]

The CHAIRMAN. Thank you.

Mr. Secretary.

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

Secretary DONLEY. Thank you Mr. Chairman, Ranking Member Smith and Members of the committee.

It is a pleasure to be here representing more than 690,000 Active Duty Guard, Reserve, and civilian airmen. I am also honored to be here today with my teammate, who is now the dean of the Joint Chiefs of Staff, and one of our Nation's finest public servants, General "Norty" Schwartz.

For fiscal year 2013, the United States Air Force requests $110.1 billion in our baseline budget and $11.5 billion in the Overseas Contingency Operation supplemental appropriation to support our work.

This budget request represents the culmination of many hard decisions taken to align our fiscal year 2013 budget submission with the new strategic guidance, and with the cuts required by the Budget Control Act over the next 10 years. Finding the proper balance between force structure, readiness, and modernization is our guiding principle. In short, we determine that the Air Force's best

course of action is to trade size for quality. We will become smaller in order to protect a high-quality and ready force; one that will continue to modernize and grow more capable in the future.

The capabilities resident in the Air Force mission set are fundamental to the priorities outlined in the new strategic guidance. And in assessing how to adjust the Air Force programs and budgets in the future, we have taken care to protect the distinctive capabilities our Air Force brings to the table: Control of airspace and cyberspace, global intelligence, surveillance and reconnaissance, rapid global mobility, and global strike; all enabled by effective command and control.

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

This budget protects the Air Force's top priorities. We protect the size of the bomber force. We are ramping up our remotely piloted aircraft force to a goal of 65 combat air patrols, with the ability to surge to 85 CAPS [combat air patrols].

We protect our Special Operations Forces' capabilities; largely protect space programs and our cyber capabilities. But as we get smaller, it is not possible to protect everything. Our proposed force structure changes include the reduction of 286 aircraft over the Future Years Defense Plan, including 123 fighters, 133 mobility aircraft, and 30 ISR [intelligence, surveillance, and reconnaissance] platforms. Many of these changes correspond to adjustments in the overall size of the Armed Forces, especially the Army and the Marine Corps ground forces, which is the case for the proposed reduction in A–10s [Thunderbolt II close air support jets].

Our smaller force structure has also led us to favor divesting smaller niche fleets such as the C–27J [Spartan medium-sized airlifter], and emphasizing multirole capabilities that will provide operational flexibility across the spectrum of conflict, demonstrated by our C–130s [Hercules strategic airlifters] and by our choices in fighter-force structure, which include a smaller A–10 fleet and plans for F–16 [Fighting Falcon multirole jet fighter] service-life extension. We also emphasize common configurations which can be seen in the adjustments to the C–5 [Galaxy heavy intercontinental-range strategic airlifter] force structure and the C–17 [Globemaster III strategic airlifter] mobility fleets; and in ongoing efforts to seek common configuration within the F–22 [Raptor fifth-generation stealth fighter jet] and F–15C [Eagle tactical fighter jet] fleets.

Because force structure changes have a ripple effect on manpower, our budget proposals call for a reduction of 9,900 Air Force military personnel. By component, this amounts to reductions of 3,900 in Active Duty; 5,100 in Air National Guard; and 900 Air Reserve personnel. And the Chief and I are joined today by the Chief of the Air Force Reserve, Charlie Stenner, and the Director of the Air National Guard, Lieutenant General Bud Wyatt.

Fighter mobility and other force-structure changes have been strategy-driven, based on changed requirements. And consistent with that strategy, especially where Air National Guard units are affected, we have proposed to remission units where feasible.

We have carefully balanced our Active and Reserve Component changes to make sure that we can meet the demanding operational tempos, including both surge and rotational requirements that are part of the current and projected strategic environment. As our force gets smaller, all of our components gets smaller together, and will become even more closely integrated.

We remain fully committed to our total force capability, and have proposed several initiatives to strengthen integration of effort, including increasing the number of Active Reserve Component associations from 100 to 115.

Our intention is to protect readiness at any force level; because if we are going to be smaller, we have to be prepared. To that end, we put funds in critical areas such as flying hours and weapon system sustainment.

We also support the Air National Guard readiness reset, which balances manpower across the States from lower-demand units to new high-demand intelligence, surveillance, and reconnaissance missions, and increases readiness in 39 units. We are committed to ensuring that our military forces do not go hollow. And readiness bears close watching as we move forward.

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

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

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

Among the programs slated for termination are the Global Hawk RQ4 [surveillance unmanned aerial vehicle] Block 30 Aircraft because, among other reasons, we could not justify the cost to improve the Block 30 sensors to achieve capability that already exists in the U–2 ["Dragon Lady" high-altitude reconnaissance aircraft]. We also terminated the Defense Weather Satellite System, a termination initiated by Congress, but one that we can accept for now because the program is early to need.

As noted earlier, we decided to divest the C–27J, but we have a good alternative to this aircraft with the multirole C–130, which has demonstrated its ability to provide the direct support mission in Iraq and Afghanistan. And we remain committed to providing this support to the Army. In other cases, we eliminated programs that were judged to be nonessential in the current budget environment such as the light mobility aircraft and the light attack and armed reconnaissance aircraft.

Through a more disciplined use of resources, our Air Force continues to ring savings out of overhead; to squeeze discretionary spending; and find more efficient ways of doing business. In fiscal year 2012, we committed to $33.3 billion in efficiencies across the FYDP. In this year's budget, we have identified about $3.4 billion in additional efficiencies and another $3.2 billion in programmatic adjustments to add on top of that $33.3 billion.

In keeping with our enduring obligation to take care of our people, we will keep faith with airmen and their families. Doing right by our service members is key to our ability to recruit and retain a high-quality force.

Nevertheless, the impact of increasing personnel costs continues to be a serious concern. Therefore, we support the military-compensation program reforms in the President's Budget which include a modest pay raise, proposals to control health-care costs and calls for a commission to recommend reforms in retired pay. We must continue to seek and develop reforms to ensure the long-term sustainability of the benefits our men and women in uniform have earned.

Identifying $487 billion in defense cuts to comply with the current requirements of the Budget Control Act has been difficult. Our Air Force will get smaller, but we are confident that we can build and sustain a quality force that is ready for the contingencies ahead, and that will improve in capability over time. However, further cuts through sequestration or other means will put at risk our ability to execute the new strategy.

To get this far, we have made tough decisions to align structure and balance our forces in a way that can meet the new strategic guidance. If substantially more reductions are imposed on DOD [Department of Defense], we will have to revisit the new strategy. We cannot afford the risk of a hollow force.

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

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

Thank you, sir.

[The joint prepared statement of Secretary Donley and General Schwartz can be found in the Appendix on page 60.]

The CHAIRMAN. Thank you, Mr. Secretary.

General.

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

General SCHWARTZ. Thank you Mr. Secretary and Mr. Chairman, Congressman Smith, and Members of the committee.

I am privileged to be here today with Secretary Donley, representing the men and women of the United States Air Force.

When we appeared before you last year to discuss our budget request, America's airmen were serving in Iraq and Afghanistan alongside their joint and coalition teammates. Little did anyone know at that time that we were on the verge of surging into two additional theaters of operation ranging more than 5,500 miles apart; engaging in operations spanning the entire spectrum of activities.

But when multiple disasters struck in Japan on March 11th, and when the United Nations Security Council passed Resolution 1973 6 days later, the men and women of the United States Air Force and the Armed Forces were ready to respond; and respond they did.

The ability to address the concurrent surge requirements while we remained fully engaged on two fronts in the United States Central Command area of responsibility was most assuredly not trivial. Such a capability and the capacity to address potential similar scenarios remains important to our success in the future security environment.

But in light of our fiscal circumstances both presently and for the foreseeable future, helping to ensure America's success in these and other contingencies requires carefully tailored preparedness of our Air Force and the Armed Forces.

The budget request we have forwarded to you, fully appreciating the Department's role in helping to stabilize the Nation's extraordinary fiscal condition, supports our airmen in our continuing efforts to structure the Force for maximum versatility with minimum risk across the range of operations.

So using our very own version of March Madness last year, as an example, this spectrum includes humanitarian relief operations in places like Japan, where more than 13,000 personnel were called to action to increase much needed airfield capacity; to conduct search-and-rescue operations; to provide airborne wide-angle views of the devastation for overall situation awareness; and to provide rapid and tailored airlift capability delivering some 5 million pounds of cargo. The operational continuum also includes airpower-intensive combat operations such as Libya, where airmen surged to contribute more than 65 percent of all coalition sorties; notably, 99 percent of the lift, 79 percent of the in-flight refueling, 50 percent of the airborne reconnaissance, and 40 percent of the strike missions.

And our Nation's full spectrum requirements that rely on Air Force capabilities include everything else from counterinsurgency to counterterrorism; to our regular operations; to safe and reliable operation and maintenance and security of two of the Nation's three legs of the strategic deterrent.

In all of these mission areas, our airmen are committed to the task of leveraging air-and-space power with all of its inherent versatility, tailor-ability and rapidity. Ultimately, Air Force capabilities present to the President and the national leadership a range of strategic options to meet priorities of the new defense strategic guidance such as projecting power in anti-access and area-denial environments; preventing the spread of weapons of mass destruction; conducting space and cyber operations; and maintaining the preponderance of the Nation's nuclear deterrent.

The wide array of Air Force capabilities which will remain vital to our Nation's diplomatic, economic, and military interests fall into four general categories—air and-space control; global intelligence, surveillance, and reconnaissance; rapid global mobility; and global strike.

As part of the defense strategic guidance, we are structuring our force to be more agile and responsive even as we accept some risk with the smaller force.

While still maintaining quality, we will divest nearly 230 fighter, mobility, and ISR aircraft in fiscal 2013 toward a total of 286 aircraft retirements over the program period. We project that these targeted divestitures will save some $8.7 billion.

And when applied to our modernization strategy, as Secretary Donley discussed, as well as to all important operations and maintenance sustainment accounts, our guiding principles in these careful and responsible reductions were to favor multirole systems over those with more niche capabilities so that we could maximize versatility; and to retire entire aircraft types where possible, that we could potentially eliminate the entire support infrastructure, thereby, achieving greater efficiency.

But where retirement of entire fleets was not feasible, we evaluated options for eliminating aircraft that were the least capable or the most expensive to operate.

For the assets that we will retain—that is 54 combat-coded fighter squadrons, 275 airlifters, 453 tankers, and a robust mix of remotely piloted, U–2, E–3 [Sentry airborne warning and control system (AWACS) aircraft], EA, and other ISR systems—we are emphasizing common configurations for fewer support-and-sustainment requirements. And therefore, we would be positioned to achieve greater efficiency in delivering the core capabilities I addressed earlier.

The defense strategic guidance articulates our plan to execute a $487 billion defense-spending reduction over 10 years. And although we have no illusion—no illusion at all—about the road ahead being easy, we have confidence in our ability to manage this tight fiscal circumstance.

I must echo, however, Secretary Donley's concern that across-the-board cuts driven by sequestration would dramatically change the complexion of our thoroughly deliberated defense strategy.

We would effectively be sent back to the drawing board because indiscriminate salami-slicing of the budget would nullify the carefully considered and responsible reductions that preserve our readiness, our effectiveness; notwithstanding the fiscal constraints in a smaller force.

The comprehensive nature of our fiscal year 2013 budget request includes a holistic interstate approach to Air National Guard and Air Force Reserve force structure. From both an operational-effectiveness and fiscal-responsibility perspective, we prefer this strategy over a more piecemeal State-by-State approach.

Our proposed efforts will correct several manpower disconnects, rebalance forces, and improve sortie generation and aircraft utilization rates, thereby improving the total forces' readiness and responsiveness across the spectrum of operation.

It allows us to better resource our high-priority requirements such as ISR; distributed and mission training; and domestic and homeland defense operations.

On our manpower side, our program total-force realignment on the order of 10,000 Active Guard and Reserve airmen will bring the total force end strength down to 501,000 by the end of fiscal year 2013. And we hold no illusions that these personnel reductions affecting all 54 States and U.S. territories will be easy. Taken comprehensively, however, this recalibration will robust nearly 40 units across the Air National Guard and, thus, enhance overall total force readiness.

Clearly, the Air Force's vitality and effectiveness is dependent on the strength of the total force, and therefore the leadership of both the Active and the Reserve Components work closely together in all deliberations and decisions affecting the total force.

Understandably, we did not always achieve to total unanimity, but we most certainly were unified and we remain unified in the common goal of ensuring total force vitality and viability. And together we remain committed to fulfilling the requirements of the defense strategic guidance as one Air Force.

Mr. Chairman and committee Members, the Air Force remains committed to the providing of global vigilance, reach, and power for Americans' needs today, and for her aspirations and challenges that we know the Nation will face tomorrow.

Every single day, our airmen, Active Guard, and Reserve proudly serve on behalf of the American people as trusted stewards of the Nation's resources and stalwart defenders of her security.

Finally, please allow me to make one comment concerning military compensation. I appeal to the committee to carefully consider those initiatives in our budget proposal that begin to tackle the escalating personnel costs of compensation, health care, and retirement. Among all the other challenges facing us, the reality of fewer members of the Armed Forces—costing increasingly more to recruit, train, and retain for promising careers—is the monumental defense issue of our time.

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

Thank you again, sir, for your continued support of the United States Air Force and for the committee's support of our airmen and their families. We look forward to your questions, Mr. Chairman.

[The joint prepared statement of General Schwartz and Secretary Donley can be found in the Appendix on page 60.]

The CHAIRMAN. Thank you very much.

General Schwartz, in this budget, the Air Force made the choice to cut older platforms in favor of newer modernized platforms. For example, you sustained the F–35 and the old and retired older F–16s and A–10s. Similarly, you retire all the C–5As and the C–130Hs.

While I would prefer we didn't retire so much force structure, I understand that given the choice between old and new, the Air Force went for the most modernized advanced program. One of two

notable exceptions is the decision to cut the Global Hawk Block 30 and extend the use of U–2s.

Please explain why, in this case, the Air Force chose to retain a plane that was flown by the grandparents of today's U–2 pilots, especially given that 8 months ago, the Under Secretary of Defense for Acquisition, Technology and Logistics certified to Congress that the continuation of the Global Hawk program was essential to national security; and that there are no alternatives to provide acceptable capability at less cost.

At that time, we were told that the U–2 aircraft cost $220 million per year more than the Global Hawk Block 30 to operate. Isn't this a short-sighted decision that favors near-term savings over long-term capability and cost?

General SCHWARTZ. Mr. Chairman, the Block 30 decision was made on two bases—one, that the Joint Requirements Oversight Council reduced the demand signal for high-altitude surveillance. I can't go in the explicit detail here. I would be happy to do so in another manner. That was one factor.

The second factor was a realization that the operating cost of the two systems was, at best, to push; in the neighborhood of $32,000 per flying hour—U–2 versus Global Hawk Block 30.

The third factor was the realization that the sensor capability on the U–2—particularly for EO [electro-optical], IR [infrared] and, to some degree, also on the signal side—was better, and required improvements in the Global Hawk system that were yet not funded.

And I acknowledge the Nunn-McCurdy certification which occurred last year, but I would only remind that that occurred prior to the Budget Control Act and its implications in terms of resources for our Air Force.

So, our choice was—it is true the U–2 has been flying a long time, the U–2 is not the senior plane that our grandfathers flew. It has been improved and modified and continues to be modified as we speak. And it was our judgment that—given the demand signal, the sensor capability, and the relative modest, if any, cost differential—that sustaining the U–2 was a better bet.

I would conclude by saying, sir, that we are not giving up on Global Hawk by any means. Block 20 will continue to perform the communications mission. Block 40 will continue to perform the ground moving-target-indicator mission. And that is, under these circumstances, the best package we could offer our joint teammates.

The CHAIRMAN. Thank you.

Also, General Schwartz, you talked a little bit at the conclusion of the—for the compensation to the Force—I have one other question on that.

The Department's proposal to increase the TRICARE prime enrollment fee is a tiered approach based on an individual's retired pay. The health-care benefit for retired Federal employees is not based on an individual's retirement pay.

So in essence, the President would pay the same for Federal retirement health care as the lowest level Federal employee. Why, then, should the military retirement health care benefits be means tested?

General SCHWARTZ. It was a recognition, Mr. Chairman, that there were those among our alumni who were less able to accommodate the increases in the fees than others. And so, this simply was, in my view—was a recognition of reality in that enlisted retirees were certainly not as capable of absorbing these costs as retired flag officers. And it was simply done on that basis in an attempt to be as fair as possible.

The CHAIRMAN. So you probably did the right thing, and the rest of the Federal employees should probably follow suit?

General SCHWARTZ. Sir, I am not in the position to——

The CHAIRMAN. I understand.

General SCHWARTZ [continuing]. To make policy here.

But I can tell you that I am comfortable with what we decided to do.

The CHAIRMAN. Thank you very much.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Ask about the F–35—it is still a little bit uncertain exactly where that program is going exactly. Over the course of the next 4 or 5 years, what are you counting on from the F–35? How many planes? What is the cost point that is going to become problematic? And how confident are you that those planes can be delivered at this point on whatever the current schedule is? And I say that, because, as you know, every year it seems like we have to readjust that schedule based on delays; increases in cost.

As of right now, what are you counting on in terms of the number of planes? What are the cost points? And then how confident are you that this schedule is actually going to hold up?

Secretary DONLEY. Mr. Smith, we are currently working through the concurrency in the program that I think the committee is aware of, where the development program is not yet complete. And we have started production and we are weighing carefully, year to year, the progress of the program to make sure that we do not ramp up production too quickly, and that we worked out all the kinks in the program. And there is a list of issues that the Joint Program Office and the Air Force and the Navy are watching and managing together, going forward.

We have worked hard with Lockheed Martin to reach conclusion on the low-rate initial production of LRIP–4 contracts last year. We are in negotiations with them now on Lot 5, and we think that work needs to continue and to come to closure soon.

Mr. SMITH. And it is interesting. As you talked about, you know, we don't want to produce them until they are actually ready, but we kind of are, as we have gone through a series of lots.

But within those productions lots, we are still not at the point where we are like, "Okay, it is good. We are building a plane that we know is going to be ready to go." We are still saying, "Okay, we are working out concurrency. We are working out these different things." And it is not at all clear at this point when that is going to be worked out. We are hoping at certain points that it will be worked out, but it is not locked in by any stretched imagination. Is that correct?

Secretary DONLEY. It is becoming more locked in. The Joint Program Office——

Mr. SMITH. Right.

Secretary DONLEY [continuing]. Just completed a baseline review really capturing the last 2 years——

Mr. SMITH. Not to be overly philosophical, but you are locked in or you are not. There is no such thing as more locked in. So, we are still——

Secretary DONLEY. The Joint Program just finished preparing a new program baseline based on the changes over the last 2 years; the cumulative adjustments to set the way forward for the program.

So Admiral Venlet, I think, has a good handle on how to push the program forward. The program of record for us has not changed. It is 1,763 of the A-models for the United States Air Force. That is obviously taking a little bit longer than we would like, so production is being pushed out a bit. But we remain fully committed to this aircraft going forward.

Mr. SMITH. And what is the per-unit cost estimate at this point?

Secretary DONLEY. This is still to be negotiated. The early lots tend to cost more than the others. So let me give to you some numbers for the record which reflect——

Mr. SMITH. Okay.

[The information referred to can be found in the Appendix on page 95.]

Secretary DONLEY [continuing]. Sort of where we are today.

But we have ongoing negotiations with Lockheed on this. And I will say that the Joint Program Office and the Air Force and the Navy are working together to get the best deal for the taxpayer; to push this program forward, but at an affordable cost that represents continuing progress down the price curve, as we should expect in this program.

Mr. SMITH. Okay. Thank you.

And just one quick question on the Guard and Reserve—there are concerns and been expressed by a number of adjutant generals about—I guess it is 5,100 Guard airmen that are being cut, and then a fair number of planes are being cut from the Reserve and Guard components. They are concerned about the impact of that. What is your response as to why you made the decisions that you made?

Secretary DONLEY. Sir, a few points here.

First, the adjustments in the aircraft were driven by the changes in strategy that we referred to in our opening statements. So the Department's assessment was that the Air Force could take additional risk in fighter force structure. We just went through some significant changes in fighter force structure a couple of years ago, where most of those reductions took place in the F–16 fleet and in the F–15C fleet; so we just went through some significant adjustments there.

As we look at the strategy changes and the sizing of the fighter force going forward, it was determined that we could take additional risk in the A–10 fleet. We will still have in excess of 300 A–10s in our inventory. But going forward, it looked like we could take additional risk in that area.

On the C–130 side—on the mobility, for example—the prior Mobility Capability Requirement Study, MCRS—before we even got in

to the strategic review—had told us that we had excess tactical-lift capabilities in excess to requirements. So we felt like we could take additional risk in the size of the C–130 fleet going forward.

So, again, these are the force structure adjustments and strategic adjustments that started the force structure changes.

Then, the issue was how to mix the Active Duty and the Guard capabilities most effectively to meet the requirements of the strategy, but also provide for surge and provide for rotational capabilities at the same time—make sure the Force is robust.

So this is why, while we are getting smaller, we are focused on making sure that the Active Guard and Reserve are more integrated going forward. And I would defer to the chief for some additional comments.

General SCHWARTZ. I would only make one additional comment in that it is important from a force-management point of view to understand what the likely tempo is of the respective forces.

For the Active, the goal was set at not less than one to two—that is a deploy-to-dwell ratio of 6 months deployed, for example, 1 year home; and a tempo of not less than 1 to 4, ideally 1 to 5, for the National Guard and Reserve components.

And the reason for that is so that we do not overuse any of the components, with the downside of forcing folks either to leave the Active Duty; or because of the multiple demands on the Guard and Reserve, including their employment in the private sector, to leave the Guard and Reserve.

So this was fundamentally in a smaller Air Force, recognizing the activity level that is anticipated to have the right mix that allowed us to manage the tempo at levels which were sustainable for the future.

Mr. SMITH. Thank you very much. Appreciate it.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Bartlett.

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

General Schwartz, in February of 2008, the Air Force certified to Congress in a letter—and I want to quote from that letter, sir—"Time-sensitive mission-critical resupply is crucial to our success as war fighters. We also believe there are mission steps that may support additional procurement of the C–27, such as building international partnerships around the common airframe; National Guard support of Federal Emergency Management Agency regions; delivery of Special Operations Forces teams, and others small unit maneuvers; more efficient movement of small payloads in theater; taking convoys off the road; precision air-drop of bundles and joint precision air-drop systems operations; and recapitalization of operational support aircraft inventories."

This is the direct quote from that letter of February of 2008. Fifteen months later, you were in front of this committee—and let me quote from your testimony there—"Our programs reflect their commitment to pursuing joint multimission solutions such as the procurement of eight C–27Js in the fiscal year 2010."

These appear to be in direct conflict to your written testimony, where you say that the Air Force is divesting the C–27 aircraft in

favor of the multirole C–130 because you consider the C–27J a niche capability.

Again, this seems to be in direct contrast to these two previous quotes. Why, sir, do you believe 3 years later that this C–27J is no longer a multimission capable aircraft? Has there been any formal Air Force testing or analysis conducted that proves the C–27 is no longer a multimission aircraft?

General SCHWARTZ. It is a multimission aircraft. We don't dispute that, Congressman Bartlett.

But what I would say—the significant thing that has changed since both 2008 to 2010 testimony is $487 billion. I mean that is a factor in our approach to how to address the force structure.

When we looked at the C–27, sir, as attractive at was, there was a personal commitment from me to George Casey in the 2010 timeframe to perform that mission for the Army.

We looked at a couple things—life-cycle costs, for example. The C–27 life-cycle cost over 25 years is $308 million an aircraft. For the C–130J, it is $213 million per aircraft. For the C–130H, it is $185 million per aircraft. So there was a cost differential; sometimes it is worth it. But in this fiscal environment it certainly caught our attention.

Additionally, we had demonstrated our capacity, both in Iraq and Afghanistan, to provide the time-critical support mission for the maneuver units with the C–130 platform.

Mr. BARTLETT. Excuse me, I am led to understand that because we do not have enough C–27Js that we are—and I am quoting your people—"flying the blades off the 47 [CH-47 Chinook heavy-lift helicopter]," and using the 130, which is more expensive and cannot be used on short air strips.

The C–27 procurement costs us less than the C–130. It has only two engines as compared to four. It is one-half the size of a 130. The hourly cost is $3,000 less than the 130 and $5,000 less per hour than the helicopter.

The parts and avionics of the C–27 are 35 percent to 40 percent in common with the C–130. They should be. The engines are identical, as I understand. Yet, the Air Force claims that the C–27 is more expensive to own and operate than the C–130.

Given these facts, can you please explain to me how the Air Force determined that operating a C–27 is more expensive than the 130 and the 47?

General SCHWARTZ. I didn't talk about the 47. I did talk about the 130. And it has to do with the basing arrangement; it has to do with the contract logistic support, rather than organic sustainment. There are a number of factors that affect life-cycle costs, sir, but I would just—allow me to make this point—that there is not a single airfield in Afghanistan today that the C–27 is using that the C–130 cannot. That is a reality on the ground today.

Mr. BARTLETT. My time has expired. I thank you very much.

General SCHWARTZ. Yes, sir.

The CHAIRMAN. Thank you.

Mr. Larsen.

Mr. LARSEN. Thanks Mr. Chairman.

Several questions—I didn't note it in your testimony—in the past couple of years we have had discussions here with you all about electronic warfare; and, in particular, some of that platforms we have for use for the Air Force's electronic warfare capability, including the information operations like Compass Call and so on.

But I didn't note anything in your testimony specific to EW [electronic warfare], and I was wondering if you could enlighten us to the investment the Air Force has been able to make despite the budget constraints you are under.

General SCHWARTZ. Certainly the Compass Call—we will sustain the Compass Call mission and continue to expand its repertoire with the onboard equipment and so on and so forth.

We are equipping some of the remotely piloted aircraft with EW capabilities as well, and we are—in the intelligence, surveillance, and reconnaissance area, this is mapping adversary signals and so on and so forth; there is certainly a concerted effort in that domain.

So the other area which is not as obvious is part of our—for example, our service-life extension proposal on the F–16 introduces an electronically scanned array radar, an AESA [active electronically scanned array]. That in itself is an EW capability, both offensively and defensively. So there are traditional investments in the traditional platforms, but there are also efforts under way in less visible ways like the AESA radars, which will magnify our EW confidence.

Mr. LARSEN. Mr. Secretary, is that good enough? Yes, okay.

With regards to anything you are doing on EW jointly with either Navy or Army or Marine Corps—can you discuss that?

General SCHWARTZ. Sure. And this is something, sir, that is a part of the air-sea battle collaboration between the Navy and the Air Force. There are electronic-warfare potential capabilities out there that concern us greatly. And we are collaborating with the Navy in order to introduce countermeasures; to introduce resilience into our respective systems to make sure, for example, that our data links are robust enough so that we can assist one another—mutually support one another—when, say, one aircraft is being jammed, but we can link with another aircraft of the other service to still engage a target.

These are the kinds of things that I think hold great promise for us in making better use of the assets we possess.

Mr. LARSEN. And as this is the budget-posture hearing, then are these activities reflected in the budget?

General SCHWARTZ. They certainly are, and they will be more visible over time.

Mr. LARSEN. Sure. And I gather from your answer there may be room for a bigger discussion in a different setting as well?

General SCHWARTZ. I would be happy to do that, sir.

Mr. LARSEN. Okay, good.

In your testimony, with regards to the nuclear deterrent—sorry, page 20 or so—yes, nuclear-deterrence operations—can you talk a little bit about the Air Force's investment in the two legs of the triad that you have is—obviously, I am on the Strategic Forces Subcommittee—several of us are, certainly, and we will probably look into this further. But if you could give us an introduction of what we might be looking into on the subcommittee?

Secretary DONLEY. Sure. Sure.

Just quickly, an overview—nuclear-deterrent operations make up about 6 percent of our overall Air Force budget. We made no major force structure adjustments in this area, pending presidential decisions on how to structure the nuclear triad going forward. Broadly speaking, there are funds in the budget to support the beginning of START [Strategic Arms Reduction Treaty] implementation.

In the START regime and in the current force structure, we have what are referred to as phantom capabilities that count against us but, are purely not operational. I refer here to Peacekeeper [LGM-118A missile] silos, which are still in existence but have not been dismantled, but have no missiles in them; and bombers that have been retired for several years and are no longer capable but still count in the totals. So we are making the investments to start dismantling the phantom capabilities that are present in the force structure. And we are working on other measures that would lead in to the START implantation work ahead of us.

The existing decisions, as they stand are that we would plan on no more than 420 ICBMs [intercontinental ballistic missiles] and up to 420 ICBMs, up to 60 nuclear-capable bombers. So these are decisions that the President has in front of him about how to shape the nuclear posture going forward. And we will wait for those decisions before taking next steps.

Just two additional points quickly——

Mr. LARSEN. Sure.

Secretary DONLEY. Our immediate goal for the ICBM force is to get the Minuteman [LGM-30 ICBM] to 2030, and so we have the resources in there to support that. And I would remind the committee that the long-range strike bomber, while it is intended to be nuclear-capable, is a factor in considering the nuclear-deterrent force structure. But we are building this bomber for conventional operations over 20 or 30 years. Where our bomber capabilities have been used is on the conventional side.

Mr. LARSEN. Yes good. Thank you.

The CHAIRMAN. Thank you.

Mr. Thornberry.

Mr. THORNBERRY. Thank you both for being here.

Mr. Conaway and I both share a concern about a particular issue and I will yield to him to ask you about that.

Mr. CONAWAY. Well thanks for your time, Mr. Thornberry. In the force-restructure plan, you are moving C–130s from Dallas/Fort Worth to Montana; you are moving F–15s from Montana to California; and then you are moving something called the MC–12 [Liberty ISR turboprop aircraft] I guess a twin-engine ISR platform to Fort Worth.

Moving aircraft is very simple. But these are Guard assets and the Guard complement that they currently fly—the C–130s—maintain them, evaluate them and train the pilots, all that kind of stuff—they are not moving to Montana.

And I suspect that the F–16 protection team in Montana is not going to move to California. You got MIL–CON [military construction] considerations in all these places. Given the overall cuts of the budget, can you walk us through the business plan for why this makes sense?

Because, while it may seem parochial because Mike and I are from Texas, it is not; I have going to answer questions back home to folks who are looking at tough decisions. And moving things for the sake of moving thing doesn't make a lot of sense at this stage.

General SCHWARTZ. Sir, it goes something like this—that F–15s are a air-sovereignty mission in the Air National Guard. And they are better utilized on the West Coast than they are in the north central part of the United States. That is why the F–15s are moving to Fresno, because that is an established air-sovereignty location for North America——

Mr. CONAWAY. And how long have the F–15s been in Montana that we are making the exchange for? I mean this is a new air-sovereignty issue for the F–15s?

General SCHWARTZ. Remember we are taking out 200 fighter aircraft in the Fiscal 2013 program and so——

Mr. CONAWAY. Let us focus on the C–130s because——

General SCHWARTZ. Okay.

Mr. CONAWAY [continuing]. As I understand it, they are the only C–130s available to Governors on the Gulf Coast that are Governor-to-Governor as opposed to going to the Pentagon to get those. Can you walk us through why we are moving C–130s to Montana?

General SCHWARTZ. I think that the fundamental reason is because there are other multitudes of other C–130s in the region that you are well aware of, regardless of their component affiliation. And there was a requirement—there has been a need for lift in the central northwestern part of the States—FEMA [Federal Emergency Management Agency] Region 10, specifically.

The logic here was to try to position lift capabilities—again, total force lift capabilities—in a way that that could posture for potential natural disasters and the like.

Mr. CONAWAY. And those considerations overweigh the financial circumstances—the millions of dollars in training, the pilots that current fly for commercial carriers in Dallas, Fort Worth, who fly the C–130s, you got——

General SCHWARTZ. And they will fly MC–12s which is an enduring mission for our Air Force, as far as the eye can see, sir.

Mr. CONAWAY. But I am more interested in what the C–130s do for our National Guard and their ability to respond to fires in Texas and hurricanes throughout the region. It is a 2.5-hour flight from Montana to Texas and a 2.5-hour back flight.

General SCHWARTZ. And Abilene has 28 C–130s.

Mr. CONAWAY. But those belong to you, and they are not controlled by the National Guard. And I got to believe, unless you can show differently, that a Governor-to-Governor response time is quicker than a Governor-to-Pentagon-and-back-to-the-Governor—whatever.

General SCHWARTZ. And the Governor of Arkansas and the Governor of Mississippi, I am sure, will happily support the needs of the Governor of Texas, sir.

Mr. CONAWAY. You have got C–130s that belong to the Guard in Arkansas, and where else did you say?

General SCHWARTZ. Mississippi.

Mr. CONAWAY. Mississippi.

All right; well, I stand corrected, as I was told that these are the only ones available in the Gulf Coast.

It is troubling. And again it looks like it is parochial, but it is not, and——

General SCHWARTZ. No, I take your point, sir.

Mr. CONAWAY. All right.

And I do yield back.

Thank you.

Mr. THORNBERRY. General, let me ask you briefly one other thing—you all delayed the follow-on to the T–38 [Talon twin-engine supersonic jet trainer] trainer a year. There are some questions to how serious you are about bringing that trainer on. It is not just us. It is our European allies who jointly train. How big a deal is that for you all?

General SCHWARTZ. There is just no space, sir.

Mr. THORNBERRY. But next year?

General SCHWARTZ. I can't promise you. I mean this is an issue of resources. And, you know, we need a new trainer. As you are well aware, the T–38 is older than I am, almost. And we need a new trainer. But the bottom line is that we simply did not have space to pursue that in the current budget environment.

Mr. THORNBERRY. Thank you.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman, and thank you to both witnesses.

General, just to go back to the C–27 issue, the—it is my understanding that the decision to end this program is not simply to truncate it, but to actually take these brand-new planes and send them to "the boneyard"—I think was the term that was used in the description of the budget earlier.

These are planes that are bought and paid for. Can you explain how that is a good business plan? Because, frankly, it feels like a "60 Minutes" moment in terms of the taxpayer. And again, first of all, is that correct? And number two, just explain how that works.

General SCHWARTZ. There are multiple options which haven't played out. Yes, they certainly could go into what we call flyable storage. It happened out in Arizona.

They could also become foreign military sales vehicles to other air forces. And there are other air forces interested in the platforms. So I mean there are a couple of options which, again, haven't played out. And certainly that would happen in the next number of months.

Mr. COURTNEY. Well, again, I think for some of us that is an issue we kind of need to understand a little better. I mean it is my understanding the producer is not too thrilled about the idea of us turning around and sort of flipping the planes for resale. And, frankly that is pretty understandable.

Secretary DONLEY. Maybe. But I mean we have a mandate from you to——

Mr. COURTNEY. Understood.

Secretary DONLEY [continuing]. Get smaller; and we are.

Mr. COURTNEY. Again, but so when the F–22 production line came to an end, I mean we truncated the program. And that,

frankly, for some of us it was a bitter pill; but nonetheless—I mean those planes are still being used. And that is sort of a thing that I think we are struggling to understand is why perfectly brand-new planes are not being sort of at least used.

And again, I am sure that is something that the budget folks can walk us through.

For Guard and Reserves who have been given sort of an alternative for the—is it the 12–MC—or the MC–12 rather, excuse me—Mr. Secretary, you indicated that the adjustments to Guard and Reserves aircraft is being driven by strategy.

Again, those planes are, in my understanding—are used for intelligence and reconnaissance given the fact that, you know, the strategy horizon is that we are sort of going to be leaving Afghanistan sometime in the future.

I am just trying to visualize, for Guard units who are being told, "This is your new assignment"—what is the strategy that will make that a firm commitment? I mean this has been an issue. I don't have to tell you that, you know, Guard units are kind of feeling like, you know, their head is spinning in terms of trying to keep up with what their mission is.

Secretary DONLEY. This is a fair point. And we struggle as well with rapid changes in force structure; the rapid changes in the fiscal environment that have caused us to have to take decisions, revisit decisions and continue to adjust.

This is a challenging part of the environment in which we live. I would say when the MC–12 came into the inventory, we gave serious consideration to putting it in the Guard and Reserve from the beginning. It does have a counterdrug kind of capability that is well beyond the existing capabilities of the RC–26 [Metroliner twin turboprop aircraft], which has been used in that capacity across the southern tier of the U.S. to support Guard and counterdrug activities. So it does represent an increase in those capabilities.

But when we brought the MC–12 into the Force, the Guard did not have the manpower to support and to generate quickly the required capability to operate that down range.

You should be aware—I think already are—the MC–12s are not in the United States. They went straight from the factory into the theater, and that is where they are operating today. But as we look forward, we think this is a more sustainable mission for the Guard as the op tempo adjusts a little bit. And I believe that the Air National Guard looked at the locations of the MC–12 along the southern tier mainly as a good fit.

Mr. COURTNEY. Well, again, certainly we want to work with you in terms of trying to, you know, find missions. It is critical, obviously, to keep that capability which you talked about earlier. But obviously there is going to be questions and look forward to working with you.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

And Mr. Secretary and General—thank you for your service to our country. I only have 5 minutes so I have got to be kind of concise and I just want to say at the outset that I am going to ask

you to forgive me for not swimming in the same sea of accolades that some of my colleagues are comfortable in doing.

But when I first came into office, the way we would have these hearings—we would spend a lot of time bragging about you; you would spend a lot of time bragging about us. And we never really asked the tough questions necessary to defend this country. And I vowed never to do that again.

Mr. Secretary, you said that your decisions are strategy-driven.

And, General, you have said that—it is in your written statement—that the strategy was driven by security changes. You don't mention in there that it was also driven by $427 billion of cuts. So I want to focus on those security changes.

When I first came into office, I had this report that the RAND Corporation did that said if we were involved in a conflict between China and Taiwan, the United States Air Force would easily defeat the Chinese in that particular situation.

Since you have been in the position that you are in, you have canceled the F–22. You have retired 235 F–15s and F–16 fighters. You are now proposing retiring another 123 combat aircraft. You put all our eggs in the F–35 platform, which I think everybody acknowledges is smaller, slower; less lethal than the F–22.

And now I see a new study that has come out by the RAND Corporation that takes a totally different tack. It says that we would lose in that conflict between China and Taiwan.

Now, I don't have time in the 5 minutes I have to get into the specifics of those studies. But my question for you is: Do you have any other studies that you can present to this committee that we can review, that would refute the conclusion that the RAND Corporation had in this study?

General SCHWARTZ. Congressman, I would have to take a look at that study. I will certainly——

Mr. FORBES. You have not seen the study by RAND Corporation?

General SCHWARTZ. I am not sure. I can't see it from this distance. I certainly will——

Mr. FORBES. Are you familiar with any study that RAND Corporation did, as big as this one was, that said that we would lose in that conflict?

General SCHWARTZ. Congressman, I don't know what the assumptions are in that study. I don't know what the premises were. You need to allow me to exercise that professional judgment.

Mr. FORBES. And I will, General. I just want you say for the record today that you are not aware of this RAND study and you haven't reviewed the study. Is that correct?

General SCHWARTZ. What I am saying is I have not seen that—what is the title of the study, Congressman?

Mr. FORBES. "Question of Balance, Political Context and Military Aspects of the China and Taiwan Dispute" by the RAND Corporation.

General SCHWARTZ. I have not seen that study.

Mr. FORBES. Okay. It is a big one.

I would suggest the Air Force look at it. Second thing I would say is if that conclusion in that study was correct, would that be an acceptable risk for the Air Force to have?

I am not saying it is. I am saying if it would be?

General SCHWARTZ. If the conclusion is correct, I would say that would be, decidedly, a concern for all of the entire Armed Forces.

Mr. FORBES. Let me come back to the F–22 decision that you made.

When you did that, you and the Secretary wrote this at op-ed piece saying that we should have 183 F–22s. Prior to that decision, according to the Congressional Research Service, not me, there were 30 air-campaign studies that said you were wrong.

Did you review a single study that said that you were correct, and that we should reduce the F–22s down to only 183? And the reason I say it—because right when you did it, the commander of the Air Combat Command said that there were no such studies out there at all. Did you review any of those? And can you just present them to the committee for us to review?

General SCHWARTZ. I would be happy to do that.

Mr. FORBES. Were there any——

General SCHWARTZ. There was. And the Department and Congress chose otherwise in the end.

Mr. FORBES. So General Corley was incorrect when he said there were no studies out there that justified that?

General SCHWARTZ. The study that I refer to talked about more than 187 aircraft.

Mr. FORBES. If you would, present that to us.

Can you tell us now, General, what is the current strike-fighter shortfall that the United States Air Force has?

General SCHWARTZ. Given the new strategy, we have sufficient aircraft to deal with the threats that are outlined in the force-sizing construct at moderate risk.

Mr. FORBES. And, General, was that strategy, according to your testimony today, driven completely by security changes or was it driven by the 427——

General SCHWARTZ. Of course it was driven by both, but——

Mr. FORBES. And——

General SCHWARTZ. The recognition was that we were out of Iraq, that we were going to diminish our presence in Afghanistan——

Mr. FORBES. General, my time is running out.

Can you tell us if you can distinguish between the part of the strategy that was driven by the cuts, and the part by the security changes?

General SCHWARTZ. Clearly, it is a combination of both. But I would submit to you, sir, that the F–35, the long-range strike bomber, and the new tanker—those programs are sustained by the new strategy and not diminished by it.

Mr. FORBES. Thank you, General.

My time is up, Mr. Chairman. Thank you.

And I yield back the balance of my time.

The CHAIRMAN. Thank you.

Mr. Loebsack.

Mr. LOEBSACK. Thank you, Mr. Chair.

I want to thank both of you for being here today as well. Thank you for your service. And, of course, as I have discussed with both of you, I remain, I guess, deeply concerned about the proposal to retire the Iowa National Guard's 132nd Fighter Wing's F–16s, as

well as the broader budget decisions affecting the Air National Guard. I know this issue is brought up by Ranking Member Smith earlier as well.

Roughly 130 airmen from the 132nd are currently deployed to Afghanistan or elsewhere across the globe. They have proven time and again that they are one of the most-experienced, best-performing fighter wings in the Air Force; maintaining a very high degree of readiness for some of the lowest personnel, maintenance, and flying costs of all F–16 units. As you know, in other words, this is a very, very effective unit by any measure.

And while I am still baffled by the proposal to retire the 132nd F–16s, I am deeply concerned about the budget proposals affecting the entire Air National Guard as well, which would bear—my understanding is—59 percent of the total aircraft cuts, and see most of their personnel reductions occur in fiscal year 2013, if I am not mistaken; which provides little leeway to reserve course from a strategy that is stated to be meant to be irreversible.

Given that the Air National Guard also plays a critical homeland-security role for our States and our country at lower basing personnel and life-cycle costs to the taxpayers, I have a couple of questions related to these issues.

In your joint testimony, you state that the right mix of Active Duty and Reserve Components must be maintained. And I think we can all agree that that is the case. How did you determine the appropriate mix, what the appropriate mix would be, and what were the factors such as experience and personnel and operational cost that were taken into account? Could you be specific about the factors and the mix?

Secretary DONLEY. I go back to the rationale that we provided in the opening statement. And I think we have been clear about it. The issue here was where we could take risk in the force structure. And the DOD and Air Force decision collectively was that we could take additional risk in the fighter force structure.

We have already taken significant reductions in the F–16 force, but the assessment was we could take an additional squadron this time around.

The unit at Des Moines, while it continues to perform very, very well—there is no question about the competency and the capability of this unit—the aircraft are a little bit older and less capable than some others. And they are not participating in the Air Sovereignty Alert mission. This has not been a mission that has been assigned or associated with Des Moines for the North American Air Defense Command. So those were the factors that went into this particular decision.

The issue on the Active Reserve Component balance, I think the chief has been very clear on. This is not just about the cost to operate the unit. This is how the unit fits into the force structure, and how that force structure not only meets the demands of the strategy, but our ability to surge and then sustain combat operations going forward. And we have tried to strike the right balance.

Our Air Force is now small enough; small enough that we have to go forward as one Air Force together and become more integrated going forward. As we get smaller, the requirements for read-

iness and immediate capability go up here. So these were the decisions that factored into the Active arc balance.

And, again, it is not—as you suggested, we understand the perception the reductions are disproportionate on the Air Guard. Certainly, that is the way the numbers fall in fiscal year 2013.

But this is a multiyear look backwards and forwards in terms of how we are going to structure our Air Force going forward. And we need the right balance of Active Duty and Reserve Components, so we don't break these components——

Mr. LOEBSACK. Yes.

Just one quick historical question—because we mentioned certainly we have got to be able to deploy folks fairly quickly. Accessibility is an issue. I think it is an issue that the Guard—it has been raised as a concern. And I just have one question about that. Over the last 10 years, have there been any instances where the Air Guard has not been able to fulfill request for deployment?

General SCHWARTZ. There have been no occasions where we did not—if we resorted to mobilization—where the guard was not available. And there were very few cases when we ride on volunteer status of the guardsmen.

I would just say, sir, that the Guard and the Reserve are an essential part of our family. And we respect what they do. And in the case of your unit, sir, they are going to go transition into a remotely piloted aircraft mission that clearly is for the ages.

Mr. LOEBSACK. Thank you. Thanks to both of you.

Thank you, Mr. Chair.

The CHAIRMAN. Thank you.

Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman.

To both gentlemen—I would like to know—Secretary Panetta recently talked about the call for maybe two more rounds of BRAC [base closure and realignment]. I would like to go back to our last round of BRAC, if I might—and just ask: Do each of you think that BRAC of 2005—the recommendations in that document—carry the force of law?

Secretary DONLEY. Yes.

Mr. MILLER. And I think it was section 2703 of the 2012 NDAA [National Defense Authorization Act] requires that you complete all the closures and realignments recommended by the 2005 BRAC Commission as expeditiously as possible. So you are finished now with all of the BRAC recommendations and requirements?

Secretary DONLEY. Sir, we believe we have complied with the law at Eglin.

Mr. MILLER. So a comment by General Hoffman last week at the AFA [Air Force Association] Convention that, "BRAC 2005 has expired, it is irrelevant," and that, "people just need to get over it," is a correct statement?

General SCHWARTZ. Congressman, I was there. That is not what he said.

Mr. MILLER. What did he say, General?

General SCHWARTZ. Congressman Miller, what he said was that BRAC 2005 was complete, and that what we propose now with respect specifically to the Air Armament Center and the mission at

Eglin is something to address today, in today's context, and not relative to something which, in our view, is a completed project.

Mr. MILLER. So the Recommendation 185 to create an integrated weapons-and-armament, research development and acquisition, test-and-evaluation center at Eglin has been done?

General SCHWARTZ. I would argue that it has, sir.

Mr. MILLER. Not co-location—integration at Eglin?

General SCHWARTZ. I would argue that it has.

Mr. MILLER. How does disestablishing the Air Armament Center support your compliance with the BRAC law?

General SCHWARTZ. We are not disestablishing the Air Armament Center, sir. Nothing is migrating from Eglin with respect to the proposal for AFMC [Air Force Materiel Command] reorganization—nothing. The one major change that is involved is collapsing the two wings which exist at Eglin into one, which is fundamentally an efficiency move.

So the 96th wing and the test wing will become one organization. And the overhead that is associated with the two will be thinned out. That is the major element of the changes that we proposed here.

I acknowledge forthrightly that we are talking about establishing a brigadier rather than a two-star in this instance. We have had pressure, as you are aware, to reduce 39 flag officers in the Air Force—no doubt more in the future.

But, again, the bottom line is we are not migrating a thing away from Eglin. We simply are collapsing overhead.

Mr. MILLER. And it is not your intent in the future to move forward with moving things away from Eglin?

General SCHWARTZ. I would say it is not our intent to do that, Congressman Miller. I can't presuppose the future; but there is no secret effort, no clandestine effort here, to change the chemistry.

What we had to do was we—the Air Force had a target of 16,000 civilian spaces to reduce. And so one of the ways that we approached that problem was in the Air Force Materiel Command reorganization—was to go from 12 direct reports to Don Hoffman to 5, and to reduce the overhead throughout the command. That overhead involved more than 1,000 civilian spaces. This was a mandate we had to accomplish. And this is one of the ways we achieved that end.

Mr. MILLER. General, you were sent a letter from the Ranking Member Bordallo and Chairman Forbes of the Readiness Subcommittee expressing their opinion that changes materially impacting BRAC decisions should be made only within the BRAC process.

With that in mind—and I don't believe they received a response—do you intend to continue the disestablishment of the Air Armament Center?

General SCHWARTZ. We do not intend to disestablish the Air Armament Center. What we are doing is renaming it the Air Armament Complex, and it will remain in its current state, sir.

Mr. MILLER. Thank you very much. My time has expired.

The CHAIRMAN. Thank you.

Ms. Tsongas.

Ms. TSONGAS. Thank you, Mr. Chairman.

Good morning, gentlemen. I commend the diligence with which you have prepared your fiscal year 2013 budget, shaped as it was by the Defense Department's strategic guidance, and the initial round of cuts required by the Budget Control Act; cuts which I recognize as necessary.

However, it is important that we work together to make sure that these cuts are made to programs and installations in a manner that minimizes risk to our national security and future readiness.

My district borders Hanscom Air Force Base, a facility which can uniquely leverage local assets such as the numerous defense firms and exceptional universities nearby, including MIT's [Massachusetts Institute of Technology] Lincoln Labs, which is located onsite to research and develop cutting-edge capabilities. It is an ideal site for cybersecurity R&D [Research and Development], an area in which the Department seeks to increase spending while so many cuts are being made elsewhere.

We have incredible capability and value-added technology that we should be growing at Hanscom, because technology is even more important in a smaller military, which is what the strategic guidance in the budget envisions. However, a February 21 article in the *Boston Globe* revealed that internal Air Force documents showed that Hanscom was sustained a double hit—a loss of 380 Government positions and a 74-percent decrease in funding for contract of services over the next 4 years.

My office, along with Representative Markey and Representative Tierney's offices, have jointly requested a briefing to learn more about these cuts, and we look forward to it.

But as you are both here, could I ask: Given that greater Boston has an extraordinarily skilled workforce—one of the best in the world—and that we are in a world that needs less boots and planes and more intelligence in cyber, why isn't Hanscom growing?

Secretary DONLEY. As the chief articulated, Hanscom has been—it remains an important center force—the Electronic Security Complex there is extremely important. But I would say that it has faced the results of the AFMC restructure and the requirement for us to take down 16,000 civilian spaces across the Air Force, which we have been working through over the last year or so.

And we also recognize that Hanscom has been hit by programmatic impacts in areas where programs have been restructured or canceled. So we have been working through, with General Davis—a broader assessment of the capabilities at Hanscom and of the surrounding community; the impact of the program reductions that are coming there; to understand how we can best fit the workforce with the available work going forward, and build a plan for how to take that forward.

So General Davis has had this mandate from the chief and I since he arrived last year.

Ms. TSONGAS. General Schwartz, would you like to add anything?

General SCHWARTZ. And we heard earlier a question regarding electronic warfare, command and control, software, enterprise resource, planning systems—all these very important kinds of capabilities are the expertise that resides within C.R. Davis' organization. And that is not going to change.

But I would just reiterate that we are getting smaller. And so those reductions will be reflected at Hanscom, as they are at the other locations that have been addressed here.

Ms. TSONGAS. Well, as we wrestle with this, I know the Hanscom community wants to work with you. Is there anything that it should do in particular to expand its mission; to help the Air Force be successful in these challenging times? Is there anything you would suggest?

Secretary DONLEY. I think the same thing we would require, ma'am, from any of our acquisition enterprises—and that is to produce on cost, on time, and to have successful programs; not ones that are subject to termination or restructure.

Ms. TSONGAS. Thank you.

And I yield back.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you for your service. But I am very, very concerned about the reductions in the personnel of our military—other reductions—at the time of war. And I have just gotten back from visiting in Pakistan, and how horrible it was. There was an attack on a bus station; the next day, an attack on a police station. Today I read where a convoy of buses were stopped and persons associated with the Taliban took out certain persons and assassinated them right there, 16 people.

This is incredible—an ally so important as ours—a nuclear power—and we have just got to be prepared. And I am very, very concerned.

General Schwartz, the Air Force has made headlines recently with the involuntary separation of 157 majors, and selective early retirement boards selecting 106 colonels for early retirement. You have indicated—and I am concerned, too—about leading to a hollow force.

To what extent does the Air Force intend to use the Temporary Early Retirement Authority in the 2012 National Defense Authorization Act?

General SCHWARTZ. We will use it very, very selectively; very surgically only. This will not be broadly applied at all. In fact, we did not anticipate, sir, the use of involuntary measures in 2013. We will wrap up the difficult work we have done to try to reduce our over-strength through 2012.

Mr. WILSON. Well, that is reassuring because the experienced people we have—it is just crucial of what we are facing.

Mr. Secretary, according to the *Washington Free Beacon* today, the Administration's proposal of defense budget cuts for military families and retirees to pay more for the health care, while leaving unionized civilian defense workers' benefits untouched. Why is there a disparity in treatment between civilian and uniformed personnel?

Secretary DONLEY. I think, as the chief indicated, when the Department looked at the rising personnel costs facing us—and in particular the rising cost of health care, we determined that we needed to slow that growth, and that the best way to do this was to propose increases in premiums for working-age retirees.

And as we looked at options in front of us for how that might be done, the sense was that we should scale those premiums to match the resources available to our retirees——

Mr. WILSON. Well——

Secretary DONLEY. Our staff sergeants versus retired flag officers, for example.

Mr. WILSON. But why would that only be applied to uniformed personnel and not civilian employees?

Secretary DONLEY. Yes. We did not address the civilian healthcare systems that exist across the Federal Government. We did not have a mandate to address that. That was not part of our discussions or deliberations in the Department. Our focus was on the military piece of this.

Mr. WILSON. That strikes me as tragic for retention and recruiting.

And Mr. Secretary, this has already been brought up about the Global Hawk system, but the Deputy Secretary had certified earlier, just a couple of months ago, that it was essential to national security; additionally, that the Global Hawk is $220 million cheaper per year to operate than U–2. And now it is being terminated—the Block 30. How can we understand that an asset critical to national security and costs less than an alternative be terminated?

Secretary DONLEY. Sir, we got a lot of careful attention in the Department, recognizing that we have been in the middle of procurement and these are relatively new capabilities being fielded.

When the Department came back to Congress on the Nunn-McCurdy certification previously on Global Hawk Block 30, the question was, "What would it take to operate any other capability at the Global Hawk level of capability?" That is, the U–2 was compared to the Global Hawk capability.

We understood and we still understand that the Global Hawk offers persistence that the U–2 does not have, so—but that was the measure in the Nunn-McCurdy—is measuring the U–2 against the persistence of the Global Hawk, and the cost variable between the two.

Mr. WILSON. And——

Secretary DONLEY. Subsequent to that, the Joint Requirements Oversight Council adjusted the requirements for high-altitude ISR. And they took a broader look at ISR capabilities across the Department, not just one or two programs—determined that those requirements could be adjusted.

After they adjusted those requirements, we then went back and looked at the existing fleets and capabilities, and we said, "Can we live with the U–2 capability that we have, because the U–2 will be good through 2040, basically?"

Mr. WILSON. And finally, you referenced "through 2040"—could you provide us information on what the cost would be to upgrade and support the U–2s through 2025? Thank you.

Secretary DONLEY. We can do that, sir. And the main message here is——

The CHAIRMAN. The gentleman's time is up.

Could you do that for the record please?

Secretary DONLEY. Sure, we can.

The CHAIRMAN. Mr. Critz.

Mr. CRITZ. Thank you, Mr. Chairman.

General Schwartz and Secretary Donley, thank you for your service to the country.

My first question is more of a statement or a request. The recent Air Force structure change has announced the closing of an Air Reserve station in Pittsburgh, Pennsylvania outside of the BRAC process. This base serves 1,400 Active Reserve and Guard units of both the Air Force and the Navy. The base just completed an $8.1 million housing project and is set to break ground on a $13.8 million joint Reserve center.

Now, to give you some perspective of the efficiencies at this base, the Air Force leases 100 acres at this base. It includes access to four runways, an FAA [Federal Aviation Administration] control tower, medical and crash-fire response and zero-cost airfield maintenance, including snow removal and capital improvements for $20,000 a year.

It is also worth pointing out that the Pittsburgh region has significant success with recruiting, and that the 911th Airlift Wing is one of the highest manned units in the Air Force Reserve command. This being said, I can't understand why the Air Force would make the decision to close this Air Reserve station.

If this is truly an issue with retiring C–130s, then let us bring in new C–130s to this very efficient and very effective wing so that this cost-effective base can continue to serve both the Air Force and the Pittsburgh community.

Mr. Secretary General, I would like to see the cost analysis of the 911th Airlift Wing compared to others throughout the Air Force and the justification for closing this base.

My first question concerns the reduction of 65 C–130 tactical airlifters, getting us to a total fleet projection of 318. And I am going to go through some notes here so that you know where I am coming from.

Mobility Airlift Aircraft Program has previously discussed the budget request for fiscal year of 2013—plans to divest intertheater and intratheater force structure in support of the new defense strategy. Air Force officials state that Case 3 of the Mobility Capability and Requirement Study 2016, MCRS–16, was the analytical underpinning for the new mobility force structure associated with the 2012 defense strategy.

Air Force minimum C–130 force structure has concluded MCRS–16 was to go no lower than 335 C–130s under the QDR 2010. However, MCRS–16 also did not take into account United States Code title 32 Air National Guard or Army Guard airlift missions that would be required to support State Governor mobilization missions.

MCRS–16 also did not analyze the Army's time-sensitive mission-critical mission, and noted that additional C–130s beyond the planned program of record of 335 aircraft and 38 C–27J aircraft may be required. Note, time-sensitive mission-critical missions noted that additional may be required to supplement C–27s to support the mission.

Part of my concern is that the Army is going down to 490,000, approximately, members. Pre-9/11, we were at about 480,000 and we had 530 C–130s.

Now, General Dempsey, when he was in here, sort of referenced that, "Lessons learned mean we need less." But the MCRS–16 says otherwise. So can you elaborate on how we are going from 530 for 480,000 to 318 for 490,000; and how that works—either for the General or for you, Secretary Donley?

General SCHWARTZ. Congressman, the MCRS put the floor at 335. Our analysis indicates that 275 is sufficient to support the intratheater requirements. And the excess has to do with the time-sensitive, mission-critical mission that you referred to, for a total of 318.

It is also important to appreciate the fact that we were talking about C–130H models at one point in time, and now we are talking about a force that is currently about a third Js and, over time, will become more and more dominated by the J version, which is a more capable platform.

There is a mix of analysis. MCRS is one piece of that, certainly. Our own that we have—that 318 C–130s is the minimum number in order to perform the strategy that we have been given, and its inherent force-sizing construct, which no longer supports a long-term—I am missing the word—stability—yes, sir, a long-term stability operation, which the former QDR strategy did include.

Mr. CRITZ. Thank you, gentlemen.

I yield back.

The CHAIRMAN. Your time expired.

Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman.

General Schwartz, a little over a week ago, there was a memo from NORAD [North American Aerospace Defense Command] outlining a reduction of two ACA [Aerospace Control Alert]—formerly ASA [Air Sovereignty Alert]—sites; one in Duluth, Minnesota and the other in Langley, Virginia. The justification was said to be based on a year-long comprehensive risk analysis completed by NORAD in deliberation with the United States Air Force.

There was a GAO [Government Accountability Office] report in 2009 that gave specific recommendations for, among other things, conducting routine risk assessments of ACA operations. However, in a follow-up memo in 2009—a study released just last month—the GAO stated, and I am quoting, "Although NORAD has not conducted routine risk assessments, it took steps toward implementing our 2009 recommendation by developing a computer model to evaluate current ASA basing locations.

However, we found that the model had certain limitations that limit its ability to provide NORAD commanders, DOD decision makers, and Congress risk-based information."

And additionally, GAO report notes that, "In 2009, NORAD analyzed its ASA basing strategy to identify whether it could chance the number and location of ASA sites without affecting its ability to defend the homeland from an aviation-related attack. However, the analysis did not identify potential cost savings that could result from eliminating a given number of sites."

So General, can you explain what risk assessment and potential cost-saving conclusions you are using to justify your decision, since the GAO could not identify any? And it would be appreciated if you could provide the committee with any copies.

General SCHWARTZ. Be happy to give you what our part of this was. But I think that is a question better directed at General Jacoby, who performed that analysis as NORTHCOM [Northern Command]–NORAD, and came to the conclusion that—and justified this through the program process in the Pentagon—that we could reduce the alert sites.

I acted, we acted, the Air Force acted on that basis; that there was proposal made by the relevant combatant commander to reduce the number of alert sites, and that there are benefits associated with that. And we would be happy to provide that to you, sir.

Mr. LOBIONDO. Okay. So if I am understanding this right, you will attempt to determine if there are studies you can provide to us that justify this and give us an analysis?

General SCHWARTZ. I will certainly ask Chuck Jacoby to make available his analysis, on which we acted in good faith.

Mr. LOBIONDO. Mr. Chairman, do we have a mechanism to, in an appropriate amount of time, follow up to see if the General can comply with our request of the committee?

Do we have a mechanism to do that? I am a little concerned with just the timeline getting stretched out and months and months go by, and then somehow we just don't hear anything back.

The CHAIRMAN. May I ask when we can expect those answers?

General SCHWARTZ. How about the end of March?

Mr. LOBIONDO. Thank you very much, General.

Thank you, Mr. Chairman.

General SCHWARTZ. Yes, sir.

The CHAIRMAN. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General, for joining us here today.

I have heard many cries about the cuts proposed to sacred cows that are made in our backyards. I have heard others claiming that this 1-percent reduction in the Pentagon's base budget from 2012 to 2013 could mean the difference between the world's greatest military and a hollowed out force. And I frankly just don't see how that would happen with a 1 percent cut.

But now, General, some of us on this panel have a poor understanding of how military planning is carried out. For our benefit, could you explain to us how and why strategic considerations must merge with a pragmatic assessment of available resources as the Department develops its budget proposals in any given year?

General SCHWARTZ. Congressman, it starts with what is required: What do we want the Armed Forces of the United States to do, and where? And what are the relative priorities in terms of the likely missions that we are going to be assigned?

That was the genesis and the motivation for the strategic review which the Department undertook over a period of many months to provide the backdrop for the program review which followed.

The bottom line, sir, is that—and the Secretary of Defense, sir, was determined not to make this a bookkeeping exercise. And I think we avoided that.

Mr. JOHNSON. But you have to look at what Congress has mandated that you do within a certain amount of funding. You must take that into consideration, isn't that correct?

General SCHWARTZ. It certainly influenced the program decision process. But it was independent of the strategic formulation.

Mr. JOHNSON. I understand.

Mr. Secretary, can you remind this committee that it was the Republican-controlled House that forced passage of the Budget Control Act which mandated the caps on defense spending; and those cuts are reflected in this proposal.

Secretary DONLEY. Well, Congressman, certainly the Budget Control Act represented the work of the House and the Senate together in crafting a compromised bill, which was acceptable to the President, which was signed.

Mr. JOHNSON. All right. Thank you.

Now, General, we have got a penetrating-bomber capability from the B–2s [Spirit stealth strategic bombers] for several more decades. And we have got cruise missiles. We have got unmanned stealth strike aircraft. And we are developing a prompt global strike capability. Why in the world do we need a next-generation bomber?

General SCHWARTZ. There are 20 B–2s. They are great platforms, but they are 20 years old now. And the technology on which they were designed, with respect to signature management and so on—the stealth capabilities is 1980s vintage.

And the reality is that the B–2, over time, will become less survivable in contested air space.

Mr. JOHNSON. Well, let me ask this question. You have said that the next-generation bomber won't be an "exquisite" aircraft in order to keep costs under control.

Can you tell us how much is too much to pay for this next-generation bomber?

General SCHWARTZ. We have a rough target of about $550 million per aircraft flyaway.

Mr. JOHNSON. All right. Thank you.

I have got time to yield back, Mr. Chairman. So I will do so.

The CHAIRMAN. Thank you.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Mr. Secretary, General—both of you in your statements indicated the importance of our global ISR assets and the increasing reliance upon those assets.

Remotely piloted aircraft remain, and are increasing their role as part of that infrastructure. There is an effort by Congress, of which I have been a part, to see ways in which remotely piloted aircraft could be integrated into our domestic air space for the issues of testing, training, and pursuing additional capabilities.

In the FAA Reauthorization Bill, there is the establishment of six test ranges. We also put language in the National Defense Authorization Act last year that calls for a report on the ways in which the FAA and DOD were working together on this issue; and also how support language—encouraging the FAA and the DOD to work together. Recognizing the FAA, of course, has jurisdiction in this area, AFRL [Air Force Research Laboratory] and NASA [National Aeronautics and Space Administration] are working with the FAA on trying to resolve the conflicts that may be inherent in remotely pilot aircraft being in domestic air space.

As we look to formulate this National Defense Authorization Act this year, gentlemen, what do you believe might be helpful in assisting the AFRL efforts in working with the FAA to incorporate them into our domestic air space?

General SCHWARTZ. Congressman, I think that the key thing here is to increase confidence on the part of civil airspace control authorities that remotely piloted aircraft are predictable. That is the key thing—that if an anomaly occurs—that we know how the machine will respond. And that is the key technology, in my view, and certainly something that AFRL has a place in fielding, ultimately; but being able to assure the civil airspace authorities that the remotely piloted aircraft—if we lose link, if there is an anomaly on the weapon system—will react in a predictable manner is the coin of the realm here.

Secretary DONLEY. Sir, I would simply add that this is a very important issue to our Air Force going forward. We have had several interactions with AFA—really, it has been on a continuing basis the last several years. We have Air Force personnel in the FAA headquarters helping work through these issues relative to the development to the National Airspace system; and how to make sure unmanned systems are part of that and an accepted part of the normal way of doing business going forward.

Mr. TURNER. So I also have a question concerning the Air Force Institute of Technology that I am going to submit and request your statements for the record, hoping of course to have your strong support for AFIT [Air Force Institute of Technology].

Last year, in the National Defense Authorization Act, I inserted a language that allowed for students to enroll on a space-available basis. The Air Force has not taken advantage of that. We hope that in your written answers that we will have your commitment to that.

As you know, I am also chairman of the Strategic Forces Subcommittee. And as you are aware, the President established a modernization plan in the 1251 Plan in the 2010 NPR [Nuclear Posture Review]. The fiscal year 2013 budget, after the new START Treaty was ratified—we see that the President is backing off those plans. Let us review that list.

The B61 gravity bomber is 2 years delayed. The associated tail kit is late, and we understand that certain high-accuracy options are not being looked at. The W78 warhead is being pushed back, and a certain modernization options have been arbitrarily taken off the table. The new bomber won't be certified at the outset. And the new cruise missile is late at least 2 years. And the plan for modernization of the Minuteman III appears to be lacking commitment.

So my question, gentlemen, is: Can you assure us that the Air Force has an ironclad, no-caveat commitment to field a new ICBM, to field a new nuclear-capable bomber and cruise missile; and will this commitment change result in the Administration's many EPR, which the Administration is not sharing with Congress as it is formulating?

Secretary DONLEY. Sir, let me assure you that these issues have the most senior attention in the Department. The Nuclear Weapons Council has been meeting on these issues over the last month, a

month and a half—on an extended basis, again, for many months now, but we are——

Mr. TURNER. Does it surprise you that Congress has not had any of this information shared with them, regardless of the fact that we have repeatedly asked?

Secretary DONLEY. You are about to get a communication from the Secretary of Defense and the Secretary of Energy—joint communication on the subject.

I won't address what is in that letter at this point, but that communication is being prepared.

I will say that the B61 LEP [Lifetime Extension Program] program is important to the United States Air Force and the work on the W78 as well. These are priority issues for our Air Force, among others.

Mr. TURNER. Thank you, Mr. Secretary.

The CHAIRMAN. Gentleman's time has expired.

It is my intention after the next question period to call a 5-minute recess for the committee.

Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chair.

Mr. Secretary, one of the most intriguing things that I have learned—and as you know I am a freshman coming in—is the fact that in the building of F–35, we actually have nine allies who are participating with us in that construction and technology. And, you know, I had never even envisioned that we would be doing something like that.

Having said that—on page six of your report to us, you talk about the budget—"seeking to leverage strong relationships with allies and partners including the development of new partners"—so this seems to tell me that the Air Force of the future may not be as we envision it.

So can you first tell me what is meant by the "leveraging of the strong relationships?" And in addition to that, how is that going to, then, affect what we may look at the Air Force into the future?

Secretary DONLEY. Ma'am, just a couple of thoughts to leave with you on this model here—our thinking for this is the F–16 program, which has been a very successful multinational program since the early to mid-1970s. Much of that program was put together after the United States had made a decision to build the F–16; and the international partners came in after.

So there are many, many nations that fly the F–16. This provides for interoperability in operations. It provides for more efficient logistics and worldwide access to logistics as we collaborate with partners on availability in the supply chain and such.

And I think from an operational—I will let the chief speak to the operational point. But on the F–35 program, we are doing that work upfront. So the partners are more involved earlier and they are participating in the development as well. So we are sharing the cost in that work.

General SCHWARTZ. I would only to add, ma'am, that when we do programs like this, it establishes a relationship that lasts decades. In the case of the F–16, it will be 40 years with the allies who have flown the F–16. Same thing is true with the F–15, C–130J, or you know—the C–130 is the same thing.

Establishing these relationships, these professional relationships, with counterpart air forces is important to us for both professional reasons; for our ability to influence others' thinking; for the potential of gaining access in areas where the military and military relationship can be beneficial. All of these things revolve around common equipment.

Mrs. HANABUSA. I understand what was unique about the F–35 is that we were doing it right upfront as we were developing it. Because you hear people like, for example, Representatives of Taiwan coming in saying, "We want you to sell us the F–16," or whatever it is that they are looking for, versus now that you have it upfront with F–35, I assume that, in the development of that relationship—military relationship—we have already defined who will, then, buy or, who will have access to the jet, with whatever kinds of components in it—because I can't imagine we are sharing everything.

But I guess the long-term effect is this our way of holding our allies close? And then, if we are going to ever unfortunately enter another theater, we would be able to rely on them because of this relationship? Is this the way we are playing well together, so to speak?

General SCHWARTZ. I think clearly there is a process within the Government to make decisions about what to export, who to partner with, and so on and so forth. And there is certainly congressional involvement in that process.

But a key thing here is that, yes, it is certainly my experience, over many years, that the relationships that we have created—when I was a captain, I—there are still people serving in other air forces—they all have a gray hair now, but these kinds of things are profoundly important. And they do influence the thinking we—when we can offer the best military advice of our civilian masters.

Mrs. HANABUSA. And I am running out of time, but do you foresee that what we are aiming towards is some sort of a global military? When I say "global"—is that we are not going to have such defined lines between countries?

General SCHWARTZ. Ma'am, I think sovereignty will always be primary. I mean, national interest is national interest. But to the extent that one can collaborate for positive outcomes, I think it makes sense.

Mrs. HANABUSA. Thank you.

Thank you, Mr. Chair.

The CHAIRMAN. The committee will stand in recess for 5 minutes and when we return, Mr. Lamborn will have the next round of questions.

[Recess.]

The CHAIRMAN. The committee will come to order.

Mr. Lamborn?

Mr. LAMBORN. Thank you, Mr. Chairman.

Thank you, both, for your work and your service.

And on page 20 of the Posture Statement, under "Nuclear Deterrence Operations," the somewhat inconsistent information is found that you are looking for $20.1 million to fund treaty preparatory actions and other additional actions necessary to accomplish treaty-required reductions by 2018. Specifically what is it that you are wanting to do with that $20 million?

General SCHWARTZ. Sir, it is a couple things.

The Secretary addressed this earlier. Some of that is eliminating the missile silos and the bombers that are out at Davis-Monthan that are still counters against treaty limits but haven't been dismantled in a way that it takes them off the books. That is what part of the cost is for.

Some of the additional cost is associated with the design effort that is required to convert nuclear-capable B–52s [Stratofortress strategic bombers] to conventional-only B–52s. That design effort is necessary. As you know, the 1251 report said up to 60 airplanes. We have 76. So there is at least 16 birds that need to be converted and——

Mr. LAMBORN. Under New START?

General SCHWARTZ. Under New START. That is correct.

Mr. LAMBORN. And I have problems with New START. It was passed by a lame duck Senate; the same lame duck session that repealed "Don't Ask, Don't Tell."

And so I just am concerned about the other things that are going on that might be unilateral actions by this Administration. Is there any activity that either of you are aware of to de-MIRV [multiple independently targetable reentry vehicle]—to take from multiple warheads or ICBMs and convert them to single-warhead status?

General SCHWARTZ. I think I would prefer to talk with you about this in a classified forum. But it should be no surprise that our intent, expressed over many years, was to move away from MIRV ICBMs towards single-warhead ICBMs. And that is unrelated, frankly, to START limitations.

Mr. LAMBORN. Secretary Donley, were you going to add something on that?

Secretary DONLEY. I just was going to mention that that was a result of the Nuclear Posture Review. And it was not a treaty compliance issue. This was a U.S. Government choice to do that.

Mr. LAMBORN. And we are talking about the new-generation bomber, but isn't that decades away?

General SCHWARTZ. We anticipate having platform at least for test in the mid-2020s. So it is a decade away.

Mr. LAMBORN. And it is not even on the drawing board yet.

General SCHWARTZ. Well——

Mr. LAMBORN. Sometimes you say something is just on the—this isn't even on the drawing board.

General SCHWARTZ. The program is now under way, sir. And, again, the target is the mid-2020s; 80 to 100 total aircraft inventory. And, very importantly, we intend to manage this very carefully, and with discipline. We are not going to repeat the B–2 experience with long-range strike bomber.

Mr. LAMBORN. What do you mean? Could you clarify what you meant by that?

General SCHWARTZ. The B–2 requirement set moved around over a period of time. And as a result, in some respects, we overdesigned the airplane. And that is why it was $1.5 billion-plus per copy. And, of course, we only acquired 21, as well—another issue.

And so the mandate that we have from the Department is that we are going to produce a machine where we are disciplined on its requirements—that it will have an opportunity to grow over time.

But it is not going to be the end-all, be-all the first time it flies. And we are going to do this in a way that allows us to purchase the aircraft in sufficient numbers, again, to succeed the B–52s; the B–1s [Lancer strategic bombers].

Mr. LAMBORN. Okay.

Changing subject entirely in my last 45 seconds here—the President's budget request has zeroed out the Operationally Responsive Space Mission. And with the modular space vehicles, in particular, I guess that that is included. But isn't that meeting a need that we absolutely have to have—and so we are zeroing it out?

General SCHWARTZ. So the Department remains committed to the Operationally Responsive Space concept, sir. But as we looked at affordability and other ways to do this, we determined this year that the best approach was really to build in resiliency in the existing constellations of satellites across each mission area, and not to rely on a single program office to try to provide that capability from a single program.

Mr. LAMBORN. Okay. Thank you both.

The CHAIRMAN. Thank you.

Ms. Hochul.

Ms. HOCHUL. Thank you, Mr. Chairman.

And Mr. Secretary and General, I appreciate your service to our country and, certainly, the challenge that you have before us.

In your opening statement, Mr. Secretary, you talked about the fact that in some cases you provided new missions to guard units whenever possible. And I believe that 14 of 24 will receive new missions.

Can you tell me what the analysis that went into the decision as to which locations receive new missions, and help me understand the thought process?

Secretary DONLEY. The considerations that the Air National Guard went through in making these decisions involved making sure that there was a flying operation in each State, to the extent that we could do that; and also, judging across individual locations whether or not there were other Guard or Reserve units on station or very close by.

So we have a number of States that have multiple Guard and Reserve and flying missions. New York is one of those. And at Niagara, in particular, while the Guard unit there was proposed to be taken down, the Reserve unit at that same location remains intact.

So this was a reason why Niagara was not prioritized higher for a re-missioned unit, if you will—coming in behind the Guard unit.

Ms. HOCHUL. Do you also take into consideration geographic location and the fact that the Niagara Falls Air Reserve station is on the border with Canada, protecting hydroelectric power plants as well, and four bridge crossings?

I mean I know that some geographic locations and all the cities in the center of this country have received two new missions. And I am just asking whether you look at our strategic location on the border with a foreign country like Canada, which has different—you know, we have relationship with them. And I just wanted to know whether or not that, you know, any priority in your mind should be given to a location on the border with Canada.

Secretary DONLEY. As we look at adjustments across all the 50 States here, there remains significant C–130 capability in New York. And we think the reductions here, while they are painful at the unit level, and certainly the manpower associated with it, the reductions in the number of aircraft are relatively marginal.

Ms. HOCHUL. And certainly, that being said, I—if the aircraft need to go to a different function elsewhere or removed completely, that is understandable.

But what I am asking, again, as a consideration—since the decision is not final—that a new mission be given to this, given that, number one, the strategic location; but also, the investment the Air Force has already made into this facility. And that is why I want to make sure that our taxpayer dollars are being spent wisely; that if you have already put money in here since 2005, why not continue, instead of pulling out one of the two operations and, you know, just ceasing that?

So as a watchdog of our taxpayer dollars, as you are as well, that is something I am asking, as you undertake your reconsideration of the Niagara Falls Air Station Guard mission—we will take another mission. It doesn't have to be the C–130s. We will take another mission. And again, location and investments that have already made is something I would ask you to consider.

I yield back the balance of my time, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you.

Mr. Franks.

Mr. FRANKS. Well, thank you, Mr. Chairman.

Thank you, Secretary Donley and thank you, General Schwartz for being here. You know, I never want to miss an opportunity to thank people such as yourself—General Schwartz—on behalf of my 3-year-olds for your lifetime dedication to the cause of freedom. You all are the most noble figures in our society.

Most of my questions have been asked. So I am going to ask one that is going to be a little longer, if you will indulge me. It is an energy-related question. And I find very little discussion in the hearing materials about energy, apart from some references in the "HASC Memorandum on Energy Horizons Papers," it is titled. It outlines the Air Force plans to increase energy supply by reduced demand; and change the culture to meet mission requirements. And then there is some general discussion about green and renewable energy initiatives in the Air Force that it intends to implement over the next few years.

My question is more about an immediate energy challenge in my mind. A lot of the studies, as you know—we have had several major ones now—show our civilian power grid is critically vulnerable to both natural and man-made electromagnetic pulse. Furthermore, the reports show that domestic military instillations received 99 percent of their electricity needs from the civilian power grid.

And when I look in your summary for what the Air Force is doing to eliminate or to mitigate or to really fully understand those vulnerabilities to our electric-power supply coming from the civilian government, I really—I am not finding anything, now, that may be there. And it is not a rhetorical question.

So if I am missing something, you know, I—it is hard for me to see that—in the green initiatives—the real effort in that direction.

And so I guess my question is along the lines—has the Air Force considered the magnitude in the immediacy of what is potentially a catastrophic danger to the nation if our civilian power grid were to go down for an extended period of time, you know, as a result of natural or man-made EMP [electromagnetic pulse].

Bottom line, does the Air Force feel like they have a strong handle on this? And have they considered the magnitude of the challenges it would face in trying to carry out its mission in such an environment if we did have a major catastrophic power-grid failure? And what are the plans here to deal with this issue?

And I will start with you, Secretary Donley; and then General Schwartz.

Secretary DONLEY. Sir, we would be happy to fill in the record on your specific question regarding EMP, which is a significant one. But I would offer—and as we fill in this discussion for you—that many of our initiatives on alternative forms of—solar, wind, other renewable projects—are focused on the local instillation capabilities. So they are generating capabilities sometimes upwards of 20 percent, 23 percent, 25 percent of local power needs—generated on the base.

So in some cases we are trying to get to—we are at the Air Force Academy, trying to get to 100 percent as a test effort, if you will. So there is a connection between our application of renewable-energy sources at local bases and a reduction in our dependency on the local grid. But it is true that we still get most of our power from local grids.

General SCHWARTZ. I would only add, Congressman, that we do have a process of evaluating such vulnerabilities. And there are about 900 of these vulnerabilities currently in our database, 62 of which are considered significant enough that it would affect at a strategic level of military mission. And 22 of those 62 are considered national-level vulnerabilities.

So again, we have this process to assess—to identify these vulnerabilities. And as the Secretary suggested, certainly we have backup power for key functions on our installations; primarily hydrocarbon-driven, obviously. But we are working hard on the renewables, as the Secretary said. And Nellis Air Force base is a case-in-point, where obviously solar is abundant. And it powers just under 25 percent of the daily requirement.

Mr. FRANKS. Well, Mr. Chairman, given the magnitude of that kind of a possibility, I still guess I am not hearing what seemed—I mean I don't even know if EMP is one of those 22 national categories. But I am hoping that we can have further discussion about this because if Iran or someone like that should gain nuclear capability, then the equation is changed dramatically.

Thank you.

Thank you.

The CHAIRMAN. Thank you.

Ms. Speier.

Ms. SPEIER. Thank you, Mr. Chairman.

And thank you to Mr. Secretary and General. I too would like to add my thanks to you for the sacrifices you have made through a lifetime career protecting us.

General, you had said earlier when we were discussing the F–16s that the relationships that have developed with many of our allies have lasted a generation and have been very constructive to us. I noted that with the F–35, there have been reports to suggest that Australia—that originally was going to purchase 12—is now rethinking that. So are Turkey and Italy. And I am wondering, with the F–16 experience as a backdrop, what does that tell us about, one, relationship-building, but, two, whether there is really confidence in the F–35 around the world?

General SCHWARTZ. Ma'am, I think this is less a question of confidence than it is an issue of the economic circumstances that many nations find themselves in right now. And it is affecting us too, obviously, with the Budget Control Act. I think that it should not be a surprise that Canada, Australia, Italy, others, you know, are watching their checkbooks.

And so the fact that military programs in general are getting additional scrutiny shouldn't—you know, is not that much of a surprise.

It should not be read as a diminished commitment to pursuing this capability over the longer term. I know personally—you know, I interact with my counterparts routinely—Canada, Australia, Italy, Turkey, each on the military-to-military basis—are committed to moving to the generation-five level of capability as soon as their economic circumstances permit.

Ms. SPEIER. All right. Thank you.

Just this morning, the Government Accounting Office just released a report. It is its "Annual Report on Opportunities to Reduce Duplication, Overlap and Fragmentation, and Achieve Savings."

The very first two areas that they focus on deal with the military and, in particular, electronic warfare; and they point that the Navy and the Air Force have been in discussions historically to try and reduce the duplication; try and find ways to acquire much of this equipment jointly so the costs can be reduced. And, yet, not much has happened. Can you give us an update on that?

General SCHWARTZ. I guess I would dispute that assessment. We walked away from the EF–111 [Raven electronic warfare aircraft] aircraft, which was our dedicated jammer platform, in favor of what, at the time, was the EA–6 [Prowler electronic warfare aircraft] capability in the United States Navy.

And we have been dependent on EA–6 capability for some period of years. I think the key thing here is that certainly there is a renewed effort on the part of the Navy and the Air Force; not just in electronic warfare, but in other areas. Global Hawk and BAMS [Broad Area Maritime Surveillance] is a case in point, ma'am, where we are using a common system. There is a different sensor because their mission is maritime and ours is over land. But fundamentally it is the same platform and we are pursuing it together.

Ms. SPEIER. They specifically reference the services M–A–L–D-hyphen-J—MALD–J, Increment II, and Airborne Electronic Attack Expendable Initiatives to determine if these activities should be merged.

General SCHWARTZ. Well, in fact, we terminated Increment II in the 2013 program in our proposals. So it is no longer in play.

Ms. SPEIER. All right.

And then, with my 40 seconds remaining—also reference the unmanned-aircraft systems and pointed that since 2008, in an effort to save money, there have been requests made to see if there could be joint efforts there.

According to a DOD-sponsored study in 2010, the Department could have saved almost $1.2 billion had the Air Force acquired the same sensor as the Army. Would you like to comment on that?

General SCHWARTZ. Ma'am, I would have to see the specific reference and what sensor they were referring to. I would be happy to do that for the record.

Ms. SPEIER. Thank you.

I yield back.

The CHAIRMAN. Thank you.

Dr. Fleming.

Dr. FLEMING. Thank you, Mr. Chairman.

And thank you gentlemen for being here today; and thank you for your service. My first question is for General Schwartz.

General, week before last, Secretary of Defense Panetta visited Barksdale Air Force Base, which is in my district.

And while I couldn't be there—we were here voting—my understanding is that he laid out a very positive plan for moving forward with our bomber platform. And, in fact, I met with Global Strike Command and the 8th Air Force this past Friday. And it looks like—that nearly $300 million requested in fiscal year 2013 and $6.3 billion is programmed through fiscal year 2017. So it looks like the commitment is real; that the long-range strike bomber is really beginning to come together; and so as it should.

Now, picking up on some of the questions you have already answered, we understand it will probably be beyond the decade before they will actually roll out and be operational. We also know that there will probably be at an estimated cost of $550 million each and numbers as high as 100. That is all good to know. And, I will give you a personal experience.

About 6 months ago, I actually flew inside of a B–52. And it was a very interesting experience. Number one, it is a giant airplane but it is very cramped on the inside. It is sort of like being inside a cave or inside of a mine or perhaps a submarine. So it is jammed with a lot of stuff. And what is interesting—it has all of the old 1950s vintage dials and gauges and tubes—actually tubes—still in operation.

Well, I am seriously concerned that the budget bans a number of vital modernization programs that will fill in the gap between now and when these new bombers roll out; and that is legacy radar of the 1960s, which they can't even turn it off because they are afraid they can't get it back on. And that can seriously hamper our readiness, bringing us down to maybe a 37-percent mission-success probability; and also, the EHF [Extremely High Frequency] FAB–T [Family of Advanced Beyond-Line-of-Sight Terminals] program which, as you know, is a communication with satellites, receiving orders for nuclear deployment and missions.

So my question—and as I understand it, both of these have been completely zeroed out—if you could respond to that please?

General SCHWARTZ. Sure.

With respect to FAB–T—really, that was a priority decision. And by the way, FAB–T is a terminal to allow communications with the new advanced, extremely high-frequency satellites' protected communications architecture.

The priority was to do ground terminals and command-and-control requirements first. And it had been deferred for the B–52 because the B–52 has a reliable proven LF [Low Frequency], VLF [Very Low Frequency] command-and-control capability—low-frequency, very-low-frequency capability—on the platform as it stands.

So I think was an appropriate prioritization, sir, to go with the command-and-control platforms first, both air and ground, and then to rely on the existing capability for the time being in the B–52.

With respect to the radar, we looked at that carefully. I believe it is the APQ–166—is the designation for the radar in the B–52. And the cost of the new radar relative to what we saw as a renovation—in other words, maintaining the 166, but perhaps going solid state in some of its subcomponents—was a wiser path than putting a brand-new, probably, electronically scanned radar on the B–52.

So bottom line is these are choices based on priority and available resources. And they were carefully considered. And that is kind of where we stand. They have not been eliminated in the context you mentioned.

Dr. FLEMING. Okay.

To follow up then, the radar, there is sort of a semi-modernization or a—parts or components—and the FAB–T, you are really looking at other capabilities that can get around that reliably.

Thank you. Thank you, gentlemen.

The CHAIRMAN. Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

And Secretary Donley, General Schwartz, I want to thank you very much for appearing before the committee today, and for your testimony; of course, most especially for your service to our Nation.

As a ranking member of the Emerging Threats Subcommittee, I have long maintained, as you probably know, a strong interest in mitigating vulnerabilities in cyberspace. In particular, I have long been concerned about the potential of what a cyberattack in our electric grid—and its impact on our ability to conduct military operations.

In the past hearings before the committee, of course, I have been pleased with the Air Force's engagement on this issue. I did have a question, Secretary Donley, on what progress the Air Force has made in evaluating threats to our bases that rely on civilian power sources and how the Air Force has strengthened its plans for alternative energy sources.

I think you probably answered a lot of that question when Mr. Franks asked his question. If there is anything else you want to add, feel free.

But I will go to the next one, which is—I also continue to be concerned about the overall strength and size of our nation's cybersecurity workforce. So in that point, perhaps, if you both could comment—what is the Air Force doing to recruit and train airmen with

cyberskills? And what is it doing to encourage them to stay in uniform?

In particular, then, the next question—this one, perhaps, is more directed at General Schwartz. General, I recently visited 24th Air Force at Lackland Air Force Base, and was very impressed with General Vautrinot and the work that her team is doing there with its operations. We have clearly made great strides in our ability to impact the cyber domain. But, as I am sure you would agree, we really have to continue to innovate and transform in order to maintain and expand that ability.

In your view, what must the Air Force do next in order to ensure the ability of its networks to support the full spectrum of operations?

Perhaps, Secretary Donley, if we could start with you; and then we will go to General Schwartz?

Secretary DONLEY. Well, just a couple of general points here.

This is a key capability for us and for the joint force moving forward. No question about it. It is an emerging threat. It is actually with us today.

The first order of business for the Air Force was to establish our component 24th Air Force to do this work, and to give control of what we referred to as Air Force—AFNetOps—Air Force Network Operations—across all our bases so that we view this as an entire enterprise together; and especially to work through the cyberdefense issues that are immediately in front of us; also to build the forensic capability that will allow us to move from just defensive operations to more of a dynamic defense environment; and also to develop the offensive tools that our commanders will need going forward. So this is the general evolution of our cyber capability.

The airmen that we recruit for this work are outstanding. They perform not just Air Force work but also joint work. They are in high demand in the Defense—at the Defense Department level for the work that they do. And we also have Guard and Reserve units that are contributing here based on regional expertise from the Northwest and also from the San Francisco Bay Area; Northern California area—so a very important capability for us.

General SCHWARTZ. Sir, I think the major thing we need to do is to recognize that this is not an administrative activity, if it ever was. It is to change mindset that this is about operations. This is a recognition that these are operators, not network controllers or managers, but operators.

And I know Sue Vautrinot, I am sure, explained that to you. It is a culture issue that will take a bit longer to inculcate throughout our Air Force. But this is a military capability, and it needs to be employed and cultivated and so on, along those lines.

Our recruiting and retention has generally been good in part, no doubt, over the last couple of years, because of the economy—has been suffering some. But, again, there are exciting things that we do that I would argue that IT [Information Technology]-competent people in the private sector don't get to do.

Mr. LANGEVIN. Thank you gentlemen. I appreciate the work you are doing.

Chairman, I yield back.

The CHAIRMAN. Mr. Rooney.

Mr. ROONEY. Thank you, Mr. Chairman.

I want to go back to the more specific discussion on the Global Hawk, if I could, and some of the things that you have already said in your testimony—just to clear up. I am an Army guy, so I apologize for any confusion I may have. But I think, General, you talked about the B–52 being 20 years old, you know. We know the U–2 is at least that old.

And then I think that you said at the beginning of your testimony that the decision was made to discontinue the Block 30 part of the Global Hawk because of—the U–2 cost versus the Global Hawk was essentially a push. Correct me if I am wrong on that.

I guess my question—what I want to start my question off is—I have seen the Global Hawk up close. It was very impressive. You know, it makes you feel proud to be an American that this is the kind of stuff that we are putting out. Nothing against the U–2, but when you talk about antiquated systems versus what we have got to show the world in the future, it was just impressive.

And so I guess if we are worried about the age of the B–52, and the cost of the Global Hawk and the U–2 was essentially a push, why don't we err—or why don't we decide for the future that the capability that we are going to use is something that—I assume that where we are going in this kind of surveillance in the future would be unmanned aircraft like the Global Hawk, someday in the future. So why wouldn't we err on the side of starting to use that now, especially if we have already built some of these things?

General SCHWARTZ. If resources were not an issue or were less an issue, we might well make a strategic decision to do something on those lines; but we did not have that option.

Just to put it in context—so you have a sense—keeping the U–2 vs. terminating Block 30 yielded $2.5 billion in savings in the program period; not trivial. So, you know, if there were $2.5 billion, you know, more in our top line, I am not sure how we would use it.

Mr. ROONEY. Right.

General SCHWARTZ. I just want to give you that sense that we recognize that. And remotely piloted aircraft are growing in our inventory and will continue to grow. And we will have a foothold with Global Hawk. And the Department of Defense will have a broader one, including the Navy. This was a choice that we had an asset that could do the mission as it is currently specified, and could do it overall at much less cost.

Mr. ROONEY. I just want to—for the sake of presenting this letter that I have from my colleague from Florida, Mr. Young, from Secretary Ashton Carter, which highlights—and this is just 6 months ago. "The continuation of the program is essential to national security and there are no alternatives to the program which will provide acceptable capability to meet the joint military requirement at less cost."

There is also language in here that talks about how, because of the need for a U–2 not being able to fly continuously and that a Global Hawk could, it—the cost for U–2 would actually be $220 million more per year.

I understand that those numbers, you know, aren't matching up now. But 6 months ago—what I look at when you say "We have spent" or "We have appropriated $4 billion for you to make," or "for us to be able to purchase," I think, "21 of these Global Hawks. We have got 14 built."

When I have to talk to my constituents and the taxpayers, and I say, "Yes, we have got these really cool surveillance Global Hawks that are going to take the place of this 50-year-old plane. We have got 14 of them made, but now we have made the decision to just park them in the garage somewhere"—you see, it is hard for me to be able to explain that to—especially in this kind of age.

So, I mean, I guess what I am asking you is: What do I tell them, you know, when we talk about how we are going to park this vehicle in a garage for God knows how long?

General SCHWARTZ. We will put the platforms into recoverable storage.

So we are not talking about breaking the birds up. We want to be able to have access to them. And as circumstances change, you know, perhaps there will be a time when they come back out of storage. But right now—right now, we strongly recommend the U–2 solution set given all the demands that we face.

The CHAIRMAN. The gentleman's time has expired.

Mr. Garamendi.

Mr. GARAMENDI. Thank you, Mr. Chairman.

And for Secretary Donley and General Schwartz—I am impressed by your ability to stay with this. I want to thank you for your answers; the forthcoming way in which you have dealt with the multitude of questions here.

I was going to ask you about the Global Hawk, but that has been covered at least by five of us. And I will let it go at that. And I thank you for a private discussion that you gave me earlier.

My question is going to go on the mobility side. Obviously, it is extremely important element in the future of war planning and the direction we are going. You are downsizing some elements of it. Could you just give us a quick overview on the downsizing and then see where it takes us?

General SCHWARTZ. Yes, sir.

We are going from—on the intratheater lift side from somewhere—well, down to 318 aircraft; C–130 class aircraft. And we were at about 390 to start. So 65 birds come out, 39 of which can retire in 2013—on the big-airplane life side, we will reduce 27 C–5As. And that will keep 275 total big airplanes—that is 223 C–17s and 52 C–5Ms. That is the re-engined version of the C–5, a very efficient—a good lifter; so that is the basic approach on the lift side.

I would just say that the analysis that was done based on the new strategy suggested that we needed—one of the metrics we use is called "million-ton miles per day"—that the former mobility-capability requirements studies specified a minimum of 32.7 million-ton miles per day. The analysis we have based on the new strategy and the reduced force size, and the other components of the Department of Defense is 29.4 million-ton miles. And our actual capacity is somewhere around 30.5. So there is a little bit of excess there. It is okay to have a little management reserve here, in my

view. And so we think that, again, 275 and 318 is the right combination.

Mr. GARAMENDI. Are you going to continue to upgrade the C–5As?

General SCHWARTZ. The remaining C–5As will go out of the inventory before there is an opportunity to modify them. So there will be 52 total C–5s, all of which will be the re-engined version of the C–5M.

Mr. GARAMENDI. And how many do you have to day on the C–5s?

General SCHWARTZ. There are 89 total C–5s and——

Mr. GARAMENDI. Reducing 27.

General SCHWARTZ. And reduce it by 27.

Mr. GARAMENDI. Have you decided where they are going to be deployed, the remaining?

General SCHWARTZ. I don't think we have decided that specifically. I would indicate, however, that the units that were donors on the C–5As, as reflected in the program, either are going to get C–5Ms or, in one case, get Active Duty C–17s. It is a Guard unit.

Mr. GARAMENDI. You know I would have the preference as to where you would locate those.

On the tankers—you are retiring some tankers and looking forward to the new tanker coming in. Is this a transition process that is under way?

Secretary DONLEY. Well, the tanker program does not deliver an initial operational per-squadron-level capability until about 2017. So we will, this year, go through the process of establishing the requirements for basing, and then make decisions at the end of this calendar year on the first two bases for initial bed-down of the tanker.

Mr. GARAMENDI. We do like the West Coast.

Thank you, gentlemen.

The CHAIRMAN. Thank you.

Mr. Griffin.

Mr. GRIFFIN. Thank you, Mr. Chairman.

General, I have got several questions here, so I want to try to move quickly. First and foremost, I saw that—and this is for Secretary Donley—I saw that there has been a reversal with regard to the LAS [Light Air Support] contract involving Hawker Beechcraft. I have got the statement you put out today, Mr. Secretary. Is there anything you would want to add to that?

Secretary DONLEY. No, certainly, the situation is that as we went to make a court filing on this issue, we found—the service acquisition executive and support staff found that the documentation for this source selection was not what it needed to be.

And, certainly, we are disappointed that that has been the case, and that we have fallen short here. But we need to go back and take corrective action. We are in the process of doing that.

Mr. GRIFFIN. Okay—another quick question on that issue. It was brought to my attention that there was a change or a lowering in the pilot-safety standards with regard to ejection in this contract. Are you familiar with that? Do you know if there was lowering of safety standards so that the Super Tucano would be compliant?

Secretary DONLEY. I am not familiar with those details.

Mr. GRIFFIN. General, are you familiar with that at all?

General SCHWARTZ. I am not.

Mr. GRIFFIN. Okay.

We may submit that in writing for more detail.

With regard to the A–10s that are outside of my district, I am going to ask a question here to try to assist my colleague who had the A–10s in his district in Fort Smith.

My understanding is that the BRAC report cited the airspace around the airfield in Fort Smith, a low-level route, as to why Fort Smith was an ideal location for the A–10.

Now the A–10s are being moved. Was there something in the current basing commission report that contradicted the BRAC findings? Can you give me any insight as to why the A–10s might be moved from there?

Secretary DONLEY. The A–10s are not moving. The A–10s are being retired out of the fleet. So it really doesn't affect BRAC-related issues that——

Mr. GRIFFIN. So we will have no A–10s left at all?

Secretary DONLEY. No. The Air Force will still have about 248 A–10s in the inventory. But we have made a decision at a corporate and strategic level that we could take additional risk in the fighter force structure. And that inside the fighter force structure, the best place to take that was probably in the size of the A–10 fleet. So that was the basis for the decision.

Mr. GRIFFIN. Right, but——

Secretary DONLEY. And I think in this case, as has been applied in other locations where it was feasible—we have a mission to backfill at this location with an RPA [remotely piloted aircraft]——

Mr. GRIFFIN. Right—with the unmanned.

Secretary DONLEY. Right.

Mr. GRIFFIN. But you said they are completely retired. But then you said, "But we are keeping A–10s."

I think the question here is if you are going to keep them anywhere—BRAC indicated that this was a type of place you would want to keep them. But if you—I have only got like 50 seconds, but if you have anything else to add on that?

General SCHWARTZ. Again, sir, one of the imperatives for us was to try to retain a flying mission in each State; a Guard mission. And in this case, of course, there is a substantial presence in the Little Rock area, with the National Guard.

Mr. GRIFFIN. Sure. Sure.

Let me move on to the next question. This is regarding AMP [Avionics Modernization Program] vs. AMP light—some call it AMP light. I met with the pilots out at the Little Rock Air Force Base last week.

Can you talk about—when you were comparing AMP to what some have called AMP light, were you considering the cost of supporting that navigator position for the AMP light, which you wouldn't have to do with the AMP? If you could—I don't if the——

The CHAIRMAN. The gentleman's time has expired.

Mr. GRIFFIN. Thank you, Mr. Chairman.

The CHAIRMAN. If you will answer for the record?

And we are going to—we will have a briefing on—classified briefing on that.

Mr. GRIFFIN. Okay. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Palazzo.

Mr. PALAZZO. Thank you, Mr. Chairman.

And I would like to thank both the Secretary and the General for your service, and for being here today. When we have less than 20 percent to 22 percent of the people serving as Members of Congress with any previous military experiences, it is always great to hear from those who have served and are serving, and representing hundreds of thousands of our men and women in uniform—to be able to come share your experience, your insight, and expertise with us.

It is definitely a tough time for our military, and it is pretty tough for you all having to propose and make these tough force-structure decisions. I definitely don't envy you. But at the same time we have a lot of questions, you know, the C–130J and the C–27J, we have talked about it. So, Mr. Secretary, thank you for briefing the Mississippi delegation on those two projects. And we are going to be talking about it probably for a long time as we move ahead.

So my first question really involves the C–130J. And if you don't mind, I will read my question. I do want to know how the decisions were made to move the airplanes within the Air Force.

My staff and I have been looking at this for quite some time now, and still fail to see any military benefit or cost benefit to some of these moves. In fact, some of the numbers we are looking at seem like it is going to cost into the millions in new construction, training and other incidentals and collateral costs just to move these aircraft a couple hundred miles from their current location.

Can you tell me what kinds of calculations were used when making these decisions? And were some of these—that would be my first question—the calculations used in making these decisions.

General SCHWARTZ. It had to do with what demands were there for both Federal and State missions. It had to do with what backfill opportunities did we have, even as we were getting smaller. And it had to do with the ability of the local community to recruit and provide the expertise for a new mission, if that was, in fact, going to materialize. And so those are three of the thought processes involved in deciding, again, how to allocate scarcity; how to allocate the reduction of 286 aircraft in total, and so on.

Secretary DONLEY. I would just add that it is complex work to do this across 50 States. And we have been working with and supportive of the Air Guard as General Wyatt and his staff work through these issues on how best to balance capabilities across the 50 States in these different disciplines—C–130s, ISR capabilities, et cetera.

Mr. PALAZZO. Right.

I mean I have four pages of reasons why we think the C–130J should stay where they are at, and why it is possibly a bad decision to move them, again, just a couple of hundred miles—infrastructure improvements; the amount of money that this congress or prior congresses in the administrations have invested in Keesler for the C–130Js, especially post-Katrina—brand new hangars, the wreckers, the accomplishments, the squadrons just received from completing missions in Afghanistan, and so forth and so on.

The fact that we have great training areas—very, very limited interference from civilian population. We have, you know, Camp Shelby to the North, Stennis Space Center to the West—just hundred—and then, of course, we have the entire expense of the Gulf of Mexico as un-encroached training areas for the Air Force. And so I mean, I do have some valid concerns.

I guess if we continue to propose these, what is the next step? I mean if we can—I mean, in concrete? It is done? It has been penned in blood? This is a covenant going forward? Can we have an opportunity to explain as we are here today that can possibly change your mind that this is not in the best interest of our national security or our force structure?

Secretary DONLEY. Well, the force structure proposals we made are part of the President's fiscal year 2013 budget—many moving parts. And, you know, we are happy to answer questions and support, you know, further discussion. But it is really up to Congress now to——

Mr. PALAZZO. I am out of time. Thank you very much.

Secretary DONLEY [continuing]. Take the next steps.

The CHAIRMAN. Thank you.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

And Secretary Donley and General Schwartz, I want to thank you for being here. And more importantly, as a Member of Congress, I want to thank you for standing up for the Air Force.

When the Secretary of the Army and their respective commanders were here, I didn't really get the sense that they were standing up for their divisions.

And talking about—using the terms, if you will, that you have used—you know, we have talked about—you have talked about additional risk that comes from the force structure changes.

And, General, you used the word "indiscriminant salami-slicing." I think that is an accurate word for what has been done to the military. And, quite honestly, it leaves Americans at risk.

And as a Member of Congress, what we need is the two of you and your colleagues standing up and saying that, you know, it is not just the magnitude of the cuts, it is the pace of the cuts and it is the mandate of how the cuts are done that is putting the security of Americans at risk.

So I hope you will continue that. We have to undo the sequestration. I am interested in your suggestions with regard to that.

In dealing with the force structure changes that you have proposed to us—as you know, I represent Robins Air Force Base. And obviously, the depots are extremely important to us. And I would like, if you will, just speak to the potential loss of a qualified workforce and how much greater that loss may be because of the pace at which the cuts have to be made.

Secretary DONLEY. Well, certainly, sir, we value all three depots. And our intent is to move forward with the three-depot strategy. We think it would be very costly and a complex operation to consider changing that. And I think there would be a penalty paid in trying to move or recreate the workforces that have built up around these three depots.

I would offer that the workload at these locations does ebb and flow. And this is what our working capital fund is intended to address. So employment does not always stay level; it goes up and down with the aircraft that are being inducted and worked on and then depart. So the workload issues will continue with us going forward, but our intent is to stick with the three-depot approach.

Mr. SCOTT. Thank you so much.

You have got a wonderful gentleman in Warner Robins right now, and General McMahon, that is going to be retiring. And he has done an excellent job of maximizing the performance of that base; a lot of great men and women out there supporting the warfighter.

But we also have the JSTARS [Joint Surveillance and Target Attack Radar System] unit there. Certainly, there is the ability to expand their intelligence capabilities. I hope that is something that you will continue to pursue.

And gentlemen, I want to help you solve this problem. I want suggestions on how we are going to do the sequestration and find a better national security for Americans.

With that, Mr. Speaker, I yield the remaining balance of my time.

The CHAIRMAN. The gentleman yields back.

Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman.

And Mr. Secretary and General Schwartz, certainly I want to echo my colleagues in expressing our gratitude for both of your great service to our nation and the important work that you are doing, and the challenges with the budget restraints that you are working under.

Before I ask or comment specifically on a force structure issue, Mr. Secretary, could you kind of give me an update? I have had a lot of inquiries in my district, as I know Members across the country have, about the Dover mortuary issue and with the most recent report. And I apologize. I am in a markup in another hearing. If this was asked earlier, I apologize—but with the Special Counsel's findings and the report being issued, and the repercussions that were suffered by those who sought to do the right thing, where we stand and both from a disciplinary standpoint and going forward in the best way possible?

Secretary DONLEY. Sir, I will just give you a quick overview. General Abizaid completed his work this week; briefed that out to the Secretary of Defense. The chief and I were there yesterday. And we will have some more to say about that today. But we do support the results of the Abizaid panel and are embracing their recommendations. And we intend to move out on those. I will speak to those later.

Mr. PLATTS. Okay.

Secretary DONLEY. We did receive, at the end of January, a report from the Office of Special Counsel concerning reprisals against the whistle blowers in the original—during the original investigation of this. And the OSC [Office of Special Counsel] report concluded that, indeed, reprisals had taken place and this raised a new requirement for us to consider the need for additional disciplinary action against those involved in that work. And I assigned

that to a two-star general who has undertaken that work. And I expect him to report out in sort of mid-March—around the 19th of March is what we are forecasting at this point.

Mr. PLATTS. I appreciate those continued efforts in this issue and the importance of—that we properly honor the fallen, and properly hold accountable those who sought to punish those who are doing the right thing.

I am the—have been, for 8 years, working on strengthening our whistleblower-protection laws so that Federal employees who see wrong can come forward and know they are not going to be punished for doing the right thing as, unfortunately, happened in this case. So staying focused on that is, I think, very important.

A follow up on that issue—and I know there is, I guess, not great certainty about the partial remains that were then incinerated in landfills of some of our fallen heroes—is there any consideration—and this is a specific question from one of my constituents—a veteran himself who lost a brother in combat years back—not related to this current situation, but where the legs of the fallen were not recovered with the body and buried appropriately.

His question was, "If we know that a lot of these remains were landfilled, is there any current review of how to properly honor those remains with a memorial marker or something, because we have the remains of fallen that apparently are in a landfill, not properly acknowledged?

Secretary DONLEY. Sir, I am not sure it is possible for the Department of Defense to go back and reconstruct the history for every single case prior—where this practice was in place. Certainly we are in a better place today. And certainly we apologize for any additional grief or concern caused to the families as a result of this prior practice. It changed in 2008.

And the Abizaid panel actually has additional ideas for us to consider going forward that we might consider for how best to honor the disassociated remains of the fallen that are subsequently—come in after the remains are processed through Dover.

So we will continue to work this issue going forward and make sure that we honor our fallen and treat them with the respect that they deserve.

Mr. PLATTS. I appreciate that, Mr. Secretary.

And any way that we are able to honor the fallen that we do so especially going forward, but even if there is a way in retrospect. And just a final comment——

The CHAIRMAN. The gentleman's time has expired.

We are into the vote.

Mr. PLATTS. Thank you, Mr. Chairman.

The CHAIRMAN. Mrs. Roby.

Mrs. ROBY. Thank you, Mr. Chairman. And as you can see, there are several of us that have been running back and forth. So I apologize for my absence.

But I do appreciate General Schwartz and Secretary Donley, you being here today. And all of my concerns today, although there are many concerns—but if I could focus in a little bit on the Air National Guard and the decisionmaking process—I know you touched on some—the C–130s. But I really would like an opportunity,

mainly for the benefit of those back in Alabama, for you to expand upon the Air National Guard's ability.

I know that the Air Force has said that they were a full partner in these cuts, but could you just kind of paint a picture for what that looked like? Did they have a vote? To what extent was their input taken?

General SCHWARTZ. I would describe it as—and again, you know, the two gentlemen behind us certainly were there throughout. And their voices were heard. They were not timid.

You know, discussions unfolded and we debated. And ultimately, the Secretary decides. I mean that is the way it unfolds. As I have suggested in another forum—I mean it is not to say that everyone agrees with the outcome necessarily. But it is also incorrect to contend that their interests were not represented. That is not the case.

Mrs. ROBY. That is the message that we want to make sure we get back to home, Secretary.

Secretary DONLEY. Just an additional point—and I think the chief and General Stenner and General Wyatt articulated that view jointly together.

And as we went through the decision process—you are aware of the mitigating efforts that we made to remission units, even moving some capability from the Active to the Reserve Components. And the Guard and Reserve helped work through all those decisions about what units and where, and how to make the adjustments.

Mrs. ROBY. Okay.

So the Air Force justified the reduction for the Air National Guard. Is that the Active Air Force has made cuts in the past when the Air National Guard has grown. And if you could, just talk about that. Is that true?

Secretary DONLEY. It is part of the context, but that wasn't the motivation.

Mrs. ROBY. Okay.

Secretary DONLEY. It wasn't the case of what is their turn; not at all. What this really was, was a recognition that we had a new strategy in force-sizing construct first and a recognition that the Air Force as a whole was getting to a size where we had to have access in utility out of every asset.

Mrs. ROBY. Right.

Secretary DONLEY. And that suggested, again, having that utility in a way, though, that wouldn't destroy the fabric of the units either on the Active Duty side with expected tempo for full time, or on the Guard and Reserve side where there is a lesser expectation of personal availability because of structure of those organizations.

And so the bottom line is that we worried about tempo and making sure that the mix would accommodate both the surge and the rotational requirements that we foresee in the future. And again, exactly how we did that, others might differ, but you have the proposal before you.

Secretary DONLEY. And as we go forward, the Air National Guard, with our support, is going forward with a multiyear effort to increase the readiness of the Guard.

We are all going to have to be focused on that going forward together, as we get smaller. So readiness is more important. The

Guard is working on that. And we support them in that effort. And we are increasing the number of associations between the Active and the Reserve Components from 100 to 115, with maybe more coming.

So this reflects a closer integration of effort to get the most combat capability out of all of our units going forward.

Mrs. ROBY. Well, thank very so much. I have other question and I will submit them to the record because my time is about to expire.

But thank you so much.

And Mr. Chairman, I yield back.

The CHAIRMAN. The lady yields back. Thank you very much.

Thank you General, Secretary, for being here today; for all the work that you have done to get to this point in the process. You can see with all the questions there is lots of angst over these cuts. And I think only one or two mentions of sequestration, which will be that much worse on top of it.

So that is something that I think we really need to address and focus on. And we will be doing that.

We have started the vote.

Thank you all.

With that, we will conclude our hearing here today.

[Whereupon, at 1:12 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 28, 2012

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 28, 2012

Statement of Hon. Howard P. "Buck" McKeon

Chairman, House Committee on Armed Services

Hearing on

Fiscal Year 2013 National Defense Authorization

Budget Request from the Department of the Air Force

February 28, 2012

The Air Force has been engaged in combat operations supporting the joint forces for the past 20 years, beginning with the Gulf War in 1991 and continuing thereafter, through enforcement of the Iraq no-fly zones, combat operations in the Balkans, Iraq, and Afghanistan, the related logistics support missions, and worldwide humanitarian support missions. And of course the Air Force has continued the 24/7, 365-day-a-year nuclear-deterrence mission.

Everyone should fully understand that our vital interests have not changed since last year. The threats to those interests have not decreased and are not likely to diminish over the next 5 years. What has changed is that the President directed at least $400 billion in cuts to our military, which were reflected in the Budget Control Act.

Despite the suggestion by some that the strategy evolved independent of the President's fiscal guidance, each of the military services is making force structure and equipment modernization recommendations to Congress based purely on the budget and not based on the world security environment.

For example, there are 54 aircraft in the budget request. If procurement continues at this rate, and assuming an aircraft lifespan of 25 years, the resulting force structure is 1350 aircraft, one quarter the size of the current force. I do not believe 1350 total Air Force aircraft—bombers, fighters, airlift, search and rescue, rotorcraft, and trainers—is in the national security interests of this country. And this is without the potential of sequestration. Furthermore, the budget request does little to mitigate the consequences of aging force structure, resulting from the "procurement holiday" of the 1990s. Operation and Maintenance accounts are not increasing to sustain and extend these aging platforms.

Other budget-driven choices include the requested increase in TRICARE fees for retirees. Congress addressed this issue at length last year and enacted what I consider a reasonable approach for managing costs. The Department's proposal would increase the fees by 96 percent to 345 percent over a 5-year period which, in my opinion, is unreasonable.

With that said, I am pleased to see that priorities for strategic airlift, a new bomber and an airborne tanker have been preserved.

As well, the Air Force has deliberately elected to ensure the percentage of the Air Force's combat and mobility forces that are Active Duty will increase after the implementation of the force structure changes. This is appropriate from a risk perspective. But I believe it is important for the Air Force leadership to continue its public discussion to better ensure that Guard and Reserve personnel fully accept that they have received and will receive equitable and fair treatment in this transition process.

Statement of Hon. Adam Smith

Ranking Member, House Committee on Armed Services

Hearing on

Fiscal Year 2013 National Defense Authorization

Budget Request from the Department of the Air Force

February 28, 2012

Mr. Chairman, thank you for holding this hearing today. I want to also thank the witnesses, Secretary of the Air Force, Michael Donley, and Air Force Chief of Staff, General Norton Schwartz, for appearing here today and for their dedicated service to our country.

Earlier this year, the President released the findings of a strategic review, which clearly articulated the global threat environment, and presented a broad strategy to address those threats moving forward. This strategic review appropriately places a renewed focus on the critically important Asia-Pacific region, which will likely result in an enhanced role for the Air Force in our national defense.

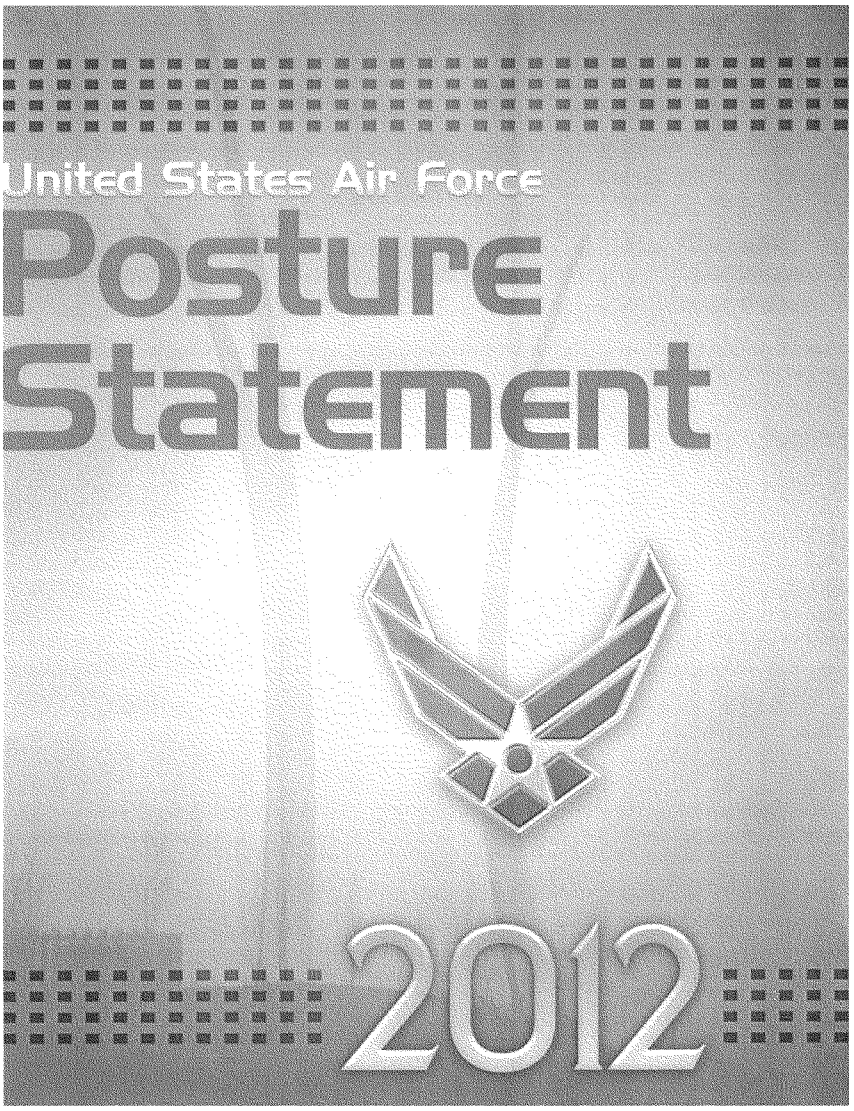
Over the last 10 years, the Air Force has contributed greatly to the recently concluded war in Iraq and the ongoing war in Afghanistan. The contributions of Air Force personnel who have provided air support, transport, reconnaissance, and other key functions have been invaluable. Going forward, under the new strategic guidance, the Air Force will continue to carry out those missions, although the relative balance between and the geographic area of focus may change. The budget put forth 2 weeks ago will enable the Air Force to continue to be the greatest air power in the world.

I have consistently said that we can rationally evaluate our national security strategy, our defense expenditures, and the current set of missions we ask the military to undertake and come up with a strategy that enhances national security by spending taxpayer dollars more wisely and effectively. I believe this budget supports that goal as well.

Overall, the defense budget is also fully consistent with the funding levels set by the Budget Control Act passed by Congress. Although I did not support this act, many members of the House Armed Services Committee did, Congress passed it, and the Department of Defense has submitted a budget that complies with the congressionally mandated funding levels.

Over the last few years, with the strong support of the Air Force, our military has put together a significant string of foreign policy successes, including the death of bin Laden, Anwar Al-Awlaki, the elimination of much of Al Qaeda's leadership, the end of the war in Iraq, and supporting the uprising in Libya. The budget lays out a strategy that will enable the United States to build on those successes and confront the threats of today as well as in the future.

I want to thank the witnesses again and I look forward to hearing their testimony.


United States Air Force
Posture
Statement
2012

DEPARTMENT OF THE AIR FORCE

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

FISCAL YEAR 2013 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 28, 2012

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INTRODUCTION

Since the first clash of battle, warriors have relied on breaking through the lines to achieve victory. However, once the airplane was used over the battlefields of World War I, the battle itself was forever revolutionized. In the 65 years since the establishment of the United States Air Force as a separate Service, its technological, strategic, and tactical innovations have been elemental in shaping the way the United States engages in war, deters aggression, and maintains peace. Because America's Airmen characteristically view defense challenges differently, our Air Force has pioneered advancements that have been essential in ensuring our Nation's security while reducing the overall casualty counts inflicted by war. As the Department of Defense faces fiscal pressures and an evolving strategic environment, America will continue to depend on the Air Force to contribute innovative strategies and systems to conduct our most important military missions.

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

Despite new challenges and fiscal stress, America is and will unquestionably remain the global leader. The strategic choices embodied in the proposed FY13 budget reflect 21st Century defense priorities and will enable your Air Force to play a critical role in sustaining that leadership. As the Department of Defense's (DoD) recently released strategic guidance articulates, the Joint Force of the future must be smaller and leaner—but agile, flexible, ready, and technologically advanced. The Air Force will leverage the innovative ability and technological acumen of its Airmen as we conduct the military missions that protect our core national interests: defeating al-Qa'ida and its affiliates and succeeding in current conflicts; deterring and defeating aggression, including those seeking to deny our power projection; countering weapons of mass destruction; operating effectively in cyberspace and across all domains; maintaining a safe and effective nuclear deterrent; and protecting the homeland. Air Force contributions to total Joint Force effectiveness make us indispensable in carrying out these missions and overcoming existing and emerging threats in this strategic environment.

STRATEGIC ENVIRONMENT

After ten years of sustained large scale overseas operations, major changes in the strategic environment required a reshaping of defense strategy and priorities. Over the last several months, the Air Force, together with our Joint partners, has reassessed our future military strategy and

posture to determine how the Air Force will best contribute to achieving U.S. security objectives, including freedom of action in the global commons.

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

Since the release of the QDR, however, we have witnessed events that further inform our strategy. The Arab Awakening in the Middle East and North Africa has brought about regime changes in some nations in the region and challenged the stability and security of others. The global economic crisis has made some nations reluctant to support international cooperative military efforts as they have shifted their focus towards domestic issues. The economic crisis continues to contribute to the economic and political shift toward the Asia-Pacific region; although we will continue to place a premium on U.S. and allied military presence in – and support for – partner nations in and around the Middle East. The demise of Osama bin Laden and other senior al-Qa'ida leaders has led to deterioration in the organization's leadership and impaired its strategic coherence, although the threat of extremism remains. We are also transitioning out of the post-Cold War world where our military could easily gain access to the battlefield and operate major systems unimpeded. Today, adversaries are developing ways to prevent our access to the battlefield and deny our freedom of action once there.

As a result of these factors, DoD undertook a comprehensive strategic review and recently released new strategic guidance, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*. The new guidance notes the importance of recalibrating Joint Force capabilities and investments to succeed in the following key military missions: counter terrorism and irregular warfare; deter and defeat aggression; project power despite anti-access/area denial (A2/AD) challenges; counter weapons of mass destruction; operate effectively in cyberspace and space; maintain a secure and effective nuclear deterrent; defend the homeland and provide support to civil authorities; provide a stabilizing presence; conduct stability and counterinsurgency operations; and conduct humanitarian, disaster relief, and other operations. In determining development of the force required to meet these missions, the Secretary of Defense has directed that we maintain a broad portfolio of capabilities that, in the aggregate, offer versatility across this range of missions. Other factors that are important to the implementation of the new strategy include understanding which investments must be made now and those that can be deferred, maintaining a ready and capable force, reducing "the cost of doing business," examining how the strategy will influence existing campaign and contingency plans so that more limited resources are better tuned to their requirements, determining the proper Active and Reserve Component mix, retaining and building on key advances in networked warfare on which the Joint Force has become truly interdependent, and maintaining the industrial base and investment in promising science and technology.

Airpower – the ability to project military power or influence through the control and exploitation of air, space, and cyberspace to achieve strategic, operational, or tactical objectives – has been a

necessary component of successful U.S. military operations for many decades, and a reasonable assessment of the strategic environment suggests an even greater role for those capabilities. Since the end of the Cold War, the Air Force's contributions to national security have evolved with the times. We have become not only more effective, but also increasingly intertwined with the successful operation of the Joint Force. We have now reached a point where no other Service operates independently of the Air Force; we are a necessary catalyst for effective U.S. and Coalition military operations. As we realign our resources to support the new strategic guidance, the capabilities that underpin these contributions on which the Joint Force depends will be protected.

REALIGNMENT TO THE NEW DEFENSE STRATEGIC GUIDANCE

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

NEW CONCEPTS

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

ENDURING AIR FORCE CONTRIBUTIONS

The Air Force will also continue to bring four enduring and distinctive contributions to the Nation's military portfolio to support the new strategic guidance: (1) air and space control; (2) global intelligence, surveillance, and reconnaissance (ISR); (3) global mobility; and (4) global strike. These four core contributions—plus our ability to command and control air, space, and cyberspace systems—will sustain our Nation's military advantage as the Joint Force becomes smaller and as we face emerging A2/AD threats.

Air and Space Control

From the World War II Pacific island-hopping campaign, to the success of liberation forces in Libya, control of the air has been and remains an essential precondition for successful land and maritime operations. Today, control of the air and space, along with assured access to cyberspace, allows U.S. and Coalition forces to take advantage of unique capabilities in mobility, strike, and ISR and permits surface forces freedom of action without the threat of adversarial attack from above. Whether friendly naval forces are helping to secure vital lines of communication and transit, Marines are conducting amphibious operations, special operations

forces are executing counterterrorism missions, or ground forces are engaged in combined-arms maneuvers, these operations all fundamentally depend on the Air Force to provide mission-essential control of air and space. In the coming decade, our ability to assert control in all domains will be increasingly at risk as sophisticated military technology proliferates. The new strategic guidance demands that we forge ahead and maintain the air and space power advantages that will enable our entire Joint Force to deter and defeat aggression, operate effectively in space and cyberspace, defend the homeland, and conduct stability operations.

Global ISR

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

Global Mobility

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

Global Strike

Finally, the Air Force's ability to conduct global strike—to hold any target on the globe at risk—will be of growing importance in the coming decade. Our conventional precision strike forces compose a significant portion of the Nation's deterrent capability, providing national leaders with a range of crisis response and escalation control options. Our nuclear deterrent forces provide two-thirds of the Nation's nuclear triad, competently forming the foundation of global

stability and underwriting our national security and that of our allies. However, increasingly sophisticated air defenses and long-range missile threats require a focused modernization effort exemplified by the long-range strike family of systems. A key element of this effort is the Long-Range Strike bomber (LRS-B) which will strengthen both conventional and nuclear deterrence well into the future.

Collectively, these capabilities, and the Air Force's ability to command and control the air, space, and cyber systems, provide the Nation with the *Global Vigilance, Global Reach,* and *Global Power* necessary to implement the new strategic guidance.

ADAPTING TO CONSTRAINED RESOURCES

Although the contributions that the Air Force provides to the Joint Force have increased in relevance over time, there has not been a corresponding proportional increase in resources. The Air Force has entered this era of fiscal austerity with significantly fewer uniformed personnel, with older equipment, and with a smaller budget share than any military Department in half a century. The Air Force has been continuously engaged in combat for over two decades and has taken on a range of new missions. Yet over that same time period, our aircraft inventory and end strength declined. Since 2001, we have reduced our inventory by over 500 aircraft and have added new missions, while end strength has come down by thousands of Airmen, leaving us next year with the smallest force since our inception in 1947. Meanwhile, the average age of Air Force aircraft has risen dramatically: fighters stand at 22 years; bombers, 35 years; and tankers, 47 years. Reduced manpower, full-scale operations, and reduced training opportunities have pushed our readiness to the edge. The budget increases that have occurred in the last decade were primarily consumed by operational expenses, not procurement. There is a compelling need to invest in next-generation, high-impact systems so that the Air Force can continue to provide the capabilities on which our Nation relies. The failure to make the proper investments now will imperil the effectiveness of the future force and our ability to execute the new strategic guidance for decades to come.

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

The Air Force Fiscal Year 2013 (FY13) budget request reflects aggressive prioritization of limited resources, heavily informed by the new strategic guidance, with regard to both capability and capacity of our forces – that is, both what capabilities we should buy and how much of them. The budget brings together strategic guidance with fiscal constraint. Its guiding principle was

balance. To retain critical core Air Force capabilities and the ability to rapidly respond to mission demands, the Air Force balanced risk across all mission areas.

Although we will be smaller and leaner, we will not sacrifice readiness. Selected reductions in force structure and modernization programs were based on careful assessments reflecting the requirements to address potential future conflict scenarios and to emphasize the Middle East and Asia-Pacific regions. Force and program development choices were also influenced by the need to protect our ability to regenerate capabilities to meet future, unforeseen demands. Our budget request seeks to leverage strong relationships with allies and partners, including the development of new partners. Finally, the FY13 budget request honors and protects the high quality and battle-tested professionals of the All-Volunteer Force.

FORCE STRUCTURE

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

Aircraft

In meeting the force sizing requirements of the new strategic guidance, and to remain within the constraints of the Budget Control Act, the Air Force made the difficult choice of divesting 227 aircraft from our combat and combat support aircraft fleets in the FY13 budget request. Total divestitures rise to over 280 aircraft over the FY13-17 Future Years Defense Plan (FYDP) period. These divestitures will result in $8.7 billion in savings across the Active and Reserve Components.

In order to balance current and future requirements in the Combat Air Forces (CAF), we are reducing the total number of combat-coded fighter squadrons from 60 to 54 (31 Active squadrons and 23 Reserve Component squadrons). As part of a broader strategy to reshape the Air Force into a smaller, yet capable force, we divested 21 F-16 Block 30 aircraft in the Reserve Component and 102 A-10s (20 Active and 82 Reserve Component) from the total aircraft inventory. In making these difficult choices, we considered several factors: the relative operational value of weapon systems to counter capable adversaries in denied environments; fleet management principles, such as retiring older aircraft first and prioritizing multi-role aircraft; and operational flexibility, forward-basing, and host-nation commitments. The allocation of reductions between the Active and Reserve Components took into consideration the Air Force's surge requirements as directed by the new strategic guidance, the expected future deployment tempo, the need to increase means to accumulate fighter pilot experience, and the imperative to ensure that the Reserve Component remains relevant and engaged in both enduring and evolving missions.

In the Mobility Air Forces (MAF), we sized the fleet to a total of 275 strategic airlifters—52 C-5Ms and 223 C-17s. We will seek legislative approval to retire 27 C-5As across FY13-16, going below the FY12 National Defense Authorization Act strategic airlift floor of 301 aircraft. This will avert higher sustainment costs for aircraft with substantially less reliability than the C-17 or C-5M. For our intra-theater airlift, the fleet was sized to meet the airlift requirements of the new strategy, including our direct support requirements of ground forces. We will retire 65 C-130Hs across FY13-17 and are divesting the C-27J fleet. After these retirements, we will maintain a fleet of 318 C-130s (134 C-130Js and 184 C-130Hs). Our air refueling fleet is being reduced to 453 tankers after retiring 20 KC-135s. The development and procurement of the KC-46A is on-track for initial delivery in FY16 with the strategic basing process underway.

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

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

End Strength

In correlation to the reductions in our aircraft force structure, we are also adjusting our end strength numbers. Since 2004, our Active, Guard, and Reserve end strength has decreased by over 48,000 personnel. By the end of FY13, end strength will be reduced a further 9,900 from 510,900 to 501,000. This will result in a reduction in Active Duty military end strength from 332,800 to 328,900, Reserve military end strength will decrease by 900 to 70,500, and Air National Guard military end strength will decrease by 5,100 to 101,600. Although the reductions in aircraft and personnel carry risk, we are committed to managing that risk and ensuring successful execution of the new strategic guidance.

Reserve Component

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

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

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

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

In close coordination with our ANG and Air Force Reserve leaders, we have developed a detailed plan that will mitigate the impact by realigning missions to restore 14 of the 24 units. Nine of the remaining 10 units have existing missions, or the mission will transfer from the Air National Guard to the Air Force Reserve. Our plan also maintains an Air Force presence on

seven of the eight affected installations. This plan will allow us to preserve an appropriate Active to Reserve Component force mix ratio and minimizes the possibility of uncovered missions. The aircraft force structure changes also presented an opportunity for the ANG to realign manpower to ensure proper mission resourcing while simultaneously bolstering ANG readiness. The FY13 adjustments in strategy, force structure, and resources allowed us to realign manpower within the ANG to properly source its growing MC-12W and MQ-1/9 missions.

After the proposed force reductions and mitigations, Reserve Component end strength will make up 33 percent of Total Force military personnel, a reduction of two percent from the FY12 numbers. Within the CAF, the Reserve Component will have 38 percent of total aircraft which is four percent lower than FY12. For the MAF, the Reserve Component shares shifts from 51 percent to 46 percent. In order to maintain capability, the Air Force intends to grow the number of Total Force Integration associations from 100 to 115. This will enable the seasoning of our Active Duty personnel while improving the combat capacity of our Reserve Component.

READINESS

Readiness is comprised of complementary components, such as flying hours, weapon system sustainment, and facilities and installations. A good readiness posture depends on health in all of these key areas. In spite of aircraft divestments and reduction in personnel, we are committed to executing the defense strategy and will ensure America's Air Force remains ready to perform its mission every day. High operations tempo has had some detrimental effects on our overall readiness, particularly in the context of aging weapons systems and stress on our personnel. Since September 11, 2001, the Air Force has flown more than 455,000 sorties in support of Operations IRAQI FREEDOM and NEW DAWN and more than 350,000 sorties in support of Operation ENDURING FREEDOM. In 2011, our Airmen averaged approximately 400 sorties every day, with December 17, 2011, marking the first day in 20 years that the Air Force did not fly an air tasking sortie in Iraq. Maintaining our ability to be ready across the full spectrum of operations has been challenging in recent years, especially for the CAF and certain limited-supply/high-demand units. We will continue to revise our readiness tracking systems to provide increasingly accurate assessments and mitigate readiness shortfalls. Preserving readiness and avoiding a hollow force was a non-negotiable priority for the Air Force and the DoD in developing the 2013 budget.

Weapons System Sustainment

During previous budget cycles, the overall Air Force weapons system sustainment (WSS) requirement increased each year due to sustainment strategy, the complexity of new aircraft, operations tempo, force structure changes, and growth in depot work packages for legacy aircraft. In FY13, although the Air Force is retiring some combat, mobility, and ISR force structure, our overall weapon system sustainment requirements continue to increase. These cost increases, along with a reduction in the Service's Overseas Contingency Operations (OCO) request, resulted in a slight decrease in the percentage of weapons systems sustainment requirements funded from FY12 to FY13. Including the OCO request, WSS is funded at 79 percent of requirement in the FY13 budget.

We maintained our readiness capability in the portfolio areas most directly affecting readiness such as aircraft, engines, and missiles, while taking some risk in areas that are less readiness related in the short-term such as technical orders, sustaining engineering, and software. Additionally, the Air Force continues to conduct requirements reviews and streamline organizations and processes to reduce maintenance and material costs, develop depot efficiencies, and manage weapon system requirements growth. The goal of these efforts is to sustain FY12 weapon system sustainment performance levels for FY13.

Facility Sustainment, Restoration and Modernization

The sustainment portion of facilities sustainment, restoration and modernization (FSRM) was funded just over 80 percent of the Office of the Secretary of Defense (OSD) facility sustainment model. Due to current fiscal realities the revised strategic guidance, the Air Force is also taking a deliberate pause in its military construction (MILCON) program, resulting in a nearly $900 million reduction from FY12 enacted levels. To manage the risk associated with these actions we continue civil engineering transformation to employ an enterprise-wide, centralized, asset management approach to installation resourcing which maximizes each facility dollar.

Flying Hour Program

The emphasis on readiness in the new strategic guidance reinforced Air Force focus on the importance of maintaining our flying hour program (FHP). The FY13 budget removes flying hours where associated with the retirement of some of our oldest aircraft and divestiture of single-role mission weapon systems. In the remainder of the FHP, however, levels are consistent with FY12 levels to prevent further erosion of readiness. The FY13 baseline FHP remains optimized as we continue to fly a significant portion of our hours in the Central Command (CENTCOM) area of responsibility (AOR), but still poses a measured risk to our full spectrum training and readiness levels, especially with our tactical fighters. As operations in the CENTCOM AOR decrease, these OCO hours will migrate back to our baseline program to ensure peacetime FHP requirements are met. We are also committed to a long-term effort to increase our live, virtual, and constructive operational training (LVC-OT) capability and capacity by funding improvements in our LVC-OT devices (e.g., simulators and virtual trainers) and networks.

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

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

MODERNIZATION

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

Accordingly, we carefully scrutinized all our weapons systems and capabilities to determine which require investment today and those that can be deferred. We then made the tough choices to maximize our military effectiveness in a constrained resource environment. Combat and combat support aircraft force structure reductions, coupled with reduced development and procurement of preferred munitions and other key modernization programs, were essential to achieving the Air Force FY13 budget targets.

In FY13, we have programmed $35.8 billion for modernization, approximately 33 percent of the Air Force total obligation authority. We are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high priority programs such as the F-35 Joint Strike Fighter, Long Range Strike Bomber, KC-46A refueling tanker, service-life extension of the F-16, Space-Based Infrared and Advanced Extremely High Frequency satellites, space situational awareness capabilities, and our space launch capability is critical to the Department's overall strategy. Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force, therefore the development of offensive and defensive cyber capabilities remains a top Air Force priority. Additionally, in coordination with the Navy, the Air Force will fund modern radars, precision munitions, and other priorities to support the ASB concept and ensure worldwide power projection despite increasing A2/AD challenges.

To continue funding these high priority investments, we made the hard choices to terminate or restructure programs with unaffordable cost growth or technical challenges such as the RQ-4 Block 30, B-2 Extremely High Frequency radio improvements, and the Family of Advanced Beyond Line of Sight Terminals. We eliminated expensive programs, such as the C-130 Avionics Modernization Program, the C-27J program, and Defense Weather Satellite System, which have more affordable alternatives that still accomplish the mission. Likewise, we discontinued or deferred programs that are simply beyond our reach in the current fiscal environment, such as the Common Vertical Lift Support Platform, Light Mobility Aircraft, and Light Attack and Armed Reconnaissance aircraft. The FY13 budget also accepts significant near-term risk in military construction for current mission facilities, limiting ourselves to projects required to support new aircraft bed downs and emerging missions.

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

MORE DISCIPLINED USE OF DEFENSE DOLLARS

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support, and other less mission-essential areas in an effort to identify $100 billion in DoD savings for reinvestment. Our FY13 budget continues to depend on successfully managing and delivering the $33.3 billion in Air Force efficiencies from FY12 to FY16 associated with the FY12 PB submission. We are actively managing and reporting on these, as well as the Air Force portion of DoD-wide efficiencies. In light of the current budget constraints, the Air Force continues to seek out opportunities for additional efficiencies.

The FY13 budget request includes additional savings of $6.6 billion over the next five years from our more disciplined use of defense dollars. This represents $3.4 billion in new efficiency efforts as well as $3.2 billion in programmatic adjustments. These reductions continue to focus on overhead cost reductions and spending constraints consistent with Executive Order 13589, "Promoting Efficient Spending," and an OMB memo, dated November 7, 2011, to reduce contract spending for management support services. Areas in which we are seeking major efficiencies and spending reductions in this budget submission include information technology, service contracts, travel, and inventory.

We are identifying and eliminating duplicate information technology applications across our business and mission system areas. Policies and better spending controls will be placed within modernization and legacy systems sustainment areas. We have committed to save $100 million in FY13 and $1.1 billion across the FYDP in this area. We continue to put downward pressure on service support contract spending and are committing to an additional $200 million reduction in FY13 and $1 billion across the FYDP. These efforts are consistent with Secretary of Defense-directed efficiencies across the DoD and OMB guidance to reduce contract spending by 15 percent by the end of FY12 from an FY10 baseline. Executive Order 13589 also directs reductions in travel across Departments. The Air Force budget for travel has steadily declined from actual spending of $984 million in FY10 to a budgeted-level of $810 million in FY12. Between Air Force budget reductions and DoD-directed travel reductions, the FY13 PB reflects an additional $116 million travel savings in FY13 and $583 million across the FYDP. Finally, a bottom-up review of base-level inventory is planned, with the intent of identifying consumable and repairable items that are excess, including Government Purchase Card-procured excess inventory. We estimate $45 million savings in FY13 and $225 million across the FYDP.

TAKING CARE OF OUR PEOPLE

Regardless of any strategy realignment or future mission commitment, the hallmark of our success as an Air Force has always been, and will remain, our people. Our mission effectiveness depends first and foremost on the readiness and dedication of our Airmen. Nearly two decades

of sustained combat, humanitarian, and stability operations have imposed extraordinary demands on our force. As we look to the future of reduced funding and fewer manpower positions, we are working hard to continue meeting the needs of a 21st Century force. The Nation owes a debt of gratitude for the sacrifices made by our Airmen and their families.

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

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

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

We recognize the unique demands of military service and want to ensure that our Airmen are compensated in a way that honors that service. Accordingly, the President has announced a 1.7 percent increase in basic military pay for FY13. The costs of military pay, allowances, and health care have risen significantly in the last decade. These costs have nearly doubled DoD-wide since FY01 while the number of full-time military personnel, including activated reserves, has increased only eight percent. As budgets decrease, we must find ways to achieve savings in this area to prevent overly large cuts in forces, readiness, and modernization. As part of a DoD-wide effort, we are looking at a gamut of proposals, including health care initiatives and retirement system changes, to meet deficit reduction targets and slow cost growth. Proposed health care changes will focus on working age retirees and the retirement commission will address potential future changes, with the current force grandfathered into the current system. The defense budget includes a number of proposals to control health care cost growth in FY13 and for the longer term. The recommendations included in the budget reflect the proper balance and the right priorities.

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

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

AIR FORCE CORE FUNCTIONS

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

AIR SUPERIORITY

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

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

Given these realities, the Air Force's FY13 budget request includes $8.3 billion for initiatives to address current and future air superiority needs. We continue incremental modernization of the F-22 fleet, including Increment 3.2A, a software-only upgrade adding new Electronic Protection (EP) and combat identification techniques. The FY13 budget request includes approximately $140.1 million for Increment 3.2B, which includes the integration of AIM-120D and AIM-9X capabilities, data link improvements, and faster, more accurate target mapping. We are continuing the F-15 active electronically scanned array (AESA) radar modernization program, funding the F-15 Advanced Display Core Processor (ADCP), and funding the development and procurement of an Eagle Passive/Active Warning and Survivability System (EPAWSS). We are also investing in fourth-generation radar upgrades to ensure their continued viability, sustaining the development and procurement of preferred air-to-air munitions and select electronic warfare enhancements, and resourcing critical readiness enablers, including training capabilities and modernized range equipment.

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

GLOBAL PRECISION ATTACK

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

The A2/AD threat environment prescribes the type of assets that can employ and survive in-theater. While the Air Force provides the majority of these assets, success in this hazardous environment will require a combined approach across a broad range of assets and employment tools. Even then, these will only provide localized and temporary air dominance to achieve desired effects. Simultaneously, ongoing contingency operations in a permissive, irregular warfare environment at the lower end of the combat spectrum require adapted capabilities, including longer aircraft dwell times and increasing use of our platforms in unique intelligence gathering roles. Our FY13 budget request of $15.5 billion applies resources that will help the Air Force best meet threats in evolving A2/AD environments.

To enhance our global strike ability, we are prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35 Joint Strike Fighter, the centerpiece of our future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing between Services and partner nations. The FY13 budget includes approximately $5 billion for continued development and the procurement of 19 F-35A Conventional Take-Off and Landing (CTOL) aircraft, spares, and support equipment. In FY13 we deferred 98 CTOLs from the F-35A program.

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

In our FY13 submission, we accepted risk by retiring 102 A-10s and 21 F-16s. Although the A-10 remains essential for combined arms and stability operations, we chose to retire more A-10s because other multi-role platforms provide more utility across the range of the potential missions. We are retaining enough A-10s to meet the direction of the new strategic guidance to maintain readiness and capability while avoiding a hollow force.

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

Procuring a new penetrating bomber is critical to maintaining our long-range strike capability in the face of evolving A2/AD environments. The new long-range, penetrating, and nuclear-capable bomber (LRS-B), which will be capable of both manned and unmanned operations, will be designed and built using proven technologies, and will leverage existing systems to provide sufficient capability. It will also permit growth to improve the system as technology matures and threats evolve. We must ensure that the new bomber is operationally capable before the current aging B-52 and B-1 bomber fleets are retired. LRS-B is fully funded at $291.7 million in the FY13 budget.

GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

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

our ISR capabilities to combat global terrorism, provide global and localized situational awareness, and support future contingencies.

Recognizing the need for continued and improved ISR capabilities, and based on the 2011 ISR review, the Air Force is investing $7.1 billion in this core function in FY13. We are continuously improving the current suite of capabilities and will field the MQ-9 Reaper to meet delivery of 65 remotely piloted aircraft (RPA) combat air patrols (CAPs) by May 2014. We are actively managing our procurement rate of MQ-9s to efficiently increase RPA fleet size while allowing for necessary aircrew training. We are extending operations for the U-2 Dragon Lady manned aircraft, in lieu of investing more heavily in the RQ-4 Block 30 Global Hawk fleet. Despite early predictions, the savings anticipated by the use of Global Hawks have not come to fruition and we will not invest in new technology at any cost. Divesting the RQ-4 Block 30 fleet and extending the U-2 will save the Air Force $815 million in FY13 and $2.5 billion across the FYDP. Sustaining the U-2 fleet will ensure affordable and sustained high altitude ISR for the Combatant Commanders and Joint warfighters.

We will maintain investment in the MC-12 Liberty as we transfer it to the Air National Guard, but we will establish Active unit associations to meet combat air patrol and surge requirements. The MC-12 will also perform the mission carried out by the RC-26 as we divest 11 of those aircraft from the Air National Guard (ANG). In the ANG, six RPA units have been or are currently being established, and an additional five units will stand-up in FY13. An ANG ISR group with two squadrons will be established to conduct ISR in cyberspace and to conduct digital network intelligence and cyber target development.

We are developing a more balanced and survivable mix of airborne platforms to enable continued operations in permissive environments and to enable operations in A2/AD environments. We are exploring innovative ways to leverage space and cyberspace capabilities as part of the overall mix of ISR capabilities and partner with Joint, Coalition, and Interagency partners, including the use of Air-Sea Battle as a framework to develop required capabilities for the Joint fight. We are investing $163 million in FY13 in our ground processing enterprise, the Distributed Common Ground System, and will continue migration to a service-oriented architecture to handle the increasing quantities of ISR data that is integrated and delivered from emerging sensors and platforms operating in all domains. We will also improve our ability to move information securely and reliably over information pathways. Finally, we are improving analyst capability through improved training, automation and visualization tools while we deliberately plan for future operations using a refined capability planning and analysis framework.

CYBERSPACE SUPERIORITY

Access and continued freedom of maneuver within cyberspace is an essential requirement for our networked force. Today's modern forces require access to reliable communications and information networks to operate effectively at a high operations tempo. Air Force and DoD networks face a continuous barrage of assaults from individual hackers, organized insurgents, state-sponsored actors, and all level of threats in between. Our adversaries are also realizing gains from electronically linking their combat capabilities. This is creating new warfighting

challenges that the Joint Force must be prepared to address. As we work to ensure our freedom of movement in cyberspace, we will also work with Service, Joint, and Interagency partners on additional and further-reaching cyberspace initiatives.

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

Our FY13 budget request for cyberspace superiority is $4.0 billion. With these funds, we are expanding our ability to rapidly acquire network defense tools, such as Host Based Security System, a flexible, commercial-off-the-shelf (COTS)-based application to monitor, detect, and counter cyber-threats to the Air Force Enterprise. We are also investing in advanced technologies to monitor and secure both classified and unclassified networks. We have made considerable progress in our efforts to meet the emerging challenges and threats in cyberspace by fielding a Total Force of over 45,000 trained and certified professionals equipped to ensure continuity of operations in cyberspace. The establishment of an additional ANG network warfare squadron (NWS) will enhance the Maryland ANG 175th NWS as they actively conduct cyber defense to protect networks and systems. The Air Force Reserve will also stand up an Active Association Network Warfare Squadron with the 33rd Network Warfare Squadron at Lackland AFB, Texas.

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

SPACE SUPERIORITY

America's ability to operate effectively across the spectrum of conflict also rests heavily on Air Force space capabilities. Airmen provide critical space capabilities that enhance the DoD's ability to navigate accurately, see clearly, communicate confidently, strike precisely, and operate assuredly. General purpose forces, the intelligence community, and special operations forces depend on these space capabilities to perform their missions every day, on every continent, in the

air, on the land, and at sea. In addition, space operations help ensure access and use of the global commons, enabling a multitude of civil and commercial activities such as cellular communications, commercial and civil aviation, financial transactions, agriculture and infrastructure management, law enforcement, emergency response, and many more. Like air superiority, space-based missions can easily be taken for granted.

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

Rapid technology advancements and the long-lead time for integrating and fielding new space technology results in an ongoing need to plan, design, and implement space advancements. We must procure our space systems at the lowest cost possible while providing assured access to space. Our innovative acquisition strategy for the Efficient Space Procurement (ESP)[1] of complex space systems is designed to identify efficiencies and use those resources to provide enduring capability and help provide stability to the space industrial base. We are again requesting advance appropriations to fully-fund the satellites being procured under ESP. While we are modernizing and sustaining many of our satellite constellations, funding constraints have slowed our ability to field some space capabilities as rapidly as is prudent. Therefore, as we continue to sustain our current level of support to the warfighter, the current fiscal environment demands that we explore alternate paths to provide resilient solutions. As we incorporate the tenets of the new National Space Policy and National Security Space Strategy, we are actively developing architectures that take into consideration the advantages of leveraging international partnerships and commercial space capabilities. One example being tested is a commercially hosted infrared payload (CHIRP) launched from Guiana Space Center, Kourou, French Guiana, which begins to explore the utility of a dedicated payload for missile warning hosted on a commercial communications satellite.

With the $9.6 billion in funds for space programs in the FY13 budget request, the Air Force is recapitalizing many space capabilities, fielding new satellite communications systems, replacing legacy early missile warning systems, improving space control capabilities, and upgrading position, navigation and timing capabilities with the launch of Global Positioning System (GPS) IIF satellites and the acquisition of GPS III satellites. Consistent with the 2012 National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act, the Air Force is canceling the Defense Weather Satellite System, saving $518.8 million in FY13 and $2.38 billion over the FYDP. The Defense Meteorological Satellite Program (DMSP) will continue to fulfill this critical requirement as the Air Force determines the most prudent way forward.

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

NUCLEAR DETERRENCE OPERATIONS

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

The Air Force is responsible for two of the three legs of the nuclear triad and continuing to strengthen the Air Force nuclear enterprise remains a top Air Force priority. Air Force investment in our bombers and intercontinental ballistic missile (ICBM) systems reflects our commitment to the nuclear deterrence mission well into the future. Our request of $5.1 billion for this core function in FY13 increases sustainment for the Minuteman III ICBM through 2030 with fuze component replenishment and replacement programs, as well as new transporter erectors. We are also enhancing long range strike capabilities by upgrading the B-2s with an improved Defensive Management System (DMS) and a new survivable communication system. These investments will ensure the Air Force maintains the capability to operate and sustain safe, secure and effective nuclear forces to deter adversaries, hold any target at risk, and respond appropriately if deterrence fails. In particular, the responsiveness of the ICBM leg and the flexibility of the bomber leg are valued attributes of the nuclear force. We are committed to a future force that will have the flexibility and resiliency to adapt to changes in the geopolitical environment or cope with potential problems in the nuclear stockpile.

The New Strategic Arms Reduction Treaty requires the United States to reduce warheads and delivery capacity by 2018. Our FY13 budget request includes $20.1 million to fund treaty preparatory actions that began in FY12 and additional actions necessary to accomplish the treaty-required reductions by 2018. While final force structure decisions have not yet been made, we are continuing to develop detailed plans, working with the Department of Defense and U.S. Strategic Command, for executing force reduction decisions which retain the attributes of the Triad needed for 21st Century deterrence.

RAPID GLOBAL MOBILITY

The Air Force provides unparalleled in-flight refueling and cargo carrying capacity in support of worldwide operations. Mobility forces provide vital deployment and sustainment capability for Joint and Coalition forces by delivering essential equipment, personnel, and materiel for missions ranging from major combat operations to humanitarian relief operations. Achieving unprecedented survival rates, our highly skilled aeromedical transport teams swiftly evacuate combat casualties, ensuring our wounded warriors receive the best possible medical care. A unique Air Force contribution, rapid global mobility must be maintained on a scale to support DoD force structure and national strategic objectives.

On any given day, the Air Force fleet of C-17s and C-5s deliver critical personnel and cargo, provide airdrop of time-critical supplies, food, and ammunition, and enable rapid movement of personnel and equipment. Air Force air refueling aircraft will continue to play a vital, daily role in extending the range and persistence of almost all other Joint Force aircraft. The Air Force remains committed to fully funding the acquisition of the new KC-46A tanker with $1.8 billion in research, development, testing, and evaluation (RDT&E) in FY13, while also resourcing critical modernization programs for the KC-10 and KC-135 fleets. This will ensure our Nation retains a tanker fleet able to provide crucial air refueling capacity for decades to come. The retirement of 20 KC-135s is consistent with our analysis of warfighting scenarios based on the strategic guidance and will results in savings of $22.5 million in FY13. As part of our energy efficiency initiatives, we plan to begin upgrading 93 KC-135 engines in FY13 and 100 more each year through the FYDP. We anticipate overall savings in fuel and maintenance of $1.5 billion from this $278 million investment.

In addition, with our FY13 budget request of $15.9 billion in rapid global mobility funds, the Air Force will continue to modernize its inter-theater airlift fleet of C-17s and C-5s. To move towards a common fleet configuration, the Air Force is investing $138.2 million in FY13 for the Global Reach Improvement Program (GRIP). The GRIP brings the multiple variants of C-17 to a standard configuration, designated the C-17A, that will provide efficiencies in operations and weapon system sustainment. We also plan to transfer eight C-17s from the Active Component to the ANG in FY13, and an additional eight in FY15. We are modernizing the most capable C-5 airframes while retiring the final 27 of the oldest model, the C-5A. On the remaining 52 C-5s, the Air Force is investing $1.3 billion in modernization in FY13 to improve capability and reliability, including $1.23 billion on the Reliability Enhancement and Re-engining Program. We currently have seven operational C-5Ms. The retirement of the last C-5A by FY16 is timed to match the completion of the last C-5M upgrade.

Because the strategic guidance reduced the overall requirement for intra-theater airlift, we are retiring C-130H aircraft (39 in FY13 and a total of 65 over the FYDP). These older aircraft would require costly modification or modernization to remain viable. We will maintain the necessary intra-theater airlift capability and capacity by completing the recapitalization of older C-130E/H aircraft with the C-130J. The remaining legacy C-130H aircraft are being modernized to reduce sustainment costs and ensure global airspace access.

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

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

COMMAND AND CONTROL

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

The Air Force is focusing its attention to modernization efforts to operate in A2/AD environments with our fourth- and fifth-generation weapon systems. In doing so, the Air Force will continue to use a balanced approach across the C2 portfolio by investing in sustaining legacy platforms while modernizing our C2 aircraft fleet and ground operating nodes only as needed to sustain our capability. Our FY13 budget request of $5.8 billion for C2 includes $200 million to support secure and reliable strategic level communications through the E-4 National Airborne Operations Center (NAOC). We are also spending $22.7 million to begin fielding a cockpit modernization development program to sustain the capability of the existing Airborne Warning and Control System (AWACS) platform and we will continue to modernize and sustain the Theater Air Control System Command and Control Centers (CRC). The modernization of the Air Operations Center (AOC) will move this weapon system to an enterprise system which can accept rapid application upgrades and enable future warfighting concepts.

To reduce unnecessary cost, the Air Force will retire one JSTARS aircraft that is beyond economical repair, saving the Air Force $13 million in FY13 and $91 million over the FYDP. The JSTARS re-engining system development and demonstration (SDD) flight test program completed in January 2012; however, because the FY12 NDAA reduced re-engining funding, full completion of the re-engining SDD is under review. The JSTARS re-engining program is not funded in FY13. We also terminated our portion of the Army-managed Joint Tactical Radio System (JTRS) small airborne radio program that was over cost and behind schedule and will instead leverage industry-developed hardware, while continuing the development of the required radio waveforms. The termination of this program and the associated non-recurring engineering will save $294 million in FY13 and $3.2 billion over the FYDP.

SPECIAL OPERATIONS

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

Our investments in SOF must strike a balance between winning today's fight and building the Joint special operation force of the future, including the ability to act unilaterally when necessary. Despite the challenging fiscal environment, with our budget request of $1.2 billion, the Air Force was able to sustain nearly all of the SOF aviation improvements realized over the past several years. The programmed buy of 50 CV-22 Ospreys will complete in FY14, and the procurement of MC-130Js for the recapitalization of 37 MC-130E/Ps will also complete in FY14. MC-130H/W recapitalization will begin in FY15, a year earlier than scheduled in the FY12 PB, which ensures a continued, more capable SOF mobility fleet. The Air Force is modernizing our SOF precision strike capability by procuring AC-130Js, on a one-for-one basis, to recapitalize our legacy AC-130Hs. We are also ensuring our Battlefield Airmen continue to receive first-class equipment and training by adding funds to operations and maintenance accounts.

PERSONNEL RECOVERY

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

To ensure the Air Force is able to provide this vital core function in the future, we are recapitalizing our fixed wing aircraft, replenishing our rotary wing aircraft through the Operational Loss Replacement (OLR) program, and replacing aging rotary wing aircraft through the Combat Rescue Helicopter (CRH) program. The $1.4 billion FY13 budget request for PR includes $152.2 million for the HC-130J and $183.8 million for the OLR and CRH programs. The FY13 RDT&E funding for the CRH was reprogrammed to support the acquisition of two test aircraft. The program remains on track to produce a replacement for the HH-60G through a full and open competition, with initial operational capability planned for FY18. The Air Force also continues to fund the HH-60G and HC-130 sustainment programs while continuing to invest in the Guardian Angel program that provides first-class equipment and training for the rescue force.

BUILDING PARTNERSHIPS

Building the capacity of partner governments and their security forces is a key element in our national security strategy. The establishment of strong, foundational aviation enterprises in our partner nations enables successful, sustainable security within their own borders while contributing to regional stability. Successful partnerships ensure interoperability, integration and interdependence between air forces, allowing for effective combined and coalition operational

employment. These partnerships also provide partner nations with the capability and capacity to resolve their own national security challenges, thereby reducing the potential demand for a large U.S. response or support.

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

These international engagements require Airmen to perform their duties effectively and achieve influence in culturally-complex environments around the globe. Fielding the Joint Strike Fighter and other platforms will help further our partnerships with more established allies. The U.S. role in the 12-nation Strategic Airlift Consortium enables a unique fully operational force of three C-17s to meet the airlift requirements of our European allies. The FY13 budget request of approximately $300 million in this core function continues to fully resource the Strategic Airlift Consortium effort at Papa AB, Hungary. The Air Force also committed to field a new aviation detachment in Poland.

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

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

AGILE COMBAT SUPPORT

Underpinning our capacity to perform the missions in these core functions is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations – from the training, education, and development of our Airmen to excellence in acquisition. The FY13 budget request includes $31.0 billion for agile combat support.

We will continue to support our Airmen and their families through quality of life and support services such as child care and youth programs and initiatives, medical services and rehabilitation for wounded warriors, improvements to dining facilities, food delivery, fitness centers, and lodging. We are partnering with local communities, where feasible, to provide the highest quality support, and we are changing the way that we provide services so that Airmen and their families are more able to easily access and receive the support they need. To ensure we

continuously focus on and improve readiness and build a more agile and capable force, we have strengthened technical and professional development by enhancing technical training, professional military education, and language and culture programs.

The Air Force is committed to sustaining excellence with a smaller force. We remain attentive to force management efforts and continue to size and shape the force to meet congressionally-mandated military end strength. A series of voluntary and involuntary force management efforts have been successful in reducing Active Duty end strength. Force management programs in FY12 include voluntary and involuntary programs which lessen the need for involuntary actions in FY13. We are posturing accessions for the long term and ensuring the right balance of skills exists to meet operational requirements. The Air Force will meet its OSD-directed civilian end strength target for FY12. The Force Management Program is not a quick fix, but a tailored, multi-year effort to manage the force along the 30-year continuum of service.

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

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

Science and technology investments are also a key toward enhancing our energy security and meeting our energy goals. The Air Force is requesting over $530 million for aviation, infrastructure, and RDT&E energy initiatives in FY13 to reduce energy demand, improve energy efficiency, diversify supply, and increase mission effectiveness. A focus of these initiatives is to improve our energy security by diversifying our drop-in and renewable sources of energy and increasing our access to reliable and uninterrupted energy supplies. We are investing more than $300 million in energy RDT&E, which includes $214 million for the FY13 Adaptive Engine Technology Development (AETD) initiative. This initiative will build upon the Adaptive Versatile Engine Technology (ADVENT) effort to reduce energy consumption and improve efficiency and reliability of future and legacy aircraft.

We are continuing to support an important aspect of our readiness posture through weapons system sustainment, the requirements for which have grown due to the complexity of new aircraft, operations tempo increases, force structure changes, and growth in depot work packages for legacy aircraft. We are mitigating overall WSS growth through efficiency efforts and

requirements reviews. WSS funding through OCO requests remains critical while we continue to be engaged in these global operations. For FY13, we are seeking $11.6 billion in WSS (including OCO). We are committed to retaining three strong organic depots. In FY12, we are investing approximately $290 million in new technologies and infrastructure in all of our depots. Although we may have a short term challenge to meet the Title 10, § 2466 Depot 50/50 Rule requirements due to force structure changes, we have a robust plan in place to perform organic repair for future weapon systems like the KC-46A.

As noted earlier, Air Force continues to emphasize the importance of maintaining readiness in support of our flying hour program. The Air Force's $44.3 billion FY13 operations and maintenance request supports 1.17 million flying hours for new pilot production, pilot development, maintenance of basic flying skills, as well as training of crews to support Combatant Commander priorities.

Facility sustainment, restoration and modernization and MILCON are essential tools for providing mission capability to our warfighters. The $441 million in MILCON funding, a $900 million decrease from FY12 enacted levels, represents a conscious decision to take a deliberate pause in MILCON investment. During this pause, we will maintain funding levels for facility sustainment at $1.4 billion and restoration and modernization at $718.1 million. We will continue to fund the most critical construction priorities of our Combatant Commanders and the Air Force, including projects aligned with weapon system deliveries—supporting beddowns for the F-22, F-35, HC-130J/C-130H, and MQ-9. In addition, our investment funds some much-needed support to our Airmen, with $42 million in dormitory recapitalization.

CONCLUSION

Given the continuing complexity and uncertainty in the strategic environment, and a more constrained fiscal environment, DoD and Air Force resources are appropriately targeted to promote agile, flexible, and cost effective forces, and to mitigate strategic risks. The FY13 Air Force budget request reflects the extremely difficult choices that had to be made that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's and tomorrow's wars, prevent and deter conflict, and prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the All-Volunteer Force. Additional reductions would put at risk our capability to execute the new strategic guidance.

We are confident in our Airmen and their families. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle, and defeat any enemy—as long as they are given adequate resources. As they have time and again, our Airmen innovators will find new and better ways to approach future military challenges across the spectrum of domains and against nascent threats. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of $110.1 billion for FY13.

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.

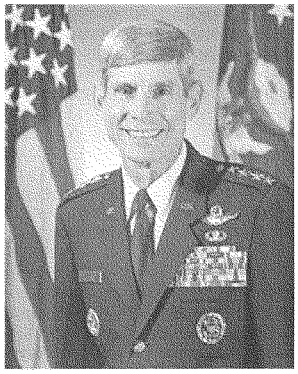
Mr. Donley served the National Security Council as Deputy Executive Secretary from 1987 to 1989 and as Director of Defense Programs from 1984 to 1987. He was also a Professional Staff Member on the Senate Armed Services Committee (1981-84), a Legislative Assistant to the U.S. Senate (1979-81) and the 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 28, 2012

RESPONSE TO QUESTION SUBMITTED BY MR. SMITH

Secretary DONLEY. Based on the December 2011 F–35 Selected Acquisition Report (SAR) to Congress, the unit recurring flyaway cost numbers for the aircraft we are procuring in FY13 are: $123.2 million for the F–35A conventional take-off and landing (CTOL) variant; $155.0 million for the F–35B short take-off and vertical landing (STOVL) variant; and $131.7 million for the F–35C carrier (CV) variant. These unit cost numbers account for the "must fix" concurrency changes (captured in the engineering change order line) but do not account for block upgrades. [See page 12.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 28, 2012

QUESTION SUBMITTED BY MR. MCKEON

Mr. MCKEON. I am pleased to see the Department has continued funding in FY 13 for the T–X Advanced Jet Trainer Replacement Program. Replacing the aging T–38s with a new trainer suitable to train pilots for 4th and 5th generation fighters such as F–22 and F–35 is critical to readiness. The contract award for this program slipped a year in the budget from FY 15 to FY 16. Is replacement of the current Air Force trainer an important component of USAF readiness and training? Is the Air Force committed to moving forward with the T–X program with procurement funding in FY 16?

General SCHWARTZ. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. SMITH

Mr. SMITH. What is the Air Force's plan in the FY13–17 FYDP to address the aging 707 and C–135 fleet of C2ISR aircraft? Given the historical precedent that acquisition programs take many years and that the E–8 JSTARS may only continue operations until about 2025, is there a plan to start to address this issue?

General SCHWARTZ. The Air Force continues to sustain/modernize the 707 and C–135 fleet of C2ISR aircraft. All platforms are considered viable through the 2035–2040 timeframe. Airborne Warning and Control system (AWACS) Prime Mission Equipment Diminishing Manufacturing Source (DMS) and Avionics DMS cockpit issues are being addressed through the Block 40/45 and DRAGON programs. The upgrades will ensure AWACS remains compliant with military, civil, and international flight certifications and flight safety standards.

Air Combat Command's recently completed Airborne Synthetic Aperture Radar/Moving Target Indicator (SAR/MTI) and Joint STARS Mission Area Analysis of Alternatives (AoA) evaluated materiel solutions to fulfill future overall SAR/MTI requirements. JSTARS Prime Mission Equipment DMS and Avionics DMS cockpit issues will be addressed based on the approved way-ahead of the AoA. Based on the data from the E–8C Fleet Viability Board the E–8C is viable until 2035.

Mr. SMITH. How does the Air Force plan to provide continued support to the Army in SAR/GMTI/DMTI mission area?

General SCHWARTZ. The Air Force is committed to providing continued support to the Army to fulfill the ever growing demand for SAR/GMTI/DMTI data. The Air Force continues to sustain and modernize, as required, the E–8C Joint Surveillance Target Attack Radar System (JSTARS), fielding Global Hawk Block 40 with Multi-Platform Radar Technology Insertion Program (MP–RTIP) with Initial Operational Capability 4th quarter FY14, and fielding Dismount Detection Radar (DDR) on the MQ–9 in late FY14 to early FY15.

Mr. SMITH. Assuming the retirement of the E–8 JSTARS in 2025, what is the Air Force doing to ensure that future ground surveillance radar capability will be available to the ground forces and intelligence community after that date?

General SCHWARTZ. Based on the data from the E–8C Fleet Viability Board the E–8C is viable until 2035. The Air Force continues to sustain the E–8C with necessary Prime Mission Equipment Diminishing Manufacturing Source (DMS) and Avionics DMS cockpit upgrades work to ensure the E–8C remains compliant with military, civil, and international flight certifications and flight safety standards. Air Combat Command's recently completed Airborne Synthetic Aperture Radar/Moving Target Indicator (SAR/MTI) and Joint Surveillance Target Attack Radar System Mission Area Analysis of Alternatives (AoA) evaluated materiel solutions to fulfill future overall SAR/MTI requirements.

Mr. SMITH. As part of the ongoing analysis of alternatives, has the Air Force done a complete cost analysis of all of its alternatives? When will Congress see the result of this analysis?

General SCHWARTZ. Air Combat Command presented the final results of the Analysis of Alternatives (AoA) to the Air Force Requirements Oversight Council (AFROC) for validation on 30 November 2011. Vice Chief of Staff of the Air Force approved the AoA's release on 25 Jan 12 to the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE). OSD/CAPE is currently

reviewing the final report for sufficiency. A complete cost analysis was accomplished on the 10 AFROC validated alternatives during the AoA.

Air Force senior leadership has not made a decision on when the data will be released.

QUESTIONS SUBMITTED BY MR. MCINTYRE

Mr. MCINTYRE. The fiscal year 2012 NDAA requires the Air Force to maintain a combat-coded B–1 fleet of 36 aircraft during fiscal years 2012 and 2013. Does the budget request for FY 2013 include funding to comply with this legislative directive?

General SCHWARTZ. The fiscal year 2012 National Defense Authorization Act (NDAA) requires the Air Force to maintain not less than 36 B–1 aircraft as combat-coded in a common capability configuration. The Air Force will comply with this requirement by performing the necessary maintenance actions to keep a minimum of 36 combat-coded aircraft flyable and mission capable at their respective Main Operating Bases. However, since the FY12 NDAA did not provide additional funding for the continued operation of the three combat-coded aircraft planned for retirement, the Air Force prioritized the programmed reinvestment of the expected savings in both the B–1 program and other department priorities over the restoral of Operation & Maintenance funding for flying hours in the FY13 President's Budget request. To this end, three combat-coded aircraft will be withheld from daily operations until their planned retirement dates as permitted by the FY12 NDAA, but these aircraft will remain available to support Combatant Commander requirements during the phased retirement period.

Mr. MCINTYRE. With the decision to delay procurement of 179 F–35s in the FYDP, what steps is the Air Force taking to prevent fighter inventory shortfalls in the mid- to long-term?

General SCHWARTZ. The Air Force is modernizing and extending F–16 Block 40–52 service life via the Combat Avionics Programmed Extension Suite (CAPES) and Service Life Extension Programs (SLEP). The programs are planned for 350 aircraft, yet still only programmed for 300 within the Future Years Defense Plan. Both programs are scalable and able to grow to 650 aircraft if needed. Additionally, the Air Force continues to modernize F–15 C/D/Es with system upgrades to include Active Electronically Scanned Array (AESA) radars, Eagle Passive Active Warning Survivability System (EPAWSS), Eagle Passive Attack Sensor System (EPASS), Infrared Search and Track (IRST), Advanced Display Core Processor (ADCP) –II, and Beyond Line of Sight (BLOS) radios. Additionally, F–22A modernization remains on track and includes Synthetic Aperture Radar (SAR) mapping, Small Diameter Bomb (SDB), Electronic Protection, Combat ID, AIM–9X, AIM–120D, Link-16 upgrades, and Geo-location capability. Finally, the Air Force remains committed to the F–35 and procurement of 1,763 Conventional Takeoff and Landing (CTOL) variants. The decision to delay procurement was an effort to minimize concurrency costs and maximize combat capability when the aircraft moves into full rate production in 2019.

Mr. MCINTYRE. The committee has been informed that the recent F–22 scientific advisory board did not determine a root cause of the recent hypoxia incidents. What action is the Air Force taking to address the risk of future hypoxia events with the F–22?

General SCHWARTZ. [The information was not available at the time of printing.]

Mr. MCINTYRE. The Navy has a plan to continue low-rate production of the D5 ballistic missile to keep the industrial base healthy. The Air Force does not appear to have a similar program for the Minuteman III ICBMs. Why not? What are the risks to the ICBM industrial base?

General SCHWARTZ. The Air Force recognizes the importance of maintaining the Intercontinental Ballistic Missile (ICBM) industrial base and has programs in place to ensure the Minuteman III remains viable through 2030 and to support any follow-on ground based strategic deterrent system. The research and development portion of the Solid Rocket Motor (SRM) industrial base, exercised as part of ICBM Demonstration/Validation (Dem/Val) Propulsion Applications Program (PAP), matures SRM technologies for insertion into any future propulsion modernization program. The Air Force PAP program exercises design and systems engineering skills critical to maintaining a healthy SRM industrial base.

Mr. MCINTYRE. Just last year the Global Hawk Block 30 program was certified as "essential" to national security, yet the FY 2013 budget request proposes mothballing all of the Global Hawk Block 30 aircraft. How can you explain such a dramatic change in the Air Force's position on this program?

General SCHWARTZ. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. FORBES

Mr. FORBES. I am pleased to see the Department has continued funding in FY 13 for the T–X Advanced Jet Trainer Replacement Program. Replacing the aging T–38s with a new trainer suitable to train pilots for 4th and 5th generation fighters such as F–22 and F–35 is critical to readiness. The contract award for this program slipped a year in the budget from FY 13 to FY 14. Is replacement of the current Air Force trainer an important component of USAF readiness and training? Is the Air Force committed to moving forward with the T–X program with procurement funding in FY 14?

Secretary DONLEY. [The information was not available at the time of printing.]

Mr. FORBES. Submitted on behalf of Congresswoman Cathy McMorris Rodgers: In the FY13 proposed budget, the Air Force is proposing to purchase only 54 aircraft. How is the Air Force planning to recapitalize its aging fleet?

Secretary DONLEY. While the Air Force continues to advocate for strong investment in recapitalizing our aging fleet, modernizing the Air Force during a period of budget decline is a significant challenge. In order to address this challenge, we are slowing the pace and scope of modernization while protecting programs critical to future warfighter needs. Focused investment in high priority programs such as the F–35 Joint Strike Fighter, Long Range Strike Bomber, and KC–46A refueling tanker is critical to the Department's overall strategy. Simultaneously, investment in service life extensions for legacy aircraft is necessary to sustain the capacity necessary to meet the new Defense Strategic Guidance. The Air Force objective is to mitigate risk by addressing recapitalization concerns as aggressively as possible within fiscal constraints, while ensuring our existing force structure remains ready, capable, and relevant in the near-term. As budget pressures ease in future years, the Air Force will be postured to resume a more expansive recapitalization effort.

Mr. FORBES. Submitted on behalf of Congresswoman Cathy McMorris Rodgers: Funding for the KC–46A Refueling Tanker is largely preserved in the FY2013 Budget. Should sequestration go into effect this year, will the KC–46A tanker remain an Air Force priority? What would be the effect of sequestration upon the KC–46A tanker program?

Secretary DONLEY. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. MILLER

Mr. MILLER. What is the Air Force's definition of a "Center," as the term is used by Air Force Materiel Command to describe commands such as the Electronic Systems Center, the Air Armament Center, and the Flight Test Center? What functions must be present for a location to be designated a "Center"? Is strategic planning an essential part of a Center?

Secretary DONLEY. Within the Air Force, a "Center" is a named unit that performs a specialized mission. A primary characteristic of a Center is that it performs most of its mission within a large complex at one location and usually has only a few subordinate units. There are a number of centers across the Air Force. Other commands outside of Air Force Materiel Command use the term "Center" such as the Air Force Operational Test and Evaluation Center which is a Direct Reporting Unit to Headquarters United States Air Force. Aside from the characteristics mentioned above, there are no standard functions that must be present for an organization to be designated a "Center". Additionally, since a "Center" is a unit that may have functions at multiple locations, it is the organization (and not the location) that is designated a "Center." Strategic planning is not a mandated "Center" function, but by the nature of their functions, most "Centers" do support strategic planning, either at the Major Command or Headquarters Air Force level.

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QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Secretary Donley, what progress has the Air Force made in evaluating threats to our bases that rely on civilian power sources, and how has the Air Force strengthened its plans for alternative energy sources?

Secretary DONLEY. The Air Force's dependency on the commercial power grid represents a critical asymmetric vulnerability that must be mitigated through partnerships with industry, state and local governments. The Air Force conducts Critical Asset Risk Assessments (CARAs) to identify key critical assets and supporting infrastructure. Identification of critical assets focuses within installation boundaries, and extends to the first critical infrastructure nodes outside perimeters. The Air Force has identified over 900 critical assets, and 62 of those are Tier 1 assets, where loss or degradation of energy would impact strategic-level missions. Of the 62 Tier 1 assets, 22 of them are Defense Critical Assets (DCA); the loss of a DCA would result in mission failure for the entire Department of Defense (DOD) capability.

To date, the Air Force has completed 30 CARAs (12 in FY11). In FY12, there are nine CARAs scheduled. The Air Force expects to complete CARAs for all Tier 1 assets by the end of FY13. Eight CARAs have been conducted on DCAs and two more are scheduled for FY12. The Air Force is also a member of the DOD's Energy Grid Security Executive Council, which exists to discuss grid concerns across the Services.

The Air Force uses the CARA report as a starting point to work with the owning organizations to develop risk response plan that identifies discrete courses of action to address identified risks. CARA reports are provided to Commanders, Major Commands (MAJCOM), Combatant Commanders, the Joint Staff, the Assistant Secretary of Defense for Homeland Defense and America's Secutity Affairs (ASD(HD&ASA)), Headquarters Air Force functional stakeholders, and the Air Force Directorate for Air Operations, to inform Commanders' decisions on how to apply limited resources, and provide visibility to asset owners and mission owners of those issues affecting their roles and responsibilities. Decisions on responses to identified risks can be made at various levels of the organization. Such decisions may be to remediate, mitigate, or following a comprehensive review by leadership and evaluation within the corporate process, to accept risk.

The Air Force also prepares Critical Asset Risk Management (CARM) Plans for a select subgroup of critical assets. Of the 17 course of action (COA) recommendations developed thus far in the seven CARM Plans submitted to ASD(HD&ASA), 3 have been funded at a total Operations and Maintenance cost of $250,000, and the corresponding vulnerability to the respective critical assets remediated. Remediation is currently in progress for two additional COAs, at a total cost of $6.65 million.

COA examples include installing power generators to provide electricity to a critical asset in the event of a power failure or developing a continuity of operations plan. Projects addressing risks identified in CARA reports can receive higher weighting factors during Air Force budgeting process. Additionally, a further six CARM Plans are currently in development.

The ability of the Air Force to ensure continuity of operations is dependent upon not only the delivery of reliable and uninterrupted energy supplies in the necessary quantities, but also on the adaptability of mission platforms to operate on diversified energy sources, such as biofuels or synthetic fuels. To assure its energy supply, the Air Force has two very ambitious goals in place—to certify aircraft to use alternative aviation fuels and to develop on-base source of renewable energy. The Air Force is certifying its fleet on several alternative aviation fuels to ensure our aircraft could fly on commercially available fuels by 2016. Those alternative fuels will need to be drop-in fuels that are cost competitive with traditional petroleum-based jet fuels, and meet our environmental and technical specifications. For the second goal, the Air Force is focused on developing on-site sources of renewable energy, particularly those sources that can insulate the Air Force from grid failure or other supply disruptions, and plans to achieve 1,000 megawatts of on-site capacity by 2016. This will largely be accomplished through third-party investments and at those installations where renewable energy is mission compatible.

Mr. LANGEVIN. I continue to be concerned about the overall strength and size of the nation's cybersecurity workforce. What is the Air Force doing to recruit and

train airmen with cyberskill and what is it doing to encourage them to stay in uniform?

Secretary DONLEY. The Air Force, in order to improve the identification of future enlisted and officer cyberspace operators during the recruitment process, partnered with Navy and the Army in the development of a cyber test that could be used as a supplement to the Armed Services Vocational Aptitude Battery. At this time, the test has been used at selected military entrance processing stations as part of a pilot program to test enlisted recruits' cyberspace aptitude. However, the results have not yet been used in the selection of a recruit's Air Force Specialty Code. Additional work needs to be completed to ensure test results identify cyberspace aptitude versus simply identifying current skill level and knowledge. The United States Air Force Academy and Air Force Reserve Officer Program have also created three cyberspace emphasis pre-accessions programs for officers. These programs have an annual throughput of 330 future cyberspace officers. Additionally, over the last two years, the Air Force has implemented 10 separate training programs that have an annual throughput of over 2,600 cyberspace operators. Finally, in regards to the retention of our cyberspace enlisted career fields, as of October 2011, 5 Air Force Specialty Codes have varying levels of retention bonuses, which are used to encourage re-enlistment. Currently, no incentive programs are used to retain the officer and civilian cyberspace populations.

Mr. LANGEVIN. General Schwartz, I recently visited 24th Air Force at Lackland Air Force Base and was very impressed with its operations. We have clearly made great strides in our ability to impact the cyber domain, but as I am sure you agree, we must continue to innovate and transform in order to maintain and expand that ability. In your view, what must the Air Force do next in order to ensure the ability of its networks to support Full Spectrum Operations?

General SCHWARTZ. The Air Force contributes to the Joint force by developing, integrating, and operating cyberspace capabilities in three mission areas: support, defense, and offense. Future capabilities will enable effects across the full spectrum of operations.

- The Air Force Cyberspace Superiority Core Function Master Plan specifies nine capabilities that require programmatic actions to evolve the force from its current capability state: Passive Defense, Defensive Counter Cyberspace, Intelligence, Surveillance and Reconnaissance & Situational Awareness, Persistent Network Operations, Data Confidentiality & Integrity Systems, Cyberspace Air Operations Center, Offensive Counter Cyberspace for Global Reach and Access, Contingency Extension, and Influence Operations.
- A shift in mindsets from support to operations will foster greater concentration of effort. Air Force members will understand their contributions to the joint fight. The shift in mindset will engender greater operational integration across all warfighting domains.
- Attaining the Cyberspace Superiority Core Function Master Plan's specified capabilities and shifting from a support to operational mindset sets the conditions for attaining partnership capabilities. Partnerships with other governmental agencies, industry, allies, and partners, will enhance mission effectiveness. The ability to integrate and leverage partnerships will underpin force projection in all domains. The Air Force will invest as required to ensure its ability to operate effectively and enhance the resiliency and effectiveness of critical cyber capabilities.

QUESTIONS SUBMITTED BY MR. TURNER

Mr. TURNER. The President established a modernization plan in the 1251 plan and the 2010 NPR. The FY13 budget, after the New START treaty was ratified, is backing off those plans. Let me review the list, the B61 gravity bomb is 2 years delayed; the associated tail kit is late, and we understand that certain high-accuracy options are not being looked at; the W78 warhead is being pushed back, and certain modernization options have been arbitrarily taken off the table; the new bomber, won't be nuclear-certified at the outset, and new cruise missile are late by at least 2 years; and the plan for the modernization of the Minute Man III appears to be lacking commitment. Further we hear all of these programs are dependent on the President's review—the so-called mini-NPR—about which this Committee has been completely shut out by the White House.

1) Can you assure us that the Air Force has an iron-clad, no-caveat, commitment to field a new ICBM, to field a new nuclear-capable bomber and cruise missile? Will this commitment change as a result of the Administration's mini-NPR?

2) Why would the plan to implement the New START treaty, which was ratified in 2010, depend on the President's mini-NPR which is being conducted in complete secrecy from the Congress?

3) Secretary Panetta promised to assist this committee in oversight of the nuclear war plan, in fact promising read-ins last December, but nothing has happened since then. What accesses do you have to the so-called 8010 plan? How many Air Force personnel have access to that plan? Tens? Hundreds? More?

a. Does it surprise you that the Department is denying any access to that plan to the Congress? Understand that we're told that the Administration may be considering 80% reductions in the nuclear force, and no one in Congress has been allowed to see the plan.

Secretary DONLEY. The President's fiscal year 2013 (FY13) Budget reflects the Air Force's continued commitment to invest in the enduring and compelling attributes the Nation needs for a safe, secure and effective nuclear deterrent force. The Air Force fully funded and is conducting the materiel solution analysis to identify the options for both a follow-on Intercontinental Ballistic Missile system and a cruise missile to follow the Air Launch Cruise Missile. Reports are expected to be completed in FY14. A nuclear-capable Long Range Strike Bomber is also funded in the Presidents FY13 budget. The Administration's post-Nuclear Posture Review (NPR) analysis has not altered these commitments.

Air Force plans to implement New Strategic Arms Reduction Treaty (START) are not dependent on current Post-NPR analysis efforts underway. As stated in the 2010 NPR, the Administration is conducting follow-on analysis to set goals for future nuclear reductions below the levels in New START. Although a final New START force structure decision has not been made, the Air Force has fully funded NST implementation actions to achieve the baseline force structure as outlined in the National Defense Authorization Act Section 1251 Report: 240 deployed submarine launched ballistic missiles on 14 strategic nuclear submarines, up to 420 deployed intercontinental ballistic missiles and up to 60 deployed nuclear-capable heavy bombers.

As a Service component to United States Strategic Command (USSTRATCOM) responsible for providing assets and capabilities required for execution, several echelons of the Air Force have access to Operational Plan 8010. Since this is a USSTRATCOM plan, the Air Force defers to USSTRATCOM and the Office of the Secretary of Defense regarding your concerns in this question.

Mr. TURNER. In your statement you emphasize the need to continue to strengthen our global ISR infrastructure. Clearly, the development and use of remotely piloted aircraft (RPAs) play an integral role in that infrastructure, yet there are a very limited number of areas where these systems can be freely tested. With the military operations overseas winding down, there is an increasing need to integrate remotely piloted aircraft (RPAs) into the national airspace system (NAS). Working with the FAA and NASA, the Air Force Research Laboratory (AFRL) is leading the charge within the Air Force in developing the future technology for the safe operation of RPAs in the national airspace. Can you provide an update on the effort? What steps are needed to strengthen this relationship so that the full research capabilities of AFRL can be teamed with the FAA and NASA to solve the challenges of RPA integration into the NAS which is so central to the future of U.S. aerospace? Would additional authorities specifically to leverage the work of the Air Force, FAA, and NASA as a goal to shorten the time to integrate RPAs be valuable to the Air Force?

Secretary DONLEY. The Air Force is working both airborne (long term) and ground based (near term) sense and avoid programs to integrate remotely piloted aircraft (RPAs) into the national airspace system (NAS). We have been working technology development in this area for 10 years and are transitioning those technologies to acquisition over the next several years. As a key milestone, we plan to complete our ground based proof of concept demonstration in mid-2012 and complete certification of the system approximately 18 months later. Once certification is complete, this system will enable more routine access to portions of the NAS and enhance our readiness. Equally important, we are developing the required Department of Defense certification standards for those components unique to RPAs. Additional authorities: The Federal Aviation Administration (FAA's) Unmanned Aircraft Systems airspace integration and test site mandate in both the 2011 National Defense Authorization Act and the FAA Reform and Modernization Act is a significant step forward to both expand technology and establish performance standards needed for full RPA integration. The involvement of both industry and academia will further serve to safely advance UAS/RPA access nationally and internationally. The Air Force believes that coordinated oversight of the overarching research and development objectives between FAA, National Aeronautics and Space Administration and Air Force

Research Laboratory is vital to effectively meet the legislated 2015 deadline for RPA integration into the National Airspace System.

Mr. TURNER. The Air Force Institute of Technology (AFIT) is the primary post-secondary education institution for the Air Force and it has educated numerous senior leaders for the Air Force, particularly in specialized scientific and technical disciplines required for modern aeronautical warfare. In this increasingly tight budget environment, I am deeply concerned that AFIT, which represents an investment in the future of the Air Force, will be given a lower priority in light of short-term needs. Can you assure me that the Air Force remains committed to offering future leaders the kind of advanced technical degrees that AFIT provides?

Secretary DONLEY. The Air Force is committed to continuing to offer advanced technical degrees to future leaders via the Air Force Institute of Technology (AFIT). Air Force senior leaders have become intimately involved in determining the proper educational development for the officers within their career fields. Advanced academic degrees are the means to fulfill this critical piece of the officer developmental equation. Air Force senior leaders place increased emphasis on providing officers with the right education, particularly in specialized scientific and technical disciplines, AFIT becomes an invaluable capability the Air Force can use to achieve this objective.

AFIT offers advanced academic degree opportunities in programs that meet the critical Air Force and Department of Defense (DOD) needs. Their faculty and students are engaged in research on the cutting edge of technology, which allows the students to work on projects that will advance the technical exploitations of the DOD. Given our fiscally challenged environment, we plan to do everything possible to leverage this educational advantage as a means of stretching our dollars to obtain maximum benefits. Policies are in place that require efficient use of educational assets to help ensure the continued viability of AFIT.

Mr. TURNER. The fiscal year 2011 National Defense Authorization Act included an amendment I offered that would allow the Air Force Institute of Technology (AFIT) to enroll up to 125 civilians on a space-available basis. This is similar to authority granted other defense schools. I have asked repeatedly over the past year when this new policy will be implemented and have been told "soon." We are now working on the FY13 NDAA. Could you let us know when you anticipate implementing the provision and what is causing the delay?

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Mr. TURNER. In your statement you emphasize the need to continue to strengthen our global ISR infrastructure. Clearly, the development and use of remotely piloted aircraft (RPAs) play an integral role in that infrastructure, yet there are a very limited number of areas where these systems can be freely tested. With the military operations overseas winding down, there is an increasing need to integrate remotely piloted aircraft (RPAs) into the national airspace system (NAS). Working with the FAA and NASA, the Air Force Research Laboratory (AFRL) is leading the charge within the Air Force in developing the future technology for the safe operation of RPAs in the national airspace. Can you provide an update on the effort? What steps are needed to strengthen this relationship so that the full research capabilities of AFRL can be teamed with the FAA and NASA to solve the challenges of RPA integration into the NAS which is so central to the future of U.S. aerospace? Would additional authorities specifically to leverage the work of the Air Force, FAA, and NASA as a goal to shorten the time to integrate RPAs be valuable to the Air Force?

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Mr. TURNER. The President established a modernization plan in the 1251 plan and the 2010 NPR. The FY13 budget, after the New START treaty was ratified, is backing off those plans. Let me review the list, the B61 gravity bomb is 2 years delayed; the associated tail kit is late, and we understand that certain high-accuracy options are not being looked at; the W78 warhead is being pushed back, and certain modernization options have been arbitrarily taken off the table; the new bomber, won't be nuclear-certified at the outset, and new cruise missile are late by at least 2 years; and the plan for the modernization of the Minute Man III appears to be lacking commitment. Further we hear all of these programs are dependent on the President's review—the so-called mini-NPR—about which this Committee has been completely shut out by the White House.

1) Can you assure us that the Air Force has an iron-clad, no-caveat, commitment to field a new ICBM, to field a new nuclear-capable bomber and cruise missile? Will this commitment change as a result of the Administration's mini-NPR?

2) Why would the plan to implement the New START treaty, which was ratified in 2010, depend on the President's mini-NPR which is being conducted in complete secrecy from the Congress?

3) Secretary Panetta promised to assist this committee in oversight of the nuclear war plan, in fact promising read-ins last December, but nothing has happened since then. What accesses do you have to the so-called 8010 plan? How many Air Force personnel have access to that plan? Tens? Hundreds? More?

a. Does it surprise you that the Department is denying any access to that plan to the Congress? Understand that we're told that the Administration may be considering 80% reductions in the nuclear force, and no one in Congress has been allowed to see the plan.

General SCHWARTZ. The President's fiscal year 2013 (FY13) Budget reflects the Air Force's continued commitment to invest in the enduring and compelling attributes the Nation needs for a safe, secure and effective nuclear deterrent force. The Air Force fully funded and is conducting the materiel solution analysis to identify the options for both a follow-on Intercontinental Ballistic Missile system and a cruise missile to follow the Air Launch Cruise Missile. Reports are expected to be completed in FY14. A nuclear-capable Long Range Strike Bomber is also funded in

the Presidents FY13 budget. The Administration's post-Nuclear Posture Review (NPR) analysis has not altered these commitments.

Air Force plans to implement New Strategic Arms Reduction Treaty (START) are not dependent on current Post-NPR analysis efforts underway. As stated in the 2010 NPR, the Administration is conducting follow-on analysis to set goals for future nuclear reductions below the levels in New START. Although a final New START force structure decision has not been made, the Air Force has fully funded NST implementation actions to achieve the baseline force structure as outlined in the National Defense Authorization Act Section 1251 Report: 240 deployed submarine launched ballistic missiles on 14 strategic nuclear submarines, up to 420 deployed intercontinental ballistic missiles and up to 60 deployed nuclear-capable heavy bombers.

As a Service component to United States Strategic Command (USSTRATCOM) responsible for providing assets and capabilities required for execution, several echelons of the Air Force have access to Operational Plan 8010. Since this is a USSTRATCOM plan, the Air Force defers to USSTRATCOM and the Office of the Secretary of Defense regarding your concerns in this question.

Mr. TURNER. In your statement you emphasize the need to continue to strengthen our global ISR infrastructure. Clearly, the development and use of remotely piloted aircraft (RPAs) play an integral role in that infrastructure, yet there are a very limited number of areas where these systems can be freely tested. With the military operations overseas winding down, there is an increasing need to integrate remotely piloted aircraft (RPAs) into the national airspace system (NAS). Working with the FAA and NASA, the Air Force Research Laboratory (AFRL) is leading the charge within the Air Force in developing the future technology for the safe operation of RPAs in the national airspace. Can you provide an update on the effort? What steps are needed to strengthen this relationship so that the full research capabilities of AFRL can be teamed with the FAA and NASA to solve the challenges of RPA integration into the NAS which is so central to the future of U.S. aerospace? Would additional authorities specifically to leverage the work of the Air Force, FAA, and NASA as a goal to shorten the time to integrate RPAs be valuable to the Air Force?

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Mr. TURNER. As an estimate, how much of the development and procurement costs associated with the long range strike bomber can be associated with making it nuclear-capable and nuclear-certified? What percentage of the total development and procurement costs is this? Does the Air Force plan to buy additional aircraft for the nuclear mission, or would the same number of aircraft be procured if the bomber were only for conventional missions?

General SCHWARTZ. As directed by the Secretary of Defense, the Long Range Strike Bomber program was started in Fiscal Year 2012. The Air Force recently began the process of building detailed cost estimates for the development, procurement, and sustainment of the Long Range Strike Bomber. We are working closely with the nuclear centers of excellence to understand the stringent nuclear design and certification requirements to inform these cost estimates. Upon completion, we will fully disclose the requested information within appropriate channels.

The Air Force plans to field 80–100 nuclear-capable Long Range Strike Bombers beginning in the mid-2020s by leveraging mature technologies and making capability tradeoffs to hold down procurement costs. The $550 million average procurement unit cost (Base Year 2010) includes sufficient funding to make the bombers survivable in a nuclear environment and capable of nuclear weapons employment. The Long Range Strike Bomber will be certified for nuclear operations in time to meet USSTRATCOM's nuclear force structure requirements.

Mr. TURNER. The Navy has a continuous low-rate production program for D5 ballistic missiles to keep the industrial base healthy and responsive. The Air Force does not have a similar program for Minuteman III ICBMs—why not? What are the risks of this approach?

General SCHWARTZ. The Air Force recognizes the importance of maintaining the Intercontinental Ballistic Missile (ICBM) industrial base and has programs in place to ensure the Minuteman III remains viable through 2030 and to support any follow-on ground based strategic deterrent system. The research and development portion of the Solid Rocket Motor (SRM) industrial base, exercised as part of ICBM Demonstration/Validation (Dem/Val) Propulsion Applications Program (PAP), matures SRM technologies for insertion into any future propulsion modernization program. The Air Force PAP program exercises design and systems engineering skills critical to maintaining a healthy SRM industrial base.

Mr. TURNER. Does the FY12 request include funds to make the F–35 Joint Strike Fighter dual-capable (to carry nuclear payloads)? When is the F–35 expected to be fully nuclear-capable and nuclear-certified? Have the estimated costs for this nu-

clear-capable retrofit increased, and if so, is that a lesson for the new bomber (i.e., to make it nuclear-capable from the outset)?

General SCHWARTZ. The JSF Operational Requirement Document (ORD) directed the F–35 program to incorporate Dual Capable Aircraft (DCA) capability in the first post-System Development and Demonstration (SDD) block upgrade, Block 4, currently projected to field in the 2021 timeframe. The Air Force fully supports our commitment to our NATO partners to provide forward deployed DCA capable fighters in European Command (EUCOM), and is reviewing available options to maintain DCA requirements in the European theatre by other means until nuclear capable F–35As are ready to assume the mission.

In the President's Budget 2013, the Air Force chose to defer further dual capable aircraft (DCA) funding. The Air Force made this decision based on several factors:

1) Uncertainty in the F–35 Block 4 delivery timeline and associated candidate list due to congressional marks on F–35 Follow-on Development funding and F–35 SDD re-plan activities

2) Uncertainty in the B61 Life Extension Program (LEP) approach and timeline; the B61 LEP is a joint DOD/DoE effort that will provide a digital nuclear weapon capability that can be integrated on the F–35A

3) The ability to mitigate delays in F–35A DCA capability through Service Life Extension Programs (SLEP) for legacy aircraft

The Air Force fully supports the commitment to provide forward deployed DCA capable fighters and is reassessing DCA need dates and development timelines. To mitigate potential future hardware changes and retrofit costs, DCA basic provisions, to include power, wiring, cooling, and weapons bay volume, were accounted for in the current F–35A design. Should the Department of Defense decide to fund for F–35A DCA integration in PB 14, funding will total $309M across the Future Years Defense Plan. Including fiscal year 2012 funding and additional funding in fiscal year 2019+, the total DCA cost is still anticipated to be $339M.

Mr. TURNER. Please describe the Air Force's plans for a follow-on to the nuclear-capable Air Launched Cruise Missile (ALCM). When is such a capability needed and what is the anticipated total quantity and cost needed? Why has the program been delayed?

General SCHWARTZ. Long Range Standoff (LRSO) is the Air Force's plan for the follow-on to the nuclear-capable Air Launched Cruise Missile (ALCM). The need date is based on survivability of the ALCM, to mitigate risk to this validated capability requirement. The Air Force is currently executing an Analysis of Alternatives (AoA) to determine the best materiel solution to meet the future need in a quantity required by the combatant commanders. Affordability is one factor to be assessed during the AoA. Potential options under analysis range from modification of existing inventory to new weapon system development. Once the AoA is complete, the Air Force will be able to determine options that best provide our Nation a safe, secure and effective nuclear deterrent in the 21st Century.

The Long Range Stand-Off (LRSO) AoA, which began in August 2011, continues and is scheduled to be completed in early fiscal year 2013 (FY13). The LRSO program was delayed until FY15. This delay was driven by necessary adjustments within the current fiscally-constrained environment.

Mr. TURNER. The Air Force plans to spend $80 million in FY13 on development of the tail kit for the B61–12, the life-extended nuclear gravity bomb. The National Nuclear Security Administration has delayed production of the first B61–12 by 2 years, to FY2019. How does this affect the Air Force's plans for the tail kit? Is the Air Force comfortable with National Nuclear Security Administration's decision to delay the B61–12 by 2 years? What risks are there in this delay? Is there any more room for schedule slippage, or have we taken all of the flexibility out of the schedule? Please provide a classified response detailing the technical requirements for the new tail kit as compared to the technical requirements of the current B61; how will the CEPs of the B61 mods differ?

General SCHWARTZ. The new schedule for the first production unit was incorporated into the B61–12 Tailkit Assembly (TKA) Service Cost Position/Independent Cost Estimate and is reflected in the FY13 President's Budget. The tail kit development schedule was extended so it remains in synch with the National Nuclear Security Administration's (NNSA) schedule.

The Air Force is comfortable with NNSA's decision to delay the B61–12 by two years. The Department of Defense (DOD) and the Department of Energy (DoE) conducted an integrated schedule review to ensure both efforts remain synchronized.

This delay adds schedule risk to the program, as legacy B61s continue to age and must be replaced. As a result, flexibility has been removed. Mitigation efforts have already been implemented to extend the life of legacy B61s so that the B61–12 can

be fielded before they retire. Further life extensions of the legacy stockpile may be possible, but they would likely be very expensive and difficult to execute.

A classified response will be forwarded separately detailing the technical requirements for the new tail kit as compared to the technical requirements of the current B61.

Mr. TURNER. Will the next-generation bomber be built to meet nuclear-hardening requirements? Will nuclear certification of the next-generation bombers be delayed after initial operational capability is achieved—if so, when would nuclear certification be expected? What are the costs and risks for delaying certification of a nuclear-capable bomber?

General SCHWARTZ. Yes, the Long Range Strike Bomber will meet nuclear-hardening requirements in accordance with current military standards.

Currently, nuclear certification is planned after the Long Range Strike Bomber has met initial operational capability. The Long Range Strike Bomber will achieve nuclear certification in time to meet United States Strategic Command's (USSTRATCOM) nuclear force structure requirements. USSTRATCOM is integrally involved with the Air Force in this process to ensure the U.S. nuclear deterrent force will remain credible and effective.

Delaying nuclear certification until after conventional certification reduces the costs and risks to the Long Range Strike Bomber program because it minimizes concurrency during baseline program integration and test activities. It also ensures sufficient, production representative test assets are available for a dedicated nuclear certification effort.

Mr. TURNER. In your statement you emphasize the need to continue to strengthen our global ISR infrastructure. Clearly, the development and use of remotely piloted aircraft (RPAs) play an integral role in that infrastructure, yet there are a very limited number of areas where these systems can be freely tested. With the military operations overseas winding down, there is an increasing need to integrate remotely piloted aircraft (RPAs) into the national airspace system (NAS). Working with the FAA and NASA, the Air Force Research Laboratory (AFRL) is leading the charge within the Air Force in developing the future technology for the safe operation of RPAs in the national airspace. Can you provide an update on the effort? What steps are needed to strengthen this relationship so that the full research capabilities of AFRL can be teamed with the FAA and NASA to solve the challenges of RPA integration into the NAS which is so central to the future of U.S. aerospace? Would additional authorities specifically to leverage the work of the Air Force, FAA, and NASA as a goal to shorten the time to integrate RPAs be valuable to the Air Force?

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QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. Will the divesture of the C–27J have a logistical impact on the supply chain in theater and if so, what will the impact be?

Secretary DONLEY. No, divestiture of the C–27J will not impact the supply chain in-theater as the C–130 has sufficient airlift capability and capacity. The Air Force remains committed to providing this support to the Army.

Ms. BORDALLO. Could either of you explain in more detail why you proposed a larger cut in Air Guard & Reserve forces, than you did in Active Duty forces?

Secretary DONLEY. The Air Force FY13 Budget Request achieves $8.7 billion in savings across the Active and Reserve Components by retiring over 200 aircraft in FY13 and nearly 300 aircraft over the FYDP, consistent with the new strategic guidance. Our programmed force reductions are wide ranging and affect over 60 installations. Without the Total Force re-missioning actions our plan would have significantly affected 24 units and left eight installations without an Air Force presence. After specific efforts to reallocate Air Force missions to locations affected by force structure reductions, we were able to preserve 14 squadron level units and leave only one installation without an operational mission. With the re-missioning, the plan would have direct impact in 33 states, but in order to support Total Force re-missioning, the manpower realignment plan built by the Reserve Components ultimately will affect additional units in all 54 states and territories.

Our analysis of requirements driven by the new strategy shaped all of our decisions. Air Force force sizing analysis answered two complementary questions: what is the maximum, or surge, requirement posed by the force sizing model of the new strategy; and what is the steady state, or post-surge, requirement for deployed rotational forces? Because the new guidance requires the Joint Force to be capable of fighting one large scale, combined arms campaign with sufficient combat power to also deny a second adversary, and deemphasized large-scale, prolonged stability operations, our FY13 budget request accepts risk by retiring fighter, mobility, and intelligence, surveillance, and reconnaissance (ISR) aircraft excess to the surge requirements of the new force sizing construct. Although the U.S. has removed all combat forces from Iraq and the new strategic guidance reduces the steady state requirement for ground forces, we expect Air Force steady state rotational requirements to remain nearly constant, or perhaps increase, under the new strategy. This continuing rotational post-surge requirement is a key factor in determining the required mix between Active and Reserve Component forces due to differences in sus-

tainable deployment rates and operations tempo. Where possible, we attempted to retire all aircraft of a specific type, allowing us to also divest the unique training and logistic support structure for that aircraft. Where that was not possible, we worked to retire the oldest aircraft first, and redistributed aircraft into effective and economical units, eliminating other units when that was most efficient. Where we retained older aircraft, we are taking steps to ensure they will remain viable into the future.

Ms. BORDALLO. One of the cut programs is the CONECT program. It provides much-needed digital communication and mission retasking capability for our warfighters, which is essential for B–52 missions, especially with the added emphasis on the Pacific theater. With this program successfully finishing flight test, why would the Air Force cut the production funding, and leave our crews with a temporary laptop solution that doesn't satisfy the CONECT operational requirements?

Secretary DONLEY. Based on competing budget priorities, the Air Force restructured Combat Network Communications Technology (CONECT) to address the sustainability issues within the program and the replacement of legacy displays. The restructured program also funds conversion of the temporary Evolutionary Datalink (EDL) system into a permanent modification, which provides a viable (although less robust) communication capability for the B–52. This decision was made as part of a balanced investment strategy for the Air Force Nuclear Deterrence portfolio. At the time the decision was made, CONECT had not completed the flight test program, and the program faced significant cost, schedule, and performance issues. The completion of MS C certification later this year provides the Air Force an option to re-examine the CONECT program in future budget cycles.

Ms. BORDALLO. Another program proposed to be completely terminated is the replacement of the B–52 radar. The reliability of the current radar, which will continue to degrade, results in ever-increasing cost and unacceptable impact to the probability of success of long missions. With the nuclear and conventional importance of the B–52, how do we maintain a much-needed capability without a radar replacement program?

Secretary DONLEY. To meet higher priorities, the Air Force has elected to maintain the current B–52 APQ–166 radar versus investing in a replacement radar with higher near-term costs. Analysis indicates that the current B–52 radar system is sustainable through the B–52's service life (2040). Warner Robins Air Logistics Center (WR–ALC) will pursue reverse engineering/sustainment initiatives to address radar reliability and availability to meet B–52 mission requirements.

Ms. BORDALLO. You prepared a statement that read "The Air Force will meet its OSD-directed civilian end strength target for FY12." How do you reconcile that statement and direction with the requirements of sections 129 and 129a of title 10 that prohibit management to a civilian personnel constraint such as end-strength?

Secretary DONLEY. The Air Force does not manage its civilian workforce by any constraint or limitation in terms of man-years, end-strength, fulltime equivalent positions, or maximum number of employees. Based on fiscal constraints, OSD-directed civilian workforce targets for FY12; and these targets were achieved through strategic reviews to improve business operations, streamline administrative functions, and eliminate low-priority/overhead functions and expenses. As such, the Air Force has followed section 129 of title 10 with regard to execution of civilian personnel management.

Ms. BORDALLO. In your prepared statement, you addressed "congressionally mandated military end strength" and "OSD-directed civilian end strength"—what kind of limitations or levels have been placed, or have you imposed, on your contract support workforce?

Secretary DONLEY. The Air Force's "sourcing" of functions and work between military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statute. The Air Force remains committed to meeting its statutory obligations to annually review missions, functions, and workforce composition, including reliance on contracted services, and to ensure the workforce is appropriately balanced and aligned to our most critical priorities.

Ms. BORDALLO. In your prepared statement, the Air Force wrote that "We continue to put downward pressure on service support contract spending and are committing to an additional $200 million reduction in FY13 and $1 billion across the FYDP." Considering that in the fiscal year 2010 inventory of contracts for service the Air Force reported more than $24 billion in obligations—for a single year—on contracted services, this downward pressure is laughable. Why are the reductions so small?

Secretary DONLEY. The inventory of contract services (ICS) is a much broader set of service contracts than what was referred to in testimony as "service support con-

tractors". While the Air Force submitted $24.8 billion in our Fiscal Year 2010 ICS, that amount captured all Air Force-funded service contracts that perform critical missions across every functional domain across the Air Force. These include service and maintenance of our aircraft, base operations, and supply chain management.

The "service support contractors" definition is stated in the Secretary of Defense's memo, "Reducing Reliance on DOD Service Support Contracts," dated September 24, 2010, which directed a 30 percent reduction from the FY10 levels by FY13 (10 percent per year). The definition of support contracts/contractor is "any contracted personnel who provide support as staff augmentation for Government employees; i.e., personnel who are subject to the direction of a Government official and function as a staff/action officer."

The additional $200 million savings in FY13 and a total of $1 billion across the FYDP is over and above our past service support contractor reductions. Our intent in additional reductions was to target headquarters staff augmentation contract support to a more manageable level as this is an area that has grown tremendously since 2001.

Ms. BORDALLO. How do these reductions of less than 1% over the FYDP compare to the fiscal and manpower reductions associated with the mandated civilian workforce levels?

Secretary DONLEY. The true service support contractor reduction (staff augmentation dollars) is approximately 62 percent ($390M from a $634M baseline) which is drastically higher than our programmed civilian reduction of approximately 8 percent (16K positions from a 199K baseline).

Ms. BORDALLO. You also stated that "These efforts are consistent with . . . OMB guidance to reduce contract spending by 15 percent by the end of FY12 from an FY10 baseline." That would mean that you should reduce by $3.6B annually from the $24B in FY10, as opposed to the $200M you stated. This is an exponentially large discrepancy and I am requesting further explanation and justification of your statement, and the small reductions planned in the Air Force in contracted services.

Secretary DONLEY. Again, there is a definitional issue that must be clarified in answering this question. The Office of Management and Budget (OMB) guidance has its prime focus to reduce contract spending on management support services which is quantified by 12 separate product service codes in such areas as automated information systems development and services; system engineering; intelligence services; personal services; and acquisition/contract support. The Federal Procurement Data System—Next Generation (FPDS–NG) captures approximately $5.6B management support services funded by the Air Force in FY10. The OMB mandated 15 percent reduction equates to approximately $843M. Currently, the Air Force is ahead of schedule based on a FPDS–NG current FY12 obligations of approximately $1.7B through the end of month February.

Ms. BORDALLO. You stated that you had a target of 16,000 civilian spaces to reduce. Can you please provide a list of those 16,000 based on the Air Force's FAIR Act inventory, including the location, functions performed, and manpower mix criteria associated with each? Can you estimate the cost savings associated with each? Can you assure the Committee that the workload associated with any one of these 16,000 reductions was not absorbed by contract as you executed the AFMC reorganization and reduced overhead? Where did this target of 16,000 civilian space reductions come from, and was that target based on a workforce analysis considering mission risk and cost, or did the Air Force essentially have to reverse engineer it and associated workload/organizational structures to achieve that number?

Secretary DONLEY. 1) The Air Force does not have a specific list of the civilian positions based on the Air Force's Federal Activities Inventory Reform (FAIR) Act inventory because a large portion of the reductions were tied to planned growth; thus, these "positions" were not captured by any previous or existing FAIR Act inventory.

2) These changes in programmed growth resulted in an approximate total savings of $1.6 billion through Fiscal Year 2012.

3) The workload associated with the reductions was not absorbed by contract because in addition to the civilian funding reductions, the Office of the Secretary of Defense also strove to achieve savings by reducing the number of service support contractors. The AFMC reorganization and other Air Force consolidation efforts were a means to achieve savings in both civilian and contractor funds; the AFMC reorganization resulted in a workforce reduction.

4) The target reductions were based on workforce analysis considering mission risk, readiness and cost. The Secretary of Defense issued Department of Defense-wide efficiency measures to reduce overhead and eliminate redundancies while reducing the associated funding. To meet the guidance issued by Office of the Secretary of Defense, the Air Force conducted a comprehensive strategic review to

streamline operations and consolidate overhead while preserving or growing the most critical mission areas. The Air Force maintained some growth in areas like acquisition, nuclear enterprise, and intelligence, surveillance, and reconnaissance, while streamlining headquarters and support functions.

Ms. BORDALLO. Given the civilian personnel constraints first reflected in last year's budget and continued in the FY13 submission, can you certify in full accordance with 10 USC sections 129 and section 129a? Your certification was due on 1 February. When can the committee expect it?

Secretary DONLEY. [The information was not available at the time of printing.]

Ms. BORDALLO. How does the Department of Air Force's budget request for FY13 reconcile with legislative language set forth in Division A, Section 8012 of Consolidated Appropriations Act of 2012 (P.L. 112–74) which states that " . . . during fiscal year 2012, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength)", and more specifically, that the fiscal year 2013 budget request be prepared and submitted to the Congress as if this provision were effective with regard to fiscal year 2013?

Secretary DONLEY. The Air Force does not manage its civilian workforce by any constraint or limitation in terms of man-years, end-strength, fulltime equivalent positions, or maximum number of employees. Based on fiscal constraints, the Office of the Secretary of Defense-directed civilian workforce budgetary targets for fiscal year 2012 achieved through strategic reviews to improve business operations, streamline administrative functions, and eliminate low-priority/overhead functions and expenses. For the fiscal year 2013 (FY13) budget request, the Air Force determined the best workforce mix based on the most-efficient and cost-effective means to perform the Air Force mission. The FY13 budget request also accounted for budget constraints while at the same time returning a flexible, agile, and ready workforce.

Ms. BORDALLO. President Obama has made reducing reliance on contractors and rebalancing the workforce a major management initiative of his Administration. In your opinion, given the restrictions on the size of your civilian workforce imposed by the Office of the Secretary of Defense, does the Air Force FY13 budget request reflect an appropriately balanced workforce across all major capabilities, functional areas, and requirements?

Secretary DONLEY. The fiscal year 2013 (FY13) budget request reflects an appropriately balanced workforce that meets required budget reductions that preserves readiness while avoiding a hollow force. The Air Force's "sourcing" of functions and work between military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statute. The FY13 budget request reflects our best judgment today and represents a carefully coordinated approach based on the Department of Defense's strategy and policy that balances operational needs and fiscal reality. The Air Force remains committed to meeting its statutory obligations to annually review missions, functions, and workforce composition, including reliance on contracted services, and to ensure the workforce is appropriately balanced and aligned to our most critical priorities.

Ms. BORDALLO. The Department's budget request overview included discussion of improved buying power and how acquisitions are managed. To what extent is the Department of Air Force using its Inventory of Contracts for Services to make such improvements and influence how it manages the Air Force Total Force?

Secretary DONLEY. This is currently one of many tools available internal to the Air Force to help manage our total force. Although we have fully complied with Department of Defense Guidance each year, there is room to improve the Air Force's use of this inventory of contract services. To this end, we are working with the Office of the Secretary of Defense and the other Services in order to determine the best way to document and use our annual Inventory of Contracts for Services as required by Title 10, Section 2330a, Procurement of Services.

Ms. BORDALLO. Did the Department of Air Force seek relief from DOD-mandated civilian personnel levels in order to insource contracted work more cost-effectively performed by civilians?

Secretary DONLEY. As part of our fiscal year 2013 (FY13) President's Budget submission, the Air Force did not seek relief from Department of Defense (DOD) mandated civilian personnel levels. Our overall strategic review of all civilian resource allowed the Air Force to retain civilian end strength to satisfy our most critical insourcing initiatives. While the Air Force uses civilian end strength as a target for management, there are mechanisms in place to permit exceptions to the target, if justified, with the Office of the Secretary of Defense (OSD) approval. In order to

pursue any further/new insourcing initiatives, the Air Force would plan on requesting OSD approve the corresponding civilian end strength increase as allowable growth given it drives efficiencies or is a result of converting inherently governmental workload to in-house DOD civilians. The Air Force is committed to ensuring no inherently governmental functions are outsourced or otherwise contracted.

Ms. BORDALLO. If relief was not sought, does that mean that the Department of Air Force is comfortable that all contracted services currently procured by the Department are the most cost-effective source of labor and minimize risk?

Secretary DONLEY. The Air Force's "sourcing" of functions and work between military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statute. The fiscal year 2013 budget request reflects our best judgment today and represents a carefully coordinated approach based on the Department of Defense's strategy and policy that balances operational needs and fiscal reality. The Air Force remains committed to meeting its statutory obligations to annually review missions, functions, and workforce composition, including reliance on contracted services, and to ensure the workforce is appropriately balanced and aligned to our most critical priorities.

Ms. BORDALLO. What assurances can you give me that as civilian reductions or hiring freezes are occurring across Air Force installations work is not shifting illegally to contract performance?

Secretary DONLEY. We are tracking, on a monthly basis, our use of support contractors performing knowledge based services, service support contractors, management support services, and advisory studies to ensure that we achieve already planned/programmed reductions. These actions, coupled with the current monthly tracking of the financial obligations of contract usage, facilitate prevention of inappropriate migration of workload from organic to contract support. In addition, we worked closely with the Office of the Under Secretary of Defense for Personnel and Readiness (USD (P&R)) who developed a memo dated 1 Dec 2011 Prohibition on Converting Certain Functions to Contract Performance. The basic intent of this memo was to inform leadership at all levels and to reiterate the need to be cognizant of not converting work performed by organic personnel to contract performance.

Ms. BORDALLO. What processes are in place within the Air Force to ensure the workload associated with reductions being made in the civilian workforce is in fact ceasing, as opposed to being absorbed by other labor sources such as contractors or military personnel?

Secretary DONLEY. The main process is the Air Force's planning, programming, and budget execution process. The Air Force conducted a comprehensive strategic review to increase efficiency, reduce overhead, and eliminate redundancy while preserving or growing the most critical mission areas in our civilian workforce. This force mix determination will be reviewed annually as we submit our president's budget submission to ensure that we maintain the most-efficient and cost-effective means to perform the Air Force mission, taking into account current budget realities.

Ms. BORDALLO. There was a lot of discussion last year about the "exceptions" to the FY10 civilian levels Secretary Gates' mandated. Please provide a detailed list of all exceptions the Department of Air Force has had approved to date and the reason for those exceptions, as well as any exceptions across that were requested but not approved, and the justification for such.

Secretary DONLEY. The Office of the Secretary of Defense allowed limited Service growth for certain requirements. The exceptions include: portions of Combat Commander requirements, joint basing requirements and acquisition workforce requirements. The warfighter requirements were linked to Joint Staff-approved changes at Combatant Commands where the Air Force is the executive agent. Allowances were provided for Joint basing growth to ensure equivalency across all Services as a result of the transfer of responsibilities, and the associated manpower, from other Services. Acquisition workforce growth was allowed due to the Department's focus on strengthening and growing our in-house acquisition workforce.

Ms. BORDALLO. To what extent have the existing data sets available to Air Force planners, specifically the annual inventory of inherently governmental and commercial activities, contributed to the functional streamlining, organizational realignments, workforce shaping decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget?

Secretary DONLEY. The efficiencies initiatives began under Secretary Gates, and continued in this year's budget, were implemented based on guidance to conduct organizational assessments and mission/function prioritization. This guidance required the Air Force to: baseline our organizations; assess and prioritize missions;

eliminate duplication; ensure workload distribution; and submit recommendations for organization restructuring and reallocation of manpower, including workforce reductions.

While the guidance did not specifically require the Department of Defense components to use their annual inventory of inherently governmental and commercial activities, it is one of many data sets and workload quantification sources that the Air Force utilizes during the planning, programming, and budget execution process.

Ms. BORDALLO. In achieving the right mix for the Total Force, how does the Department of Air Force use the annual inventory of inherently governmental and commercial activities, and associated manpower mix determinations, to identify the civilian workforce reductions reflected in the past two budgets?

Secretary DONLEY. The Air Force conducted a comprehensive strategic manpower review to size civilian workload contained in our past two budgets with the goal to increase efficiency, reduce overhead, and eliminate redundancy while preserving or growing the most critical mission areas—not necessarily the Inherently Governmental and Commercial Activities (IGCA) review. However, the Air Force continually refines our Total Force skill mix to include civil servants and contractors, to determine the most appropriate, efficient, and cost-effective means of performing Air Force missions. As outlined in Department of Defense Instruction, 1100.22, "Policy and Procedures for Determining Workforce Mix", as well as Federal Acquisition Regulations 7.5, Defense Federal Acquisition Regulation 207.5, and Air Force Instruction, 38–204, Programming United States Air Force USAF Manpower, the Air Force adheres to the overarching guidance regarding workforce mix determination. Also, the Air Force annually performs a comprehensive annual IGCA review to ensure it has the proper work force mix. This review categorizes all organically performed work as either an inherently governmental function (which must be performed by organic personnel) or a commercial activity (could be performed by organic or contractor support).

Ms. BORDALLO. As efficiencies are being executed across the Department of Air Force, is the workload and functions associated with those being tracked as eliminated or divested through the annual inventory of functions?

Secretary DONLEY. The annual Inherently Governmental and Commercial Activity review is not currently utilized to track eliminated or divested functions, but rather, identifies current positions that are either inherently governmental or a commercial activity in nature. As efficiencies are realized, government positions identified with performing those functions are removed from unit manning documents. Contractor reductions associated with efficiencies are tracked via a combination of financial commitments and organization surveys.

Ms. BORDALLO. I'd like to ask you questions I posed to the service vice chiefs during an October hearing. Why would Congress consider any potential changes to recruiting and retention incentives such as military retirement and health care or reductions to essential training accounts when the military departments can't identify the cost of what they pay for contracted services? So what is your military department doing to reduce contracted services and work requirements instead of just reducing dollars? If you are only reducing dollars then you are likely setting up conditions to default to contractors in light of the current civilian personnel constraints.

Secretary DONLEY. The Air Force knows the dollars obligated/programmed for contracted services and continues toward implementing a contractor manpower data collection system, similar to the system the Army has developed, to manage the contractor full time equivalents providing these services. The Air Force is using the planning, programming, and budget execution process to ensure workload reductions remain consistent with the contract dollar reduction. This force mix determination is reviewed annually during the president's budget submission process to ensure the Air Force maintains the most efficient and cost-effective means to perform the Air Force mission taking into account the current budget realities.

Ms. BORDALLO. When the Air Force says they are going to divest the block 30 inventory, does that mean that they are going to cut their losses with just the block 30's that haven't hit the production or will you be mothballing all block 30's in the inventory? How will this affect Guam's strike/ISR capabilities?

General SCHWARTZ. Fourteen Global Hawk Block 30 aircraft have been delivered to the Air Force and an additional four are in production. Pending congressional direction and consistent with appropriate statutes and regulations, the Air Force will gauge interest for the transfer of these eighteen aircraft to qualified entities, both internal and external to the Department of Defense (DOD), who express an interest. The Air Force does not plan to spend fiscal year 2012 funding for the remaining three Block 30 aircraft at this time.

In September 2011, the DOD Joint Requirements Oversight Council reviewed recent adjustments in military strategy and determined that high-altitude intelligence, surveillance, and reconnaissance force structure could be reduced. The Air Force further determined the U–2, which remains viable until at least 2040, was sufficient to meet these reduced requirements. There will be no impact to warfighting capability, and peacetime support will be managed by the current Global Force Management Process.

Ms. BORDALLO. Have you worked with the Army to come up with a plan to compensate or fill the gap for the loss of the C–27J platform and if so, what is it?

General SCHWARTZ. The Air Force and Army signed a Direct Support Memorandum of Understanding on 27 January 2012. Divesting the C–27J fleet does not create a capability gap as the Air Force continues to maintain the more capable and cost effective C–130. The Air Force remains fully committed to support time-sensitive, mission-critical direct support airlift to the Army and will continue to provide direct airlift support to the U.S. Army with the fleet of 318 C–130s. Currently, C–130s are providing daily direct support airlift in the Central Command area of responsibility.

Ms. BORDALLO. Could either of you explain in more detail why you proposed a larger cut in Air Guard & Reserve forces, than you did in Active Duty forces? Will this impact the Air Forces deployment ops tempo and if so, how?

General SCHWARTZ. The new Department of Defense (DOD) Strategic Guidance "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense" directs the services to build a force that will be smaller and leaner, flexible, ready and technologically advanced. To deliver the capabilities required by this strategy, and remain within funding constraints, the Air Force made difficult choices in all service core functions. While remaining consistent with the new strategy, the Air Force FY13 Budget submission achieves $8.7 billion in savings across the Active and Reserve Components by retiring over 200 aircraft in FY13 and 286 aircraft over the Future Years Defense Plan. Our programmed force reductions are wide-ranging and affect over 60 installations.

This was an integrated, Total Force effort—Active Duty, Reserve and National Guard—working together to achieve our end state of a ready and sustainable force that can meet our surge and rotational requirements. My directive to the Air Force was to realign our forces to better meet this new strategic guidance using the following four principles: ensure the Total Force can fulfill surge requirements; maintain a balance between components that allows us to fulfill continuing rotational requirements at sustainable rates; retain the recruiting, training and operational seasoning base required to sustain the Total Force's needs into the future; and ensure the Reserve Component remains relevant and engaged in both enduring and evolving missions.

To meet this end, the Air National Guard (ANG) developed five Capstone Principles to help guide this transition: allocate at least one flying Wing with ANG equipment to each state; recapitalize concurrently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (Emergency Support Functions) relevant to the states. Similarly, our Reserve Component used the following four principles: ensure aircraft reductions do not negatively impact operational support to Combatant Commands; ensure force structure movements do not create any new Air Force bills; ensure risk is minimized by optimizing crew ratios to exploit expected increases in mission capability rates; and, consider locations that continue to have an Air Force mission due to the presence of another Air Force Component. This Total Force approach allowed us to maintain the right Active/Air Guard/Reserve mix, which will allow us to meet our operational demands with a leaner force while taking care of our Airmen.

Ms. BORDALLO. In reviewing the President's proposed FY13 budget it appears many critical B–52 programs were cut. As the backbone of the Air Force's nuclear and conventional bomber fleet, what is the Air Force's plan to maintain a reliable and viable B–52 with such drastic cuts?

General SCHWARTZ. The Air Force continues to ensure the B–52 stays relevant throughout its service life (2040) by focusing on bomber sustainment and addressing diminishing manufacturing source (DMS) issues in the fiscal year 2013 President's Budget. Efforts such as the development of replacement visual displays in the restructured Combat Network Communications Technology (CONECT) program and modernization of the anti-skid braking system address existing supportability issues. Multiple smaller efforts continue to add B–52 capability including Military Standard 1760 Internal Weapons Bay Upgrade (1760 IWBU) and Mode S/5 Identification Friend or Foe (IFF). Funding totals include $202M for research, development, test and evaluation and $250M for procurement across the Future Years De-

fense Plan. The B–52 remains the backbone of the USAF manned strategic bomber force; we are actively supporting the continued bomber presence in Guam and maintaining a high state of nuclear mission readiness.

Ms. BORDALLO. One of the cut programs is the CONECT program. It provides much-needed digital communication and mission retasking capability for our warfighters, which is essential for B–52 missions, especially with the added emphasis on the Pacific theater. With this program successfully finishing flight test, why would the Air Force cut the production funding, and leave our crews with a temporary laptop solution that doesn't satisfy the CONECT operational requirements?

General SCHWARTZ. Based on competing budget priorities, the Air Force restructured Combat Network Communications Technology (CONECT) to address the sustainability issues within the program and the replacement of legacy displays. The restructured program also funds conversion of the temporary Evolutionary Datalink (EDL) system into a permanent modification, which provides a viable (although less robust) communication capability for the B–52. This decision was made as part of a balanced investment strategy for the Air Force Nuclear Deterrence portfolio. At the time the decision was made, CONECT had not completed the flight test program, and the program faced significant cost, schedule, and performance issues. The completion of MS C certification later this year provides the Air Force an option to re-examine the CONECT program in future budget cycles.

Ms. BORDALLO. Another program proposed to be completely terminated is the replacement of the B–52 radar. The reliability of the current radar, which will continue to degrade, results in ever-increasing cost and unacceptable impact to the probability of success of long missions. With the nuclear and conventional importance of the B–52, how do we maintain a much-needed capability without a radar replacement program?

General SCHWARTZ. To meet higher priorities, the Air Force has elected to maintain the current B–52 APQ–166 radar versus investing in a replacement radar with higher near-term costs. Analysis indicates that the current B–52 radar system is sustainable through the B–52's service life (2040). Warner Robins Air Logistics Center (WR–ALC) will pursue reverse engineering/sustainment initiatives to address radar reliability and availability to meet B–52 mission requirements.

Ms. BORDALLO. In October when General Breedlove testified to this committee, I asked him about the statutorily required inventory of contracts for services. His response was that there the Air Force as in an ongoing review that was "looking at everything we do contractually" and particularly "What is inherently governmental and what should we be retaining as a blue suit requirement versus those things that we contract for . . . " and "how does that relate to those jobs that typically our civilians also do, civilians who are a part of our Air Force." Can you please share the results of that review and what the end-result has been in terms of realignment of work? Please provide a list identifying services that have since been cut or reduced, and instances where contracted work has been reassigned to Airmen or Air Force civilians.

General SCHWARTZ. The review to which General Breedlove was referring was the inventory of contract services review requirements, defined in Title 10, Section 2330a, Procurement of Services. The end result is that we preliminarily identified approximately 400 contractor full-time equivalents who may be performing inherently governmental functions out of our full inventory of 143,184 contractor full-time equivalents. This work spans the 91 instances reflected in government Accountability Office (GAO) Report Number GAO–12–357, Defense Acquisitions—Further Actions Needed to Improve Accountability for the Department of Defense's Inventory of Contracted Services. This includes a variety of acquisition and professional services, primarily technical functions, such as accounting, quality control, management support services, engineering and technical, financial, program management, and other professional services. We are still working on our final assessment and disposition. For those functions determined to be inherently governmental, remedial actions may range from divestiture of the service, restructuring the contract, or insourcing the function.

QUESTIONS SUBMITTED BY MR. COURTNEY

Mr. COURTNEY. Please describe the anticipated mission and use of the MC–12 once transferred to the Air National Guard. Do you see this mission as a long-term, enduring mission for those units receiving this platform? Is the USAF committed to the MC–12 program through the FYDP, to include all necessary manpower and platform funding requirements?

Secretary DONLEY. Once transferred to the Air National Guard (ANG), the MC–12W could provide Defense Support to Civil Authorities, homeland defense, and border patrol missions, as well as continue to support deployed ISR operations. Once they reach Full Operational Capability (FOC), the ANG will sustain two "steady state" Combat Air Patrols (CAP), with the ability to surge to six total CAPs. In addition, the Air Force will create an active duty associate unit to augment MC–12W operations which will maintain long-term active duty Air Force expertise/presence in MC–12W operations/capabilities. The active unit will augment the ANG's steady state CAPs and have the capability to surge to four CAPs if required for a total of ten Total Force MC–12W CAPs. The MC–12W is an enduring Air Force capability that will stay with us beyond the conclusion of the current engagements. The Air Force has programmed all necessary funds and manpower through the FYDP.

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QUESTIONS SUBMITTED BY MR. LOEBSACK

Mr. LOEBSACK. The Light Air Support (LAS) program is an important initiative intended to build capabilities and partnerships between the U.S. military and our allies where our shared interest in defeating insurgency and other threats are advanced through the operation of aircraft familiar to the U.S. military and well suited to the relevant missions. Is it the Air Force's intention that the LAS aircraft comply with U.S. weapons, communications, and design standards in order for U.S. military personnel and partners to work seamlessly?

Secretary DONLEY. The Afghan LAS aircraft will comply with U.S. weapon, communications, and design standards in order for U.S. military personnel and partners to work seamlessly. That said, the LAS aircraft program will also adhere to U.S. export policy governing military equipment transfers to Afghanistan. Accordingly, the LAS aircraft communications and weapons capabilities will be configured to the envisioned future Afghan Air Force (AAF), but not necessarily state-of-the-art U.S. Air Force capability. U.S. Air Force and NATO military personnel will train and advise the AAF on maintaining and employing the LAS aircraft. The aircraft will employ U.S. and NATO-standard weaponry, interface with friendly forces via common communications equipment and follow U.S. design standards to ensure safety and maintainability.

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communications equipment and follow U.S. design standards to ensure safety and maintainability.

QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. The current FMS LAS requirement is 20 aircraft for Afghanistan. Over the course of the next 10 to 15 years, do you anticipate the LAS program expanding to other countries beyond Afghanistan and if so, will the contract made with Afghanistan serve as any type of "program of record" for future foreign military sales? Is there a requirement within the FMS LAS program to Afghanistan that U.S. forces will partner with Afghanistan to train and mentor them on the system? If so, should the LAS platform be familiar to U.S. forces to facilitate this training?

Secretary DONLEY. The Light Air Support (LAS) program is funded by Afghan Security Forces Funds and provides a light attack capability specifically for Afghanistan. This program is specifically for Afghanistan and no plan currently exists to extend the platform beyond Afghanistan. However, it could be used as a model for future light attack foreign military sales. There is a requirement within the Afghan LAS program for U.S. forces to partner with the Afghan Air Force to train and advise them on the system. Although there are advantages to U.S. forces being familiar with the LAS platform, this is not an absolute requirement. The USAF will leverage experienced USAF instructor pilots, maintainers and logisticians capable of quickly learning the LAS system and then training and advising their Afghan counterparts.

Mr. SHUSTER. What is the Air Force justification for not acquiring the technical data rights to the F117 engine? Does the Air Force have a plan to acquire such data rights?

Secretary DONLEY. Under the procurement and sustainment contracts, the Air Force has never purchased data rights for the F117 engine because: (1) under the C–17 contract, Boeing acquired the engines from Pratt & Whitney (P&W) as a commercial item; and (2) under the Air Force contract to acquire engines, the Air Force used a commercial contract. P&W paid for the development of these engines. Also, the C–17 sustainment program included Contractor Logistics Support for life; therefore, there was no need to acquire data rights. Since then, the Air Force has decided to break out the engine technical overhaul, supply chain management and systems engineering from the C–17 support. As a result, the Air Force is currently working two separate contract actions to acquire licensed use of P&W's technical manual, and to acquire the data rights for the System Engineering and Supply Chain Management processes for the F117 engine. In December 2011, P&W agreed to a General Terms Agreement release of their technical manual for basic F117 repairs, and the Air Force will further pursue Government Purpose Rights on historical supply chain management and systems engineering to enhance future competition.

QUESTIONS SUBMITTED BY MR. CONAWAY

Mr. CONAWAY. During our review of the FY11 Omnibus reprogramming, it came to light that funds to support the operations in Libya would be funded internally. The total realignment from within Operation & Maintenance, Air Force was estimated at over $400 million. What was the final realignment in FY11, and with realignments of this magnitude, what mission requirements were not supported due to this internal support of the Libyan operation?

Secretary DONLEY. The final FY11 Operation & Maintenance (O&M), Air Force costs in support of operations in Libya were $408 million (both flying hours and non-flying hours). In addition, O&M, Air Force had to reimburse the Air National Guard O&M $99 million for flying hours flown in support of Title 10 missions.

The flying hours were sourced from the Air Force's baseline flying hour program. Instead of the hours being flown at home station, they were flown in support of Libya. The pilots still received some level of training therefore there was no loss to the flying hour training program. The remainder of the support funding supported transportation, travel, base support, communication and global lift and sustainment. To fully support Libyan operations, funding was sourced from the Airlift Readiness Account and lower priority base operating requirements.

Mr. CONAWAY. The MCRS–16 study recommends using C–17s for intratheater airlift but several senior mobility leaders in the past have been concerned that we are overusing the 30-year/30,000-hour life expectancy of that airframe too quickly. Can you tell me what the average age and number of hours our C–17 fleet currently has on it?

General SCHWARTZ. As of 29 February 2012, the average age of the C–17 fleet was 8.9 years and the average number of hours per aircraft was 10,104.

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QUESTION SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. General Schwartz: With the reduction in strategic lift assets for the Air Force and the previous reduction in the prepositioned stocks of the Army and the Marine Corps, what missions will be eliminated to meet the equipment availability? How will the Administration be able to accomplish all combatant commander theater plans with reduced strategic lift capabilities?

General SCHWARTZ. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. HUNTER

Mr. HUNTER. I understand that only about 15% of Air Force's engine sustainment contracts are competed. What is your estimate of the savings that could be achieved from more effective use of competition in this area?

Secretary DONLEY. The United States Air Force is committed to competition in the propulsion enterprise to achieve the best value for our warfighter while preserving system safety. Typically, life-cycle sustainment decisions regarding data rights made in the early phases of a propulsion system's acquisition significantly impact the pace and degree of competition for an engine during the sustainment phase.

Today, the Air Force leverages competition at three different levels of an engine during sustainment:

1. At the weapon system/whole engine level, the Air Force attempts to gain sufficient access (e.g., via licensing) to sustainment data in order to facilitate competition of engine overhaul and supply chain management. As an example, the Air Force secured the necessary sustainment data to compete the sustainment, to include overhaul and supply chain management, of the F103 engine (KC–10 aircraft).

2. At the component repair/replace decision point, the Air Force leverages the use of component repairs to the maximum extent practicable. Components can often be repaired more economically than replaced with new components, and a repair capability provides the Air Force with an additional source of supply. For example, the Air Force introduced a repair for an air seal in the F100 engine (F–15/F–16 aircraft) reducing the need for new air seal replacement by 90 percent.

3. At the individual part level, the Air Force is engaged in several initiatives to create alternative sources. These initiatives include expanding the base of new manufacturers beyond the Original Equipment Manufacturers (OEMs) and evaluating potential sources for repaired and used parts. To expand to new manufacturers, the Air Force encourages industry to submit Source Approval Requests (SARs) to obtain certification to compete as alternative sources. The SAR process is designed to balance safety with competition and cost improvement objectives. Evaluating sources for repaired and used parts, the Air Force recently competed new, OEM parts against used parts with exceptional results. The Air Force achieved a $36M savings (projected cost of $43M, versus contract cost of $7M) by leveraging a source of used fan blades for the F108 (KC–135 engine). The Air Force continues to expand this type of individual part competition and the pool of alternative sources.

Mr. HUNTER. The Air Force awarded an $11.75 billion sole source maintenance contract for continuing the C–17 Contractor Logistics Support (CLS) using the justification and approval rationale from 2009 without change.

What actions do you intend to take with regard to this issue to ensure competition in sustainment of weapon systems?

What are you doing to increase opportunities for competition, particularly at the subsystem and component level where broad commercial capabilities often exist?

Secretary DONLEY. On November 29, 2009, the Air Force Service Acquisition Executive approved a justification and approval document that permitted the award of a sole source contract to the Boeing Company to provide Performance Based Logistics (PBL) for the C–17 weapon system. The Air Force entered into this contract with the Boeing Company on October 1, 2011.

The structure of the contract allows the program office to evaluate Boeing support on a monthly basis as well as develop alternative sustainment strategies should the contractor not produce desired outcomes at committed-to costs. While not a traditional form of competition, the option to move work from Boeing to the Government has proven to be a successful incentive and form of competition for the C–17 program.

The C–17 Program Office is pursuing further competition for sustainment of the F117 engine. The Program Office is planning a competitive award for Performance Based Service Arrangement (PBSA) for overhaul of F117–PW–100 (C–17) engines, to include F117 depot Supply Chain Management (SCM). This competitive acquisition strategy should yield F117 engine sustainment at reduced costs, while sustaining F117 performance outcomes.

To increase competition at the weapon system subsystem and component level, Air Force Instruction 63–101 (October 2011) mandates that all source of repair analysis (SORA) determinations be conducted at the System/Subsystem level. In the C–17 PBL program, all depot maintenance is placed on contract to Boeing, the product support integrator (PSI) responsible for performance outcomes. The PSI contracts with either Government depots or other product support providers, for repairs in support of the weapon system. Boeing and the technical repair centers negotiate repair quantities quarterly, based on the repair center capacity and best value to the Government. For example, two viable sources of C–17 airframe depot repair are maintained, fostering competition, supporting required C–17 maintenance and modification throughput, reducing program costs and depot schedule risk.

Mr. HUNTER. As the Air Force moves to transition engines such as the F119, F117, F135 into Tinker Air Logistics Center, what is being done to ensure competition and to reduce organizational conflict of interest in the supply chain relating to the servicing of systems, subsystems, and components?

General SCHWARTZ. The F119 has transitioned to organic depot maintenance under a partnership arrangement with Pratt & Whitney. However, the supply chain management (SCM) responsibilities for the F119 engine remains with the contractor. The Air Force made the decision to keep SCM responsibilities for the F–22 airframe and engine with their respective contractors for another five years based on the Jan 10 F–22 Product Support Strategy Business Case Analysis to reduce risk to the government by allowing the F–22 weapon system to fully mature. The F–22 Program Manager will revisit the BCA decision in five years to determine if SCM responsibilities should be transitioned to organic execution.

The United States Air Force (USAF) approach to increasing competition for the F117 engine is to secure access to the overhaul and component repair manuals as well as other technical data. Access to these manuals and data will allow the Air Force to compete touch labor and supply chain management. In addition, because the F117 is a commercial derivative engine, the USAF is working to approve Non-Original Equipment Manufacturer parts and repairs by using the Source Approval Process (SAR) detailed in AFMCI 23–113. The USAF will implement this strategy over a two year transition period to ensure all potential offerors are provided an opportunity to compete. This process injects competition at the engine and component levels for parts and repairs. The strategy is designed to balance operational risk and cost savings while providing support at the best competitive cost.

The F135 engine is still in acquisition and details of the sustainment strategy are still being finalized.

QUESTIONS SUBMITTED BY MR. CRITZ

Mr. CRITZ. The recent Air Force structure changes announced the closing of an Air Reserve station in Pittsburgh, Pennsylvania, outside of the BRAC process. This base serves 1,400 Active, Reserve and Guard units of both the Air Force and the Navy. The base just completed an $8.1 million housing project and is set to break ground on a $13.8 million joint Reserve center. The Air Force leases a hundred acres at this base. It includes access to four runways, an FAA control tower, medical

and crash fire response and zero-cost airfield maintenance, including snow removal and capital improvements for $20,000 a year. The Pittsburgh region has significant success with recruiting and that the 911th Airlift Wing is one of the highest manned units in the Air Force Reserve Command. This being said, I can't understand why the Air Force would make the decision to close this Air Reserve station. If this is truly an issue with retiring C–130s, then let's bring in new C–130s to this very efficient and very effective wing so that this cost-effective base can continue to serve both the Air Force and the Pittsburgh community. Can you provide, for congressional review, the cost analysis of the 911th Airlift Wing compared to others throughout the Air Force that was used as the justification for closing this base?

Secretary DONLEY. While cost savings are part of the decision-making process, the most important factor is the Air Force's ability to provide the capabilities required by the new Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense." This new strategy directs the services to build a leaner, more flexible, and technologically advanced force. We made these decisions after careful analysis. As we assessed intra-theater airlift using scenarios consistent with the Defense Strategic Guidance, the Office of the Secretary of Defense and Air Force studies determined excess capacity exists in the Air Force fleet. The reduced intra-theater airlift requirement permitted retirement of 65 C–130H aircraft. The C–130s proposed for retirement are among the oldest in the USAF fleet and would require costly modifications and modernization efforts to keep the aircraft viable. Twenty-seven bases worldwide have C–130s assigned; of the 27 bases, either force structure reductions or aircraft transfers affected 18 of them. Pittsburgh Air Reserve Station has seven C–130H2 aircraft assigned to the 911th Airlift Wing. The FY13 President Budget submission retires all seven C–130H2s in FY13, resulting in a savings of $41 million across the Future Years Defense Plan and avoidance of approximately $77 million in modernization costs.

With the reduction of the C–130H2s, Pittsburgh Air Reserve Station becomes excess to Air Force needs. Since the number of full time civilians assigned to the installations below the BRAC threshold defined by 10 USC § 2687(a)(1), I have recommended the base for closure. It is currently the only Air Force Reserve installation that meets these criteria, and as such, presents an opportunity to preserve national resources. After installation shutdown actions are complete, we expect an annual installation savings of approximately $25 million for the Air Force. In addition, manpower savings associated with the C–130 divestment will result in approximately $16 million savings the first year, and $32 million annual savings after that. Other factors we considered in the decision are that Air Force Reserve bases at Youngstown and Niagara are both within reasonable commuting distance from Pittsburgh. As a result, those bases may be able to support continued military service for those members of the 911th Airlift Wing who wish to remain serving but are unable to relocate to more distant Air Force Reserve

Mr. CRITZ. Regarding the reduction of 65 C–130 tactical airlifters getting us to a total fleet projection of 318: The Air Force planned in the fiscal year 2012 budget to eventually modernize and upgrade 383 C–130's and procure 38 C–27J's to support intratheater, homeland defense, stead-state rotational, building partnership capacity, and Army time-sensitive/mission-critical airlift requirements. The Air Force's minimum C–130 force structure, as concluded in the Mobility Capability and Requirements Study 2016 (MCRS–16), was to go no lower than 335 C–130s under the QDR 2010 defense strategy. The budget request for fiscal year 2013 plans to divest intertheater (strategic) and intratheater (tactical) force structure in support of the new defense strategy. Air Force officials have stated that "Case 3" of the MCRS–16 was the analytical underpinning for new mobility force structure associated with the new 2012 defense strategy. As stated above, Air Force minimum C–130 force structure as concluded in MCRS–16 was to go no lower than 335 C–130s. However, MCRS–16 did not take into account United States Code Title 32 Air National Guard or Army Guard airlift missions that would be required to support State Governor mobilization missions nor did it account for the Army's time-sensitive/mission-critical mission and noted that additional C–130s beyond the planned program of record of 335 aircraft and 38 C–27J aircraft may be required. Additionally, pre-9/11 the Army was around 480,000 strong with 530 C–130s, and now we are drawing down to similar force levels, 490,000, with only 318 C–130s planned. How will 318 C–130s support a force of 490,000 when pre-9/11 historical lift capacity indicates otherwise, and MCRS–16 Case 3 states that 335 C–130s PLUS 38 C–27Js is also not enough to execute Title 32 and Army time-sensitive missions? Is the Air Force's plan to reduce or restrict Title 32 and other Army requirements?

Secretary DONLEY. The 2013 Presidential Budget Request reduced the C–130 fleet size to 318 aircraft to meet the requirement that was outlined in the new strategy presented by the President and the Secretary of Defense. The fleet is sized to fulfill

intra-theater (270 aircraft) and Direct Support Mission (48 aircraft). The new strategy reduces the requirements as forces are no longer sized to meet two near-simultaneous large scale campaigns. The MCRS–16 had previously influenced sizing with Case 1 (335 C–130s) and Case 3 (270 C–130s). However, Case 1 was based on two near-simultaneous large-scale campaigns and, per the Office of the Secretary of Defense, is no longer a valid force-sizing scenario under the new strategy. Case 3, on the other hand, is consistent with the new strategy. Although the MCRS scenarios did not examine the Direct Support Mission, Case 3 did include airlift to support two domestic missions, a major regional disaster, and a Homeland Defense event to inform its 270 intra-theater aircraft requirements.

Mr. CRITZ. Part of my concern is that we are actually adding duties to the Air Force's C–130s, because they are going to be doing the C–27J lift as well. Just as a sort of general idea, I look at the C–27J, it was going to be sort of the pick-up truck and the C–130 might be more like a tractor trailer truck. I'm just curious if the C–130 is going to be able to get into the same airports as the C–27, and is it really a cost savings or are we going to start saying well we can't get into these places so we're going to up the tempo for the Chinooks to do what the C–130s can't do. My question is, long-term—this is a short-term savings—is it also a long-term savings? Have we looked at the 20–30 year life cycle of these aircraft?

Secretary DONLEY. According to the RAND USAF Intra-Theater Airlift Fleet Mix Analysis, Oct 2010; during sea-level/standard day conditions, the C–27J and C–130J require 2000 ft/2200 ft runway respectively. However, under high pressure altitude/high temperature conditions which are representative of the majority of current operations in Afghanistan, the C–130J only requires 2600 feet while the C–27J requires 2700 feet with approximately 43% less payload. Further analysis of take off capability for the C–27J, C–130J, and C–130H reveals very similar short-field take off characteristics, with relatively miniscule differences in take off capability. The C–27J is a niche capability providing access to airfields that are 1700 feet or less in length. While this capability is not without value, current operations in deployed locations show that there are no airfields being used by the C–27J that cannot be accessed by the C–130J.

In regard to long-term savings, there are substantial long-term savings associated with the divestiture of the C–27J. The 25-year life-cycle cost of the aircraft is $308M based on the May, 2011 Service Cost Position. Overall long-term cost avoidance for divesting the previously programmed fleet of 38 aircraft is $11.7B.

Mr. CRITZ. What are the Air Force's plans for the 21 C–27s already procured?

Secretary DONLEY. The final disposition determination of the C–27J fleet will not be made until the 2013 National Defense Authorization Act is signed into law. The full range of disposition options is being considered.

Mr. CRITZ. The Air Force's decision to delay orders for 179 F–35s over the next five years will likely have an impact on overall program cost, and the cost-per-aircraft. This will affect our international partners as well as our own bottom line. In your budget analysis, what cost increases were assumed for the purchase delays?

Secretary DONLEY. The Department of Defense made a decision reflected in the President's Budget 2013 (PB13) budget request to delay the order of 179 F–35s (all three variants). The Air Force share of this delay includes a reduced procurement of 98 conventional take-off and landing (CTOL) aircraft from fiscal year 2013 to fiscal year 2017. When a decision is made to delay procurement of aircraft, there are two primary effects on unit recurring flyaway cost. First, the contractor will not be as far down the learning curve in procurement and so average costs of the smaller quantity procured will be higher. Second, fixed contractor costs will be spread over fewer quantities. The increase in CTOL (F–35A) Unit Recurring Flyaway cost between PB12 and PB13 are shown below.

CTOL URF

Buy Year	2013	2014	2015	2016	2017
FY12 (SAR 10)	$112.1	$96.7	$91.2	$80.6	$84.8
FY13 (SAR 11)	$123.2	$122.0	$107.7	$93.4	$91.4
URF Increase ($)	$11.1	$25.3	$16.5	$12.8	$6.6
URF Increase (%)	9.9%	26.2%	18.1%	15.9%	7.8%

Despite this projected increase in unit cost, the Air Force felt it a prudent choice to delay these quantities so as to reduce the risk of concurrent development and procurement. Since flight testing is not scheduled to be complete until fiscal year 2017, there is risk that planes procured now may require expensive retrofits later. The Air Force felt reducing this risk of concurrency outweighs any short-term increases in unit cost driven by the delay in procurement quantities within the Future Years Defense Plan. In addition, these delays allow the aircraft prime contractor time to stabilize production, decrease scrap and rework, and work through final finishes/flight line issues.

Mr. CRITZ. In an interview with *Defense News* 27 February, DOD Comptroller Robert Hale, in response to a question regarding the cancelling of the C–27J program, stated that "In the case of the C–27, we have enough C–130s to do most of that mission." What percentage of the mission will C–130s not be able to cover, and what asset(s) will cover the remainder of that mission?

Secretary DONLEY. The Air Force is postured to fully meet the Direct Support airlift mission requirements. C–27J was developed and procured to provide direct support airlift to Army urgent needs in difficult environments such as Afghanistan where we thought the C–130 might not be able to operate effectively. However, in practice, we did not experience the anticipated airfield constraints for C–130 operations in Afghanistan; furthermore, we expect these constraints to be marginal in future scenarios. The Air Force has analyzed scenarios consistent with the new strategy and determined a range of 22–50 aircraft would meet direct support airlift requirements. The 2013 Presidential Budget Request reduced the C–130 fleet size to 318 aircraft to meet the requirements of the new strategy. The fleet is sized to fulfill intra-theater airlift (270 aircraft) and the Direct Support airlift mission (48 aircraft).

QUESTIONS SUBMITTED BY MR. RUPPERSBERGER

Mr. RUPPERSBERGER. What contracting structure will the Air Force pursue regarding its EELV procurement? Has Air Force determined a quantity or duration for the next EELV acquisition, starting in FY13? If so, what types of "off-ramps" are you considering to the block buy, if/when a New Entrant is qualified?

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

To facilitate the certification of potential New Entrants, the Air Force has identified two opportunities that providers may bid on—the Deep Space Climate Observatory (DSCOVR) mission, targeted for launch in late fiscal year 2014, and the Space Test Program (STP) mission, targeted for launch in late fiscal year 2015. These EELV-class missions have a higher risk tolerance and will provide an opportunity for potential New Entrants to prove their capability for certification. When the Phase I Block Buy expires, assuming New Entrants are certified, we will have a full and open competition for launch services for the second Block Buy.

Mr. RUPPERSBERGER. Currently the Air Force has 39 rocket booster cores purchased from ULA for 35 missions that have not yet launched, some purchased back in 1998. Given this substantial backlog of orders, why haven't prices come down already? Indeed, why have they continued to increase by more than 50 percent?

Secretary DONLEY. The Air Force currently has 16 rocket booster cores on order to support 16 mission launches. For all National Security Space partners (National Reconnaissance Office, Navy, Air Force, and Australia) combined there are 32 rocket booster cores for 28 mission launches on order; 17 of these are currently in the pro-

duction flow to be launched in fiscal year 2012 and 2013. Another 9 cores are projected to be launched in fiscal year 2014, while the remaining five are projected to fly out by fiscal year 2016, exhausting the backlog. The backlog does not affect the current vehicle pricing as the program's initial inventory of components and smaller follow-on lot quantity buys are being depleted. Additionally, production breaks, production rework, subsequent recertification, annual inflation and a reduced supplier business base have driven higher unit costs, particularly from propulsion system suppliers. As a result of these factors, United Launch Alliance's costs to build the launch vehicle have increased.

Mr. RUPPERSBERGER. When my staff looks at the Air Force Total Ownership Cost data for U–2 and Global Hawk, we see that in 2011 the cost per operational hour (that is, the cost per hour executing missions) for Global Hawk is lower than U–2. This seems to be a much more relevant number than cost per flying hour. How does this square with your claim that Global Hawk operating costs are higher?

Secretary DONLEY. The Global Hawk Block 30 has not matured to the point where a true apples-to-apples cost comparison of operational costs is possible. Nevertheless, the Department conducted an analysis during the FY13 budget review using the Air Force Total Ownership Cost (AFTOC) database where Global Hawk and U–2 operating and support costs were compared using the operational cost per flying hour (CPFH) metric. This metric reflects costs associated with the sum total of a platform's flying hours including training hours and the flying hours associated with mission execution. The AFTOC figures for FY11 show the U–2 had $32K per hour and the RQ–4 also had $32K per hour. The Air Force did not begin flying the RQ–4 Block 30 until March 2011, so there is only six months of representative flying hour information in the database. Also, the Air Force did not fly the RQ–4 Block 30 with the SIGINT sensor in 2011. The Air Force will begin flying this payload in April 2012 and once operational, we expect the Global Hawk CPFH to increase relative to those of the U–2. Given these flying hour cost considerations, and the large investment required for the RQ–4, the Air Force chose to divest the Block 30 program and save a net of $2.5B.

Mr. RUPPERSBERGER. The Department based its Global Hawk Block 30 divestment decision on it being more expensive to operate than the U–2. Can you explain how the Department determined these costs?

Secretary DONLEY. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. JOHNSON

Mr. JOHNSON. Secretary Donley: How long will the A–10 aircraft remaining in service under your budget proposal stay in the fleet?

Secretary DONLEY. Under our current plans, the A–10 will remain in the Air Force inventory through 2035. At that time, the average age of remaining A–10s in the fleet will be approximately 53 years old.

Mr. JOHNSON. General Schwartz: Even after the B–2 is not adequately survivable in the least permissive air defense environments, the U.S. Armed Forces will have the F–35, the F–22, cruise missiles, prompt global strike capability, and long-range stealthy unmanned strike aircraft. To complement this set of impressive strike systems, what unique capabilities will a manned "next-generation" bomber provide? Please specify those unique capabilities the bomber would provide such that its role is not redundant given the other systems at the disposal of the Armed Forces.

General SCHWARTZ. The Long Range Strike Bomber's unique capabilities include long range, significant payload capacity, operational flexibility, and survivability in anti-access environments.

The Long Range Strike Bomber will provide the President with the option to hold any target at risk at any point on the globe. Its long range, large payload, and survivability will provide operational flexibility and necessary capacity to satisfy Joint commander needs across the range of military operations. Fighters provide great value in shorter range engagements, but offer limited capability and capacity to service targets deep within enemy territory, especially if theater basing is constrained or unavailable.

The Long Range Strike Bomber will employ a broad mix of standoff and direct attack munitions to provide effects within hours across the spectrum of conflict, from deterrence to raids to campaigns. While standoff weapons provide an essential capability to prosecute targets in dense anti-access environments, their significant expense and limited quantity constrain their capacity to address an extensive target set. Further, standoff weapons are less effective against mobile targets due to the fleeting nature of the targets coupled with the finite speed of the weapons. A surviv-

able bomber fleet is necessary to penetrate enemy air defenses and deliver the volume of munitions required to address the potential target set.

In addition, bombers remain a key element of our nuclear deterrence capability and are the only systems that can be surged, relocated, and recalled. The Long Range Strike Bomber will be designed from the outset to be capable of nuclear weapons employment and certified for nuclear operations in time to meet United States Strategic Command's nuclear force structure requirements.

Despite upgrades, our aging bomber inventories are increasingly at risk to modern air defenses and are becoming increasingly difficult and expensive to maintain and modernize. The Air Force plans to field 80–100 Long Range Strike Bombers beginning in the mid-2020s to ensure they are available before the current aging bomber fleet begins to go out of service.

Mr. JOHNSON. General: We're retiring A–10s, unmanned systems provide useful air-to-ground capabilities but are controlled from thousands of miles away, and the F–35 can't fully replicate the close air support capabilities of the A–10. In future land warfare scenarios, how are we going to provide close air support to troops in combat?

General SCHWARTZ. The remaining A–10, F–16, MQ–9, MQ–1, F–15E, B–1, & B–52 aircraft force structure will meet the requirements for air-to-ground and Close Air Support capability. This aircraft force structure is based on conducting one large-scale combined-arms campaign in a single region while simultaneously denying the objectives of, or imposing unacceptable costs on, an opportunistic aggressor in a second region. Multi-role platforms were preferred over the A–10 due to providing greater utility across the range of potential missions for which the Air Force is directed to prepare.

Mr. JOHNSON. General: Does the F–35 fully replicate the close air support capabilities of the A–10?

General SCHWARTZ. When test and development is complete and the USAF has sufficient capability and capacity of Joint Strike Fighters to begin replacing our legacy fleet, the F–35 will have the appropriate capabilities to safely and effectively conduct the close air support (CAS) mission, similar to our F–16 and F–15E fleets. While not optimized for CAS like the A–10, the F–35 will be able to conduct this mission and survive in the higher threat scenarios we expect to face in the future. Although the F–35 will eventually replace the A–10, the USAF is planning to keep A–10s in our fleet to provide CAS for ground forces until at least the 2030s. Replacement of the single-mission focused A–10 with the multi-role F–35 provides the USAF and the Department of Defense a more affordable solution to retire and replace our aging legacy fleet while ensuring our ability to meet National Military Strategy requirements.

QUESTIONS SUBMITTED BY DR. HECK

Dr. HECK. The F–35 provides a significant challenge to the Nevada Test and Training Range (NTTR). The F–35 has new unique capabilites in the way that it detects and engages ground threats (Surface to Air Missile Systems, Aquisition Radars, etc.) F–35 targets are not only detected via radio signals and infared signatures, but also proper visual signatures. At this time, the NTTR does not have ground target systems that can provide all three parameters to the F–35s being trained at the NTTR.

1) Does the Air Force see this as a challenge in supporting current and future F–35 training within the existing NTTR infrastructure?

2) How does the Air Force intend on employing the existing NTTR capability in support of that training?

3) If there are identified shortfalls in support of F–35 training, what are they, what are the capabilities required to alleviate them, and what are the associated costs and priorities for each needed capability?

4) If capabilites are needed, when do they need to be in place to support propper F–35 training?

5) What are the current personnel authorization changes at Nellis AFB or the NTTR resulting from the current F–35 program in FY13 budget and are they quantified at this time?

Secretary DONLEY. The unique capabilities of the F–35 do create challenges for the Air Force in providing support for future training at the Nevada Test and Training Range (NTTR). However, these challenges are being addressed and will be met through various avenues of approach. The Air Force is in the process of investigating and acquiring threat emitters that will be used to meet the requirements of the F–35. Additionally, many of the challenges posed by the F–35 will be met by

creating a training environment that is not only composed of traditional threats and threat emitters, but will synthesize virtual threats creating a combined Live-Virtual-Constructive (LVC) training environment. This composition will allow the NTTR and other ranges supporting the F–35 to provide necessary training.

The NTTR will employ its existing capabilities, along with those in the acquisition process, to provide the "live" portion of the LVC concept. To meet the unique sensor requirements of the F–35, the NTTR is developing a CONOPs for a dry "sensor fusion" range that will consist of realistic targets/decoys. Additionally, the NTTR is investigating the use of assets currently located at other ranges to increase its capabilities. The NTTR is working with Pacific Air Forces to examine the option of entering into a phased "threat" sharing agreement that will provide additional threat density and realistic threat emitters to meet the F–35 training requirements. The first phase will only include one threat emitter. While the NTTR currently provides the best training for F–22 and 5th gen aircraft and has the best target sets available, these target sets alone are not sufficient to provide realistic training when multiple sensors (EO, visual, Radar) are fused into a single picture. (These limitations also exist within current 4th generation training.) Current emitters are also insufficient to provide adequate density to fully replicate threat environments. To meet these shortfalls Air Combat Command (ACC) is procuring more threat emitters for NTTR; however it is impractical to procure enough emitters to fully represent threats anticipated in current operational plans. ACC intends to use LVC training to overcome these shortfalls by providing sufficient threat density and realistic training to 'stress' pilots. New targets need to be in-place by 1 August 2014 when the first F–35s are scheduled to arrive at the Air Force Weapons School. There are no personnel authorization changes at the NTTR resulting from the current F–35 program in the FY13 budget.

Dr. HECK. Submitted on behalf of Representative Rob Bishop:

1) Secretary Donnelly, in FY2013, the Air Force has requested $135.4 million in RDT&E funds in the Intercontinental Ballistic Missile—Engineering and Manufacturing Development funding line (PE 0604851F). Air Force budget justification documents cite a sub-element request of $8.0 million for a new start Solid Rocket Motor Modernization program. Specifically, related justification documents state that the Air Force plans to use these funds to:

"Accomplish studies to investigate the application of new technologies in the Minuteman III booster stack. Evaluate current Minuteman III solid rocket motor requirements and update as required based on legacy system issues and availability of mature technology that will reduce total ownership costs. Prepare for release of requests for proposals."

What "new technologies" do you foresee being investigated during these studies? Budget documents show no funds requested in the out-years for this effort. With no follow-on funding requested, how will any of these technologies be fully developed?

Secretary DONLEY. New technology candidates for insertion into a possible solid rocket motor program include components the Air Force has developed within the Intercontinental Ballistic Missile (ICBM) Demonstration/Validation (Dem/Val) Propulsion Applications Program (PAP). Included in these are advanced propellants, igniters, composite case materials, case insulation, thrust vector actuators, and nozzles. In fiscal year 2013, the Air Force will analyze the maturity level of available technologies and identify the most promising candidates.

ICBM Dem/Val matures technology to a Technology Readiness Level (TRL) 6 and then makes it available for use within a program where it can be fully developed and integrated into a production effort. The candidates identified in fiscal year 2013 will be assessed for use in a future Minuteman III Solid Rocket Motor Modernization program as well as in any ICBM follow-on program considered in the Ground Based Strategic Deterrence (GBSD) Analysis of Alternatives, which is funded in fiscal year 2013 and fiscal year 2014.

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4) If capabilites are needed, when do they need to be in place to support propper F–35 training?

5) What are the current personnel authorization changes at Nellis AFB or the NTTR resulting from the current F–35 program in FY13 budget and are they quantified at this time?

General SCHWARTZ. The unique capabilities of the F–35 do create challenges for the Air Force in providing support for future training at the Nevada Test and Training Range (NTTR). However, these challenges are being addressed and will be met through various avenues of approach. The Air Force is in the process of investigating and acquiring threat emitters that will be used to meet the requirements of the F–35. Additionally, many of the challenges posed by the F–35 will be met by creating a training environment that is not only composed of traditional threats and threat emitters, but will synthesize virtual threats creating a combined Live-Virtual-Constructive (LVC) training environment. This composition will allow the NTTR and other ranges supporting the F–35 to provide necessary training.

The NTTR will employ its existing capabilities, along with those in the acquisition process, to provide the "live" portion of the LVC concept. To meet the unique sensor requirements of the F–35, the NTTR is developing a CONOPs for a dry "sensor fusion" range that will consist of realistic targets/decoys. Additionally, the NTTR is investigating the use of assets currently located at other ranges to increase its capabilities. The NTTR is working with Pacific Air Forces to examine the option of entering into a phased "threat" sharing agreement that will provide additional threat density and realistic threat emitters to meet the F–35 training requirements. The first phase will only include one threat emitter. While the NTTR currently provides the best training for F–22 and 5th gen aircraft and has the best target sets available, these target sets alone are not sufficient to provide realistic training when multiple sensors (EO, visual, Radar) are fused into a single picture. (These limitations also exist within current 4th generation training.) Current emitters are also insufficient to provide adequate density to fully replicate threat environments. To meet these shortfalls Air Combat Command (ACC) is procuring more threat emitters for NTTR; however it is impractical to procure enough emitters to fully represent threats anticipated in current operational plans. ACC intends to use LVC training to overcome these shortfalls by providing sufficient threat density and realistic training to 'stress' pilots. New targets need to be in-place by 1 August 2014 when the first F–35s are scheduled to arrive at the Air Force Weapons School. There are no personnel authorization changes at the NTTR resulting from the current F–35 program in the FY13 budget.

Dr. HECK. The Air Force recently announced that it is setting aside the award for the Light Air Support (LAS) aircraft program. In subsequent press statements, Chief of Staff Norton Schwartz called the issue "embarrassing" and cited poor documentation processes as the reason for delaying this important capability to help transition U.S. force out of Afghanistan. Was the issue in fact a matter of documentation or rather of specific decision process substance? What is the Air Force's specific plan moving forward? Will the service continue to use the same solicitation or delay this time-sensitive program with another RFP? What is the new timeline for contract award?

General SCHWARTZ. After the Air Force announced that it is setting aside the award for the Light Air Support (LAS) aircraft program, on February 27, 2012, the Air Force Materiel Command Commander initiated a commander directed investigation (CDI). The CDI into the LAS procurement confirmed that inconsistencies in level of documentation, failure to fully adhere to Source Selection processes outline in the Federal Acquisition Regulation (FAR) and supplements and source selection team inexperience contributed to the need to restart the LAS source selection. As a result, a new source selection team was established and an amended RFP was released to both offerors on May 4, 2012. The amended RFP did not include any changes to requirements but more clearly defined the evaluation criteria and decision-making process. Air Force officials met individually with both original offerors, SNC and HBDC, to review the amended RFP changes line-by-line on April 17, 2012. Both offerors submitted comments on the draft amended RFP, which were individually addressed prior to release of the amended RFP. While the decision process will be event-driven, the Air Force targets a source selection decision in early calendar year 2013. This would allow first aircraft delivery to Afghanistan in third quarter 2014.

Dr. HECK. With respect to a recompetition of the LAS program, since the RFP was for a nondevelopmental solution, will new or readmitted competitors be allowed to

introduce new information, such as product developments or improvements that were accomplished after the deadlines for original RFP submissions? Will the Air Force maintain the mission-based performance requirements from the original competition, or lower the requirements to allow additional competitors? Will offerings that have not previously been produced in the United States be barred from the future competition? If so, please explain why. Additionally, please explain fully why Hawker Beechcraft was found technicially insufficient and therefore excluded from the competitive range during the original LAS competition.

General SCHWARTZ. Consistent with the corrective action accepted by the Court of Federal Claims, the Air Force decided to issue an amendment to the LAS request for proposal (RFP) to current offerors. The amended RFP did not include any changes to requirements but more clearly defined the evaluation criteria and decision-making process. Because offerors may submit entirely new proposals in response to this amended RFP, either offeror could conceivably submit new information.

Offerings that have not previously been produced in the United States are not barred from the LAS competition. LAS offerors with proposals that meet the requirements and other terms and conditions of the request for proposal will be considered for award. Specifically, the RFP incorporates provisions required by the Buy American Act and the Balance of Payments Program. Each offeror will be required to certify whether it will provide domestic end products, qualifying country end products, or other foreign end products. The Buy American Act and Balance of Payments Program clause (DFARS 252.225–7001) incorporated in the solicitation defines a domestic end product, in part, as an end product manufactured in the United States "if the cost of its qualifying country components and its components that are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components." The evaluated price would be adjusted, if and as required by DFARS 225, for an offeror who proposes a foreign end product. The Source Selection Authority will consider the adjusted evaluated price in the best-value award decision.

The results of the evaluation of HBDC's proposal are considered to be source selection and proprietary information and only releasable by HBDC.

Dr. HECK. Submitted on behalf of Representative Rob Bishop:

The Senate version of the FY2012 National Defense Authorization Act included report language stating:

". . . the Air Force may use up to $12.0 million of the funds available for the solid rocket motor warm line for consolidation purposes. The committee directs the Secretary of the Air Force to inform the committee no later than December 1, 2011, of its decision and the funding needed to carry out such decision."

What decision has been made concerning this "consolidation"?

General SCHWARTZ. The Solid Rocket Motor Warm Line program will close out in fiscal year 2012 and will document, disassemble, clean and store the government furnished equipment used during the Warm Line program. Before the Air Force puts its equipment in long term storage, we will use up to $10M of fiscal year 2012 Solid Rocket Motor Warm Line closeout funds to perform a Solid Rocket Motor Smart Transition. The Solid Rocket Motor Warm Line Smart Transition activity will transfer and install Stage 1 equipment at the ATK Bacchus facility. After washing out and recasting a Stage 1 motor, we will static fire the motor, document the result, then disassemble, clean, and store all equipment. Through this testing and documentation, the Air Force will establish the procedures necessary to quickly install the equipment at a consolidated production facility in the future. This ensures the Air Force retains the capability to re-pour the current motors while helping to sustain the industrial base through consolidation of excess infrastructure. This consolidation also allows the contractor to manufacture a variety of solid rocket motors more efficiently, thereby reducing contractor overhead and providing an overall cost savings to the government. The Air Force's decision to implement this smart transition is consistent with the Office of the Secretary of Defense Solid Rocket Motor Interagency Task Force recommendation to right-size solid rocket motor contractor production facilities.

Dr. HECK. Submitted on behalf on Representative Rob Bishop:

In FY2013, the Air Force has requested $71.2 million in RDT&E funds in the Intercontinental Ballistic Missile—Demonstration/Validation funding line (PE 0603851F). Air Force budget justification documents cite a sub-element request of $45.0 million for the ICBM Propulsion Applications Program, a program otherwise known as "PAP." Related justification documents state that the Air Force plans to use some PAP funds to "continue LCS [Large Class Stage] motor development." In fact, I understand that as much as 25% of FY2012 funds are being used to integrate Minuteman LCS stages into a demonstration launch vehicle, a task in the past left

for industry, even as there are no funds for LCS flight tests." Please tell me why these funds are not better spent on the continued development of MCS [Medium Class Stage] motors, where there appear to be sufficient funds for flight tests?

General SCHWARTZ. The Intercontinental Ballistic Missile (ICBM) Demonstration/Validation (Dem/Val) Propulsion Applications Program (PAP) is transitioning technology development efforts from Large Class Stage (LCS) to Medium Class Stage (MCS) in fiscal year 2013. Technologies demonstrated under LCS, (e.g.) domestic fiber case qualifications and thrust vector control development, as well as early integration work will help reduce MCS motor development risk. There is no plan to flight test the integrated LCS booster in the PAP program, but exercising the systems engineering expertise required to do the integration work has value for continued MCS development.

Dr. HECK. Submitted on behalf of Representative Rob Bishop:

This Administration has repeatedly stated that they wish to reduce negative environmental impacts made by Department of Defense programs and activities. At the same time, the Air Force continues to demilitarize its excess rocket motors, specifically Minuteman stages 1 and 2, through open burning. I understand industry has developed an alternative method, where propellant is washed out, and then key ingredients—such as ammonium perchlorate—are recovered. While this process may be slightly more expensive, since it eliminates introduction of pollutants to the atmosphere, is the Air Force considering moving in this direction?

General SCHWARTZ. The Air Force's Rocket System Launch Program (RSLP) is responsible for storage, aging surveillance, and demilitarization of many excess and decommissioned motor assets, primarily Minuteman and Peacekeeper Intercontinental Ballistic Missile (ICBM) motors. The decision to dispose of excess solid rocket motors via burning or chemical wash-out is subject to many considerations, to include motor type, environmental regulations, existing Depot 50/50 law, weather, facility capacity, contract availability, and costs. While the Air Force Comprehensive Assessment of Nuclear Sustainment (AFCANS) 2 Report resulted in the addition of ~$11 million over fiscal year 2011 and fiscal year 2012 for motor destruction (which is being used to dispose of approximately 150 motors, including at least 15 Minuteman 1st Stage motors by the washout method) most years have no funding available for motor destruction. Without AFCANS funds, the near-total of RSLP funds are utilized to store excess motor assets and complete safety-of-storage aging surveillance. The Air Force will continue to apply its current decision-making processes for motor destruction, to include adherence to existing laws and environmental regulations, when demilitarization funding is available.

QUESTIONS SUBMITTED BY MR. SCHILLING

Mr. SCHILLING. What is the Air Force doing to increase competition opportunities and therefore cut down on costs for DOD on all levels of the industrial base—from subsystem and component levels to major platforms?

Secretary DONLEY. The Air Force continually looks to find places, both large and small, where we can leverage competition and reduce costs. The Air Force is working to understand the interrelated supply chains that support our programs at all levels of the industrial base. As we increase supply chain visibility we will be able to identify risk. It will also allow the Air Force to identify opportunities to evaluate for cost effective breakouts, as well as the potential to move competition to lower, more competitive tiers in the supply chain.

The Air Force is also taking a comprehensive approach that looks at both our legacy platforms and our new platforms in terms of data rights and ownership. Where our legacy platforms did not include full ownership of data rights, thus limiting competition, the Air Force has initiated a business case analysis to determine which data rights are required to organically sustain our legacy major weapons systems. We then look at ways to pursue attaining the rights for that data and the trade off of attaining the rights versus the cost to do so. Where new platforms are established, the Air Force is taking a proactive planning approach by determining what type of data rights are required for both acquisition and sustainment. This approach will lend itself to greater competition and cost savings at various milestones through the acquisition and sustainment life cycles.

Mr. SCHILLING. How does the Air Force intend to ensure that small and medium sized business are able to compete for contracts?

Secretary DONLEY. The Air Force recently released the "Small Business Improvement Plan" which has several recommendations. The first four are adopted from the plan:

a) More standardization of North American Industrial Classification System (NAICS) Code (dollar and size standards). Contracting officers too often assign two or more NAICS codes to the same or very similar types of acquisitions resulting in lost opportunities for small businesses that have grown out of the small business category when a larger more appropriate NAIC S size standard could have been applied. Where flexibility in application of NAICS codes exists, Air Force leadership will provide guidance for the uniform selection of NAICS codes that maximizes practicable opportunity for small business prime contract participation.

b) Use of a Bundling and Consolidation "early warning report" to alert key stakeholders as early as possible and to ensure that the Air Force provides maximum practicable opportunity for small business participation

c) Encourage teaming by small businesses with firms other than small (there is no such term as "medium" size in federal contracting) in order to compete for larger dollar contracts Solicitations should contain language that encourages teaming arrangements and/or joint ventures to counter the tendency to issue larger, sometimes bundled or consolidated contracts

d) Improve the quality and availability of acquisition procurement forecasting information available to small businesses. This would allow small businesses more time to plan for responding to upcoming acquisitions, to more fully consider teaming arrangements and to produce a higher quality Request for Proposal

e) Identify and standardize market research processes to maximize small business opportunities in Air Force services contracts. After processes are developed, provide training to our small business specialists who, in turn, can train the acquisition community

f) Require that the small business specialist fully participate in all early acquisition planning meetings and review all documentation. These include review of "requirement approval documents" (RADs). This provides more planning time to fashion successful small business set-aside strategies

Mr. SCHILLING. How do the Air Force's views on best practices compare to the commercial sector's best practices?

The above QFR was rephrased by the committee POC and/or Military Legislative Fellow Derek R. Noel, as of 04/09/2012: QFR: The commercial aircraft industry has embraced FAA-approved components and repairs for the PW2000 engine, but the Air Force has still not found these practices acceptable for F117 repair contracts. If the commercial industry is finding considerable success in using FAA-approved components and repairs, why is the Air Force not considering the same practice for the F117 engine?

Secretary DONLEY. In December, Pratt and Whitney (P&W) agreed to share their repair and overhaul manuals, which was a major step to enable proper overhaul and supply chain competition. With access to the repair manuals, the Air Force proposes a F117 competitive contract which aligns F117 supply chain with industry best practice.

The P&W manuals allowed the Air Force to enhance the competitive playing field by building on PW2000 commercial approaches, and allow the Air Force to more rapidly reduce the F117's reliance on the original equipment manufacturer (OEM) in parts repair and new parts source approval process. Because the Air Force flies its engines in six profiles for which the Federal Aviation Administration (FAA) will not certify the F117 engine, we cannot rely on FAA certified parts manufacturer approval (PMA) parts. Instead, we have elected to mimic the Delta Airline engine repair approach we learned of during further market research. More specifically, like Delta, we will rely on P&W as the OEM for as much as 95 percent of the new engine parts in the near term and rather than continually buying new parts, the commercial data P&W made available allows us to repair the parts rather than replace them. We expect this strategy to deliver significant savings over exclusive parts replacement, which we believe has been P&W's technique.

Additionally, to seek new part cost savings through our Source Approval Request (SAR) process, similar to those we believe are achieved by United/Chromalloy (through the FAA's PMA process), the P&W data will allow the Air Force to procure and use non-OEM parts. This will separate us from an exclusive relationship with P&W for OEM parts. However, to immediately and unconditionally accept FAA certified PMA parts for the F117 engine puts our crews and aircraft at operational safety risk. Without validation that the parts can perform to our military mission, the Air Force cannot accept the risk. Once PMA parts are validated and found to be safe, suitable and cost effective they will be used for the military application.

The competitive approach the Air Force has proposed puts us on an ownership track that keeps our crews safe, will deliver near-term and long-term savings in repaired part costs, and promises more savings to come via the source approval process for new non-OEM parts.

Mr. SCHILLING. You have stated that cutting squadrons was painful, but necessary. What assessments were made when deciding that the Air Force should cut these squadrons? Would other efficiencies have been able to cover the costs of keeping some of these important squadrons?

General SCHWARTZ. The Air Force formed a General Officer-led team of Active Duty and Reserve Component experts that determined force structure changes at various locations. Each course of action was assessed using specified criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force. Before backfill missions were identified, 24 squadron-level units were in jeopardy of being eliminated and eight installations would have been left without an operational Air Force mission. After backfill missions were identified, 14 squadron-level units were preserved and only one installation was left without an operational mission.

The new Department of Defense (DOD) Strategic Guidance "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense" directs the services to build a force that will be smaller and leaner, flexible, ready and technologically advanced. As such, the Air Force was able to make force structure reductions, with acceptable risk, to provide the capabilities required by the new DOD Strategic Guidance. The Air Force identified $33 billion in efficiencies in the FY12 President's Budget (PB), which the Air Force was able to realign from tail to tooth, and an additional $6 billion in efficiencies in the FY13 PB. Additional efficiencies would come at the expense of other programs and possibly prevent the Air Force from meeting the capability required in the new DOD Strategic Guidance.

Mr. SCHILLING. You have stated the importance of the Air Force's work on cyberspace security issues for some time and have now reiterated that point and noted that it is vital for our networked force. You also mentioned that our adversaries are realizing the benefits of doing so as well. How do you see the Air Force's role in addressing this force structure change in current and future adversaries?

General SCHWARTZ. The Air Force Cyberspace Superiority Core Function Master Plan, submitted by the Air Force Core Function Lead Integrator for Cyberspace Superiority (AFSPC/CC), specifies nine capabilities that require programmatic actions to evolve the force from its current capability state: Passive Defense, Defensive Counter Cyberspace, Intelligence, Surveillance & Reconnaissance, Situational Awareness, Persistent Network Operations, Data Confidentiality & Integrity Systems, Cyberspace Air Operations Center, Offensive Counter Cyberspace for Global Reach and Access, Contingency Extension, and Influence Operations. The ability to integrate and leverage these capabilities will underpin force projection in all domains while serving to deny adversaries operational and informational advantages. The Air Force will meet this challenge by dedicating funding to ensure its ability to operate effectively and enhance the resiliency and effectiveness of critical cyber capabilities. Cyberspace capabilities will assure freedom of action to conduct operations at times of our choosing by safeguarding cyberspace systems and negating adversary cyberspace capabilities.

QUESTIONS SUBMITTED BY MR. RUNYAN

Mr. RUNYAN. How much do you anticipate saving if you retire the C–5s, C–130s, and the six fighter squadrons?

General SCHWARTZ. Based on the retirements of 27 C–5As, 65 C–130s, and 123 A–10s and F–16s, the Air Force projects to save approximately $458 million in FY13 and $4.1 billion over the Future Years Defense Program.

Mr. RUNYAN. What would be the economic effect on the Air Force if you put all those aircraft (C–5s, C–130s, and the six fighter squadrons) you plan to retire into the Reserve and Guard instead of retiring them?

General SCHWARTZ. Retaining C–5A and C–130H aircraft retired in the FY13 President's Budget (PB) would provide excess strategic and theater airlift capacity at the expense of other programs vital to national defense. Replacing the aircraft in the Guard and Reserve would result in the requirement to restore over $2.97 billion in operations, maintenance, and personnel funds. This amount does not include additional costs associated with modification programs or the cost to address obsolescence and diminishing manufacturing source issues unique to the C–5A and C–130H fleets. Placing those aircraft back in the Reserve and Guard would require the Air Force to divert funds from other critical programs. The FY13 PB divested five Air Reserve Component (ARC) fighter squadrons and one Active component fighter

squadron. The economic effect of restoring five ARC squadrons to the FY12 PB level is an unfunded cost of $207 million in FY14 and $1,414 billion over the next five years in both manpower and operations & maintenance costs. Notionally moving the sixth combat coded squadron from the Active Component to the ARC generates an unfunded cost of $38M in FY14 and $265M over the next five years in both manpower and operations & maintenance costs.

Mr. RUNYAN. Can you retire less aircraft if you put more of them in the National Guard and Reserve? Could you not have more aircraft available if you made the ratio of Active to Reserve Component flying squadrons 1:3?

General SCHWARTZ. The Air Force does not intend to change the planned active and reserve component mix. Force structure adjustments have been and will continue to be supported by Force Composition Analyses of weapon system and career field communities, which use models developed by SAF/FM's Center of Expertise (COE) to present cost and benefit information for several Active and Reserve Component mixes produced by combinations of stand-alone units and Total Force Integration Associations. The Air Force will continue to leverage the Total Force's Regular Air Force (RegAF), Air National Guard (ANG), and Air Force Reserve components to maintain the same high capabilities and standards across the components while meeting our many and varied commitments. Maintaining the appropriate mix of forces between the Active and Reserve Components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands with a smaller overall force. In 1990, the Reserve Component represented 25 percent of Total Force end strength; today that percentage is 35 percent. The proper ratio between Components must be achieved to maintain acceptable operations tempo levels within each Component, and to preserve the ability of a smaller Air Force to meet continued overseas presence demands and the rapid deployment and rotational force requirements of the strategic guidance. After the proposed force reductions and mitigations of FY13, Reserve Component end strength will make up 33 percent of Total Force military personnel, a reduction of two percent from the FY12 numbers. Within the Combat Air Forces (CAF), the Reserve Component will have 38 percent of total aircraft which is only four percent lower than FY12. For the Mobility Air Forces (MAF), the Reserve Component shares shift from 51 percent to 46 percent. In order to maintain and enhance combat capability, the Air Force intends to grow the number of Total Force Integration Associations from 100 to 115. This will enable the seasoning of our RegAF personnel while improving the combat capacity of our Reserve Component. The FY13 Active and Reserve Component mix is the appropriate mix to maintain the Air Force's combat capability.

Mr. RUNYAN. Do you think that keeping a smaller Active force and greatly increasing the Reserve Component forces will decrease your combat capability? Why or why not?

General SCHWARTZ. The Air Force does not intend to change the planned active and reserve component mix. Force structure adjustments have been and will continue to be supported by Force Composition Analyses of weapon system and career field communities, which use models developed by SAF/FM's Center of Expertise (COE) to present cost and benefit information for several Active and Reserve Component mixes produced by combinations of stand-alone units and Total Force Integration Associations. The Air Force will continue to leverage the Total Force's Regular Air Force (RegAF), Air National Guard (ANG), and Air Force Reserve components to maintain the same high capabilities and standards across the components while meeting our many and varied commitments. Maintaining the appropriate mix of forces between the Active and Reserve Components is critical to sustaining Air Force capabilities for forward presence, rapid response, and high-rate rotational demands with a smaller overall force. In 1990, the Reserve Component represented 25 percent of Total Force end strength; today that percentage is 35 percent. The proper ratio between Components must be achieved to maintain acceptable operations tempo levels within each Component, and to preserve the ability of a smaller Air Force to meet continued overseas presence demands and the rapid deployment and rotational force requirements of the strategic guidance. After the proposed force reductions and mitigations of FY13, Reserve Component end strength will make up 33 percent of Total Force military personnel, a reduction of two percent from the FY12 numbers. Within the Combat Air Forces (CAF), the Reserve Component will have 38 percent of total aircraft which is only four percent lower than FY12. For the Mobility Air Forces (MAF), the Reserve Component shares shift from 51 percent to 46 percent. In order to maintain and enhance combat capability, the Air Force intends to grow the number of Total Force Integration Associations from 100 to 115. This will enable the seasoning of our RegAF personnel while improving the combat capacity of our Reserve Component. The FY13 Active and Reserve Component mix is the appropriate mix to maintain the Air Force's combat capability.

Mr. RUNYAN. What missions can you put into the Reserve Component forces where you can perform them at lower cost? ICBM? Pilot training?

General SCHWARTZ. The Air Force is rebalancing the Total Force to match capability and capacity requirements of the new Defense Strategy. The Air Force, in full collaboration with Reserve Component (RC) leadership, will make decisions placing mission capabilities in the Guard/Reserve to achieve an appropriate mix in order to sustain the Air Force's ability to provide forward presence, rapid crisis response, and high rotational demands. Examples of these missions include remotely piloted aircraft operations, MC–12W, and intelligence.

Decisions on the placement of capabilities into RC forces were based upon mission requirements and included analysis of the costs involved. RC value is enhanced by a part-time model and the continuum-of-service construct whereby their participation in all mission sets is valuable, but more cost effective in missions that do not require full-time participation to meet daily requirements, such as pilot training.

The RC is already a full partner in the Air Force Nuclear Enterprise and is fully integrated in six of the thirteen core nuclear career fields. The Air Force is currently evaluating several additional mission areas where greater RC participation would benefit the Air Force through increased continuity and retention of critical nuclear expertise. RC Security Forces currently support of the Intercontinental Ballistic Missille (ICBM) mission at Minot AFB and the Air Force continues to assess other areas of the ICBM mission that may be compatible with RC participation.

The Air Force will continue to analyze the best mix of forces and capabilities between the Active and RC forces balancing costs and mission requirements.

QUESTIONS SUBMITTED BY MR. SCOTT

Mr. SCOTT. How would you describe the relationship between the U.S. Air Force and the Republic of China Air Force? What impact does the ban on U.S. general officers visiting Taiwan have on enhancing and building upon this relationship?

General SCHWARTZ. The United States Air Force (USAF) and Taiwan Air Force relationship is strong. Our current Air Force leadership has developed enduring relationships with their Taiwan Air Force counterparts through annual meetings here in Washington. The USAF works closely with our Taiwan counterparts to provide the services they need to transform their force into one that will continue to deter aggression from the People's Republic of China. Last September the Administration announced a $5.85B sale to Taiwan that included retrofitting their F–16 A/Bs. This retrofit will significantly increase the war-fighting capability of Taiwan's Air Force.

What impact does the ban on U.S. general officers visiting Taiwan have on enhancing and building upon this relationship?

The ban has had minimal impact to the USAF–Taiwan Air Force relationship, due to the strong relationships built through engagement here in Washington. In addition, consistent with our longstanding policy, we will continue the practice of sending USAF Senior Executive Service (SES) leaders and retired flag officers to Taiwan to assist in improving their defense capabilities. Most recently, Ms. Grant (SAF/IA) and Mr. Wert (ESC) visited Taiwan and provided security cooperation on F–16 A/B retrofit program and the Surveillance Radar Program (SRP). Retired flag officer visitors have included Admiral (ret) Blair, Admiral (ret) Natter, Lieutenant General (ret) Gregson, and Lieutenant General (ret) Leaf. They have all spent weeks in Taiwan sharing their decades of experience and mentoring senior Taiwan flag officers on how to improve Taiwan's defenses, culminating in the annual Han Kuang exercise. We will continue to send these highly-qualified Air Force leaders to preserve our strong ties and help ensure Taiwan maintains a robust self-defense capability.

Mr. SCOTT. When do you expect to complete the JSTARS Analysis of Alternatives (AoA) study?

General SCHWARTZ. Air Combat Command (ACC) presented the results of the Airborne Synthetic Aperture Radar/Moving Target Indicator (SAR/MTI) and Joint Surveillance Target Attack Radar System Mission Area Analysis of Alternatives (AoA) to the Air Force Requirements Oversight Council (AFROC) for validation on 30 November 2011. Vice Chief of Staff of the Air Force approved the AoA's release on 25 Jan 12 to the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE). OSD/CAPE is currently reviewing the final report for sufficiency.

Mr. SCOTT. DOD's new strategic guidance calls for cooperative partnerships to bolster common interests around the world. What are some examples of the kinds of innovative partnerships that the U.S. Air Force can assist in developing?

General SCHWARTZ. Developing mutually beneficial partnerships with militaries around the world enables interoperability, integration and interdependence between

Coalition forces while providing our partner nations the capability and capacity to resolve their own national security challenges. Through these relationships, we are able to develop innovative partnerships such as the Wideband Global SATCOM, C–17 Heavy Airlift Wing at Papa Air Base Hungary, the deployment of UAE F–16s in support of operation ODYSSEY DAWN, the U.S. and U.K. RC–135V/W RIVET JOINT (RJ) weapon system, and the C–130J multi-national cooperative upgrade program.

The Wideband Global SATCOM satellite system, with the first satellite launched in 2007, will reach full operational capability with 5 operational satellites in FY13. WGS increased our communications capacity more than ten times over the existing legacy system. As a result of a partnership with Australia, a 6th satellite is in production, which will increase U.S. overall capabilities at zero additional U.S. cost, yet enable Australia to realize 100% of their global SATCOM requirements. In January of this year, the U.S. signed another cooperative agreement with 5 new partners for a 9th satellite, increasing capacity for the U.S. and our international partners.

A Heavy Airlift Wing activated on 27 July 2009 at Papa Air Base Hungary, the result of a cooperative-agreement among 12 NATO and Partnership for Peace (PfP) nations. The wing's, mission is to provide strategic airlift to the consortium's members in support of national, NATO, European Union and United Nations humanitarian assistance/disaster relief operations. Through a consortium, economies of scale provide a capability for numerous nations that did not have the resources to realize an airlift capability on their own. Additionally, missions this wing executes are sorties the USAF does not have to fly, potentially saving the USAF upwards of $200M/yr. In August, 2009, the wing began delivering supplies to the Swedish ISAF contingent in Afghanistan. A C–17 from the wing delivered construction material to Haiti, seven days after the devastating earthquake. Last fall, a multinational crew supported the U.S. Army's hundred and seventy-third airborne Brigade Combat Team jump-week with multiple airdrop training sorties.

The United Arab Emirates demonstrated their capability to carry out integrated coalition combat air operations in support of a NATO-led humanitarian mission when they flew their Block 60 F–16s in Operations ODYSSEY DAWN and UNIFIED PROTECTOR. Their participation was made possible due to the strong relationship the USAF cultivated through multiple personnel exchanges, direct commercial sale of F–16s, foreign military sales cases for maintenance, equipment, parts, training and logistical support, pilot training from the Air National Guard's 162nd Fighter Wing, participation in RED FLAG and GREEN FLAG exercises, and training at the Gulf Air Warfare Center.

The RC–135V/W RIVET JOINT (RJ) weapon system merges the respective U.S. and U.K. RIVET JOINT fleets into a single, cooperative program for upgrade and sustainment (RIVET JOINT Sustainment and Follow-on Development MOU) of RJ aircraft and mission systems, and provides cooperative training for the initial cadre of operations and support personnel. This initiative allows for the U.S./U.K. to jointly train, operate and base a combined RJ fleet, increasing ISR capability 20 percent, saving the USAF $841M in follow-on and sustainment costs, and enabling economies of scale in training, maintenance, and personnel.

The C–130J Memorandum of Understanding (MOU) was established between the U.S. and 6 member nations as a vehicle for cooperative C–130J projects enabling common requirement studies, block upgrades, and capability updates for continued flight. Project Arrangements (PAs) pursuant to the MOU concluded under the MOU have totaled over $667M, and leveraged $376M in participant investment.

Mr. SCOTT. How does JSTARS operations provide a test bed for the networked future of air warfare?

General SCHWARTZ. Through the use of a dedicated test aircraft, the Joint Surveillance Target Attack Radar System (JSTARS) program has delivered capability to inform the networked future of air warfare. JSTARS' robust onboard Line of Sight (LOS)/Beyond Line of Sight (BLOS) data links and Battle Management Command & Control (BMC2) mission aircrew employed on JSTARS provide ample network capability to develop improved network capabilities. JSTARS are able to digitally commit fighters to targets in air to ground engagements within an electronically contested environment without ever speaking on the radio. Moreover the majority of all Command/Control taskings now occur in chat room environments vice traditional radio voice methods. In 2010 JSTARS demonstrated the ability of an Intelligence, Surveillance and Reconnaissance platform to provide terminal guidance of net enabled weapons (NEWs) such as the Joint Surface Warfare (JSuW) to an intended target from increased stand-off ranges. In 2011 JSTARS tested and fielded a Quick Reaction Capability (QRC) to improve the Beyond Line of Sight (BLOS) reach back. Near-real-time aircraft collection data was provided via Satellite to any Secret Internet protocol Router network (SIPRnet) subscriber to an expanded audience including

the Air and Space Operations Center. The capability reduced Air Operations Center leadership decision making timelines tremendously informing Rules of Engagement (ROE).

QUESTIONS SUBMITTED BY MR. GRIFFIN

Mr. GRIFFIN. C–130 Avionics Modernization Program (AMP): According to the President's budget proposal for fiscal year 2013, the Administration plans to cancel the AMP and replace the AMP with a less ambitious, less costly program, commonly referred to as "AMP Lite," for modernization of the C–130 fleet, including 184 C–130 aircraft. According to General Schwartz, these upgrades would likely be similar to those used on the KC–10 refueling aircraft and would keep the navigators in our C–130s.

When determining the cost of AMP Lite, did the Air Force consider the cost of retaining the navigator position over the life cycle of the legacy C–130 fleet? If so, what is the cost? What were other criteria for considering the cost of AMP Lite?

Secretary DONLEY. The Air Force did consider the cost of retaining the navigator. As reported in the December 2010 Selected Acquisition Report (SAR), eliminating the navigator position results in a mission personnel cost savings of $482 million (Base-Year 2010 dollars) over 15 years for the 221 C–130 Avionics Modernization Program (AMP) aircraft fleet. This equates to a cost savings of $694 million in Then-Year dollars (i.e., dollars that are reflected in the budget).

Other criteria weighed when considering the cost of the C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM) program vice C–130 AMP, were that the C–130 CNS/ATM program has 40 percent fewer requirements, to include retaining the navigator (which drove less avionics integration), and not driving commonality across the legacy C–130H fleet.

Although the fiscal year 2013 President's Budget reflects funding for 176 aircraft, the Air Force plans to modernize all 184 aircraft legacy C–130H combat delivery fleet in the most economically efficient way possible. A review of similar CNS/ATM solutions on other Air Force mobility aircraft (KC–10, KC–135), and an awareness of CNS/ATM modifications to foreign nations' C–130 aircraft, indicate that less expensive CNS/ATM solutions are currently available.

Mr. GRIFFIN. The President's FY13 budget proposed to terminate the C–130 AMP and claims this will save $2.2 billion. However, it is my understanding that the $2.2 billion in savings does not include the cost of a new program start, current contract termination costs or the life-cycle savings that AMP will provide.

How much will the new start effort truly save after considering the termination liability, and other life-cycle cost savings are removed from the solution?

Secretary DONLEY. The Future Year Defense Plan (FYDP), fiscal year 2013–2017, investment cost savings from terminating C–130 Avionics Modernization Program (AMP) and initiating the "Optimize Legacy C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM)" program is $2.3 billion. Additionally, when adding the "To Complete" cost of AMP in the fiscal year 2012 President's Budget (PB) and comparing to what the Air Force has funded in the fiscal year 2013 PB for CNS/ATM including its "To Complete" cost, the Air Force identified a total investment cost savings of $3.5 billion.

By going with the new Optimize Legacy C–130 CNS/ATM, which retains the navigator position, the Air Force took into consideration that we would lose the mission personnel "cost savings" of $482 million in base year dollars (reference 31, Dec 2010 C–130 AMP Selected Acquisition Report (SAR) to Congress) vice AMP. This additional cost of retaining the navigator reduces the program savings referenced in the above paragraph.

Furthermore, the 2010 Selected Acquisition Report (SAR) identified that there were no other life-cycle costs savings by continuing with AMP. AMP was a program intended as a force enhancement, not an efficiency.

The termination liability for C–130 AMP is $5.1 million, and has been factored into the cost savings referenced above.

Mr. GRIFFIN. The 2005 Base Realignment and Closure Commission's final report to the President cited airspace, low level routes, and auxiliary airfields and nearby Fort Chaffee as reasons why "Fort Smith is an ideal location for the A–10." Since the report was released, the unit has significantly modernized its facilities, greatly expanded its existing world-class airspace, become a leader in data link operations, and solidified training relationships with attack controllers special forces.

What did the current Basing Commission find to contradict the BRAC commission's findings and suggest the transition from the A–10 to a remotely piloted air-

craft mission at Fort Smith? Is the Air Force moving the A–10s at Fort Smith to other guard units to replace aging A–10s?

Secretary DONLEY. The reduction of A–10 aircraft is driven by the need to reduce excess force structure as identified in the new Defense Strategy and was not driven by a basing study. In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by (the Adjutant Generals (TAGs)) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three (ANG) A–10 unit closures because the base, along with those in Michigan, have other manned ANG flying units in addition to the A–10 units selected for divestment. Final disposition of the individual tail numbers is determined during fleet management reviews and some aircraft may be realigned to other units to replace older A–10 aircraft. Our intent is to keep the remaining A–10 fleet in the best possible health.

Additionally, the Arkansas Future Missions Database identifies Remotely Piloted Aircraft as a preferred mission for Arkansas. The proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for Remotely Piloted Aircraft (RPA) joint training. The divestiture of the A–10s afford an opportunity for the Air Force to assign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. I am concerned that the Air Force's acquisition strategy for the LAS was flawed, for example, for LAS, the Air Force lowered modern pilot safety standards for accommodating women pilots in ejection seat aircraft. The choice for the LAS contract, the Brazilian Super Tucano doesn't even meet these lowered safety standards.

Why did the Air Force roll back the clock on LAS aircraft safety requirements that accommodated women in ejection seat aircraft, instead of using the modern, and congressionally mandated pilot size accommodation requirements used for your T–6, F–35, and T–38 modernization programs?

Secretary DONLEY. The Air Force did not lower pilot safety standards for the light air support (LAS) ejection seat. Since LAS is a security assistance effort for Afghanistan, NATO Air Training Command—Afghanistan (NATC–A) defined the ejection seat and pilot accommodation requirements based on expected seating height range for potential Afghanistan Air Force (AAF) and NATO pilots. The aircraft selected for the LAS competition will meet all required safety and accommodation standards.

Mr. GRIFFIN. In the National Defense Authorization Act for FY–12, the Senate Armed Services Committee commends the Air Force for "its commitment to developing and maintaining a transparent, repeatable, and effective strategic basing process." They went on to say the Air Force has developed a process that consists, in part, of establishing basing criteria, developing a preliminary list of candidate bases based upon those criteria, and selecting final bases following a detailed evaluation of a smaller group of installations (Senate Bill 1253). Removal of aircraft is a basing decision and will affect future basing actions. Is there an A–10 basing study? If not, what criteria did you use to determine basing? Can I see the scores? If there was not a study, then explain how you compared options?

Secretary DONLEY. The reduction of A–10 aircraft is driven by the need to reduce excess force structure as identified in the new Defense Strategy and was not driven by a basing study. The new Defense Strategic Guidance states that U.S. Forces will no longer be sized to conduct large-scale, prolonged stability operations. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft and a preference for multi-role fighters to provide the most flexible capability within each scenario. As a result, A–10 retirements were selected in lieu of other combat aircraft and the Air Force made the difficult choice to retire five A–10 squadrons comprised of 102 A–10 aircraft. Previous reductions in fighter force structure shifted the Total Force ratio toward Reserve component forces, and Air Force decisions in the FY13 President's Budget request rebalanced that ratio to create a more sustainable force structure over the long term. In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by TAGs) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three ANG A–10 unit closures because the State, along with those in Michigan, has other manned ANG flying units in addition to the A–10 units selected for divestment. Additionally, the proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for Remotely Piloted Aircraft (RPA) joint training. The divestiture of the A–10s afford an opportunity for the Air Force to as-

sign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. Background: In the fall of 2008, Secretary of the Air Force Michael Donley and the Air Force Chief of Staff Norton Schwartz sought to redefine how the Air Force expects to make basing decisions. The Deputy Assistant Secretary of the Air Force for Installations Kathleen Ferguson said "We created a process that was deliberate, repeatable and transparent with defined roles and responsibilities." (Official Air Force Web site) Did the Air Force follow their established procedures for A–10 basing decisions, and was the process deliberate, repeatable and transparent with defined roles and responsibilities?

Secretary DONLEY. The Air Force basing process is a great tool to determine the optimal location for assigning assets; however, the Air Force's goal was to reduce force structure based on the new Defense Strategy. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that determined force structure changes at various locations. Each course of action was assessed using specified criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force. Before backfill missions were identified, 24 squadron-level units were in jeopardy of being eliminated and eight installations would have been left without an operational Air Force mission. After backfill missions were identified, 14 squadron-level units were preserved and only one installation was left without an operational mission.

Mr. GRIFFIN. Background: In the National Defense Authorization Act for FY–12, the Senate Armed Services Committee stated: "Given the high cost of operating aircraft and the fact that these flying operation costs are recurring, the committee believes these costs warrant examination in the strategic basing process. These flying operation costs include, at a minimum, the costs associated with the additional flying time resulting from a candidate base's relative distance to (1) operational training areas for fighters and training aircraft, (2) operational refueling tracks for tankers, and (3) critical logistic centers for strategic and tactical airlift aircraft. The 188th Fighter Wing's distance to their operational training areas is the closest in the Air National Guard which significantly minimizes its operations costs. The committee directed, "no later than 180 days after the enactment of this Act, the Secretary of the Air Force to review and report on the role that the efficiency of flying operation costs should play in the strategic basing process and any steps that it plans to take to capture these costs in evaluating candidate bases in that process." Was the Armed Services Committee's guidance to consider distance to the operational training areas followed in the A–10 basing process? If so, what weight was given to the significant taxpayer savings due to reduced transit time to the 188th's training areas?

Secretary DONLEY. When determining A–10 divestitures, Air Force assessed various criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership, and ultimately approved or disapproved by the Secretary and Chief of Staff of the Air Force. Arkansas' Razorback Range and Hog Military Operation Area (MOA) make Fort Smith a very attractive location for Remotely Piloted Aircraft joint training, providing an enduring mission capability to Fort Smith while facilitating training with our joint warfighters.

Mr. GRIFFIN. Background: The Commander of United States Special Operations Command Admiral Eric Olson testified to Congress in March 2011: "The shortage of readily available, local ranges currently hampers special operations forces' ability to meet deployment training timelines and causes our operators to 'travel to train,' further increasing their already excessive time away from home." Additionally Vice Admiral William McRaven (current Special Operations Commander) testified in his confirmation hearing June 28, 2011, that "high operational tempo has impacted readiness." He went on to say among the areas effecting the high operations tempo was the "lack of fixed wing aircraft for live ordnance drops needed to train Joint Tactical Air Controllers." (SOF Background and Issues for Congress) The 188th Fighter Wing is a leader in Special Forces integration with an extensive history of SOF integration (All Services), the unique ability to conduct face-to-face briefs/debriefs, and an on-site Special Forces unit (SEALs). Without tactical fighters at Fort Smith, SOF training quality would significantly decrease. In addition, SOF operations tempo would increase since forces would have more "travel to train" require-

ments. Were the Special Operations Forces training needs and their operations tempo considered in the A–10 basing plan? If so, what weight was given to the significant joint force multiplier capabilities of the 188th Fighter Wing?

Secretary DONLEY. Working with our Guard and Reserve leaders, we used a balanced approach to adjust our Total Force end strength while maintaining the ability to execute strategic guidance. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft and a preference for multi-role fighters to provide the most flexible capability to successfully prosecute each scenario. The Air Force provides full spectrum support to all joint warfighters. Special operations forces training involves a variety of weapon systems, and the Air Force will continue to provide required support while accounting for the divestiture of A–10s from Fort Smith. The Air Force will continue to provide the necessary training capability required by special operations forces. United States Special Operations Command (USSOCOM) is aware of the divestiture of A–10s at Fort Smith and has not expressed any concerns with operational training impacts.

Mr. GRIFFIN. Background: In the 2010 QDR and the National Defense Authorization Act for FY–12, the Senate Armed Services Committee recommended the services produce formal Memoranda of Agreements (MOA) between general purpose forces and special operations forces. A recent report required by the National Defense Authorization Act of 2010 stated the requirement to "codify support through formal agreements, and eventually get SOF units and their general purpose forces counterparts training together throughout the deployment cycle." The 188FW has numerous formal MOA's in coordination with SOF and effectively trains with special operations throughout their deployment cycle. Does closing the 188FW and losing their unique SOF training relationship, support the special operations forces in accordance with the Senate Armed Services direction?

Secretary DONLEY. Working with our Guard and Reserve leaders, we used a balanced approach to adjust our Total Force end strength while maintaining the ability to execute strategic guidance. The Air Force provides full spectrum support to all joint warfighters. Special operations forces training involves a variety of weapon systems, and the Air Force will continue to provide required support while accounting for the divestiture of A–10s from Fort Smith.

Mr. GRIFFIN. Background: On October 5, 2009, the President signed Executive Order (EO) 13514, which set sustainability goals for federal agencies to make improvements in their environmental, energy, and economic performance. He went on to say "The Defense Department must take a hard look at every aspect of how it is organized, staffed, and operated—indeed, every aspect of how it does business." The 188th Fighter Wing is a leader in renewable energy, energy conversation, and has among the lowest energy costs in the Air National Guard. When making basing decisions did the Air Force consider energy costs and sustainability? If so, what weight was given to the significant energy cost savings of the 188th Fighter Wing?

Secretary DONLEY. The impact of energy on basing decisions can be important. However, the changes for the 188th Fighter Wing is not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units.

Mr. GRIFFIN. Background: On May 8, 2010, the Secretary of Defense gave a speech at the Eisenhower Library, in which he announced his intention of reforming the business operations of the Pentagon in an effort to root out duplication, waste, and excess spending. The Secretary stated: "The Defense Department must take a hard look at every aspect of how it is organized, staffed, and operated—indeed, every aspect of how it does business. In each instance we must ask: First, is this respectful of the American taxpayer at a time of economic and fiscal duress? And second, is this activity or arrangement the best use of limited dollars, given the pressing needs to take care of our people, win the wars we are in, and invest in the capabilities necessary to deal with the most likely and lethal future threats?" Additionally, in January 2012 Defense Secretary Panetta released the Defense Budget Priorities and Choices. In it he said that in developing the budget, the DOD first turned to where DOD could reduce among other things operations expenses across the defense enterprise. Flight hour costs represent a significant proportion of fighter training expenses. Flight time spent transiting to/from the training areas is waste of taxpayer resources. The 188th Fighter Wing has the closest airspace therefore, it also has the lowest flight hour cost per training event. Were operational

costs considered in the A–10 basing plan? If so, what weight was given to the significant cost savings provided by the 188th Fighter Wing?

Secretary DONLEY. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force.

Mr. GRIFFIN. Background: In January 2012 Defense Secretary Panetta released the Defense Budget Priorities and Choices. In it he said that in developing the budget the DOD first turned to where DOD could reduce among other things personnel costs across the defense enterprise. Fort Smith, (compared to all current A–10 bases and all air-to-ground Air National Guard fighter units) has the lowest combined health, housing and utility costs. Were personnel costs included when A–10 basing decisions were made? If so, what weight was given to the significant personnel cost savings at the 188th Fighter Wing?

Secretary DONLEY. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the Air Force's formal strategic basing process, the specific personnel cost criteria was not weighted. The advantages of the relatively low cost of living found near Fort Smith, AR will continue to benefit the members of the unit who will perform the new MQ–1/9 Remote Split Operations mission. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Background: On Oct. 25, 2010, Chairman of the Joint Chiefs of Staff Admiral Michael Mullen responding to a letter on JTAC training said "I share his concern regarding the increased demand signal for JTAC's and the stress it exerts on the current production capacities." On November 16, 2010, General Raymond Odierno, the Commander of United States Joint Forces Command, wrote Admiral Mullen to express concerns he had over JTAC tasking and training. He said "The increased demand has resulted in a more than 100 percent increase in schoolhouse throughput with a corresponding increase in the number of required support sorties." Since the 188th's primary mission is Close Air Support almost every training sortie is in support of ground forces. With unmatched airspace proximity, volume, and availability, the 188th produces the most JTAC training per flight hour in the entire Air Force. When making fighter basing decisions, did the Air Force consider JTAC training requirements? If so, what weight was given to the significant JTAC training production of the 188th Fighter Wing?

Secretary DONLEY. The new Department of Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," directs the Services to build a force that will be smaller, leaner, flexible, ready, and technologically advanced. As a result, the Air Force is reducing its size to support one large-scale combined arms campaign with sufficient combat power to deny a second adversary. With the divestiture of Fort Smith's A–10s, the Air Force will maintain sufficient capacity to produce and train Joint terminal Attack Controller to support the new Defense Strategy.

The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Background: Quality attack controller training has long been a problem for the DOD. A Due to airspace and asset limitations at other locations throughout the country the quality of attack controller sometimes suffers. The 188th Fighter Wing with it's unique capability to face-to-face brief/debrief, diverse training environment, regional training partners, and incorporation of leading edge technology provides the best training for the services JTAC's, When making fighter basing decisions did the Air Force consider the quality of JTAC training? If so, what weight was given to the second-to-none JTAC training VALUE at the 188th Fighter Wing?

Secretary DONLEY. The new Department of Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," directs the Services to build a force that will be smaller, leaner, flexible, ready, and technologically advanced. As a result, the Air Force is reducing its size to support one large-scale combined arms campaign with sufficient combat power to deny a second adversary. With the divestiture of Fort Smith's A–10s, the Air Force will maintain sufficient capacity to produce and train JTACs to support the new Defense Strategy.

The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force.

Mr. GRIFFIN. Did the Air Force consider innovation and joint network capabilities when developing the A–10 basing plan? If so, what weight was given to the leading edge initiatives of the 188th Fighter Wing?

Secretary DONLEY. The proposed changes for the 188th Fighter Wing are not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units. Additionally, our General Officer led review considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria were not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

The proposed changes for the 188th Fighter Wing is not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units. Additionally, our General Officer led review considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Was F–35 basing considered in the A–10 basing study? If so, how did bases that scored lower in the study keep their manned fighter aircraft?

Secretary DONLEY. F–35 basing was not considered when making force structure reduction or backfill mission decisions that take effect in FY13 and FY14. Given current F–35 production estimates, the next set of F–35 basing decisions will include domestic and overseas bases and will not be required prior to FY17. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that determined force structure changes at various locations. Each course of action was assessed using specified criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force. Before backfill missions were identified, 24 squadron-level units were in jeopardy of being eliminated and eight installations would have been left without an operational Air Force mission. After backfill missions were identified, 14 squadron-level units were preserved and only one installation was left without an operational mission.

Mr. GRIFFIN. Was the capability to support Total Force Initiatives considered in the A–10 basing decisions? If so what weight was given to Fort Smith's efficiencies and unique strengths?

Secretary DONLEY. The new Defense Strategic Guidance drove a holistic interstate approach to Air National Guard and Air Force Reserve force structure. The Air Force's proposed efforts will correct several manpower disconnects, rebalance forces, and improve sortie generation and aircraft utilization rates across the Total Force. This combination is intended to improve the Total Force's readiness and responsiveness across the spectrum of operations. From both an operational effectiveness and fiscal responsibility perspective, this strategy was preferred over a more piecemeal state-by-state approach.

In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by TAGs) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three ANG A–10 unit closures because the base, along with those in Michigan, have other manned ANG flying units in addition to the A–10 units selected for divestment. Additionally, the Arkansas Future Missions Database identifies Remotely Piloted Aircraft (RPA) as a preferred mission for Arkansas. The proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for RPA joint training. The divestiture of the A–10s affords an opportunity for the Air Force to assign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. Questions regarding AMP

Why are you now choosing to end a program that is over 98% complete with development activities and with very little risk going forward?

With a reasonable learning curve, what is a cost of the current AMP system fully installed? What would the cost be for the alternative system?

Could you explain the numbers that have been floating around in the press on the cost of the current program? My understanding is we've invested about $2.1B and should have around $2.5B to go. However, it appears the USAF is using a $6.2B total program cost, leaving over $4.1B yet to be spent. With less than 200 aircraft to be modified and using $8M a copy, we should be able to finish the program for around $2B.

Has there been any analysis of the long-term cost savings the current AMP solution provides versus the new start for just a CNS/ATM capability that is proposed for FY 13?

So that the taxpayer's money invested in the program and research is not lost, have you considered restructuring the current program to work within your new funding profile and avoid the cost and inherent risks of a new start effort?

Can the current program be scaled down and still retain its certification? If so, have you thought about doing that instead of starting all over again?

Secretary DONLEY. Due to budget constraints, the fiscal year 2013 President's Budget (PB) terminated the C–130 Avionics Modernization Program (AMP).

As reflected in the December 2010 Selected Acquisition Report (SAR), the C–130 AMP per aircraft estimate is $19 million. The fiscal year 2012 PB per aircraft cost of "Optimize Legacy C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM)" program is $3.7 million.

A total of $1.8 billion has been spent to date on C–130 AMP. A breakdown by phase follows: RDT&E: $1.7 billion Procurement: $0.1 billion

Total cost of the 221 C–130 AMP aircraft fleet is $6.3 billion: The latest cost estimate is from the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation's (CAPE) Independent Cost Estimate (ICE) dated 23 March 2010; it reflects total cost of $6.3 billion (Then-Year dollars): RDT&E: $1.8 billion Procurement: $4.5 billion

A specific comparative analysis of the long-term cost savings the current C–130 AMP solution provides versus the new C–130 CNS/ATM program was not accomplished. Compliance with looming CNS/ATM mandates was the primary reason behind the C–130 AMP program, and remains the primary reason for the planned C–130 CNS/ATM program. The Air Force plans to modernize the 184 aircraft legacy C–130 combat delivery fleet in the most economically efficient way possible. A review of similar CNS/ATM solutions on other Air Force mobility aircraft (KC–10, KC–135), and an awareness of CNS/ATM modifications to foreign nations' C–130 aircraft, indicate that less expensive CNS/ATM solutions are currently available.

The C–130 CNS/ATM program will provide the capabilities related to global access and global engagement that the Joint Requirements Oversight Council (JROC) determined are essential to national security.

The primary differences between the C–130 AMP and the C–130 CNS/ATM program are: The new program retains the navigator position, thereby requiring much less avionics integration than C–130 AMP, the new program does not standardize

the aircraft cockpit across the C–130H fleet, and there is more than a 40 percent reduction in requirements when compared to C–130 AMP. These changes were too large to restructure the C–130 AMP program or to simply scale it down. The goal is for an open and transparent defense industry competition, with C–130 CNS/ATM program contract award in fiscal year 2014. This is required to ensure the legacy C–130H combat delivery fleet meets the Federal Aviation Administration's air traffic management 1 January 2020 mandate.

Mr. GRIFFIN. Today, the Air Force advised the Department of Justice that it will take corrective action on the Afghanistan Light Air Support Contract and will set aside the contract award to Sierra Nevada effective March 2, 2012.

What does this announcement mean for the LAS contract award and is the AF planning on reopening the competition for the LAS contract?

Secretary DONLEY. On February 28, 2012, the Air Force initiated review of appropriate corrective action in response to litigation and dissatisfaction with source selection documentation. At a minimum, the Air Force corrective action would:

1) Set aside (terminate) the award to Sierra Nevada Corporation ("SNC"), 2) Reinstate Hawker Beechcraft Defense Company, LLC ("HBDC") to the competitive range under the procurement, 3) Accept new proposals from the parties, based upon the existing solicitation in its original form, or as amended, 4) Conduct meaningful discussions with the parties, and 5) Reevaluate proposals in accordance with the terms of the solicitation; or 6) Reserve the right to conduct a whole new competition

Concurrently, the Air Force Materiel Command initiated a Commander Directed Investigation (CDI) into the Light Air Support (LAS) procurement. After studying the circumstances prompting the corrective action and facts from the subsequent CDI, the Air Force decided to issue an amendment to the LAS Request for Proposal (RFP) to both offerors. Air Force officials met with both original offerors, SNC and HBDC, individually to review the amended RFP changes line-by-line on April 17, 2012. Both will have time to submit comments on the draft RFP amendment, after which the Air Force expects to release the final amended RFP on approximately April 30, 2012. While the decision process will be event-driven, the Air Force targets a source selection decision in early calendar year 2013. This would allow first aircraft delivery to Afghanistan in third quarter 2014.

Mr. GRIFFIN. Why did the USAF roll back the clock on LAS aircraft safety requirements that accommodated women in ejection seat aircraft instead of using the modern, and congressionally mandated pilot size accommodation requirements used for your T–6, F–35, and T–38 modernization programs?

Secretary DONLEY. The Air Force did not lower pilot safety standards for the light air support (LAS) ejection seat. Since LAS is a security assistance effort for Afghanistan, NATO Air Training Command—Afghanistan (NATC–A) defined the ejection seat and pilot accommodation requirements based on expected seating height range for potential Afghanistan Air Force (AAF) and NATO pilots. The aircraft selected for the LAS competition will meet all required safety and accommodation standards.

Mr. GRIFFIN. Why did the USAF ignore inputs from industry that pointed out that the LAS solicitation was using outdated pilot size accommodation requirements and instead should be using the state of the art safety standards established for the JPATS, JSF, and T–38 modernization programs?

Secretary DONLEY. Since light air support (LAS) is a security assistance effort for Afghanistan, NATO Air Training Command—Afghanistan (NATC–A) defined the ejection seat and pilot accommodation requirements based on expected seating height range for potential Afghanistan Air Force (AAF) and NATO pilots. The aircraft selected for the LAS competition will meet all required safety and accommodation standards.

Mr. GRIFFIN. C–130 Avionics Modernization Program (AMP): According to the President's budget proposal for fiscal year 2013, the Administration plans to cancel the AMP and replace the AMP with a less ambitious, less costly program, commonly referred to as "AMP Lite," for modernization of the C–130 fleet, including 184 C–130 aircraft. According to General Schwartz, these upgrades would likely be similar to those used on the KC–10 refueling aircraft and would keep the navigators in our C–130s.

When determining the cost of AMP Lite, did the Air Force consider the cost of retaining the navigator position over the life cycle of the legacy C–130 fleet? If so, what is the cost? What were other criteria for considering the cost of AMP Lite?

General SCHWARTZ. The Air Force did consider the cost of retaining the navigator. As reported in the December 2010 Selected Acquisition Report (SAR), eliminating the navigator position results in a mission personnel cost savings of $482 million (Base-Year 2010 dollars) over 15 years for the 221 C–130 Avionics Modernization

Program (AMP) aircraft fleet. This equates to a cost savings of $694 million in Then-Year dollars (i.e., dollars that are reflected in the budget).

Other criteria weighed when considering the cost of the C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM) program vice C–130 AMP, were that the C–130 CNS/ATM program has 40 percent fewer requirements, to include retaining the navigator (which drove less avionics integration), and not driving commonality across the legacy C–130H fleet.

Although the fiscal year 2013 President's Budget reflects funding for 176 aircraft, the Air Force plans to modernize all 184 aircraft legacy C–130H combat delivery fleet in the most economically efficient way possible. A review of similar CNS/ATM solutions on other Air Force mobility aircraft (KC–10, KC–135), and an awareness of CNS/ATM modifications to foreign nations' C–130 aircraft, indicate that less expensive CNS/ATM solutions are currently available.

Mr. GRIFFIN. The President's FY13 budget proposed to terminate the C–130 AMP and claims this will save $2.2 billion. However, it is my understanding that the $2.2 billion in savings does not include the cost of a new program start, current contract termination costs or the life-cycle savings that AMP will provide.

How much will the new start effort truly save after considering the termination liability, and other life-cycle cost savings are removed from the solution?

General SCHWARTZ. The Future Year Defense Plan (FYDP), fiscal year 2013–2017, investment cost savings from terminating C–130 Avionics Modernization Program (AMP) and initiating the "Optimize Legacy C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM)" program is $2.3 billion. Additionally, when adding the "To Complete" cost of AMP in the fiscal year 2012 President's Budget (PB) and comparing to what the Air Force has funded in the fiscal year 2013 PB for CNS/ATM including its "To Complete" cost, the Air Force identified a total investment cost savings of $3.5 billion.

By going with the new Optimize Legacy C–130 CNS/ATM, which retains the navigator position, the Air Force took into consideration that we would lose the mission personnel "cost savings" of $482 million in base year dollars (reference 31, Dec 2010 C–130 AMP Selected Acquisition Report (SAR) to Congress) vice AMP. This additional cost of retaining the navigator reduces the program savings referenced in the above paragraph.

Furthermore, the 2010 Selected Acquisition Report (SAR) identified that there were no other life-cycle costs savings by continuing with AMP. AMP was a program intended as a force enhancement, not an efficiency.

The termination liability for C–130 AMP is $5.1 million, and has been factored into the cost savings referenced above.

Mr. GRIFFIN. The 2005 Base Realignment and Closure Commission's final report to the President cited airspace, low level routes, and auxiliary airfields and nearby Fort Chaffee as reasons why "Fort Smith is an ideal location for the A–10." Since the report was released, the unit has significantly modernized its facilities, greatly expanded its existing world-class airspace, become a leader in data link operations, and solidified training relationships with attack controllers special forces.

What did the current Basing Commission find to contradict the BRAC commission's findings and suggest the transition from the A–10 to a remotely piloted aircraft mission at Fort Smith? Is the Air Force moving the A–10s at Fort Smith to other guard units to replace aging A–10s?

General SCHWARTZ. The reduction of A–10 aircraft is driven by the need to reduce excess force structure as identified in the new Defense Strategy and was not driven by a basing study. In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by (the Adjutant Generals (TAGs)) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three (ANG) A–10 unit closures because the base, along with those in Michigan, have other manned ANG flying units in addition to the A–10 units selected for divestment. Final disposition of the individual tail numbers is determined during fleet management reviews and some aircraft may be realigned to other units to replace older A–10 aircraft. Our intent is to keep the remaining A–10 fleet in the best possible health.

Additionally, the Arkansas Future Missions Database identifies Remotely Piloted Aircraft as a preferred mission for Arkansas. The proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for Remotely Piloted Aircraft (RPA) joint training. The divestiture of the A–10s afford an opportunity for the Air Force to assign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. I am concerned that the Air Force's acquisition strategy for the LAS was flawed, for example, for LAS, the Air Force lowered modern pilot safety standards for accommodating women pilots in ejection seat aircraft. The choice for the LAS contract, the Brazilian Super Tucano doesn't even meet these lowered safety standards.

Why did the Air Force roll back the clock on LAS aircraft safety requirements that accommodated women in ejection seat aircraft, instead of using the modern, and congressionally mandated pilot size accommodation requirements used for your T–6, F–35, and T–38 modernization programs?

General SCHWARTZ. The Air Force did not lower pilot safety standards for the light air support (LAS) ejection seat. Since LAS is a security assistance effort for Afghanistan, NATO Air Training Command—Afghanistan (NATC–A) defined the ejection seat and pilot accommodation requirements based on expected seating height range for potential Afghanistan Air Force (AAF) and NATO pilots. The aircraft selected for the LAS competition will meet all required safety and accommodation standards.

Mr. GRIFFIN. In the National Defense Authorization Act for FY–12, the Senate Armed Services Committee commends the Air Force for "its commitment to developing and maintaining a transparent, repeatable, and effective strategic basing process". They went on to say the Air Force has developed a process that consists, in part, of establishing basing criteria, developing a preliminary list of candidate bases based upon those criteria, and selecting final bases following a detailed evaluation of a smaller group of installations" (Senate Bill 1253) Removal of aircraft is a basing decision and will affect future basing actions. Is there an A–10 basing study? If not, what criteria did you use to determine basing? Can I see the scores? If there was not a study, then explain how you compared options?

General SCHWARTZ. The reduction of A–10 aircraft is driven by the need to reduce excess force structure as identified in the new Defense Strategy and was not driven by a basing study. The new Defense Strategic Guidance states that U.S. Forces will no longer be sized to conduct large-scale, prolonged stability operations. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft and a preference for multi-role fighters to provide the most flexible capability within each scenario. As a result, A–10 retirements were selected in lieu of other combat aircraft and the Air Force made the difficult choice to retire five A–10 squadrons comprised of 102 A–10 aircraft. Previous reductions in fighter force structure shifted the Total Force ratio toward Reserve component forces, and Air Force decisions in the FY13 President's Budget request rebalanced that ratio to create a more sustainable force structure over the long term. In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by TAGs) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three ANG A–10 unit closures because the State, along with those in Michigan, has other manned ANG flying units in addition to the A–10 units selected for divestment. Additionally, the proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for Remotely Piloted Aircraft (RPA) joint training. The divestiture of the A–10s afford an opportunity for the Air Force to assign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. Background: In the fall of 2008, Secretary of the Air Force Michael Donley and the Air Force Chief of Staff Norton Schwartz sought to redefine how the Air Force expects to make basing decisions. The Deputy Assistant Secretary of the Air Force for Installations Kathleen Ferguson said "We created a process that was deliberate, repeatable and transparent with defined roles and responsibilities." (Official Air Force Web site) Did the Air Force follow their established procedures for A–10 basing decisions, and was the process deliberate, repeatable and transparent with defined roles and responsibilities?

General SCHWARTZ. The Air Force basing process is a great tool to determine the optimal location for assigning assets; however, the Air Force's goal was to reduce force structure based on the new Defense Strategy. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that determined force structure changes at various locations. Each course of action was assessed using specified criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of

Staff of the Air Force. Before backfill missions were identified, 24 squadron-level units were in jeopardy of being eliminated and eight installations would have been left without an operational Air Force mission. After backfill missions were identified, 14 squadron-level units were preserved and only one installation was left without an operational mission.

Mr. GRIFFIN. Background: In the National Defense Authorization Act for FY–12, the Senate Armed Services Committee stated: "Given the high cost of operating aircraft and the fact that these flying operation costs are recurring, the committee believes these costs warrant examination in the strategic basing process. These flying operation costs include, at a minimum, the costs associated with the additional flying time resulting from a candidate base's relative distance to (1) operational training areas for fighters and training aircraft, (2) operational refueling tracks for tankers, and (3) critical logistic centers for strategic and tactical airlift aircraft. The 188th Fighter Wing's distance to their operational training areas is the closest in the Air National Guard which significantly minimizes its operations costs. The committee directed, "no later than 180 days after the enactment of this Act, the Secretary of the Air Force to review and report on the role that the efficiency of flying operation costs should play in the strategic basing process and any steps that it plans to take to capture these costs in evaluating candidate bases in that process." Was the Armed Services Committee's guidance to consider distance to the operational training areas followed in the A–10 basing process? If so, what weight was given to the significant taxpayer savings due to reduced transit time to the 188th's training areas?

General SCHWARTZ. When determining A–10 divestitures, Air Force assessed various criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership, and ultimately approved or disapproved by the Secretary and Chief of Staff of the Air Force. Arkansas' Razorback Range and Hog Military Operation Area (MOA) make Fort Smith a very attractive location for Remotely Piloted Aircraft joint training, providing an enduring mission capability to Fort Smith while facilitating training with our joint warfighters.

Mr. GRIFFIN. Background: The Commander of United States Special Operations Command Admiral Eric Olson testified to Congress in March 2011: "The shortage of readily available, local ranges currently hampers special operations forces' ability to meet deployment training timelines and causes our operators to 'travel to train,' further increasing their already excessive time away from home." Additionally Vice Admiral William McRaven (current Special Operations Commander) testified in his confirmation hearing June 28, 2011 that "high operational tempo has impacted readiness." He went on to say among the areas effecting the high operations tempo was the "lack of fixed wing aircraft for live ordnance drops needed to train Joint Tactical Air Controllers." (SOF Background and Issues for Congress) The 188th Fighter Wing is a leader in Special Forces integration with an extensive history of SOF integration (All Services), the unique ability to conduct face-to-face briefs/debriefs, and an on-site Special Forces unit (SEALs). Without tactical fighters at Fort Smith, SOF training quality would significantly decrease. In addition, SOF operations tempo would increase since forces would have more "travel to train" requirements. Were the Special Operations Forces training needs and their operations tempo considered in the A–10 basing plan? If so, what weight was given to the significant joint force multiplier capabilities of the 188th Fighter Wing?

General SCHWARTZ. Working with our Guard and Reserve leaders, we used a balanced approach to adjust our Total Force end strength while maintaining the ability to execute strategic guidance. Analysis based on scenarios consistent with the Strategic Guidance resulted in a reduced requirement for tactical combat aircraft and a preference for multi-role fighters to provide the most flexible capability to successfully prosecute each scenario. The Air Force provides full spectrum support to all joint warfighters. Special operations forces training involves a variety of weapon systems, and the Air Force will continue to provide required support while accounting for the divestiture of A–10s from Fort Smith. The Air Force will continue to provide the necessary training capability required by special operations forces. United States Special Operations Command (USSOCOM) is aware of the divestiture of A–10s at Fort Smith and has not expressed any concerns with operational training impacts.

Mr. GRIFFIN. Background: In the 2010 QDR and the National Defense Authorization Act for FY–12, the Senate Armed Services Committee recommended the services produce formal Memoranda of Agreements (MOA) between general purpose forces and special operations forces. A recent report required by the National De-

fense Authorization Act of 2010 stated the requirement to "codify support through formal agreements, and eventually get SOF units and their general purpose forces counterparts training together throughout the deployment cycle." The 188FW has numerous formal MOA's in coordination with SOF and effectively trains with special operations throughout their deployment cycle. Does closing the 188FW and losing their unique SOF training relationship, support the special operations forces in accordance with the Senate Armed Services direction?

General SCHWARTZ. Working with our Guard and Reserve leaders, we used a balanced approach to adjust our Total Force end strength while maintaining the ability to execute strategic guidance. The Air Force provides full spectrum support to all joint warfighters. Special operations forces training involves a variety of weapon systems, and the Air Force will continue to provide required support while accounting for the divestiture of A–10s from Fort Smith.

Mr. GRIFFIN. Background: On October 5, 2009, the President signed Executive Order (EO) 13514, which set sustainability goals for federal agencies to make improvements in their environmental, energy, and economic performance. He went on to say "The Defense Department must take a hard look at every aspect of how it is organized, staffed, and operated—indeed, every aspect of how it does business." The 188th Fighter Wing is a leader in renewable energy, energy conversation, and has among the lowest energy costs in the Air National Guard. When making basing decisions did the Air Force consider energy costs and sustainability? If so, what weight was given to the significant energy cost savings of the 188th Fighter Wing?

General SCHWARTZ. The impact of energy on basing decisions can be important. However, the changes for the 188th Fighter Wing is not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units.

Mr. GRIFFIN. Background: On May 8, 2010, the Secretary of Defense gave a speech at the Eisenhower Library, in which he announced his intention of reforming the business operations of the Pentagon in an effort to root out duplication, waste, and excess spending. The Secretary stated: "The Defense Department must take a hard look at every aspect of how it is organized, staffed, and operated—indeed, every aspect of how it does business. In each instance we must ask: First, is this respectful of the American taxpayer at a time of economic and fiscal duress? And second, is this activity or arrangement the best use of limited dollars, given the pressing needs to take care of our people, win the wars we are in, and invest in the capabilities necessary to deal with the most likely and lethal future threats?" Additionally, in January 2012 Defense Secretary Panetta released the Defense Budget Priorities and Choices. In it he said that in developing the budget, the DOD first turned to where DOD could reduce among other things operations expenses across the defense enterprise. Flight hour costs represent a significant proportion of fighter training expenses. Flight time spent transiting to/from the training areas is waste of taxpayer resources. The 188th Fighter Wing has the closest airspace therefore, it also has the lowest flight hour cost per training event. Were operational costs considered in the A–10 basing plan? If so, what weight was given to the significant cost savings provided by the 188th Fighter Wing?

General SCHWARTZ. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force.

Mr. GRIFFIN. Background: In January 2012 Defense Secretary Panetta released the Defense Budget Priorities and Choices. In it he said that in developing the budget the DOD first turned to where DOD could reduce among other things personnel costs across the defense enterprise. Fort Smith, (compared to all current A–10 bases and all air-to-ground Air National Guard fighter units) has the lowest combined health, housing and utility costs. Were personnel costs included when A–10 basing decisions were made? If so, what weight was given to the significant personnel cost savings at the 188th Fighter Wing?

General SCHWARTZ. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the Air Force's formal strategic basing process, the specific personnel cost criteria was not weighted. The advantages of the relatively low cost of living found near Fort Smith, AR will continue to benefit the members of the unit who will perform the new MQ–1/9 Remote Split Operations mission. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Background: On Oct. 25, 2010, Chairman of the Joint Chiefs of Staff Admiral Michael Mullen responding to a letter on JTAC training said "I share his concern regarding the increased demand signal for JTAC's and the stress it exerts on the current production capacities" On November 16, 2010, General Raymond Odierno the Commander of United States Joint Forces Command wrote Admiral Mullen to express concerns he had over JTAC tasking and training. He said "The increased demand has resulted in a more than 100 percent increase in schoolhouse throughput with a corresponding increase in the number of required support sorties." Since the 188th's primary mission is Close Air Support almost every training sortie is in support of ground forces. With unmatched airspace proximity, volume, and availability, the 188th produces the most JTAC training per flight hour in the entire Air Force. When making fighter basing decisions, did the Air Force consider JTAC training requirements? If so, what weight was given to the significant JTAC training production of the 188th Fighter Wing?

General SCHWARTZ. The new Department of Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," directs the Services to build a force that will be smaller, leaner, flexible, ready, and technologically advanced. As a result, the Air Force is reducing its size to support one large-scale combined arms campaign with sufficient combat power to deny a second adversary. With the divestiture of Fort Smith's A–10s, the Air Force will maintain sufficient capacity to produce and train Joint terminal Attack Controller to support the new Defense Strategy.

The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Background: Quality attack controller training has long been a problem for the DOD. A Due to airspace and asset limitations at other locations throughout the country the quality of attack controller sometimes suffers. The 188th Fighter Wing with it's unique capability to face-to-face brief/debrief, diverse training environment, regional training partners, and incorporation of leading edge technology provides the best training for the services JTAC's, When making fighter basing decisions did the Air Force consider the quality of JTAC training? If so, what weight was given to the second-to-none JTAC training VALUE at the 188th Fighter Wing?

General SCHWARTZ. The new Department of Defense Strategic Guidance, "Sustaining U.S. Global Leadership: Priorities For 21st Century Defense," directs the Services to build a force that will be smaller, leaner, flexible, ready, and technologically advanced. As a result, the Air Force is reducing its size to support one large-scale combined arms campaign with sufficient combat power to deny a second adversary. With the divestiture of Fort Smith's A–10s, the Air Force will maintain sufficient capacity to produce and train JTACs to support the new Defense Strategy.

The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force.

Mr. GRIFFIN. Did the Air Force consider innovation and joint network capabilities when developing the A–10 basing plan? If so, what weight was given to the leading edge initiatives of the 188th Fighter Wing?

General SCHWARTZ. The proposed changes for the 188th Fighter Wing are not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units. Additionally, our General Officer led review considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria were not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

The proposed changes for the 188th Fighter Wing is not a basing decision but a force structure realignment decision. This force structure realignment decision was made in conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard's (ANG) first Capstone Principle, "allocate at least one flying unit with ANG equipment to each state," when deciding which A–10 bases would be affected. Of the five states with ANG A–10 units, two have no other flying unit and so reductions came from the three states, including Arkansas, that have other flying units. Additionally, our General Officer led review considered a variety of criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). Since these were force structure reductions and not part of the strategic basing process, the specific criteria was not weighted. The team's recommendations were reviewed by Air Force leadership and ultimately approved.

Mr. GRIFFIN. Was F–35 basing considered in the A–10 basing study? If so, how did bases that scored lower in the study keep their manned fighter aircraft?

General SCHWARTZ. F–35 basing was not considered when making force structure reduction or backfill mission decisions that take effect in FY13 and FY14. Given current F–35 production estimates, the next set of F–35 basing decisions will include domestic and overseas bases and will not be required prior to FY17. The Air Force formed a General Officer led team of Active Duty and Reserve Component experts that determined force structure changes at various locations. Each course of action was assessed using specified criteria to include manpower composition, location of the installation, Reserve Component presence in the state, and how well a replacement mission is suited for a given location (e.g., MILCON needed and range and airspace availability). The team's recommendations were reviewed by Air Force leadership and ultimately approved or disapproved by the Secretary of the Air Force and Chief of Staff of the Air Force. Before backfill missions were identified, 24 squadron-level units were in jeopardy of being eliminated and eight installations would have been left without an operational Air Force mission. After backfill missions were identified, 14 squadron-level units were preserved and only one installation was left without an operational mission.

Mr. GRIFFIN. Was the capability to support Total Force Initiatives considered in the A–10 basing decisions? If so what weight was given to Fort Smith's efficiencies and unique strengths?

General SCHWARTZ. The new Defense Strategic Guidance drove a holistic interstate approach to Air National Guard and Air Force Reserve force structure. The Air Force's proposed efforts will correct several manpower disconnects, rebalance forces, and improve sortie generation and aircraft utilization rates across the Total Force. This combination is intended to improve the Total Force's readiness and responsiveness across the spectrum of operations. From both an operational effectiveness and fiscal responsibility perspective, this strategy was preferred over a more piecemeal state-by-state approach.

In conjunction with National Guard Bureau leadership, the Air Force considered the Air National Guard (ANG) Capstone Principle (previously approved by TAGs) of maintaining at least one Air Force flying unit in each state. As such, the Air Force chose the 188th Fighter Wing, Fort Smith, AR, as one of three ANG A–10 unit closures because the base, along with those in Michigan, have other manned ANG flying units in addition to the A–10 units selected for divestment. Additionally, the Arkansas Future Missions Database identifies Remotely Piloted Aircraft (RPA) as a preferred mission for Arkansas. The proximity of Arkansas' Razorback Range (less than 10 miles from Fort Smith) and Hog Military Operation Area (MOA), coupled with joint training opportunities, make Fort Smith a very attractive location for RPA joint training. The divestiture of the A–10s affords an opportunity for the

Air Force to assign Fort Smith a RPA mission and take advantage of range capabilities to facilitate joint training.

Mr. GRIFFIN. Why are you now choosing to end a program that is over 98% complete with development activities and with very little risk going forward?

With a reasonable learning curve, what is a cost of the current AMP system fully installed? What would the cost be for the alternative system?

Could you explain the numbers that have been floating around in the press on the cost of the current program? My understanding is we've invested about $2.1B and should have around $2.5B to go. However, it appears the USAF is using a $6.2B total program cost, leaving over $4.1B yet to be spent. With less than 200 aircraft to be modified and using $8M a copy, we should be able to finish the program for around $2B.

Has there been any analysis of the long-term cost savings the current AMP solution provides versus the new start for just a CNS/ATM capability that is proposed for FY 13?

So that the taxpayer's money invested in the program and research is not lost, have you considered restructuring the current program to work within your new funding profile and avoid the cost and inherent risks of a new start effort?

Can the current program be scaled down and still retain its certification? If so, have you thought about doing that instead of starting all over again?

General SCHWARTZ. Due to budget constraints, the fiscal year 2013 President's Budget (PB) terminated the C–130 Avionics Modernization Program (AMP).

As reflected in the December 2010 Selected Acquisition Report (SAR), the C–130 AMP per aircraft estimate is $19 million. The fiscal year 2012 PB per aircraft cost of "Optimize Legacy C–130 Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM)" program is $3.7 million.

A total of $1.8 billion has been spent to date on C–130 AMP. A breakdown by phase follows: RDT&E: $1.7 billion Procurement: $0.1 billion

Total cost of the 221 C–130 AMP aircraft fleet is $6.3 billion: The latest cost estimate is from the Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation's (CAPE) Independent Cost Estimate (ICE) dated 23 March 2010; it reflects total cost of $6.3 billion (Then-Year dollars): RDT&E: $1.8 billion Procurement: $4.5 billion

A specific comparative analysis of the long-term cost savings the current C–130 AMP solution provides versus the new C–130 CNS/ATM program was not accomplished. Compliance with looming CNS/ATM mandates was the primary reason behind the C–130 AMP program, and remains the primary reason for the planned C–130 CNS/ATM program. The Air Force plans to modernize the 184 aircraft legacy C–130 combat delivery fleet in the most economically efficient way possible. A review of similar CNS/ATM solutions on other Air Force mobility aircraft (KC–10, KC–135), and an awareness of CNS/ATM modifications to foreign nations' C–130 aircraft, indicate that less expensive CNS/ATM solutions are currently available.

The C–130 CNS/ATM program will provide the capabilities related to global access and global engagement that the Joint Requirements Oversight Council (JROC) determined are essential to national security.

The primary differences between the C–130 AMP and the C–130 CNS/ATM program are: The new program retains the navigator position, thereby requiring much less avionics integration than C–130 AMP, the new program does not standardize the aircraft cockpit across the C–130H fleet, and there is more than a 40 percent reduction in requirements when compared to C–130 AMP. These changes were too large to restructure the C–130 AMP program or to simply scale it down. The goal is for an open and transparent defense industry competition, with C–130 CNS/ATM program contract award in fiscal year 2014. This is required to ensure the legacy C–130H combat delivery fleet meets the Federal Aviation Administration's air traffic management 1 January 2020 mandate.

Mr. GRIFFIN. The Air Force has stated that you were a full partner in the decisions to cut force structure and manpower from the Air National Guard in the budget process. Does this mean that you had a vote in the decisions? How did you vote on the decision to cut three (3) A–10 squadrons from the Air National Guard? 65 x C–130s? F–16s? Did you offer alternate solutions?

General SCHWARTZ. The Air National Guard (ANG) was a participant in the budget discussions during the decision-making process. Neither ANG, Air Force Reserve Command (AFRC) or Active Duty Major Command (MAJCOM) leadership took part in a "vote" on the final force structure decisions. The Secretary of the Air Force, with the Chief of Staff's best military input, made the call on determining which planes would be cut from the Guard component. ANG leadership did provide inputs on which squadrons to stand down based on the five ANG Captsone Principles: allocate at least one flying Wing with ANG equipment to each state; recapitalize concur-

rently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (Emergency Support Functions) relevant to the states.

Following release of the President's fiscal year 2012 (FY13) budget proposal, the Council of Governors (CoG) asked Secretary Panetta for an opportunity to suggest changes to those proposals affecting the Air National Guard. The CoG empowered two state Adjutants General to develop an alternative which was recently provided to the Air Force and the Department of Defense (DOD) through the Chief of the National Guard Bureau. This alternative is currently under review and the results of the DOD's assessment and any recommended changes to the proposed FY13 budget will be provided to Congress within the next few weeks.

Mr. GRIFFIN. Do you think we can leverage the cost savings in the ANG to balance the Air Force in a more fiscally sensible way for FY13 compared to what was released earlier this week in the President's Budget Request? Can your staff prepare some alternate options for the Congress to consider that the Air Force may not have been willing to look at?

General SCHWARTZ. Following release of the President's FY13 budget proposal, the Council of Governors (CoG) asked Secretary Panetta for an opportunity to suggest changes to those proposals affecting the Air National Guard. The CoG empowered two state Adjutants General to develop an alternative which was recently provided to the Air Force and the Department of Defense through the Chief of the National Guard Bureau. This alternative is currently under review and the results of the Department of Defense's assessment and any recommended changes to the proposed FY13 budget will be provided to Congress within the next few weeks.

Mr. GRIFFIN. The Air Force's justification for reducing the Air National Guard is that the Active Air Force has made cuts in the past when the Air National Guard has grown? Is this true? Do you believe that it was the right decision to reduce the Active Air Force rather than gutting the ANG in the past? Has anything changed that would change our way of doing business since those reductions were made?

General SCHWARTZ. It's not correct to say the Air Force is reducing the Air National Guard because of previous cuts made to the Active Duty force. To meet the requirements outlined by the U.S. defense strategy and remain within funding constraints, the Air Force made difficult choices in all core functions, including the decision to divest portions of combat and combat enabler forces. The guiding principle was balance. To retain critical core capabilities and maintain our ability to rapidly respond with a sustainable agile force to meet mission demands, the Air Force balanced risk to force structure and modernization.

Mr. GRIFFIN. Did the AF consider Homeland Security capacity in their reductions? Do you think the AF places the same interest or emphasis on homeland missions as it does overseas missions? What happened with the C–27J? Was it a good aircraft for the Homeland Security mission? How is it doing in Afghanistan?

General SCHWARTZ. The Air Force conducted detailed analysis of wartime and disaster response (Homeland Defense) scenarios consistent with the new the Department of Defense strategic guidance and validated a reduced airlift requirement, leaving the Air Force with excess airlift capacity. As a result the Air Force was able to reduce the C–130 fleet by 65 aircraft and divest the C–27J fleet. The Air Force is exploring options on the disposition of the C–27J fleet. While the C–27J can perform the Homeland Security mission, the C–130 is a more cost effective and capable aircraft. In support the Homeland Security mission, the Air Force meets mission requirements/taskings through the Global Force Management process that prioritizes all combatant commanders' (NORTHCOM, CENTCOM, PACOM, etc) requirements. Feedback from CENTCOM indicates the C–130 has generally outperformed the C–27J providing intra-theater airlift support in Afghanistan.

Mr. GRIFFIN. It appears the AF is changing the force mix out of its concern for readiness and to avoid asking too much of the air reserve components (ARC). How is your retention? Are you maxed out in the ANG and need the AF to reduce your operational load? Or do you have the capacity to do more in some of your missions? Where are you near capacity?

General SCHWARTZ. Retention in the Air Force is at a 17 year record high. Although we've had to implement Force Management programs to ensure we remain within authorized end strength, we also continue to invest in retention programs for certain critical career fields to guarantee we maintain the right balance of skills and experience.

The FY13 Presidents Budget proposal outlined a total force mix to meet the requirements outlined by the U.S. defense strategy. The Air Force retains critical core capabilities and maintains its ability to meet the operational load. Balancing the right mix of Active Duty, Guard and Reserve components allows us to rapidly re-

spond with a sustainable agile force to meet mission demands, while balancing risk to force structure and modernization.

Mr. GRIFFIN. The experience levels in the ANG are well known, and are a major factor in how you can fly older aircraft less often and thus extend their service life and save money. Will the same hold true for RPA and MC–12? What can we expect regarding these missions? Are they good ANG missions, and can we count on having them longer than the plan to retire the A–10s? Did the MC–12s and RPA missions come to you at your request? Were these missions part of a long term strategy to equip the ANG?

General SCHWARTZ. Yes, the ability of the Air National Guard (ANG) to establish and maintain superior experience levels, regardless of the particular platform, is well known. History tells us that there is no reason to believe that would be any different in the Remotely Piloted Aircraft (RPA) and MC–12 and in fact, the ANG currently has the highest experience levels in RPAs.

As part of the plan to meet the increased RPA taskings to the Air Force from the SecDef, Air Combat Command (ACC) has asked the ANG to operate 11 steady state Combat Air Patrols (CAP) indefinitely. The fiscal year (FY13) budget proposal takes this into account and converts an additional four units from former missions to RPAs in order for the ANG to meet this requirement. As an end state, there will be a total of 11 ANG RPA units operating 11 steady state CAPs with the ability to mobilize more.

The RPA mission is excellent for the ANG for several reasons. First, ANG Airmen are able to augment active duty forces in a wartime tasking while "deployed in place." This means these Guard Airmen are able to maintain relevancy in the fight, but are able to be with their families at the end of the duty day; traditional guardsmen are able to maintain their important roles in business and community life. Second, ANG RPA units are part of that traditional rheostat of reserve forces that continue to be called upon when demand increases and then can go back to civilian life when not needed. Case in point, the ANG has been asked and is continuing to fly five surge CAPs while ACC reconstitutes its active duty RPA force. Finally, RPAs could be an invaluable asset to State Governors and Department of Homeland Security in both the DomOps and Defense Support to Civil Authorities role for events such as natural disasters or Incident Awareness and Assessment.

The transition of RPAs and the MC–12s to the ANG may extend the service life of the aircraft based on predicted reduced operational use after the Afghanistan drawdown. The MC–12 provides a replacement for the retiring RC–26, preserving ANG aviation capabilities and experience. The addition of the MC–12 mission also mitigates some mission losses sustained by the ANG in the FY13 President's budget. The reliance on the Guard for these important missions is, indeed, an important part of our long term strategy to equip the ANG to continue its important national role into the foreseeable future.

Mr. GRIFFIN. If approved, this new plan will once again require many units to convert to new missions and require retraining of hundreds of airmen. How much do these conversions cost? Were there options to save this expense on our people and to avoid losing all the experience the ANG possesses?

General SCHWARTZ. The conversion costs will vary between units and missions. Where, possible, options were examined to reduce conversion costs. When exploring options we were guided by the Air National Guard (ANG)-developed five Capstone Principles: allocate at least one flying Wing with ANG equipment to each state; recapitalize concurrently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (Emergency Support Functions) relevant to the states.

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QUESTIONS SUBMITTED BY MRS. ROBY

Mrs. ROBY. I understand that the Air Force decision to cut the C–130s was based on removing the older aircraft from the fleet that require costly modification and modernization efforts to remain viable. However, some of these older aircrafts have

not put on as many flight hours than others and are only portionally through their life cycle. Was this at all considered than just arbitrarily retiring the older aircrafts?

Secretary DONLEY. Yes, this was one of multiple factors considered when deciding which aircraft to retire. While the relative age of each model was the primary factor for consideration, existing and required modifications and creating fleet commonality were also considered.

Mrs. ROBY. In regard to the C–130s being retired, how was the decision made in which squadrons to retire rather than any consideration made to the actual performance and role of the squadrons than just that the older C–130s were at those locations?

Secretary DONLEY. The Air Force found very little variance in squadron performance and roles when it looked at C–130 force structure reductions. The Air Force used two primary means to determine the optimum way to reduce intra-theater force structure while retaining needed capacity and capability. Using scenarios consistent with Defense Strategic Guidance, the Air Force determined that excess capacity exists in the Air Force intra-theater airlift fleet. A reduced intra-theater airlift requirement enabled the retirement of 65 C–130H aircraft. To not only meet surge requirements, but also to meet a 62-aircraft post-surge and steady-state requirement with a reduced total fleet size, adjustments to the Active Duty (AD)/Air Reserve Component (ARC) mix were necessary. The previous AD/ARC mix of 33%/67% was problematic during post-surge and steady-state operations with excessive AD deploy-to-dwell rates. Therefore, 65 aircraft were removed from the Air National Guard and Air Force Reserve changing the AD/ARC mix to 41%/59% which more closely aligns with other Air Force force structure.

Mrs. ROBY. Was there a consideration given to moving the C–130s to any of these squadrons due to their mission and location rather than retiring those units with the oldest aircraft?

Secretary DONLEY. Yes, besides retiring 65 older C–130H aircraft, the Air Force realigned a substantial portion of its C–130 fleet to ensure fleet commonality at individual units, effectively streamlining operations and maintenance. In some cases, units gained newer C–130H models or C–130J aircraft. Besides realignment, the Air Force in coordination with the National Guard Bureau, considered State-by-State capability and in multiple cases employed mission mitigating options to avoid divesting entire units.

Mrs. ROBY. Do you believe that we can leverage the cost savings in the Air National Guard to balance the Air Force in a more fiscally sensible way for Fiscal Year 2013 compared to what was released earlier this week in the President's Budget Request?

Secretary DONLEY. The proposed FY13 President's Budget provides the most cost effective force structure to meet the new U.S. defense strategy. Out of this assessment, the Department of Defense developed a strategy that transitions our defense enterprise from an emphasis on today's wars to preparing for future challenges, protects the broad range of U.S. national security interests, advances the Department's efforts to rebalance and reform, and supports the national security imperative of deficit reduction by reducing defense spending. The resulting strategic guidance provided a set of precepts to guide decisions regarding the size and shape of the force over subsequent budget cycles.

Mrs. ROBY. The Air Force's justification for reducing the Air National Guard is that the Active Air Force has made cuts in the past when the Air National Guard has grown. Is this true and has anything changed that would change our way of doing business since those reductions were made?

Secretary DONLEY. It's not correct to say the Air Force is reducing the Air National Guard because of previous cuts made to the Active Duty force. To meet the requirements outlined by the U.S. defense strategy and remain within funding constraints, the Air Force made difficult choices in all core functions, including the decision to divest portions of combat and combat enabler forces. The guiding principle was balance. The Air Force retains critical core capabilities and maintains its ability to rapidly respond with a sustainable agile force to meet mission demands, while balancing risk to force structure and modernization.

Mrs. ROBY. Does the Air Force places the same interest or emphasis on homeland missions as it does overseas missions when it comes to the Air National Guard and was homeland security capacity consider with reductions?

Secretary DONLEY. The Air Force recognizes that the first responsibility of U.S. forces is to defend U.S. territory from direct attack by state and non-state actors. When directed by the President or approved by the Secretary of Defense, the Air Force conducts defense support of civil authorities and assists at all levels in preventing, protecting against, mitigating the effects of, and responding to man-made or natural disasters. To fully analyze the effects of impending reductions, the Air

Force conducted detailed analysis of wartime and disaster response scenarios consistent with the new Department of Defense strategic guidance. In support of the Homeland Security mission, the Air Force continues to meet mission requirements/taskings through the Global Force Management process that prioritizes all combatant commanders (NORTHCOM, CENTCOM, PACOM, etc) requirements.

Mrs. ROBY. If approved, this new plan will once again require many units to convert to new missions. Were there options to save this expense on our people and to avoid losing all the experience the Air National Guard possesses?

Secretary DONLEY. The conversion costs will vary between units and missions. Where, possible, options were examined to reduce conversion costs. When exploring options we were guided by the Air National Guard (ANG)-developed five Capstone Principles: allocate at least one flying Wing with ANG equipment to each state; recapitalize concurrently and in balance with the Regular Air Force; manage ANG resources with ANG people; adopt missions that fit the militia construct; and, build dual-use capabilities (Emergency Support Functions) relevant to the states.

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