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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

FULL COMMITTEE HEARING

ON

BUDGET REQUEST FROM THE DEPARTMENT OF THE AIR FORCE

HEARING HELD
FEBRUARY 28, 2007

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FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST FROM THE DEPARTMENT OF THE AIR FORCE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, February 28, 2007.

The committee met, pursuant to call, at 10:07 a.m., in room 2118, Rayburn House Office Building, Hon. Ike Skelton (chairman of the committee) presiding.

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

The CHAIRMAN. The gavel, now, will officially come down.

Ladies and gentlemen, the committee will come to order.

Today, the full committee continues its review of several military services for the 2008 budget request. Today, the United States Air Force is with us. And I am pleased to welcome back the Secretary of the Air Force, Michael Wynne, and Chief of Staff Michael Moseley to testify on their fiscal 2008 request.

We thank you and all the Air Force for the wonderful job that you do—active duty, Air Guard, Reservists and your civilian counterparts.

There are more than 690,000 military and civilian personnel. The Air Force has over 61,000 personnel forward based in the Pacific and in Europe. An additional 25,000, and more than 250 aircraft, are forward deployed in the Central Command area.

In addition to the traditional combat role of providing air support, 7,700 Air Force personnel have supplemented functions on the ground with duties usually performed by the Army and by the Marines. And we thank you for that.

We know the Air Force is very much a service at war and in combat. It has flown over 430,000 sorties in support of the two efforts in Afghanistan and Iraq. And since 9/11, that number represents 82 percent of all the operation of Iraq Freedom sorties and 70 percent of the OEF sorties.

The pace of operations in Iraq and Afghanistan and elsewhere have stretched the ability of the Air Force to man, to operate, to maintain and, particularly, to modernize its ten expeditionary forces. And the Air Force fiscal year 2008 annual budget request is $110.7 billion, an increase of $6.2 billion from last year. It is a significant budget, but this is still a force with challenges and an increased risk.

The budget request for 1.5 million in flying hours is a ten percent reduction in hours to train our pilots since last year. Depot-pur-

chased equipment maintenance, which accomplishes depot-level repairs on aircraft and engines, is funded at only 74 percent of the amount needed.

Recently, the Air Force informed this committee of its unfunded requirements, which total $16.9 billion, a record amount.

The committee notes that the Air Force has accepted risk in readiness to provide for its top modernization priorities, which include the KC–X tanker, the Combat Search and Rescue CSAR–X combat search-and-rescue helicopter, the aging HH–60G fleet and the F–35A Joint Strike Fighter.

The Next Generation Long Range Strike aircraft, a new bomber, clearly remains a top priority, and we need to eventually get there.

On the personnel side, while this budget makes improvements to compensation with a 3 percent pay raise, it also includes personnel reductions of 5,600 in the active duty, 7,400 in the Air Force Reserve and 300 in the Air National Guard.

I am pleased to note that the Air Force's posture statement includes a short discussion of professional military education, or, as we call it, PME, for both officers and enlisted personnel. That is terribly important.

And in some years, professional military education has been overlooked, when in truth, in fact, it is the best way to prepare for and to win in combat. And I compliment you on your comments regarding professional military education.

And let me recognize, finally, September 18, 2007, will mark the 60th anniversary of the creation of our independent United States Air Force. Our very own Harry Truman, of course, was president at that time. And this committee congratulates the Air Force, its military and civilian members, past and present, on their achievements and their progress.

I was asked by Mr. Hunter, who had an emergency—does the gentleman from New Jersey have a comment at this time?

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

Mr. SAXTON. Thank you, Mr. Chairman.

I would like to start out by saying thank you to our witnesses for being here with us today and thank you so much for your service to the nation. We appreciate it very much and I know the American people do as well.

Every year, we get together at this time to talk about the budget requests and each of the service priorities and constraints. We talk about goals, plans and programs. We talk about budget shortfalls and acquisition strategies that aren't working out so well.

Yet, it strikes me that we never seem to really change much because, as we have heard before, we come here to talk about more troubled programs, more fiscal challenges and an ever-increasing need to field equipment to our men and women serving the country.

These brave soldiers, sailors, airmen and Marines continue to perform their duties with extraordinary professionalism and courage, despite all those over-cost acquisition programs, in addition to budget shortfalls and anticipated mission requirements. There are

the folks that we should never fail to praise and thank for their unwavering commitment to this nation.

I would like to read you a piece of former Chairman Hunter's opening statement from the last Air Force posture hearing. He said, "The DOD budget legacy is one of missed procurement opportunities. This, as you point out in your statement," he said, "gives us the oldest fleet of aircraft in the history of the Air Force, with the fleet having been engaged in or supporting some level of combat for the last 15 years. The aircraft fleet has been operating at utilization rates far beyond those planned. The consequences of age and high operational tempo is reflected in reduced readiness rates. It is to the Air Force's credit that the professional fleet management has achieved the safety record it has at this time."

So, gentlemen, I ask you, as we sit here today, what is different? What lessons learned have been applied to make this nation's Air Force better?

I ask this because I look at the budget request and I see operations and maintenance shortfalls. I see excessive cost growth in acquisition programs like the C–130 and, especially—one of my pet peeves—the C–5 modernization program and many of your space acquisition programs.

Why is it that we cannot identify a requirement, develop a solution and get it to the war-fighter in a reasonable period of time? We have all heard the problems, everything from requirement changes due to operational needs, to the contractor who failed to perform.

The bottom line, gentlemen, is that we are a nation at war. Our airmen have been flying combat missions over Iraq airspace for at least 16 years. The need to recapitalize and modernize our legacy system is clear. What is not clear, however, is how we go about doing that successfully and responsibly.

You notified us last year that you were planning on reducing your end strength by 40,000 in order to self-finance many of the modernization efforts. Despite these planned personnel reductions, you also tell us that we have nearly 10,000 airmen deployed to fill shortfalls in the Army and the Marine Corps.

How do you plan to successfully accomplish your primary mission, which now includes support for the airlift requirements of a growing ground component, absorb a personnel reduction of 40,000 airmen and continue to help the Army and Marine Corps fill some of the ground-combat-support gaps? That is quite an order.

While the conflicts of today deserve our utmost attention and ample resources, we should not lose site of the strategic challenges of tomorrow. The recent Chinese anti-satellite test (ASAT) was a clear display of China's capability to hold our satellites at risk. American military forces and the American economy are dependent on space in everything from the battlefield communications to intelligence to automatic teller machine (ATM) transactions.

I hope that we can take some time today to talk about the Air Force investments aimed at strengthening the protection, redundancy and reconstitution of U.S. space assets.

I am glad you are here with us and I look forward to hearing your thoughts on the state of our Air Force and the fiscal year 2008 budget request. I also look forward to hearing your thoughts on the

difficulties we are having in developing and acquiring the new systems Congress has authorized.

On a final note, I wonder if you would be facing a reduction of 40,000 airmen if you weren't seeing so many procurement programs over-cost and behind schedule.

Thank you, Mr. Chairman, and I look forward to the gentlemen's testimony.

The CHAIRMAN. Thank you so much.

Without objection, my statement and the statement from my friend from New Jersey, as well as the statements from the secretary and the general, will be placed in the record in their entirety.

And we will now recognize Secretary Wynne.

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

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

Mr. Chairman and members, thank you for having General Moseley and I here today to testify on behalf of America's Air Force. We are extraordinarily grateful for your steadfast support and the support of this committee of our nation's airmen.

Leading the men and women of our United States Air Force is a high honor. They are responsive, whether answering the call for humanitarian relief or providing close air support to troops in harm's way. They are agile, keeping America's strategic shield in place. With the air bridge to southwest Asia now in its 17th year, we are keeping steadfast watch in space and in the skies and through cyberspace.

Given the age of our air and space equipment, there is no doubt our freedoms are balanced carefully on the courage, skills and ingenuity of our total-force airmen. They superbly perform our assigned ground force missions, although all realize that the adage, "Every airmen or rifleman sacrifices the very leverage the Nation wants from its airmen in strategic and tactical firepower."

We look for the ground-force reset to begin to remedy this tasking. Our battlefield airmen levy global power through technology like the remotely operated video enhanced receiver (ROVER), which gives a new level of communication (comm) activity and situation awareness to ground troops and our pilots, as well as first responders. And we are the only service with the dedicated combat search-and-rescue forces for all services to employ in the deep battle.

It truly is an interdependent fight, and we owe our ground partners the very best we can muster in leveraging airspace and cyberspace assets.

Your Air Force is in the fight in the global war on terror (GWOT) by providing global vigilance through theater-based aircraft, space systems and unmanned vehicles. Air Force assets are surveying, tracking and identifying enemy positions, as well as performing critical counter-Improvised Explosive Devices (IED) missions.

Our C–130's and C–17s execute precision air drop and cargo missions, which are saving countless lives by taking dangerous convoys off the road. I believe 9,000 soldiers did not have to drive convoys in the previous month.

Our aerial medical evaluation personnel are giving us our highest survival rate in the history of warfare. We are fully engaged in meeting our wartime requirements, but wear and tear, combined with loss of buying power, translates into risk to future readiness capacity and capability.

Last year, I laid out a very difficult strategy to address our most pressing need: recapitalizing our aging fleet. The Air Force is staying inbounds by trying to self-fund to the maximum extent possible through force-shaping on a mission-first basis, buying fewer but more capable platforms and implementing new initiatives to try to become more efficient throughout our Air Force.

When I was a young officer leaving the Air Force in 1973, the average age of our equipment, including space assets, was between eight and nine years old. Our fleet age now is triple that, averaging 24 to 25 years of age. With this in mind, I have advised our airmen that it is their duty to ensure that the airmen of tomorrow are as confident and as capable against tomorrow's threat as we are today.

We can only ensure this by intensely husbanding every resource, people, flying hours and expenses and dedicating freed resources to recapitalization. I ask your continued help to allow the Air Force to manage our fleet without legislative restrictions and assist us in this duty to our future.

From a space perspective, we are making the necessary steps in the fiscal year 2008 budget to ensure uninterrupted, continuous service in communications, early warning, position, navigation and timing and environmental-sensing satellites.

We appreciate your support in the development, procurement and fielding of these critical-space capabilities because our military and the citizens of our great nation depend upon their continuous service.

As in other domains, your Air Force is now engaged daily in cyberspace. We have established within the Air Force a new cyber-command to address how we can better train and present our forces to U.S. strategic command, the combatant commanders and other government agencies to prosecute engagements in this domain.

These are a few of the daily realities confronting your Air Force. Now, the strategic concerns us with the proliferation of advanced technologies such as double-digit surface-to-air missiles, the nuclear test in North Korea and the recent Chinese ASAT test, proving that space is not a sanctuary.

We are responding with our prospective fielding of the Next Generation Long Range Strike Bomber by 2018, as well as the supporting satellite and tanker infrastructure. To keep our total force ready, we must care for our airmen and their families.

In the Air Force, our tenant has long been, "We recruit airmen, but we retain families," making the quality of life and the standards we apply to that a key component. We are providing our airmen access to safe, quality, affordable, well-maintained housing in a community where they choose to live through housing privatization. We appreciate your continued support of this effort.

In summary, your Air Force is in the fight, not just in Afghanistan and Iraq, but globally. Your airmen are the nation's strategic

edge. They are expeditionary, highly trained warriors. And with your help, we will provide them with the necessary training, equipment and quality of life to keep the nation's asymmetric advantage of global vigilance, global reach and global power. Recapitalizing our aging equipment inventories is the absolute key to this.

Finally, I want to salute our airmen. They are amazing, eager to serve and mindful of their mission all around the world. I am proud to be their secretary, and look forward to your questions.

Thank you, sir.

[The joint prepared statement of Secretary Wynne and General Moseley can be found in the Appendix on page 57.]

Mr. ORTIZ. Chief, whenever you are ready, sir.

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

General MOSELEY. Congressman Ortiz, if you would humor me, instead of an oral statement, I would like to introduce a set of great Americans here that I know the committee would like to know better.

Let me start off by echoing what the secretary said. We are a nation at war. We are an Air Force at war. And these airmen are involved in combat operations (ops) on a daily basis, fighting this long war on terrorism, defending the homeland, participating in activities that provide strategic deterrence and dissuasion, participating in activities that provide global vigilance, reach and power.

These airmen are examples of that. And if you would humor me, I would like to introduce them to you. As introduce you, you all please stand up.

First one is Lieutenant Colonel Marty McBride. He is the commander of the 81st Fighter Squadron at Spangdahlem Air Base, Germany. It is an A–10 squadron. He has recently returned from Afghanistan, where he led a total force of active guard and reserve airmen through continuous, 24-hour-a-day operations solid from May to September.

His squadron flew 2,000 combat missions, 7,000 combat hours, delivered 102,000 rounds of 30 millimeter and over 300 bombs in support of special ops and land-component activities in Afghanistan.

[Applause.]

Next, is Major Toby Duran. He is the chief of tactics at Air Force Space Command at Peterson Air Force Base, Colorado. He has served as a space-weapons officer with the First Marine Expeditionary Force forward from February to July 2006 in Operation Iraqi Freedom (OIF). His job was to ensure seamless integration of Air Force systems, space systems and comm systems with Marine-ground elements in Iraq's Al Anbar province.

He, alone, ensured that the Marines had accurate systems connectivity to provide accurate artillery and rocket fire for combat operations, as well as providing all of the key attributes of space to include weather, to include navigation, to include comm. So this is one of our space experts that most people don't know what they do because they do this so well people think it is easy. They do it 24 hours a day, seven days a week. He is a face on what we provide from space.

Toby, thanks.

[Applause.]

Next is Captain Andie McIlveen. She and I have a relationship that goes back to when she was in pilot training. We have known each other for a while. She is a combat pilot from Minot Air Force Base, North Dakota. She is also a weapons-school graduate and a weapons officer and Instructor Pilot (IP), with 2,000 total flight hours, 360 combat hours and 25 missions. That averages out to 14.5 hours per mission, if you think about it.

She has deployed to the Arabian Gulf for Operation Southern Watch, two times for Operation Enduring Freedom (OEF), two times to Andersen Air Force Base, Guam, as part of U.S. Pacific Command's continuous bomber presence. She is pretty young to have done that. The airplane she flies is 45 years old.

So here is a face on our bomber crews and our bomber pilots that are out there doing this—providing that global power and that global reach and that deterrence and dissuasion. Andie does this very, very well.

[Applause.]

Next is Tech Sergeant Ken Marshall. He is a PJ, pararescue jumper. All of us that wear wings and all of us that fly know that wherever we go, anywhere on the surface of the earth, if we have to dismount from an airplane, the PJ will come get us. And that is what Ken Marshall does.

He was deployed multiple times for a wide range of contingency and combat ops: Southern Watch, Allied Force, non-combatant evacuation operations in Liberia, Operation Iraqi Freedom, major combat ops, and most recently, to Balad Air Base in Iraq, where he conducted multiple recovery missions in real combat settings.

Besides these contingency and combat ops, he has twice provided medical evacuations to support the western White House in Crawford, Texas and has been the PJ team leader for back-to-back space-shuttle launches at NASA and at the alternate landing sites at Zaragoza.

He is the face on our combat search and rescue and he is a face on the moral and ethical imperative that we have to go pick people up in this world. Anywhere on the surface of the earth, under any contingency, the PJ will come get you. And here is one of those PJs.

[Applause.]

Last is Staff Sergeant Christine Chavez. She is a boomer. For all of us that wear wings, there is nothing like a tanker and there is nothing like a boomer. She is an aerial-refueling instructor boom operator at McConnell in Kansas.

She has numerous deployments also: Operation Southern Watch, Operation Enduring Freedom, Operation Iraqi Freedom, major combat ops during Operation Iraqi Freedom. She has flown out of expeditionary bases at Diego Garcia, Shaikh Isa and Bahrain, at Al Udeid in Qatar, at Al Dhafra in United Arab Emirates. She has 163 combat missions totaled and over 1,000 combat hours.

She is the face on what provides global reach, global vigilance and global power for this country. And that is the tanker and the boomer in the back of that tanker that transfers that fuel that provides all of this capability. She does this and makes it look so easy. And the airplane she flies is also 45 years old.

Sergeant Chavez, thanks.

[Applause.]

Congressman Ortiz, thank you for the opportunity to introduce these great Americans and these great airmen. Alongside the Secretary, I look forward to your questions and comments and discussions about this great Air Force and the future.

Thank you, sir.

[The joint prepared statement of General Moseley and Secretary Wynne can be found in the Appendix on page 57.]

Mr. ORTIZ. Thank you so much. We are so proud of the work that you all do in keeping America safe and strong and a leader in this world. So we are very proud of what you do.

I have a question. As I was looking at the testimony, the fiscal year 2008 budget request shows a 10 percent reduction in flying hours, which I understand is budget-driven, as opposed to a decrease in operations requirements. I am told the Air Force will increase its use of simulators for training and other efficiencies to reduce the impact of fewer flying hours.

How confident are you that similar training will be enough to keep pilots proficient? I am not a pilot, so you might be able to give us some input—how confident you feel that this will do the job for those that fly.

Secretary WYNNE. Let me try to start that, and I will turn it over to my pilot chief as quickly as I can.

You are correct in assessing that we are searching for recapitalization resources. You are correct in asserting that we did not believe that we would be getting top-line increases, especially as you see ground forces, with their requirements. Therefore, we took a hard set of decisions.

One of the things we determined is we could find deficiencies across our Air Force. And we challenged the flying-hour program, just as you have suspected, to try to find efficiencies in achieving the same level of quality with less resources, just like we are doing across our Air Force.

We also determined that we were reducing people. And in the reduction of people, we should, theoretically, be able to reduce flying hours to some degree, just in that alone. With that having been said, the chief has got his finger on the pulse of the system. And while simulators are an interesting substitute for some of the flying hours, I don't believe that they do the complete job.

But now I will ask the chief because he is the pilot amongst us.

Mr. ORTIZ. Thank you, sir.

General MOSELEY. Congressman Ortiz, we have had to make some hard decisions on depot maintenance and on flying hours and the reductions in that to be able to protect the investment accounts. That is the same thing that the secretary is talking about, as we force-shape the end-strength to protect the investment accounts. We have taken a 10 percent reduction in the flying hours.

And I am at the verge of not being comfortable with this. And I have asked our folks to look at, is there not some way to begin to migrate money back, because the simulator business is interesting. But at the end of the day, it is a simulator. You have to actually be able to fly the airplane and you actually have to be able to train the airplane in a combat setting.

We have a variety of simulators, some of them really, really magnificent and some of them are just procedural trainers. But the notion that you can substitute simulator time for actual flying time—in my view, we have reached the limit.

We need to be looking at how to get the investment accounts so we can get the newer equipment and be able to get into the flying-hour programs because this Air Force is at war. And we are having to prepare to go into a variety of different locations and conduct combat operations that I—my desire is for everyone that mounts up in an airplane—they have the best training and they have the best capability possible.

So the 10 percent reduction in the flying-hour program—I am on the verge of being uncomfortable with that. And we are looking to get the money back.

Mr. ORTIZ. For those of us who are not pilots, now—what is a 10 percent reduction? What does it mean as far as hours? I mean, how many hours do they—were training before? And the 10 percent means how many hours of reduction? And what are the risks, if there is any risk involved when you do that?

General MOSELEY. Sir, that will take a long answer to a question. Please let me get the numbers for you for the record. But let me also say that because and airplanes are so old, we are having problems generating the sorties and the squadrons, which we call U-rates or utilization rates.

And so when a squadron ops officer defines how many hours he or she needs for the squadron to be combat-ready, it is very difficult now for the maintainers to generate those numbers of sorties. So we have continued to dumb down the standard until we have reached a point where we are not producing the sorties, nor are we producing the total combat preparation that I am comfortable with.

So the 10 percent is just another additive piece of the notion of combat readiness in our operations and maintenance (O&M) accounts.

Secretary WYNNE. And so, sir, you have explored a scene between the chief and I because I think the only answer to this is to recapitalize and become a modern Air Force. And I agree totally with him that we are at war and we cannot stop funding the operations and maintenance.

And so he and I agreed that I would take the challenge and he would keep his pulse on it. And, as he said, he is becoming uncomfortable.

Mr. ORTIZ. Thank you.

Mr. Saxton?

Mr. SAXTON. Thank you, Mr. Chairman.

And once again, thanks for being with us this morning, gentlemen. We appreciate it very much.

I have two questions and the first one is actually a two-part question. It has to do with acquisition programs.

As I look down this list of acquisition programs to replace the old aircraft that you have both mentioned at least once already this morning—I look at the issues that Chairman Neil Abercrombie and his subcommittee are going to have to deal with, which include F–22 and expenditures for F–35, KC–X, C–17, Joint Cargo Aircraft (JCA), the HH–47 program that made headlines this week, C–130

modernization program, the C–5 modernization program; and then, in space, Tranformational Satellite (TSAT), space radar, Global Positioning System (GPS), Space Based Infrared Satellite System (SIBRS), and the Advanced Extremely High Frequency Satellite System—that is a tall order, finding the appropriate amount of funds for all of those—for all of programs.

And at the same time, as I noted in my opening statement, in order to self-finance these programs, the Air Force has made a decision—apparently made a decision—at least, that was it last year—to reduce the number of Air Force personnel by 40,000.

I guess the first part of my question is how is that working, and will we be able to, as Chairman Abercrombie and I begin our deliberations in subcommittee—will it become clear to us that we are going to have resources to fund these programs?

And the second part of my question is, sometimes Congress does things that, I guess to be kind, in retrospect don't seem to be well thought out. And one of those things is that we have prohibited the Air Force from retiring old airplanes that can't be used. I am thinking of, of course, C–5s, C–130's and KC–135s and, maybe, some others.

Can you tell us, as a second part of this question, what kind of an expenditure you are having to make on an annual basis to keep those old airplanes around waiting to go to the graveyard.

So, Mr. Secretary, that is my first two-part question.

Secretary WYNNE. Thank you, sir. And I appreciate the thrust of it. I know that we have provided you and Congressman Abercrombie with a very difficult problem in your subcommittee.

I would say it this way: We are to the point where the question is, "Do we hold on to our airmen and provide them with not as capable equipment as they deserve going into combat or do we, essentially, ask our airmen to take on the duty to be sure that the next generation is fully capable of fighting the next-generation threat.

I offer you the following: In Baghdad, when we went to downtown Baghdad, we only sent in two caliber of airplane—the B–2 and the F–117. Between 2003 and now, Tehran has bought the next generation of Russian equipment. Caracas is buying the kind of equipment that Baghdad had. And I would say to you that when reason fails, I think you need to rely on your Air Force and we need to rely on the courage of our airmen and be sure to give them the most capable equipment to fight that fight.

That having been said, we are taking a very strong back-to-basics approach. Both in space and in air, we are fighting off the requirements. It is one of the reasons we declared the F–22A and we asked our contractors and our program managers to put iron on the ramp. We want satellites in space and Dr. Sega is working very hard and diligently to make sure the requirements for the TSAT, for the AEHF, for the GPS–3 are baseline and high technical maturity.

We believe through this, we can restrain the growth in our acquisition programs, properly fund them using the technique we have described and, perhaps, have a little bit of margin left to fill in stressed areas such as the flying-hour program when the day is done.

That having been said, this is a very difficult—and it is very difficult to explain, by the way, to our airmen in the field at the same time, who are, right now, as was pointed out, performing ground-based taskings. And they are seeking a question of, "How far can you go?"

I have declared that 40,000 full-time equivalents is as far as I am willing to go and risk. With the growth in land components, it concerns me because I know that I have dedicated airmen that go with every brigade combat team. I know that I have dedicated airmen that go with every support function. I know that if you increase the ground forces, you all of a sudden increase the intra-theater lift, which is already stressing my C–130Hs. So these things I know.

So what the chief and I have agreed to do is, over the course of this summer, we will try to discern what exactly is the ground-force plan, how does it impact our Air Force and what does that mean? And did the increase in the ground forces mean we have a relaxation in the ground-force tasking? These are things that, right now, are a little bit unknown for us.

Chief.

General MOSELEY. Congressman Saxon, I think it is useful to talk about the submission of the budget.

The Air Force spent 2.2 million man-hours putting this program objective memorandum (POM) together to square these programs, given our physical guidance. And that is to keep the major programs alive—the C–130J, the Joint Cargo Aircraft and the F22—but also, the priorities that we have established in procurement, which is the tanker first, the combat-rescue helicopter, our space systems, the Joint Strike Fighter and a new bomber.

All of those are in this budget, and the budget is squared. After 2.2 million man-hours of working this and submitting that which became the Air Force piece of the president's budget—everything that you have described is in that budget and funded.

Now, is it funded at the economic order, quantities and delivery rates that makes each of them most efficient and reduces the cost on each of the items? No, it is not. But to do the things that you have asked, we spent 2.2 million man-hours working this to make sure those programs are alive. And again, that is the tanker, the combat-rescue helicopter, the space systems, the Joint Strike Fighter and the new bomber.

Mr. SAXTON. And the retirement program?

General MOSELEY. Great question, sir. But before I get to that, the programs that we are talking about here, as the secretary said—our stress is or our focus is on building an A model of those new aircraft so that we don't to spiral the system in the early phases of it like some of us have done in the past.

So if we can fill the KC-blank-A model and get it in production and get it in squadron service, the boomers of the Air Force will have something younger than 45 years that they go to combat in—same with the F–22A, same with the F–35A, same with the combat rescue helicopter, et cetera. So our focus is building the A-model first and then, when it is time for a B-model or a C–model, we will work that.

And sir, the restrictions on being able to manage our inventory keeps us in the business of keeping the C–130E around, the KC–135E around, versions of the C–5, the B–52, the F–117 and the U–2. It is about 15 percent of our inventory, as the secretary said.

Our desire would be to be able to manage our inventory and be able to flow the new systems in relative to the divestiture of the old systems; the congressional restrictions, our staff tells us, that is costing us—beginning in 2008, that restrictive language will cost us a little over $1.7 billion a year to maintain those old airplanes. If you do that math, that is about $4.5 million a day to maintain those old airplanes.

So our desire is to be able to work our way through divestiture of the old iron, bring the new systems on board, roll that money into acquisition and procurement to ensure that the 21st century Air Force is what you want it to be.

Mr. SAXTON. Thank you, Mr. Chairman. I am going to pass on my second question. But I just want to emphasize this point—that we, because of restrictive language in last year's authorization bill and years before that—on retiring old airplanes, airplanes that have to be maintained to a certain state, have to be manned to a certain state, sitting on the ground, unable to be used for their old mission because the airplanes are worn-out, unsafe and too expensive to maintain in flying condition—we are spending $1.7 billion a year to keep them sitting on the ground for no reason.

We passed a bill out of this committee last year with language lifting that restrictive language and our bill language fell out in conference. And I hope that we can push that issue this year because we are wasting $1.7 billion of taxpayers' money, monies that could be used for these modernization programs. This is a big deal.

Thank you.

Mr. ORTIZ. I think the gentleman brings up a very, very good point.

Now, I yield to my good friend from Hawaii, Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you very much.

Mr. Secretary, aloha to you.

General, aloha.

Following up on the line of questioning so far—Mr. Secretary, you and I have had an opportunity to discuss questions concerning recapitalization in the context of capital budgeting. And other members of the Air Force hierarchy both in uniform and civilian—we have had these discussions as well.

If you will look back on page 41 of your testimony, under "Recapitalization and Modernizing the Air Force"—4.0 is the reference point—before the "Comprehensive Plan." Really, the "Recapitalizing and Modernizing the Air Force," the whole paragraph there is a masterpiece of what my old journalism professor would call glittering generalities.

I can't figure out what recapitalization means from what you say: "Aggressively recapitalizing and modernizing our inventories of aircraft, space systems, equipment, operational infrastructure." So I read with great interest through the rest of it to try and figure out how we were going to do that. And I can't figure it out.

As far as I can tell, "reinvesting" means, simply, buying. When the word "reinvest" is used in here, it just means purchase. With

reference to what Mr. Saxton said about the aging infrastructure, the aging inventory and legislative restrictions, that is all outlined very clearly here. The $1.74 billion figure is on page 43 of the testimony.

And you cite as reasons for the difficulty—when I say "you," I mean both of you, because your testimony is joint—"the detrimental effects of high-tempo operations and age"—again, very clearly enunciated in here. And then you go to your top acquisition priorities, General, and you mention what they were.

Now, if I understood you correctly—I made note quickly—you make clear what your top priorities are. But then, in answer to Mr. Saxton's question, did I hear you correctly that, with regard to funding and expected delivery rates, the budget is not adequate?

I believe you made the statement in the form of a question and then you answered your own question with, "No, it is not," in other words, "No, it is not funded in terms of expected delivery rates." Did I understand you correctly?

General MOSELEY. Correct, sir. As we submitted our budget and we squared our budget and we signed up to this—for instance, in the case of the tanker, instead of taking the deliveries of the new tanker like the Air Force did when the jet tanker was new, when you bought 100 of them a year, we are not going to be able to buy 100 of those new airplanes a year. We are going to be down in the notion of 12 or 13 or 14 a year. That is going to take 35 to 40 years to buy that program out.

Mr. ABERCROMBIE. Right.

Now, you were very kind, Mr. Secretary, to mention the privatization of housing. And that is probably incorrect—to have a partnership between the services and the private sector in building housing, taking it out of the MILCON project kind of thing—in other words, cash financing of housing—and we have moved to actually bringing in private capital to help build, maintain and sustain and manage the housing, right? And that has worked very well.

Is it correct—I am just drawing a parallel, not an analogy, General—is it correct, then, to say that if we had gone through cash financing of housing, it would have been a similar kind of thing? We never would have had housing for the Air Force sufficient. It would have taken us 10, 20, 30, 40 years to keep up. But we just did it project by project, right?

Secretary WYNNE. That is, in a sense, what we believe. Yes, sir.

Mr. ABERCROMBIE. Yes.

Okay. Now, are you facing the same kind of problem now? If you say 13 a year, is that because that is the only manufacturing capability, 13 a year, or is it the financing part of it or both?

General MOSELEY. Sir, I think it is part of both——

Mr. ABERCROMBIE. Okay.

General MOSELEY [continuing]. Because we have not been able to incentivize industries to be able to get those production levels.

Mr. ABERCROMBIE. The reason you can't incentivize industry to do it is they are not sure that they are going to have the money the next year or the year after to be able to do the building, right? It is difficult for a corporation to make a—you know, and I am not going to cry tears now for these defense corporations that are out

there, but their sheer size also carries specific difficulties that they have in terms of their capitalization, right, what they commit themselves to in terms of production lines.

They need certainty. They need certainty over a period of time. And wouldn't delivery rates—if a corporation knew that it was going to build the tankers—oh, just give me two seconds here because I have got to get through this to get it done right.

You have got to get financing. You have got to have a financing system that meets this recapitalization structure. And this testimony doesn't get to it, Mr. Secretary. That is my point.

I will have to yield now, but you see where I am going on this? We have to find a way to get beyond cash financing the defense in the United States. And I tell you right now, the Air Force will not be able to do what you say you want it to do in 2008 if we continue to cash-finance defense.

Secretary WYNNE. I could say one thing, sir.

And, Congressman Ortiz, I will be brief.

It is a partnership between the requirements people, i.e., the buyers, the industry and the financial. If we were to go to an aspect of capital budgeting like you are thinking about—and I think it would be marvelous—that partnership would have to hold together.

You witnessed last year, in the F–22—with the sudden rush to a multi-year—that we were actually doing the multi-year to save a rate reduction from 28 airplanes a year to 20 airplanes a year, and trying very hard to make that all square. We did not save "any money," because we spent the money reducing the rate of production. And, in fact, I think at the end of the time, we probably cost ourselves some money, as we always do when we stretch a program out.

Mr. ABERCROMBIE. Bottom line of the point is, Mr. Secretary, we have got to start getting creative about financing.

Secretary WYNNE. Right. Capital budgeting might have helped that.

Mr. ORTIZ. We want to be sure—we have a lot of members here—to give them a chance to ask a question. And then, if necessary, we can have a second round.

Mr. Jeff Miller, from Florida.

Mr. MILLER OF FLORIDA. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General Moseley, for both coming.

General, thank you for bringing those outstanding individuals with you. I am still in awe of the information that you provided.

A couple of things—and I will submit the bulk of my questions for the record. But you know I have a continued interest at Eglin in regards to the RAND study that is supposed to be coming out the end of March. And I still have a concern that it is not going to address the 2005 Base Realignment and Closure (BRAC) findings whereby Eglin is identified as a research, development, test, evaluation center of excellence.

So, Mr. Chairman, with your permission, I would like to submit the DOD and BRAC commission comments on Eglin Air Force Base's military value into the record. I will not read it, but I will enter——

Mr. ORTIZ. Without objection, so ordered.

[The information referred to was not available at the time of printing.]

Mr. MILLER OF FLORIDA. The other thing is I would just like you to touch on, if you would, the center wing-box issue on the C–130's and find out if you think that the budget request this year was enough to handle the current situation, because every one of us that goes and visits anywhere that there is a C–130 continues to hear about that issue.

Could you answer that question, sir?

Secretary WYNNE. Yes, sir. I believe we have done a kind of a risk-based funding there because there are some C–130Es that we feel like, if it has cracked in such a significant place, if you fix that place, it is very likely to crack somewhere else that you haven't figured out. I mean, this is really geriatric airplane management.

And to some extent—I mean, at some point in time, you actually have to replace the aircraft and not just continue to patch it. So what we have done is tried to take the most likely that will have a service-life extension, and that is what we have funded here. And I think it is reasonably prudent.

Chief?

General MOSELEY. Congressman, the other side of that is the H-models, which are newer. We are now burning them up at a higher rate because we are lifting so much work off of the roads the avoid the IEDs. This is the right way to do business and use intra-theater lifts.

The secretary mentioned that we take at least 8,500 to 9,000 people off the roads every month. So that is 8,000 or 9,000 less people to be impacted by an IED attack. We also, since September, every month—September, October, November, December, January and now, up to February—we have moved 100 percent of the Marine Corps' road convoy items by air. So this comes down on the C–130 fleet.

The E-models, we try not to deploy into combat because the center wing boxes are cracked, the wings are cracked and you can't lift the weight nor put the fuel on the airplane. So that takes you to the H-models. And we are burning the H-models up now at the rate that we did the E-models. So the center wing-box issue that you are talking about is not just about E-models. It is an emerging issue with the Hs.

And sir, that takes us to the procurement of the C–130J and it takes us to be able to retire the C–130Es, which were prohibited by language and be able to get on with the new intra-theater lift fleet that is much more reliable.

Sir, I was out at Ramstein about a week or so ago, talking to the wing commander. He has five airplanes there, five C–130's. One of them is so hard broke that he can't do anything with it. Four others are so restricted because of the center wing-box cracks in the wings that he can only lift the crew. So it kind of violates the notion of having a cargo-carrying airplane if you can only lift the crew.

So sir, we are seeing this the same way and we are working this very hard to be able to divest ourselves of the old aircraft, fix the ones that we can keep and get on with the C–130J.

Mr. MILLER OF FLORIDA. And the budget constraints—now, do you think we have the dollars necessary to fix those that we can?

General MOSELEY. Sir, I think it is a start.

We are having to make tough decisions and balance this budget. Like I said, we spent over $2 million man-hours trying to balance this budget and get at all of the things that matter to us as a global Air Force. And so there have had to be compromises made, but it is a start. And if we can retire the E-models, that will accelerate us into being able to spend that money on those H-models and make sure those are okay.

Mr. MILLER OF FLORIDA. Thank you, General. I will submit the rest of my questions for the record.

But I do want to also add, I get to do something exciting this weekend—we all do. On Saturday, I will be attending a ceremony at Duke Field—speaking of lifting with C–130's—the 919th Operations group, a Reserve unit, will receive the Gallant Unit Citation—the first reserve unit ever to receive that. And I know that both the Secretary and the Chief send their regards, and this committee will as well, to these outstanding airmen and women.

Thank you, sir.

The CHAIRMAN. Mr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman.

Thank you all for being here.

General Moseley, I want to continue this C–130 discussion. When that very dramatic and tragic footage of the service plane from several years ago, where the wings came off—it was an A-model, I believe—was that a wing-box problem?

General MOSELEY. Sir, I am not sure. I think it was an A-model, and I don't know if it was a center wing-box problem or just metal fatigue that the owners of it hadn't been watching.

Dr. SNYDER. That is the kind of thing that you—the most apprehensive about when you are dealing with old metal fatigue?

General MOSELEY. Yes, sir.

Dr. SNYDER. Recently, the Chief of Naval Operations (CNO) suggested the Goldwater-Nichols Act, which we all believe in—thought that it ought to be changed or reformed to put the service chiefs—you, General Moseley—more directly into the acquisition process so that there would be more direct responsibility that you all would have. What do you think of that?

General MOSELEY. Sir, I agree with that.

I think Goldwater-Nichols has done some great things. I think there is some opportunity to have a Goldwater-Nichols for the inter-agency that does the same thing for the inter-agency that is done for the Department of Defense and the services. But I also think it might be time to ask that question about, "Where do the uninformed leadership live inside the acquisition system?"

Dr. SNYDER. I don't think there is anyone in the military, out of the military or in the Congress or out of Congress that is satisfied with the acquisition process. And Goldwater-Nichols took years to come about. And I am not sure we are going to take the years to make those kinds of changes. So we may need to pick at some of those things. And that may be one we can look at.

I guess about four weeks ago, you all did the formal notification that the C–130 avionics modernization program (AMP) had run

into some cost problems—a cost breach. General Moseley, would you describe that for us and where that is going to lead us and how that is going to get us to where we need to go in terms of the amount of lift capacity you need for intra-theater lift.

General MOSELEY. Sir, we did have some challenges with that program. And remember, the original program was for an avionics modernization program for every single C–130, and we have close to 600 of them. As we have looked at this over time, we believe it is probably better to do the H-models and then configure the airplanes so that they are compatible with the J and, perhaps, not spend that money on the C–130E because those are the ones the congressman referenced that have the center wing-box cracks, the wing cracks, et cetera.

So we are in a little bit of flux over that AMP program right now, looking at the best way to proceed. But I think you would be——

Dr. SNYDER. What was the specific cost-breach notification that you gave us? That was not just a reevaluation of the program, there was problems——

General MOSELEY. No, sir, there were—that is right, sir. If you will allow me to take that for the record, I will get the exact details for you.

Dr. SNYDER. Okay.

You and Mr. Saxton, with his good discussion that you all had about the legislative restrictive language that we had tried to remove in the House bill—as I looked over you all's formal presentation to us, I didn't see a whole lot in there of specific legislative suggestions that you are making to us beyond—you know, we have had that that we will pursue in terms of removing that restrictive language.

But for both of you, what other legislative, specific things do we need to look at in this year's defense bill?

Secretary WYNNE. I think, sir, we have asked for a little bit of relief on the use of the National Guard and the chain of command, because one of the things the Air Force is doing with its total force—and I am very proud of those folks in Florida—but we are actually now moving our National Guard to where they are training our people. And they train our people, if you will, because they are more mature, they have more time on that device and we don't have that many of some things.

Dr. SNYDER. We have that same going on at the Little Rock Air Force Base.

Secretary WYNNE. Yes, sir. And we are right now working our way through this in as best a way we can, trying to comply with the law. But it would be much easier for us if there was some legislation in that area.

Dr. SNYDER. Have you all provided us with some——

Secretary WYNNE. I believe we have provided some thoughts on that to you.

By the way, we are on our own here. I think the DOD is not quite aligned in this regard. They do not reach back as much as we do and they are not as reliant, if you will, on the National Guard, as we find ourselves reliant. So we are, in fact, working our way through as best we can on a one-off basis.

We also are talking to you about some energy concerns that we have, trying to figure out a way to spark America in their energy programs in a different way to allow us to, essentially, be a long-term buyer of alternative fuels. So those are two things we are working on.

Dr. SNYDER. General Moseley?

General MOSELEY. Congressman, there is another piece of this that we have got some proposed language for you all to consider on our Air University and our ability to continue the accreditation there so we can help our enlisted folks get bachelor's degrees quicker. We can do distributed learning quicker. I mean, there are some wonderful opportunities here in this deployed Air Force that we can do much better at Air University.

Sir, back to the Guard and Reserve—we are a big believer in total force. You have known us all very well, and when you walk around Little Rock, you can't tell the difference between a guardsman, a reservist or an active-duty airman. Right now, commanding the unit up at Kirkuk in northern Iraq is a Guardsmen and his senior enlisted command chief is also a guardsman. And they are from St. Louis. He is the wing commander of the Guard unit at St. Louis.

We have no issues, and encourage the ability to have a guardsman or reservist out commanding those units. And so this total force, this seamless approach for us is a big deal. And the ability for us to operate seamlessly in the future for homeland security, homeland defense or outside the United States, that is a big deal for us.

Dr. SNYDER. Thank you, gentlemen.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here and for everything that you do. Those terrific airmen behind you, officer and enlisted, make us proud every day. So thanks for your leadership and your presence.

A couple of comments—I am very, very concerned, and I have expressed these concerns with the other service chiefs and secretaries, that we are trying to modernize a force and reset it or reconstitute it and fight it all at the same time. And on the one hand, we are doing a fabulous job at that. On the other, I am worried that we are getting increasingly behind.

General, I am looking at you because you talked about the C–130H. You have got Es that have cracked boxes, so you can't fly anything but the crew or you can't fly them at all, you are putting more and more work on the 130Hs. You are now flying them. I would like to have the answer for the record, what percent of utilization you are flying those 130Hs at.

But the point is you are flying, I hope no literally, the wings off of them. And we see the same thing in the Navy; for example, the P–3s. Those P–3s, they are getting tremendous use and they are really pouring utilization on them.

So I am very concerned that we are not keeping track with that. And the budget is not accounting for that extraordinary overuse, if you will, of the assets. And I am using the C–130 because we have

already talked about it. But across the board, this is just more a plea to you to please make sure that we are looking at this equipment and we are not slipping further and further behind in resetting that force.

And I don't know what I can say, but, please—we can't always see that. We need you to tell us what you really, really need to make sure that we are resetting the force properly because of this extraordinary and unprogrammed for utilization of our assets.

And then, I was surprised and shouldn't have been when you said 2.2 million man-hours in POM-slant-budget preparation. I know it takes an enormous amount of work. And yet, at the end of that, in your testimony and in responses to Mr. Abercrombie, there are some shortfalls. You squared the budget, but at some considerable cost.

The 10 percent reduction in flight hours, I find that frightening because, to me, it is a harbinger of things to come. And I can flash back—sort of a nauseating look back—to the past in the bad, old 1970's, when we were all out of flight-hour program in all of the services and we were parking aircraft and waiting until the end of the fiscal year before we could fly again simply because we couldn't do it.

So please look at that 10 percent reduction. Don't let it be the start of a 15 percent reduction, of a getting to the second of September and have to park them and not fly them.

And then just finally, I am very concerned that the budget, frankly, doesn't tell us everything that you need. I know you are fiscally constrained. "You have a top line," DOD is telling you. But clearly, if you are looking at things like a 10 percent reduction, if you are flying the wings off the 130–Hs and we are not replacing them fast enough, the budget ought to have a—there ought to be—their unfunded-requirements list ought to be pretty big. And I haven't seen that.

And I would like to see the unfunded-requirements list, Secretary.

Secretary WYNNE. Mr. Kline, interestingly enough, I heard a stat this morning that sort of stood me up. And it was that the United States Air Force is buying fewer airplanes than any other service—and we are the United States Air Force—and most of those are unmanned predators.

Mr. KLINE. Well, we have a pretty—I am very proud of the Air Guard in the Minnesota, where we have got F–16s we are operating, C–130's. And I look at those C–130's—Air Reserve as well—C–130's. And I am just very, very concerned. I know this sort of repeats itself as we come through budget cycles. What are we doing with these 130's?

Well, we know what we are doing with them. We are flying them. Your terrific men and women are flying those 130's and they are flying them an awful lot. And I am just not real comfortable that we have accounted for this domino effect with the 130Es. We can't fly them because of problems, so we are overflying the 130Hs. I am not sure we have got the Js coming in.

I guess I don't have a question here except whatever I spoke for the record.

But thanks for the great work that you are doing and be as forthcoming as you can with what you really need.

General MOSELEY. Congressman, the other challenge, which I know you will appreciate, is while we are an Air Force at war and we are a nation at war, we are flying those 130's to take people off the road so we don't have to deal with IED attacks. So if we can take 8,500 or 9,000 Americans off the road—or coalition people off the road——

Mr. KLINE. Right.

General MOSELEY [continuing]. That you don't have to face a loss of limb in blast and frag and burns, that is a good thing.

Mr. KLINE. Yes, it is.

General MOSELEY. The challenge that we have got is while we are fighting this global war on terrorism, we are at the bottom of a procurement holiday that has lasted decades. And so the Air Force's mission is a global mission. We live in the world of strategic deterrents and dissuasion. We live in the world of space. We live in the world, now, of cyberspace. We live in the world of having to have a jet tanker to be able to enable everything that we do in this country.

So while we are fighting in Al Anbar province, we are also dealing in a very uncertain world with a very uncertain strategic setting. So the 2.2 million man-hours is an attempt to square every single program that we have got to keep the major programs alive, live within the physical guidance, live within the law that Congressman Abercrombie is talking about, and still progress on those procurement programs to be able to field these new systems——

Mr. KLINE. No, I understand that. And, clearly, there is not enough money in this budget to do what the Air Force needs to do.

And thank you, Mr. Chairman, for your indulgence.

General MOSELEY. And, Congressman, no one has come to either one of us lately and said, "You can stop doing something": "You can stop doing something on a global scale. You can stop doing something in space. You can stop doing something with bombers or tankers. You can stop doing something with C–17s or C–130's." I haven't seen it.

Mr. KLINE. And not likely to today.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Tauscher.

Ms. TAUSCHER. Thank you, Mr. Chairman.

Mr. Secretary and General Moseley, thank you both for being here. I am very proud to meet the airmen behind you.

I am also proud that at Travis Air Force Base in my district, Senior Airman Eric Pena was selected to be one of the 12 outstanding airmen of 2006. Not surprising—I think they are all outstanding.

I am trying to get to the bottom—and you and I, both of us, had a conversation in the anteroom a few minutes ago before the hearing started. I take some responsibility for advocating for more C–17s in the last cycle. I am proud to say that I am very interested in keeping that production line warm or, at least, if not hot, warm.

My problem is that I don't understand why we are trying to make the C–17 and the C–5 fungible. They are not the same air-

craft. They are not the same airframe. They don't have the same mission and they don't have the same capabilities. And I find myself frustrated. I think a lot of members find themselves frustrated in that, apparently, we have got to pick one. And I feel a little like "Sophie's Choice." I don't want to have to pick one.

And I think that what is confusing to me, General Moseley, is in your testimony on page 57, you basically go on to talk about how the AMP program and that—and for the C–5. You know, we are going to keep doing that. But I know that you are basically telling everybody you want to ditch the C–5As.

Now, the C–5A, as far as I understand, has a lower rating when it comes to its operational capabilities and its readiness. But it is really the guard and reserve plane and I am not sure that it gets online as quickly as others to get the best equipment, the best O&M and all the other things.

So help me deal with the fact that they are not fungible planes, they don't have the same airframe, they don't have the same mission, they don't have the same capabilities. We still need C–5s because we are leasing Russian planes because we don't have enough C–5s.

So I don't know why I should have to be Meryl Streep in the movie, where I have to pick one kid or the other. I know we need both. I think you know we need both. I know that we have budget constraints that are forcing us to pick one or the other. That is not good policy for the American people. It is not good for our Air Force.

Help me understand why we cannot have a blended portfolio that includes C–5s that are being retrofitted and maintained properly and are extending their life and still have new C–17s.

General MOSELEY. Ma'am, they do have the same mission. They are strat airlifters. They have different cube sizes. You can get different things inside each of them. But they do have the same mission, and that is to be able to move strategic materials anywhere on the surface of the earth.

Ms. TAUSCHER. Well, they may have the same mission, but they don't have the same capabilities.

General MOSELEY. The C–5 is a little bit bigger. There are things that will fit in a C–5 currently that won't fit in the C–17. But again, the C–17, you can land it on a riverbed. You cannot land the C–5 on dirt. So the balance of these two airplanes is the critical piece. You are asking the right question.

In a perfect world, we would like to be able to manage that inventory and divest ourselves of the bad-acting tail numbers, and some of them are bad actors. They are broke. A lot of the C–5As have low flight hours on them because they are broke and you can't fly them.

Ms. TAUSCHER. With all due respect, are they broke because they haven't been maintained because they were, basically, detailed to the guard and reserve and didn't have the right maintenance?

General MOSELEY. Well, ma'am, remember, the guard and reserve has probably the best maintenance in the world, but they work one shift. And so the ability to keep the airplanes flying—an F–16 or a reliable C–5 or the C–17s at Jackson or the C–130's that

are in the Guard or the Reserve are the best-maintained airplanes in the world, even with one shift.

But the C–5 is a complicated airplane to operate. So in the perfect world, I would like to have the authority to be able to retire the ones out that we want to retire. That is not all of them. If you lined up the 59 A-models, the two C-models and the 49 B-models—if you lined them up from best airplane to worst and began to work your way from the worst airplanes forward, retire those old airplanes out and back-fill that with something else, I would be happy.

And I would still like to progress with the AMP program on them and I would like to progress beyond the work program to see where we really go with this. And that is where we are right now.

But right now, we are restricted from any divestiture of those airplanes. And so, when you conduct any study at any strategic level, and when one of your premises is that you don't impact the CRAF, the Civil Reserve Air Fleet, then there is a number of strat airlifters that is a sweet spot. And we are about there with 300 or so.

So if you can get rid of the oldest, worst actors, and replace those with something newer and still maintain about 300 airplanes and hold on to whatever A-models that are good, I think that is the perfect world, regardless of whether it is Guard, Reserve or active. But right now, we can't do that.

Ms. TAUSCHER. Well, General, I am more persuaded than I have been and I am willing to talk to you some more about this. But I just worry that some of these decisions that we are making are purely financial decisions and that the strategic decisions that we need to be making are—I believe you are advocating them, but I think that we are being forced, because we have the war in Iraq sucking all the money away—that we are making decisions that, perhaps, are not going to be in our long-term strategic interest.

General MOSELEY. Well, ma'am, you know your Air Force works every day to try to maintain that strategic setting and to not make decisions in a preemptive measure that then closes doors.

For instance, the Fleet Viability Board Study on the C–5 says even after you AMP and rep the A-model, you have only got a 25-year airplane left. We are lead time away from what happens to those squadrons and those units when that airplane goes away.

Ms. TAUSCHER. Thank you, General Moseley.

Thank you.

The CHAIRMAN. Our good friend from Georgia, Dr. Gingrey, is next.

Dr. GINGREY. Well, Mr. Chairman, thank you. I wasn't quite ready, but I guess it is time. And I will proceed. I missed——

The CHAIRMAN. I will bring that clock back 10 seconds, then.

Dr. GINGREY. Thank you, Mr. Chairman.

This issue about the C–5 and what we do with it—I think, General Moseley, I wanted to address that. And it is probably—maybe to what Ms. Tauscher was—her line of questioning. I wish my good friend—and, maybe, Representative Marshall will be here before the hearing—my colleague from Georgia. I know he is very, very knowledgeable about this subject. He has looked in it very closely with the work that is being done with the C–5 modernization pro-

gram, both at Warner Robins in Macon, Georgia, just below Macon, and also in my district in Marietta.

So, you know, the test results have been gathered and assessed. Can I assume, then, that you support that requirement to test and assess before making any decisions to retire any aircraft?

You know, I guess it all gets down to the question of lifespan. I mean, if you increase it 25 years, it seems to me 25 years is, you know, a pretty good amount of life that you would not want to just turn to the scrapyard. So, I mean, I have some concerns about this. And I realize that there are some competing resources and opinions in regard to airlift and what the balance needs to be.

But I wouldn't be too quick to get rid of A, B, C-models. I mean, you know, depending on what the life expectancy is, what we can do with the modernization of the avionics program and the engine itself. So, you know, maybe there is a little parochialism here in regard to my concern, but please take this discussion a little bit further for my benefit. I appreciate it.

Secretary WYNNE. Well, sir, we intend to comply with the law. And the law currently is that we conduct that test and that we do not retire any airplanes until we have that done. And the law further goes that we cannot retire any airplanes no matter what the outcome of the test is. We intend to comply with the law.

That having been said, the cost of compliance is rising rapidly. And it is basically eating our ability to recapitalize other air fleets. And right now, we are, in fact, evaluating a Nunn-McCurdy breach on the C–130—on the C–5A re-engining program—because we just can't get the engines anymore. I mean, some of our suppliers are not available. The airplane is getting to that point where we actually have obsolescence costs that are fairly high.

So one of the things that you are asking us to do—and I think, fairly so—is try to figure out—and we will do this over the course of the summer—what is the right thing to do here. And we will be back to you. And right now—just an assessment—it looks to us like doing the B-models and the C-models is the right thing to do. In fact, keeping some of the A-models appears to be the right thing to do.

I think Congressman Tauscher hit it about right. There are some that are really bad actors. And I think if you gave us the right to manage the fleet, you would find that we would manage it in a way that would actually retain the best mission profiles across the thing. I think having these restrictions and causing it was an outcropping, frankly, of a BRAC process that is behind us.

Dr. GINGREY. Right. Mr. Secretary, thank you. And I think exactly what you said is what we want to do. I mean, that is our goal in regard to this particular platform.

General Moseley.

General MOSELEY. Sir, just like I told Congresswoman Tauscher, if I could line up the best B-model or the best A-model at the head of the line of 59, two and 49, and go to the back end of the line and begin to kill off the bad actors and replace them with something new, I would be very happy. That doesn't mean all of them. It doesn't mean that we class or block, retire airplanes. It just means, "Let us get at the tail numbers that are bad actors. Let us

go through the AMP program and the rep program because we will comply with the law."

But sir, I will tell you, the A-model is 35 years old—35 years old. And we buy 25 more years on it, we are lead-time away from what comes after that. Hanging on to old airplanes for 35 or 40 or 45 or 50 years gets to be problematic. In January 1937, the Army Air Force took the delivery of the first B–17. That was 70 years ago. We will fly the KC–135 probably that long. I don't know what I would do in combat with a B–17 right now.

Dr. GINGREY. Thank you, Chief Moseley——

General MOSELEY. Sure.

Dr. GINGREY [continuing]. And Mr. Secretary.

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

The CHAIRMAN. Thank you very much, Doctor.

Next would be Mr. Larsen.

Mr. LARSEN. Mr. Secretary, Chief, thanks for being here.

I have three broad issues. I am not looking for an answer on that, but I do want to—or, actually, four—and I just want to quickly highlight them for you so you know they are not being ignored, basically.

One is on the China ASAT test. I have already submitted questions for the record when the Secretary of Defense (SECDEF) and Chairman Pace were here. I assume those questions will get to your folks working in the Air Force, along with some other folks, to get answers back.

I just do want to emphasize that I would ask for answers to those before we move to markup. So there is some time, but I do want to emphasize that we do want to get some answers because it may have some impacts on where we move in the future.

Second issue is satellites. I am meeting with Dr. Sega this afternoon, so I won't ask any questions about satellites, but I do imagine that I will be discussing past challenges and changes to meet those challenges to some of the satellite programs. I am absolutely sure Dr. Sega anticipates those comments from you as well. But we have a good working relationship with him, and so—just to headline that.

The third issue is, in your testimony, the energy-conservation—some of the efforts the Air Force is doing in that. Again, I just want to underline that for you. So, just to kind of highlight that, that is a good thing to keep in mind, keep moving towards. In case you don't hear from anyone else, I think it is good that you highlighted it in your testimony and I think you will find support from the committee to move forward on it.

Fourth—of course, I would be remiss if I didn't mention the word tanker. But by the same token, I am glad to see you are moving forward on that. We will see how the process works out over the next several months about the choice the Air Force makes.

But then, the fifth thing—and this is more directly for Chief Moseley—the Washington State Delegation did send a letter to you—this is with regards to the Fairchild Air Force Base KC–135 tanker contingent, 141st, sent a letter February 16, 2007, to you regarding the movement of the 148 of the 135s assigned to 141st to another Air Force base, and then, proposing a solution to that as well, to get eight back to Fairchild.

And first question I just want to ask is—I am sure you have seen the letter because you get so many important letters. And this one is the most important, I am sure, on top of your list. And second, do you have any comments? You have had it for 12 days, presumably. Have you taken a look at it yet? When do you plan to take a look at this letter and, perhaps, move forward on it?

My understanding is that it is tied to what some governors are doing with litigation. So I want to appreciate that caveat.

General MOSELEY. Sir, we have seen it and there is an answer headed back to you. The challenge we have got still revolves around the divestiture of the KC–135Es.

Mr. LARSEN. Okay.

General MOSELEY. We would like to be able to retire the KC–135Es and be able to move the crews into the KC–135Rs so we can generate more sorties with the R, which is a much more reliable airplane. The base at Fairchild, the base at Grand Forks, the base at McConnell, the base at MacDill and a variety of guard and reserve Bases have those Rs.

So our challenge is to be able to get the R-model into the sortie-generation place that we need to protect the airspace over the country, as well as our air bridge that is 24 hours a day, seven days a week across the Pacific and the Atlantic and our combat operations that our boomer has been involved in all so often in deployed locations.

So sir, we have got the answer headed back to you.

Mr. LARSEN. Do you have a timeline on that?

General MOSELEY. Sir, I will ask the guys here. I mean, I don't know that. Yes, sir.

Mr. LARSEN. Okay, all right. Well, I would appreciate that if you could get back to my office on this timeline.

General MOSELEY. Yes, sir.

Mr. LARSEN. I appreciate that.

Thank you. And that is all I have, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Larsen.

Next, our good friend from Arizona, Mr. Franks, will be heard.

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

And thank you, General Moseley. Thank you, Secretary Wynne—all of the people with you. We are always grateful for your courage and for your commitment to what you do and how you help all of us.

General Moseley, if it is all right, I would like to start with you. I am sure you are familiar with Luke Air Force Base, where the largest fighter wing in the world, about 185 F–16 aircraft—trains more F–16 fighters than anyone else in the world and has a special relationship with the Goldwater Range, which is one of the premier ranges of the world.

With that said, I just have to suggest to you that this just happens to be in my district. But I wondered if—related to the JSF—the F–35 Joint Strike Fighter—if you have been able to compose any criteria or timelines related to what facility might be the best training and operational base for that aircraft, and if Luke has a possibility of fitting into that scenario.

General MOSELEY. Sir, Luke is critical for us on so many levels. That is why you see us get fairly agitated about issues of encroach-

ment around Luke, because the Goldwater Range is a national treasure like the Nevada Test and Training Range and the Utah Test and Training Range. Anything that limits our access to those ranges then begins to limit the effectiveness of the base.

So that is why we wave our arms and get fairly agitated if we think we are being encroached. Sir, Luke is important, as is Tucson International for F–16 training on the international side, as well as on the domestic side. We will have F–16s for a long time, so the ability for training command to operate at Luke is critical for us.

For the F–35, the first training base will be at Eglin. After that, we have released some environmental-assessment notifications on follow-on bases, and we are just working our way through that. We will need to get the coalition partners and the international partners, as well as the department of the Navy with the Marines and the Navy on board with us at Eglin and get that started up. Out of that, then, we will begin to go into unique Air Force Bases. But you know we will have to have a base close to a range.

Mr. FRANKS. So, there is a possibility, General, that Luke might be a candidate for sort of a post-graduate follow-on for some of these pilots from Eglin at some point?

General MOSELEY. Well, sir, I think, perhaps, a different way to say that—well, the F–16s will eventually go away. And the ability to be able to continue to train on the Goldwater Range makes Luke so critical for us.

Mr. FRANKS. Well, with your permission, Mr. Chairman, I would like to submit just a few questions for the record that we could follow up on later. And maybe I could shift gears here just for a moment. Thank you, sir.

Secretary Wynne, you know, there is a little debate going around here related to the reinforcements going into Iraq and a lot of different perspectives on how to "manage" that. And I think, personally, one of the worst things that we could do as a Congress is to try to micromanage something that the president has the constitutional power and the best opportunity to manage in the best way related to the reinforcements in Iraq.

But a part of that debate has centered around maybe turning some of the armed forces guidelines for equipment training, for some—taking some of your guidelines and turning them into regulation. And some of the military experts have said that forcing us to—whether it is bringing people in or out of the theater on certain timelines or making them train with certain equipment—some of those guidelines, at this point, might not be realistic.

And I guess I would like to—you know, it harkens back to what was said earlier about the C–17 and the C–5. When you can manage things on the ground without being micromanaged from people who really don't know what is happening, I think there is a tremendous advantage there.

Can you speak to that related to some of the training and equipment guidelines related to the surge or the reinforcements going into Iraq?

General MOSELEY. I am going to reach way back into my West Point and say that if we codify the infantry tactics, we would be fighting that style of war right now because we would be trying

very hard to get laws passed, if you will, to uncodify some of the badder infantry tactics that we lost people with before.

If we codify infantry tactics now, we would lose the perspective of the ROVER, which is the Remotely Operated Visual Enhancement Receiver, which is the little laptop computer that people are using. So I would say that our training is morphing every day. And to take away the ability of our soldiers to be ingenious in their approach to warfare would be extraordinarily detrimental to essentially the American way of war.

We always think that when we turn an F–22, for example, over to the pilots to fly up in Alaska and over to Hawaii—we would lose their ingenuity in using that if we ended up having to come to you with a flight manual and codifying it that this is the way we do it because we don't know what they know. And we, as a nation, I think, have benefited extraordinarily by letting the people on the ground, if you will, manage the ground.

And a long time ago, I realized that you cannot manage with a long screwdriver on operation.

Mr. FRANKS. Well, thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

The chair now recognizes the gentleman from Georgia, Mr. Marshall.

Mr. MARSHALL. I thank you, Mr. Chairman.

Can you all hear me okay?

Thank you both for your service. You are doing a great job leading our Air Force. I appreciate it very much. I am pleased to co-chair the Air Force Caucus this go around and anything I can do to help, just let me know.

General issues, then a few parochial issues.

Where the tanker is concerned, one of the things that you have heard me say time and again is that this is an opportunity for us to develop a model that we might be able to use DOD-wide with regard to sustainment, modernization, maintenance over the lifetime of the platform.

And it is because Airbus is bidding and Airbus is going to come in and say, "Look, we want to assure you that you are going to be in complete control of this. We are not going to hold you hostage. France isn't going to hold you hostage," et cetera.

And since Airbus is going to have to do that, it seems to me that that is an opportunity to get Boeing to do the same kind of thing—you know, apples to apples in comparison—and then to use that as a model to avoid the C–17 fiasco that we basically have right now with trying to figure out how we are going to be cost-effective in our long-term maintenance.

And could somebody—I know you all have been working on this. Could I get a briefing, maybe in my office, on this subject? We don't need to go into it right now, but where are we exactly? And can we apply that same model to the JCA—similar kind of concept to JCA? I think the Army is willing to do it. I know we have gone back and forth on CLS where Army is concerned. That is their business model—suggest that is the appropriate thing. We know it is not. And so I am willing to help with that as well—and if I could get a briefing on both those things.

Mobility-capability study—are we going to revisit that? I mean, I think the general consensus here is that we think that is a pretty fundamental law because assumptions were imposed upon those doing the study, and those assumptions that had to be taken into account were assumptions that you can look at and conclude aren't all going to come true. And then, there was the tail end, in which those doing the study said, "Oh, by the way, we have got some other things we need to look at before we finally make up our mind about this."

Are we revisiting the mobility-capability study?

General MOSELEY. Sir, a different way to answer that is, now with the growth in land-component activities and with the surge on the horizon, there is an opportunity to go back and see what that really means. And that work is ongoing.

Mr. MARSHALL. Well, I think that is real important to us. You know, I think that what we did was we pegged our future fleet at the bottom end of the range set by this mobility-capability study. And if that mobility-capability study is off, we have left ourselves—I mean, if it is too low, we have left ourselves no margin at all for error.

General MOSELEY. But Congressman, we have had this discussion before, and I can't tell you how much I appreciate your help in all this. But the balancing of the portfolios is also very important to us—about our new bomber, about our space systems, about the tactical systems, about our UAVs and our new sensors, the JSTARS, the AWACS, the rivet joint—all also ride on a 707 airframe.

And so this tanker decision is a huge decision for us because it takes us down the path of an airplane that we can probably use, then, to recap somewhere later those aging ISR systems. So sir, the mobility portfolio is a big deal, but so is the global strike and so is the global ISR portfolio. That is our challenge.

Mr. MARSHALL. Well, but we have got to have a handle on this mobility-capability study. That is a key part of the deal. All these others are as well.

General MOSELEY. Sure.

Mr. MARSHALL. But we don't need to be fooling ourselves about what our real needs are.

General MOSELEY. Yes, sir.

Mr. MARSHALL. And then, if we have got to come up with resources, we have to come up with resources. That is our job. But we need to understand what those needs are.

Chief, is there any chance that, on the record here, you can comment on things we have talked about with regard to the software support facility and personnel system?

General MOSELEY. Sir, we are working that within our personnel world to make sure we do not disadvantage anybody in those big civilian centers of excellence. The notion of centralizing the personnel world is a good notion because you save lots of time, lots of money. You save lots of manpower that you can apply to this PBD–720 loss of 40,000 people.

Mr. MARSHALL. Right.

General MOSELEY. And I don't believe there is going to be a whole lot of money that shows up on trees somewhere. So we have

to look at a better way to spend the money and a more efficient way.

Having said that, though, if we have taken a step that disadvantages the management of that great workforce and that intellectual capital, then we need to make sure we don't do that. And the notion of having the ability at those locations to manage that civilian workforce makes perfect sense.

Secretary WYNNE. Mr. Marshall, if I could comment once on the loss of industrial base in the aerospace industry—you commented on it a little bit differently by—we worry about the closing of the C–17 line because it is the only line that we have. We worry about the closing of an F–22 line because it is the only line we have there. And, you know, we are starting to get down to where we are signaling up on so many things in America——

Mr. MARSHALL. Right.

Secretary WYNNE [continuing]. That it worries me.

Mr. MARSHALL. Right. And I am totally with you.

Secretary WYNNE. Sir, the other part of that—let me parallel with my boss. When you look at the lines on the West Coast—that is Long Beach and Everett—when you look at the lines in the central part of the country—that is Wichita, St. Louis and Fort Worth—and when you look at the lines on the East Coast—that is Marietta—and so, depending on what systems go away, you could end up with only Marietta and Fort Worth.

So you have no depth. You have no capacity. In the strategic airlifter world, that is Long Beach. And in the fighter world, that is Marietta and Fort Worth.

So we are very, very sensitive to the aerospace industry. We spend a lot of time watching people worry about shipbuilding, but I see less people worried about the American aerospace industry, which is equally fragile.

Mr. MARSHALL. I see my time has expired. I guess I will wait until the next round, Mr. Chairman.

Thank you.

The CHAIRMAN. And, General, I appreciate the comment about shipbuilding.

Speaking for one of those champions of shipbuilding, the young lady from Tidewater, Virginia, Ms. Drake?

Mrs. DRAKE. Thank you, Mr. Chairman.

Mr. Secretary, General, thank you for being here.

And, General, I would like to thank you for introducing the Air Force personnel seated behind you and telling us a little bit of their stories.

And I know that this committee joins me in thanking you for your service. It truly does put a face on the war. And I know a lot of us would like to hear more of what you have done. And we know that is just a little bit that he said about you. So thank you for being here today and letting us thank you in person.

My question deals with China's recent Anti-Satellite Missile Test. And my question is, how is the United States postured to reconstitute those vital space-based capabilities in the event either of on-orbit failures or attack by another country? And my concern is, do we really possess the necessary ground infrastructure to accommodate that reconstitution?

Secretary WYNNE. I think I can say to your question, ma'am, that the industrial base in space is fragile, as well as it is in aerospace. When I say "aero" and "space," I really meant the fragility of both of those entities.

That having been said, we are—and are putting into the budget—you will see it in the budget and you will see a little bit more on the unfunded requirement—that we are trying to figure out operational response of space. We are using four operationally responsive space—all the available launch facilities, if you will, that we have. And all of the manufacturers are trying to get involved.

And we are starting that process by asking the question, not should we reconstitute that specific entity, but, in a wartime scenario, what do you need, specifically, to essentially restore peace and then to reconstitute whatever was destroyed during warfare, and no different than you might do in a civil society?

So it is a little bit different approach to it. And what we find is that we—our approach toward reconstitution of the necessary forces drives us to an interesting set of studies. And we are conducting those studies over the course of this year.

We have asked people—because, as you might imagine, we were shocked but not surprised at the Chinese development. The Chinese have been launching satellites into space. They didn't hit anything with the satellites that they were launching into space. This is because they have guidance systems. So it is not surprising. But it did, for us, remove that peculiar veil of sanctuary that we had given space just as if nothing would ever happen up there.

And so we are working very hard. And in another forum, we could probably tell you a lot more.

Mrs. DRAKE. Okay. Thank you very much.

Mr. Chairman, I yield back.

The CHAIRMAN. Okay.

The chair now recognizes the gentleman from Georgia, Mr. Johnson.

Mr. JOHNSON. Thank you.

And I want to thank all of our servicemen and women who maintain air superiority for this country. And it is something that we definitely have to maintain and enhance.

And so with respect to the last question that was asked, I have a question. The space situational awareness, or SSA, is a top priority. Yet, for two key SSA programs—the space-based space surveillance and the space fence—the Air Force has requested $46 million less than expected in fiscal year 2008. Furthermore, funding of space-control technology, counter-space systems and SSA systems and operations comprise roughly $300 million in fiscal year 2008.

Is this funding adequate, given the overall investment in space and the growing threats to space?

Secretary WYNNE. Mr. Johnson, thank you very much for that question. The fact is that along with balancing all of the accounts, I think what you are going to find is we are borning in our studies right now and we are trying to figure out what constitutes the right kind of requirements that we need there.

We also believe if you are going to have operationally responsive space and space-situation awareness, you are going to have to

make sure that the technical maturity of the things that you have available is good. This is where Dr. Sega is taking us back to basics and trying to make sure that we spend the money on the right things at the right time.

And I think, in that regard, we feel like we have adequately funded the 2008. That having been said, upon the launch of the Chinese Anti-Satellite, we have actually added some in the unfunded area to try to boost it up. But you have to watch out and you can't just throw money at engineers who don't have an answer for you. And so we are trying to balance the growth in that area.

General MOSELEY. Sir, I think one takeaway is that space is not a sanctuary anymore. The launch of Sputnik in October 1957 was a bit of a wakeup call for capabilities in space. This ASAT shot is an equal wakeup call relative to, "This is not a sanctuary."

And it goes back to the congresswoman's question also. Space-situation awareness is critical to be able to see what is out there. Defensive counter-space is critical to be able to protect the assets on orbit. And that is the direction the secretary and Dr. Sega are taking to be able to maintain space surveillance and to be able to look at operationally responsive space to replace satellites, but also to look at defensive counter-space.

But sir, somewhere in here will need to be a policy discussion on what is next because it won't be the United States Air Force that goes beyond the policy limits now on space-situation awareness and defensive counter-space. If there is a decision to move into offensive counter-space, that is a different issue. And that is not what you are asking, but that is the second and third-order question to space not being a sanctuary anymore.

Mr. JOHNSON. Certainly. I believe it would be prudent for us to anticipate a changing environment in space. And we certainly need to have a superiority in space, as we do in aerospace. So that is a conversation that I am sure is——

General MOSELEY. Yes, sir.

Mr. JOHNSON [continuing]. Definitely coming.

As threat to space and operations in space increase, so too will the need for a robust space-intelligence capability. How does the Air Force plan to address this requirement?

General MOSELEY. Sir, we have done this in two ways. In fact, you are looking at one of the experts right here behind me, who is one of the space experts who has deployed into the theater. If you think back a few years ago, most of our space experts never let them out of those vaults and caves and they never saw the sunlight.

We now have them deployed into the operations centers and we have had them deployed into operating alongside sailors and Marines and soldiers, with him being deployed in the Al Anbar province with the Marine Corps. So part of this is having the space experts out to bring that core competency out to others conducting operations.

The other part of that is we have completely revamped Air Force intelligence with a complete refocus on operational issues within Air Force intelligence. So we have elevated the position—the top Intel officer to be a lieutenant general or a three-star. We are mov-

ing more intelligence officers into more senior positions now and being able to do the same thing with space.

When I was fortunate enough to command out in the Arabian Gulf, I had two sets of space experts working for me. And those fellows now have been promoted into being general officers. And they are bringing theater expertise back to Colorado, as well as exporting Colorado expertise out to the theater. So we are pretty excited about this.

I am personally excited because this has been one of my imperatives with these folks—to be able to get this expertise out of a vault somewhere and getting out where people are actually working. This is a good-news story.

Mr. JOHNSON. Thank you. My time has expired.

The CHAIRMAN. The chair recognizes the gentleman from North Carolina, Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman.

General Moseley, Secretary Wynne, welcome. Thank you for putting the "air" in airborne and all the other good lifting things you do every day.

We have got a $15 billion question mark with the combat search-and-rescue helicopter issue. We have got a PJ back there. I think that is really appropriate. And the A–10 drivers kind of put those two together.

In light of what GAO has said, what is the plan? I mean, this is just one of many examples of equipment that we don't have that we need for our folks.

And the third part of the question is, how many folks that are pilots were involved in that selection process. It has seemed time and time again to me there are far too many bureaucrats between the pilot and the acquisition folks.

So if you could kind of give me a rundown on the three: where are we, when are we going to fix it, and how are we going to fix it?

Secretary WYNNE. I think you really have asked a great question because there are so few programs now that the industry—it is a vital concern to them to win everything that they can to stay alive. And it is no surprise to me that they protested. I will tell you that the number of protests are rising as the number of programs are diminishing. It is a true dogfight out there to make sure that you can be alive for, if you will, the next competition.

We just don't do as many procurements as we used to do. Now, that having been said, the particular instance here—the GAO, I think, has found a technical application here. I think we can solve this pretty narrowly and I am hoping that we can see our way through this and avoid a lengthy delay in the procurement cycle so we can actually expend all of the resources that we have asked for in the 2008 timeframe.

Mr. HAYES. General Moseley——

Secretary WYNNE. As to your question of whether or not we had requirements and actual operators in the offering, I am going to let Chief Moseley answer that question because I think he is more capable.

Mr. HAYES. Thank you.

And, Chief, as you answer that, talk to me about survivability of the Chinook in an extraction situation.

General MOSELEY. Sir, the folks that developed the key performance parameters for the competition were combat-rescue guys. And so the KPPs that were developed that were then competed were actually combat-rescue guys living in that system.

Remember, we have had a mix of combat-rescue guys. I have been of the opinion that combat search-and-rescue is a combatant Air Force issue, not a special-operations issue. So I moved combat rescue back into air-combat command. In this transition, we had some people that looked at the new helicopter as both an in-fill and ex-fill capability, as well as a combat-rescue capability. But there were pilots involved and there were combat-rescue folks involved.

Sir, I will tell you, the H–60 that we have now is a limited airplane. It is limited because it can't hover very high. It is not very fast. But it can't carry very much either. And so when we have to go to the ranges that this PJ goes in Afghanistan and Iraq, we have got to download a PJ and put a fuel bladder in the back, which means you cannot carry a litter. And you are limited by the number of people.

If this bomber pilot takes her crew out of that airplane and we send an airplane to go pick them up, that is not just a single C fighter pilot. That is a crew. We have got to be able to have an airplane that is big enough to pick up a variety of players because in this world that we are living in, combat search and rescue is a joint mission that the United States Air Force performs for the entire joint team. You have to be able to go distance and you have to be able to hover at high altitude and you have to have a survivable platform.

So, sir, I am looking forward to getting on with the mission. I am looking forward to getting on with the decision so we can field a system that we can go out and pick people up, because I believe we are going to be in this business for a long time.

And, sir, I will tell you, from my life out in Afghanistan and Iraq, one of my biggest worries sending people out to fight was that I couldn't go pick them up, because in this fight we are in, at the end of this, there will not be a POW return.

There will not be a group of people repatriated. If they catch you, they will kill you. And so the ability to get the PJ to you and pick you up and get you home is a big deal. It is a very big deal, whether it is a Navy pilot or a crew or a Marine pilot or a crew or an Army or a special ops team—anybody out there, if they catch you, they will kill you.

So combat search and rescue is a core competency for us. It is a mission area that we hold dear. The "jolly green giants" are very, very special people inside our combatant Air Force.

So, sir, then, the question about the Chinook—the Chinook is a fine airplane. Our Army brothers and our special ops people are flying that airplane into some very, very dangerous places right now. I will not critique the airplane because it is a fine airplane. What my concern is now we have got yet another delay. I want to field this mission.

Remember, we have accelerated this program five years and we have accelerated Block 10 two years inside that to be able to get

this PJ something that we can go a distance and pick people up. So, sir, that is where I am.

Mr. HAYES. Well, fix it right. Fix it quick. Make sure we do whatever we need to do to get the folks out there and get some new airplanes so we don't have to pick them up—anyway——

General MOSELEY. Yes, sir.

Mr. HAYES. Take care of it, will you?

General MOSELEY. Yes, sir.

Mr. HAYES. And Pope Air Force Base, while you are at it.

General MOSELEY. Yes, sir.

The CHAIRMAN. The chair recognizes the general from Pennsylvania, Admiral Sestak.

Mr. SESTAK. Thank you.

I will follow up on that last question, Mr. Secretary. And thank you for your time.

Just, actually, a yes-or-no answer, if you don't mind. Is the CH–47 the correct aircraft, then, for the CSAR mission?

Secretary WYNNE. I would have to answer it this way: It is the one that we selected. It is a subject of the GAO review. I think it has every chance of continuing to be selected. However, I would have to take all the details and talk to the GAO to make sure that we do not short shrift because your Air Force is into open and transparent competition. And we want to make sure that everybody considers that what we do is a level playing field. So we maximize the number of people to come forward to compete.

And so I need to go and make sure I give the GAO complaint a full look.

Mr. SESTAK. Thanks, Mr. Secretary.

General, in the transformation for the Air Force—and you know so much better than I do—but it is comprised of those key concepts from technology, concepts of ops and organization. Your AEF is your organizational way that you meant to address this new future that we are actually in in the global war on terror, in the insurgencies we do from Iraq to Abu Sayyaf and Djibouti—in the Philippines and then Djibouti. The AEF has been quite stretched. You have had to—had to, a couple of times, kind of reconfigure it or go on.

Is it the right transformational, organizational concept for the future in view that you have had to go back and re-look at it. When, in a sense, this deliberativeness of it was, to some intention, expected to address these types of predations that have come up?

General MOSELEY. Sir, it is good to see you again, from the time we spent together out in the Arabian Gulf.

Let me answer yes. I believe the Air Expeditionary Force rotation scheme is the right way to do this because it provides some measure of predictability and some measure of being able to schedule a person's life.

Mr. SESTAK. Right.

General MOSELEY. That is very, very key to us. We want to be able to publish a schedule that, depending on where the member is inside the wing that they are assigned to and inside that AEF schedule, that we can somehow try to stick to that. Nothing is perfect and we will never make it 100 percent. But we are very, very

good. We are up over 90, 95 percent right now with providing that scheduling predictability so people can plan their lives.

But, of course, in this war-fighting business, your opponent gets to pick. And sometimes they choose wisely and sometimes they make your life a little more difficult. And so right now, we have in excess of two AEFs deployed. And in some of our stressed areas, our combat-rescue helicopters, some of our ISR assets—in fact, the rivet joint has been out in excess of 6,000 straight days.

And so when a combatant commander requests a rivet joint, there is only one wing of those—or like the AWACS or like the JSTARS that are down in Georgia. You only have one set of those machines. And so you are always out with those airplanes.

Mr. SESTAK. General, if that is the right organizational concept, and then you go down and you have the technology—obviously, one thing you do very well is work with foreign nations, particularly this new global war of terror.

When you look at programs like AFID, the Aviation Foreign Intelligence Defense, it is the only squadron you have in order to, so to speak, on the aircraft-to-aircraft level, to intermingle with those nations out there that might want to be able to know, "How do we have an aircraft that can work well in a jungle? How do you do close air support? Are we doing a disservice by not placing more resources in this critical area?"

General MOSELEY. Sir, great question. And, yes, we are planning to do that. As we look at the opportunity for the new Joint Cargo Aircraft—if you look back on the successes that we have had with the international program with the F–16 and the strategic partnering that we have developed and the partnerships over time, with pilots growing up and flying from Sheppard Air Force Base back to Norway, back to Red Flag, back to Norway, and then, the NATO construct—it is all about the same machine. It is those classic Air Force to Air Force relationships.

So when we look at the Joint Strike Fighter, we see a new future with that. When we look at the Joint Cargo Aircraft, we see a new future with that. The C–130 gives us a future with that. We have some now operating C–17s, but that is not a big number.

Mr. SESTAK. But should more be placed into the kind of aircraft SOS has?

General MOSELEY. Well, sir, we have also looked at the notion of a counter-insurgency airplane. We have looked into the notion of moving something that would be useful now for the new Iraqi air force, which we have offered up—they operate C–130's now, three of our excess airplanes. So is there not some way to provide new capabilities to do exactly what you are saying?

The commander of Air Force special ops command and the commander of special ops command and I are looking at, perhaps, moving out on a counter-insurgency airplane and then partnering much tighter with Joint Cargo Aircraft. So you have a COIN airplane, as well as a lifting airplane, that we can partner out there with a bigger number of countries.

Mr. SESTAK. Yes, sir. I might come back to that. But I probably have time for one last question.

And Mr. Secretary—if I come back to it—but the question I really had is, should there be more of these squadrons that have the

old cubs or whatever it is that actually work with you and turning these different aircraft? Mr. Secretary, my question is overarching. And one organization, Congressional Budget—was that the gavel?

Got it.

The CHAIRMAN. General, he can come back a moment later.

Did I understand you said a moment ago that you have excess C–130's?

General MOSELEY. Sir, these were the C–130Es that, as we moved them from active units and replaced them with Js, that we had three airplanes that had life on them that aren't too broke that we provided to the Iraqi air force to provide their airlift. We provided the pilots and we trained them at Little Rock. And so we funded that under our excess-aircraft model, which is not an FMS case. So that is where the three C–130Es came from for the Iraqi air force.

The CHAIRMAN. Mr. Conaway.

Mr. CONAWAY. Thank you, Mr. Chairman.

General Moseley, thanks for being here.

Secretary Wynne, I appreciate it.

Also, I want to add my thanks to the warriors behind you who you brought in this morning—nice touch to do that.

Also, Secretary Wynne, I want to add my concern that all procurement be done openly and fairly and transparently, and, particularly, this combat-search-and-rescue aircraft that you have talked about—looking forward to an aggressive review by you in response to the GAO.

But it is one thing for Sikorsky and Lockheed to protest as—you would expect that. But to have what would appear to be a disinterested party agree with them and say there are some things wrong with the process itself—and I understand your concern that it slows things down and all those kinds of things—but having the system work helps us back up the decisions made by the system, if that makes any sense.

General, back on the overall management of the 300-plane fleet, are you aware of any kind of a commercial circumstance where fleet managers said, "You have got to manage the fleet. You have got to do these kinds of missions and that management has to involve you not doing away with any of the aircraft"? Does that happen anywhere else besides in the Air Force where your hands are tied that way?

General MOSELEY. Sir, I am not aware of anything.

Mr. CONAWAY. It doesn't make a lot of sense to me that you would be required—and I know we are part of the way that works, and I understand the reasons why that gets in there, but it seems to me that that is a flawed tactic if we are in an arena of limited resources.

Can you provide for us what that costs in doing that? In other words, you have run a model that said, "If I had free will choice to do the job you tell me to do, I want to have these planes and have these missions available and to line them up the way you said and to cut the ones"—can you provide for us——

General MOSELEY. Yes, sir.

Mr. CONAWAY [continuing]. What the costs to the system is if we would otherwise put those dollars somewhere else. Would you do that for us?

General MOSELEY. Yes, sir.

Sir, I would ask you in the hearings with General Schoomaker and Admiral Mullen ask them, because if they have equal restrictions on managing their inventories, I don't know of it.

Mr. CONAWAY. It is not likely they have that same kind of a circumstance, and I understand that C–5s are built in certain places and we have got all this infrastructure out there that we need to do, but at the end of the day, we are all tasked with protecting this country with limited resources to get that done.

So I appreciate your service to our country. A constituent friend of mine, I think a college chum of yours, David Mims, harasses me every day that I see him about making sure you are doing a good job, and so I told him I would grill you pretty good this morning.

General MOSELEY. Thank you, sir. That is helpful.

Mr. CONAWAY. Which I don't think I have done.

General MOSELEY. Yes, sir.

Mr. CONAWAY. But thank you for your service, and I do look forward to the response to the GAO report on that procurement issue, because given the four years, five years we have dealt with the tanker thing, and I am not trying to say they are the same, but it is of great importance to us that we get the system work, whatever the answer it is.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thanks very much.

Ms. Castor.

Ms. CASTOR. Good morning, Mr. Secretary and General, and a special thank you to the brave and talented men and women that you have brought from the Air Force here today.

I am privileged to represent the Tampa Bay area, which is home of MacDill Air Force Base. In addition to Central Command and Special Operations Command, we also have the air refueling wing.

So all of the questions that have been asked on the tanker program and KC–X, I would appreciate, as Mr. Marshal has requested, a briefing in my office on the—I am new. I would like a briefing on the history of the procurement and development process, a specific timeline moving forward, especially to ensure that we are promoting fair and open competition and expending the taxpayer dollar in the most efficient way.

General MOSELEY. Yes, ma'am.

Ms. CASTOR. Next, I would like to go to your testimony adapting to non-traditional roles. I am very concerned with a portion of your testimony and the fact that airmen and women have stepped into fill joint war-fighter tasking and stressed skill areas in which other services are shorthanded.

It said the Air Force currently provides over 7,700 airmen and women to fulfill these in lieu of ground force tasking. Airmen and women fulfill in lieu of requirements in such areas as detainee operations, convoy operations and protection, explosive ordnance disposal, et cetera, et cetera, you have a long list here. And you say that the Air Force also fills another 1,200 join individual augmentee positions.

What is the most consequential impact to the Air Force because of this? And tie it to your budget request to where are we going to see that impact?

Secretary WYNNE. I can give you a specific instance of two missile technicians coming out of the northern tier states that are interrogators because they speak Arabic. They are not now missile technicians, they are interrogators, because they were asked for and assigned.

When they joined the Air Force, we appreciated their intelligence and made them missile technicians. They are not that anymore. If we were wrong and had excess, to the chairman's point, excess missile technicians, it would surprise me. We have a specific request for TO&E and we ask for them.

When we get them back, which they will come back to us, we will have to retrain them into the missile technician field, because they will not be as prepared.

So even though you say we have 7,700, roughly, people, that actually means we have at least double, because you have to have some downtime to prepare and some downtime following.

So we look at between 17,000 and 21,000 as the number of people we have involved in this exercise.

Now, that having been said, as I come down 40,000 in order to make sure in order to make sure I can recapitalize my force structure, this concerns me. It concerns me because it is growing, it is not shrinking. It was forecast to be shrinking about this time, yet it is actually growing.

To your point, we don't guard prisoners. The Air Force doesn't guard prisoners; we don't have prisoners. The Army guards prisoners. For us to have prison guards at Camp Bucca is an anomaly for us. We are very proud of the people who are doing it, by the way. I mean, they are doing magnificently. They bring different things.

It has caused us to change our training regimen. We now have emergency medical training, we have rifle training, we have things that we did not have. We have convoy training. We are the only service that has convoy training, because we felt like if we were going to make our people convoy drivers who used to be snowplow operators, they are going to get trained. So this is where we are coming from.

Chief, do you have a comment?

General MOSELEY. As we have looked at the total number of folks that have done this, we have asked for a scrub to see what we have been asked to do with our people and are the people doing something that is relative to their original training. About a little over 80 percent of the folks that we have done this with have done something relative to their training or within their competency.

We have had to refine that a bit or we have had to help them a bit, but for the most part, they are in something that looks like what they have been trained to do in the Air Force. We have just taken that to a different level.

But, ma'am, the part that concerns me alongside the secretary is that 25 percent or so that is not within their core training. We have done this for the right reasons. We have done this because we are a military at war, and the land component is stressed, and the

land component has asked for assistance from the Navy and the Air Force in doing this, so it is the right thing to do.

But as the mobilization policies now allow the chief and the secretary of the Army to be able to get at its guard and reserve in a bit different way, I anticipate this non-core competency number coming down for us.

Ms. CASTOR. And the Army chief of staff has—may I continue for a moment?

The CHAIRMAN. You can come back.

Ms. CASTOR. Thank you.

The CHAIRMAN. Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

One of the benefits of being the last person is I have got to hear everything that has been discussed in the previous questions.

And, gentlemen, and thanking you for your service, and I must say that so far the only good news that I have heard is the introduction of the incredible Air Force personnel that you have behind you and their individual accomplishments and contributions.

You have painted a picture that is very dire. The space no longer a sanctuary, loss of the aerospace industrial base, the recapitalization being a significant gash into the overall personnel that you have, which, of course, with your concerns of the loss of intellectual capital, and of course I see that as a potential loss for ingenuity, the concern that you have in your overall competitiveness and the equipment that you are seeking and that you see as next generation.

It is interesting, as you two gentlemen paint this picture, I do think that there is not a sense, specifically in Congress, of the Air Force waving the flag of concerns of its situation.

General Moseley, I told you before that I think that the Air Force budget hearing is one of the least attended hearings that we have in HASC. The number of people that believe that there is an emergency or of a grave concern for the Air Force on this committee or in Congress is probably fairly low. And I would think that the Air Force could do a better job in waving its flag of, "We have serious concerns that need to be addressed."

Secretary Gates, when he was here, I had asked him about the recapitalization plan and my concern, which you guys have shared, of the 40,000 personnel that are to be cut and whether or not that that needed to be reviewed. And he indicated that as a result of the additions to the Army and Marine Corps, that it may cause the reconsideration for the Air Force.

General Moseley, you have indicated, of course, that with the flight time dropping that you believe that that may be too far.

Secretary Wynne, I don't want to diminish the concern that this is a self-inflicted wound in looking at your concern of whether or not you would receive your top line increases that you had wanted in equipment, but I must ask, I am very concerned that the recapitalization is going to occur at the ability of the Air Force to advance or function.

And you began your presentation by indicating that you are an Air Force at war. You stated some concerns, but I am very concerned that if the recapitalization with the force shaping plan goes forward, that what we might have is an Air Force that is unable

to go to be our advantage on the battlefields of tomorrow. And I would like your further comments.

Secretary WYNNE. Well, as the Army is seeking a mine-resistant vehicle because the Humvee did not work, we want a fifth generation fighter, we want the right kind of modern tanker, we want the right kind of modern ISR equipment, and we want the right kind of lift capacity to make sure we can fight also a modern war against a different future enemy.

I think that the capabilities that we have to fight the war today gave us a huge complement. I mean, I would say that our ability to contain air dominance is well known throughout the world. What we are wanting to make sure is, and as I say, it is the duty of every airman to make sure that the next generation airman feels that same confidence and that same capability, and that is where we are headed.

I would tell you just in the area of your concern, pushing things into the laboratory and making sure that we right the laboratory capabilities so that Wright-Patterson becomes again the technical center of aerospace in America. I want that, and I will tell you General Bowlds is doing a great job.

And with your support, sir, I think we can get there. It is a concern of mine, though, as to how do we fit all of this into the package. And as General Moseley said, it was a pretty good battle. It took a lot of time to try to figure out how to squirt all this out.

General MOSELEY. Sir, as you look at these people, one of our blessings is we have the sharpest, smartest, most adaptable, agile people in any military. One of our curses is they make this look so easy people think it is easy. This is not easy.

And the recapitalization of this Air Force is a fundamental issue right now in this discussion that we are having over budget. Do we want to be the global Air Force that I think you ask us to be or do we want to be something else? Because we make this look so easy, people believe it is. That is a challenge.

The CHAIRMAN. I thank the gentleman.

I might say to Ms. Castor and to others that we will have a second round, so if you have other questions, please stay.

Mr. Ellsworth.

Mr. ELLSWORTH. Thank you, Mr. Chairman.

Thank you both for coming.

I appreciate your hospitality at the Pentagon a couple weeks ago, but I have got to tell you when I walked out and got on the bus I think the captain, and I hope I got that rank right, had to help me pick my jaw up off the concrete before I could get on the bus. Because I walked out of there thinking that I came into this job two months thinking that we were the best equipped and most advanced, and I walked out of there now having concerns that you are expressing again today.

My question is that we had a small debate last week for about three days at the end of the week that got a little attention across this country and across the world, and a lot of that debate was about the message we were sending to our troops and the message we were sending to our enemy.

And I can't help but sit here and think that hearing what we are hearing today, and I assume there are reporters here and they

hear that wings are falling off and that we can't fly our planes at Mach 2 or whatever it was, that we have to fly them slower than what they were designed for.

I don't have any feelings that we won't hear doom and gloom from the Army, the Marines, the Navy, that they are short on equipment, like you said, Mr. Secretary. What message, in your opinion, are we sending to our troops? And like you said, they will stand up and they will do their job and they will fly in there and flap their wings if they have to, I know that, to fly and do their mission, but what message are we sending to our enemy, and what message are we sending to our troops in this type format when we don't supply them the best and most modern equipment available to us?

Secretary WYNNE. Well, there is no doubt in our minds, sir, when the North Koreans wake up in the morning they are not worried about an invasion; they are worried about the United States Air Force. When the Chinese think about how to fight the Taiwan Straits, they are worried about the strategic Navy and the United States Air Force.

In the same way, I think we deserve to make sure that our people can fight the fight that you ask of us, and right now I would tell you that I think we are prepared to do that.

In World War II, by the way, the bravery of our airmen took on an air force that was superior to theirs, and we lost a lot of great airmen bombing Ploesti, bombing Berlin, bombing Tokyo. Doolittle signed up phenomenal people that went to the Tokyo raid.

So our message to our airmen is, "We believe in you, and we are going to support you to the maximum extent possible, and we have a duty to future airmen to make sure that they are as confident and as capable as you are." And that is our message.

And to the bad guys, "We will bring the fight to you."

Mr. ELLSWORTH. And just as a follow up, I guess I would say, what message is Congress sending by putting the boomer in a 45-year-old plane? Are we not sending that same message that we aren't supporting—you know, we can pass a resolution that says, "We support you."

The proofs in the pudding, and I am putting you in a plane that is not safe, we can't fly at the speed it is designed and it is 45 years old, unless you tell me that that is a great plane, it is still good. Then we are sending the wrong message that way, Congress—I am not talking about you, I am talking about us sending the wrong message to our troops and to the enemy by not backing you. We are on the same playing field here. I am talking about we need to step up and do our duty. Put up or shut up.

Thank you.

The CHAIRMAN. I thank the gentleman.

Before I call on Mr. Wilson, I am concerned about this same area of readiness.

I understand while I had to step away that you did discuss readiness, but I think it was also testimony that there is a 10 percent reduction in flying hours, and then, General, I think you said, "We are as low as we can go."

Aren't these terrible risks when you cut flying hours that much? Are we going to find ourselves engaged in combat, not quite as capable as we were a year ago?

General MOSELEY. Sir, 10 percent is a manageable cut, but my concern is that we don't get on to a habit pattern of continuing to raid the O&M accounts and the flying hour accounts. We have done about everything we can do to protect the investment accounts, to include taking more risk in the O&M account and in the depot account. We are about there now where I am not comfortable with any more risk.

Sir, I will tell you, some of the older pieces of our inventory, you couldn't generate those sorties anyway because the airplanes are getting old and they are breaking. So you couldn't generate those UTE rates in those squadrons.

The CHAIRMAN. What about additional use of simulators; is that helpful?

General MOSELEY. Sir, it is to a point. We discussed this before. I started flying airplanes when I was 14, so maybe I am a dinosaur about this, but there are certain things you can do in a simulator that are just that, you are simulating activities or procedural trainers. You have to be able to fly the airplane, you have to be able to understand the inherent dangers of aviation, and you have to be able to train at composite force levels. Now, the new simulators are wonderful, but they are adjuncts to procedural trainers. You have to be able to fly.

In the abstract, people say, "Well, you could just do most of this in the simulators and then only fly when you really have to."

Sir, that is a loser argument.

The CHAIRMAN. Let me point out that the B–2 pilots at Whiteman Air Force Base do a great deal of time not in the B–2 but in the trainers——

General MOSELEY. Correct.

The CHAIRMAN [continuing]. T–38s.

General MOSELEY. That is right, sir. And that is to get them airborne, to get them flying.

The procedural trainer that we have at Whiteman with the 509th is a great bomber simulator, but you still have to get them into the bomber and get them into exercises. And when you can't do that, you have to get them airborne.

Because, sir, you know from living there and watching us, this aviation stuff is inherently dangerous.

The CHAIRMAN. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you, Mr. Secretary.

General, thank you, and thank you for bringing your warrior colleagues with you too.

I am a 31-year veteran of the Army National Guard, and I appreciate your comments earlier about the Air National Guard and the competence and capabilities. I know Guard members are just very, very proud of their service in the global war on terrorism.

Additionally, my background, I am very honored that my dad served in the 14th Air Force, the Flying Tigers, during World War II in China, and three years ago, I had the opportunity to visit with President Jiang Zemin in Beijing. And for you and your colleagues,

I want you to know, you may not be appreciated as much today, but, indeed, President Zemin pointed out that the American military is revered in China for their efforts to provide for their liberation in World War II.

Additionally, I am grateful that I have a nephew that I visited in Baghdad last year. He is currently in Alaska. I am very proud of his service in the Air Force.

It has been asked earlier by a number of people about the CSAR RFP. I have a specific concern and that is, with all the other good questions, in the key performance parameters, one of the indicators that was not included was the terminal area of survivability. And I would just urge if there is an amendment, that that be looked at. And you have answered that, indeed, that pilots that have familiarity are participating in the process, and so I hope that proceeds.

Additionally, in your statement, you mentioned that the Air Force is exploring the concept of time-certain development, which would deliver an initial capability to the war-fighter in an explicitly specified much shorter interval. In the past, schedule-driven has had problems.

Do you see where this can be beneficial, Mr. Secretary?

Secretary WYNNE. Well, sir, I have the benefit of some history, and that is that on the F–16 program, they actually gave us not only a time-certain development of 36 months but also a specific amount of money that the corporation, if they overran it, had to put in their own. It was a head-to-head competition between, if you recall, the YF–17 and the F–16.

At the end of the day, also the Joint Strike Fighter was done on a relatively tight time schedule, at least in the concept development.

We think that time-certain development actually stimulates the engineering talent in America and creates problem-solving teams that would otherwise be kicked downstream. We also will tell you that a time-certain development essentially puts the—you have got to put the requirements on the table and you have got to stand aside and let the engineers develop.

So I do see and have participated a little bit in a beneficial event.

That having been said, yes, you cannot sacrifice schedule for quality; it is a balance.

Mr. WILSON. And in conclusion of my question, I appreciate so much Congressman Turner pointing out his concerns, but I appreciate, too, that you have indicated the American Air Force is equipped and prepared to face any challenges to our citizens, and that is your view.

Secretary WYNNE. Yes, sir.

Mr. WILSON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Jones.

Mr. JONES. Mr. Chairman, thank you.

And, General Moseley and Secretary Wynne, I bring you greetings from Seymour Johnson Air Force Base in Goldsboro, North Carolina, and we appreciate the Air Force in eastern North Carolina.

As I have listened to—and that is the advantage of being the last one—to so many excellent questions about budget and where you

are today and the things that you have got to do to remain strong, I want to ask you and look a little bit further, like 10 years out, that if we are having to make these decisions now—and I heard your comment, Secretary Wynne, and I would agree.

I mean, there is not a nation in this world that does not respect and know that we have the strongest air force, I don't think there is any question, but when I look at the financial shape of this country and it is getting—and according to David Walker, who has spoken to this committee, it is getting really tighter and tighter. And if we continue to—let's say we are in Iraq five more years, I hope to God we are not, but let's say we are, and we have to keep spending roughly $250 million a day in Iraq.

I know what you are saying but my question is this: China, we have a trade deficit with China that is somewhere around $400 billion. I mean, we are sending jobs there, we are sending American dollars there, they are putting it in their military.

When you are here before this committee saying, "Well, we are going to have to readjust here, readjust there," my question to both of you is, today we are, but 10 years from now—and I probably won't be in Congress 10 years from now, but there will be somebody else—10 years from now, if we are still having to have these debates and discussions that we have got to be more frugal with the dollar because we don't have many dollars, if that should happen, I am not saying it is going to, but if it should, where is China today with their air force?

Where will it be 10 years from now with their air force if we, in this country, have to continue to tighten the belt and cut back on our Air Force?

Secretary WYNNE. Well, sir, let me start by saying, I had the very good privilege of being at Seymour Johnson Air Force Base and watching the 96 Eagles line up, and it is an awesome, awesome sight. I also had the great opportunity to interact with the citizens of Goldsboro who support that base, and it was inspiring.

And I want to thank you because I know you know that Seymour Johnson was the source for the 21 airplane salute over President Ford's funeral, and that great tanker squadron, the Reserve squadron there, as well as the active duty squadron interacted terrifically to make that look seamless and flawless and easy, just like we talked to Congressman Turner's question. Sometimes the Air Force makes things look very easy.

And we actually captured a film on You Tube that we use at the Air Force Association that citizens around Grand Rapids took and filmed, but we can never find out who did it. But they put it up on You Tube and it was Taps with a 21-airplane salute into the flag. It was awesome. And so I use it as the Air Force Association as a dessert after I have bored them with my speech.

Mr. JONES. Thank you, sir.

Secretary WYNNE. I will tell you that I do worry about the concern that you have expressed. As they did in the ASAT test, the Chinese are becoming awesome investors. They are focused, they are deliberate, and they are working the problem very hard. I would say that over the next 10-year period, we need to work with them, if you will, to bring them in in a manageable way, because I would not like to be their opponent.

What I would like to be is I would like to be, if you would, their world partner in managing them into the world, and that is really our stroke. And it is going to be a carrot and stick, and I think one of the things that you are emphasizing is we have got to be careful that the stick doesn't look too weak.

Mr. JONES. Yes, sir. Thank you.

General MOSELEY. Congressman Jones, their air force is a good air force. They feel that a new fighter that they have got in squadron strength, they are co-producing fourth generation systems that are designed in Russia. They are extending the range on their bombers, they are building new tankers, they are building new AWACS, they are watching us, what we have done for the last 16 years, and they are doing the same thing.

Sir, I will tell you, it may be a time for a discussion about percentage of GDP on defense budgets. That is not going to be my lane to make that call, but when you talk about the challenges that you are addressing, we are sitting right now with the lowest percentage of GDP since we have been fighting wars, for sure since World War II, let me say it that way.

So I offer to you that this country can afford the best Air Force, this country can afford the best Army and the best Navy and the best Marine Corps. And so it is based on what you want us to do, and it is based on how do we buy ourselves out of a procurement holiday that has taken us to an average age of 25 years on this inventory.

Mr. JONES. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. Thank you, Mr. Chairman.

Mr. Chairman, during the first round of questioning, I was inquiring about cost savings. In the first round of questioning, we explored the current policy, which is in U.S., which doesn't permit the Air Force to retire certain airplanes that they would like to retire, and we found out that it costs us about $1.7 billion a year to keep those airplanes sitting on the ground. And I know that you had to step out during that time, but I just wanted to mention it again, because I think it is extremely important.

There is another cost savings set of exercises under way initiated by the Base Realignment and Closure Commission actions in 2005. And one of the concepts embodied in those recommendations is joint basing.

Actually, I became involved in joint basing two years before BRAC did. I went to visit Phil Grone and I said to him, "Look, the three bases that are contiguous in my district, McGuire Air Force Base, Navy Lakehurst and Fort Dix Army Base, are three pieces of real estate that sit right next to each other, and when I visit each of the bases I see a set of activities at McGuire and a set of activities at Lakehurst that are the same as the set of activities at McGuire and another set of activities at Fort Dix that are pretty much the same as the sets of activities that I saw at the Air Force base and the Navy base."

And so I said, "Why don't we try to create a concept where people can share assets and services can share services and save the taxpayers money and give us money to divert to other things that are

meaningful in terms of our national security?" And that, I believe, is how jointness got started.

The 2005 recommendations came out, the jointness recommendations were involved with my bases at McGuire, Fort Dix and Lakehurst as well as Fort Lewis and other bases around the country. That process is ongoing and inching forward.

Now, I know that there are a lot of important questions to discuss and a lot of important decisions to be made. Two of the most important, which are currently under discussion, and I am interested in getting your perspectives, are whether or not land should be transferred from one service to another, that is number one, and number two is, how we can protect and maintain the proper quality of life issues between and among the services.

I think those are two really important questions that are slowing the process down. And I am not in a position to make the decisions, but I would sure like to think I am in a position to encourage all the services to make these decisions.

So I would be interested in your perspectives on those.

Secretary WYNNE. Well, thank you, sir.

When joint basing started, it was in fact to avoid duplication in the procurement of services and avoid duplication in the performance of administrative duties. It has gone beyond that, and it has gone in a direction that, frankly, our Air Force doesn't like.

First, our Air Force actually fights from the bases that it occupies. This is our place. Whiteman Air Force Base is the place that we take off from. McCord Air Force Base is a place that we take off from. We want to make sure that our quality of life for our people are very well developed.

My approach to joint basing is real simple: I want joint basing to be a raging success. In becoming a raging success, I want to make sure that it adheres to the highest standards for quality of life for all of the individuals that are attracted to that base. If another service has a lower set of standards and I can raise those at this particular joint base, then their people will be delighted as customers to come to that joint base. This is what I think joint basing should be, because it will draw high performers and it will draw a success story.

I do not believe that we should transfer land, I do not believe that we should transfer assets, I do not believe in the landlord concept of accomplishing this thing. I don't think that is what we set out to do in the first place. This was more of a trial and pilot to try to drive efficiencies into the system. So I am pretty concerned about this.

General MOSELEY. Congressman, please let us, for the record, provide you the matrix that we asked our judge advocate generals to create for us that shows when you transfer the property what legal authorities transfer with that as the commander of the oversight authority for the installation. It is a staggering list of things that goes down to even include response for Freedom of Information Act by citizens in the vicinity.

So please let us provide that for the record, and I will echo with my boss, same.

Mr. SAXTON. Thank you. I look forward to receiving that.

The CHAIRMAN. Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman.

And thank you to both of you for being here. I was able to hear your testimony, although I had to leave for most of the questions for some other committee responsibilities. But I appreciate your being here and especially bringing the young people who are so outstanding to our country. It was good to hear their background and all of their accomplishments.

Thank you all.

I am not sure whether this particular question was asked but I wanted you to just help us out a little bit with some of the "in lieu of" jobs that have impacted the training of traditional Air Force pilots.

I am not sure if you addressed that, but we know that certainly many of our airmen have been asked to take on some responsibilities that perhaps they were not specifically trained for, and I am wondering if you could discuss that and has that impacted readiness out of all and their ability to continue to be as sharp as possible in the fields in which they actually did train for?

Secretary WYNNE. Thank you very much.

I would say this way: We believe that when the Army is stressed and when the Army requests under duress, we should be supportive. We try very hard not to let it affect our pilot community. It does affect our maintenance, our support and our administrative and especially our security forces that are, if you will, a lot more like Army.

But when you get to the point, as we look at this, where we are trying to buy armored security vehicles and the Army is trying to buy fixed-wing aircraft, you have got to wonder, what is going on here? And I would say to you, what is going on here is we think that with the increase and reset of the Army ground forces and the Marine ground forces, we need a reevaluation to make sure that we are applying and requesting the taskings in the right way.

It does affect our training. We lose these people, they are not doing the job that we have asked them to do for at minimum the time that they spend on the ground. But what is hidden, just like it is hidden in the Army, is the training is spent up and then the retraining of the opportunity after that. So we do not get our airmen back. So even though we say we have about 7,500 that are currently involved, you think about it and it is about 21,000 for the spent up, for the actual performance and the spend down.

Chief?

General MOSELEY. Ma'am, one of the numbers we talked about a while ago was about a little over 80 percent of the tasking that we have under this in lieu of tasking business is something that looks like a core competency of the Air Force. So a little over 80 percent of the people that do this are doing something that they actually have trained for in some fashion in the Air Force.

So it is not as bleak as you think. The problem is the 20 or 25 percent that are not. And we send them out to do something that is not a core competency for the Air Force.

The secretary mentioned a bit ago guarding prisoners. The Air Force doesn't have a prison. The Navy and the Army have prisons. We almost never have one in prison. So we don't have a com-

petency of prison guards, so we have to take someone and train them to do that.

But I will tell you, ma'am, the country is at war, and the American military is at war, and the Army is stressed. And so the things that we can do to partner with them really, really matter. And the things that we can do to help really, really matter.

This growth that we are going to see and this expansion that we are going to see in brigade combat teams and the ability for the Army to mobilize a bigger portion of its guard and reserve should minimize these out-of-competency taskings for the Air Force. We are going through that process right now to see about going to zero on the taskings that are outside of our competency. But the ability to partner and the ability to fight this war on a global scale, that is a big deal for all of us.

Ms. DAVIS OF CALIFORNIA. Thank you.

And in terms of the leadership, are you more likely to lose some of your mid-level leadership as we proceed in this way? Is that a worry?

General MOSELEY. Ma'am, right now, our retention numbers are higher than they have ever been, but you are asking the right question. If you continue to send people to do things that they did not sign up to do or is outside of their competency, you can bet we will see impacts on that with retention.

Secretary WYNNE. It is the old, "Once is an adventure, twice is a job."

Ms. DAVIS OF CALIFORNIA. Thank you very much.

Thank you very much.

General MOSELEY. Ma'am, can I follow up, though? These people are incredibly brave, and they are out there doing things that they didn't sign up to do, and they are out there doing this very, very well. Because we hold the standard so high on training of the Air Force, we hold our recruiting standards so high, these are very valuable people to be out there doing that. I am proud of every one of them that we have sent out there.

Secretary WYNNE. Absolutely.

Ms. DAVIS OF CALIFORNIA. Thank you.

The CHAIRMAN. I thank the gentlelady.

Mr. Turner.

Mr. TURNER. Thank you.

Mr. Secretary, to get back to the recapitalization issue, I have no question concerning your need for equipment and modernization. Of course, my concern, as I expressed it, was that doing that at the cost of cuts in personnel may have a result of risk of future consequences.

And my point that I want to just leave with you as I go to other questions is that I don't think that we have had a real clear picture given to us of what those costs could be of those future consequences of choosing this tradeoff.

General, you had said about the Air Force making it look easy. If you tell us that you are going to look for efficiencies, everybody is for efficiencies, but if you paint a picture of what the actual risk of future consequences are, we have a greater understanding of what is occurring and then a greater ability to respond to your needs.

One other comment on statements that you have made concerning the loss of the aerospace industrial base. As you know, General, it has been an issue that you and I have discussed before.

Mr. Secretary, I would greatly appreciate if you would adamantly communicate with the Commerce Department your concerns and issues, because I don't think our Commerce Department has as great of a concern as they have opportunities for trade that can support our aerospace industry. They do not see them as important.

And, certainly, we cannot just support the industry by appropriations with the military side. It also takes a robust economy and a robust trade. I think hearing the opinion of you two gentlemen in Commerce could help them as they have issues that they could advance to support the aerospace industry.

And, General, I wanted to thank you for—General Deptula has been a great deal of help to me on the issues of NACIC and DAI and the issues of overlap or permanent responsibility assignment discussions. I have a great deal of concern, as you may be aware.

NACIC is a jewel that has performed well, and as we look to the future, we are not going to have a lessening need for intelligence, and I am greatly concerned that territorial battles might weaken our overall ability on the intel side. I know that your elevation of the deputy chief of staff for intelligence that might be certainly a sign of your agreement that this is an area of our need to protect those assets and to grow them.

And I just would like your thoughts from the two of you concerning intel in Air Force's areas and where you might see that there are concerns of overlap and diminishing the Air Force capabilities?

Secretary WYNNE. Well, one of the things that we are trying to do, even with this remote operated visual enhanced received, the ROVER system, is to actually diffuse intelligence right down to the tactical commander, whether he is in a combined air operation center or in an airplane or right on the ground as the tactical ground commander. So we are actually trying to make sure that intelligence is, firstly, boldly fused and driven down to the tactical level.

Having General Deptula, by the way, who is a real smart fellow, helps us because he now can interface with what is available, what should not be, what needs analysis and what does not need analysis, how to protect that information as it goes to that tactical area. So we are benefiting dramatically from all of the aspects of intelligence, but one of the things is just to focus.

It is just as you said, focusing on it, just like where now we are focusing on cyberspace. We are focusing on cyberspace, it feeds intelligence, intelligence feeds cyberspace. We are truly benefiting and we are blessed with the people we have in there.

General MOSELEY. Sir, having been in the building when it was hit on 9/11 and then having read the 9/11 Commission report, I concluded that our intelligence system could use a little rework inside the Air Force.

So when I became the chief, that was one of the first things that I did was hold an intel summit and decide to move a lieutenant general to be in charge of Air Force intelligence and allow that person then to streamline all of the functions inside the Air Force to

be able to protect the intellectual capital of things like NACIC and to be able to protect where we are and to be able then to allow those people to grow into different areas.

So you take the person and grow the person as fast as you can, but you set the institution up to deal with this new global threat that is completely different than when I started this 30-something years ago.

And the way to get at that is to have the right set of tools with the right set of intellectual capital and the right set of creativity inside that intelligence system to be able to deal equally with land component, maritime, special ops and the interagency. So it is not just inside the Air Force; it is the ballooning of opportunity out there and the ability to interface and share.

I think we are doing a better job with this, and I think this template is going to pay big benefits for us.

Mr. TURNER. Good.

General MOSELEY. I know it will for the people, which for a chief that is a critical piece, to take care of the people. And so for a lieutenant to come into the intel world or a junior enlisted person to come into the intel world and then go into this new business that includes cyberspace, the strategic threats and the ability to wrap up things like NACIC, this is pretty exciting.

Mr. TURNER. Thank you, gentlemen.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Turner.

General, would you say that the personnel in the Air Force are being stretched and strained today?

General MOSELEY. Sir, I would say, yes, we are.

The CHAIRMAN. All right. You are stretched and strained today, and you have loaned the United States Army 7,700 airmen; is that right?

General MOSELEY. Yes, sir. And, for the most part, they have given them back.

The CHAIRMAN. All of them?

General MOSELEY. Well, we have some that have transferred to the Army but not many. But we have got most of our people——

The CHAIRMAN. How many out there are on loan to the Army today?

General MOSELEY. Sir, to the exact number——

The CHAIRMAN. Give me your best judgment.

General MOSELEY. I think there is about 5,500 or 6,000, somewhere like that.

The CHAIRMAN. Fifty-five hundred are still out there.

General MOSELEY. Yes, sir.

The CHAIRMAN. And you are asking for a reduction in numbers in personnel of how much?

General MOSELEY. Forty thousand.

The CHAIRMAN. That bothers this country boy from Missouri, because you are going to stretch them and strain them, 40,000 and 7,500 more; am I correct?

General MOSELEY. Yes, sir, but, remember, the reason that we waded into this was to protect the investment accounts to recapitalize an Air Force that——

The CHAIRMAN. No, I understand all that. I am talking about the sergeant that is out there and he sees his brother being led off to do Army duties and a cut is coming of 40,000. He is going to say, "My gosh, I am working as hard as I can now and the corporals there with me are working as hard as they can now. What do they expect?"

So explain to this sergeant why the 40,000 on top of the 7,500 is being taken away.

Secretary WYNNE. Well, sir, we are down now——

The CHAIRMAN. Oh, no, no. I am asking the general.

Secretary WYNNE. Oh, I am sorry.

General MOSELEY. Sir, we have some efficiencies in the system that take up some of the 40,000, but that is not the biggest number. We don't have fleets of people managing vehicles. I mean, we have some efficiencies in the system that help.

The new bomber will take less crew chiefs than the B–52s. The C–5 and the C–17 are big differences, the F–22 and the F–15 are big differences. We deployed less stuff and less people, but that is not the preponderance of the 40,000.

The CHAIRMAN. That is just going to be a small amount.

General MOSELEY. The 40,000 is to protect the investment accounts.

The CHAIRMAN. Now, what in the world does that mean?

General MOSELEY. That means if we don't do anything, given the top line that we have got, this Air Force will go from age 24, average, for the inventory to age 30 and then pretty soon we won't be able to fly any of the broke airplanes.

The CHAIRMAN. So you are reducing numbers to get more new airplanes.

General MOSELEY. The entire capital investment, sir—spacecraft as well as aircraft and as well as ground equipment.

The CHAIRMAN. But that is why you are reducing the numbers, to get things.

General MOSELEY. And to protect the depot accounts and to protect the O&M accounts and to protect the quality of life on the bases and to protect all of the things that we do as an Air Force to be able to get underneath the physical guidance and beneath the physical guidance in the topline. That is where we had to go to keep the investment accounts healthy?

The CHAIRMAN. How much more strain will there be on the Air Force sergeants in this world? If they are strained right now, how much more are they going to be strained when you take 40,000 out and 7,500 are bled off to the Army?

General MOSELEY. Sir, we have got about a dozen stressed AFSC, our Air Force Specialty Codes. Those are the most stressed of all and those are the——

The CHAIRMAN. How do you unstress them?

General MOSELEY. The challenge here, in the case of the PJs, we don't have enough PJs because the appetite for PJs is so high and the school house is so long. You continue to recruit PJs and train them as fast as you can, but you never meet the appetite.

In some of our AFSCs that are stressed, we have 120 percent of manning in the AFSC but we don't have seven levels and five lev-

els experienced crew chiefs, for instance. So part of this is just aging the force. Part of this is experiencing the force.

But, sir, we had to come off of the manpower to be able to protect the money, to be able to protect the quality of life, the depot accounts, the O&M accounts and the investments.

Now, the challenges that we will face here is when the Army and the Marines grow. We don't yet know what that means, because we have not seen the analysis and the breakout of the brigade and regimental combat teams.

Because, sir, you know very well, we have a lot of people that live with the land component. Our special ops folks, our ETACs, our JTACs, our ASOS, ASOGs, our combat weather, combat COMs, all of those people live out there with the Army, and so if the Army brigade combat teams grow, these people will grow in numbers. And so that is the part that we are going to spend some time over the summer working close with the Army to see where that takes us.

The CHAIRMAN. You are a potential Air Force recruit, and you know of the stress and strain, and you know of the 7,500 bled off, and you know that the Air Force is going to shrink in size. Don't you think that will have a chilling effect on this bright, young high school graduate from joining?

General MOSELEY. Sir, that is a great question. Let me tell you where we are right now. Of every 100 people that we contact or that contact us to become an enlisted person in the Air Force, we only take one. So we are fairly selective in this business of entry into the Air Force.

So there is some opportunity out there that we don't avail ourselves of. On the officer side, we only take 30 out of 100. We have not had issues yet with recruiting nor have we had issues with retention, because we spend a lot of time on quality of life in our bases and where our families live and where our people work, and we focus a lot of time on education opportunities in PME so people can grow inside the profession.

But, sir, right now, we are only taking one out of 100, and we have not lowered the recruiting standard. We have not lowered anything about recruiting or about——

The CHAIRMAN. In other words, you are turning some of them down.

General MOSELEY. We are turning 99 away for every one kid we take to become an airman on the enlisted side.

The CHAIRMAN. How about your officer corps, your young officer corps? How is ROTC doing? How is the Air Force Academy doing? Are they coming and staying in?

General MOSELEY. Sir, for the most part, yes. Our retention numbers—we are always going to have challenges with pilots, we will always have challenges in some special engineering fields, but for the most part, if you continue to produce somewhere around 1,100 pilots a year, you will be okay. And we are moving toward that magic number of 1,100.

The CHAIRMAN. I want to thank you, Mr. Secretary, General Moseley, for being with us today.

We have a series of votes now, and if there is no objection, no further questions, appreciate it.

Secretary WYNNE. Thank you, Mr. Chairman.
General MOSELEY. Thanks, Mr. Chairman.
The CHAIRMAN. Adjourned.
[Whereupon, at 12:52 p.m., the committee was adjourned.]

A P P E N D I X

February 28, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 28, 2007

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE ARMED SERVICES COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: FISCAL YEAR 2008 AIR FORCE POSTURE

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

GENERAL T. MICHAEL MOSELEY
AIR FORCE CHIEF OF STAFF

28 February 2007

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

1.0 Maintaining America's Edge

We are America's Airmen. Our mission is to deliver sovereign options for the defense of the United States of America and its global interests – to fly and fight in air, space and cyberspace.

Our Air Force Core Values of Integrity First, Service Before Self and Excellence in All We Do – embodied in every Airman – guide our actions and ensure your Air Force remains committed and ready to deter, dissuade or defeat any adversary anywhere in the world.

As Airmen, we are the Nation's premier multi-dimension maneuver force, with the agility, reach, speed, stealth, payload, precision and persistence to achieve global effects. Control of the air, space and cyberspace domains provides the essential bedrock for effective Joint operations – securing freedom to attack and freedom from attack.

In 2005, we revised the Air Force mission statement to include cyberspace. This inclusion of cyberspace reflects our recognition of cross-domain interdependence and emphasizes our non-negotiable commitment to deliver sovereign options for the US through not only air and space but also cyberspace.

Our 2007 Posture Statement articulates the major elements required to fulfill our mission. It reaffirms our commitment to focus our energies on the Global War on Terror (GWOT); to develop and care for our Airmen and their families; and to recapitalize and modernize our aging aircraft, spacecraft, and equipment.

Our top acquisition priorities include: the KC-X Tanker; the CSAR-X Combat Search and Rescue Helicopter; space communications, space situational awareness and early warning programs; the F-35A Joint Strike Fighter (JSF); and Next Generation Long Range Strike – a new bomber.

Our Posture Statement further reaffirms our commitment to be good stewards of the resources entrusted to us and our resolve to dominate air, space and cyberspace in defense of our Nation now and in the future.

1.1 Challenges

America's Air Force faces significant challenges. We have been engaged in combat for 16 years while transforming into a smaller, leaner and more capable force. Fiscal constraints combined with operational challenges and a dynamic international security environment translate into risks we continue to manage and mitigate in order to provide capabilities America needs. The Air Force continues to fight the GWOT and prepares to face and overcome threats and conflicts of the future. In order to remain dominant, we must maintain our air, space and cyberspace power advantages over potential adversaries.

Modern warfare is changing. This is nothing new to America's Airmen, whose heritage spans and embraces change and whose culture embodies courage and innovation for America. We are ensuring a lean, lethal, and agile Air Force for America. We are building and posturing our force structure to meet future threats emerging on the dynamic world stage, and we are strengthening the interdependent Joint team.

We face a security environment that poses an array of dynamic challenges and threats. The 2005 *Quadrennial Defense Review* (QDR) characterized this threat environment and mandated force structure goals for all of DoD. The Air Force and all of the Services must be able to operate and defend against *traditional*, *irregular*, *disruptive* and *catastrophic* threats. In the future, the Air Force and the entire Joint Team will operate within a strategic environment involving one or more of these challenges. We will prepare to defend against high-end conventional forces, asymmetric threats and irregular forces such as terrorists or insurgents. To mitigate potential for disruptive surprises, we will strive to stay ahead of adversaries' technology efforts. Most importantly, we will protect our Homeland from hostile states' and non-state actors' use of weapons of mass destruction (WMD) and attacks in and through cyberspace. The threat array requires that we prepare the Air Force for a broad spectrum of future conflicts. At the same time, several factors have created a difficult and challenging fiscal environment in which to organize, train, and equip for the future.

The 2005 QDR specified a Force Planning Construct to shape the entire DoD force to protect our Nation, its ideals and interests now and in the future. Originally presented in the *National Military Strategy* (NMS), the Force Planning Construct provides guidance for determining the capacity and capabilities needed to meet both steady state and surge demands for homeland defense, irregular warfare, and conventional campaigns. As a result of the NMS guidance

and comprehensive analysis, the QDR determined America's Air Force needs to organize, train and equip 86 "modern combat wings."

1.1.1 Emerging National Security Concerns and Threats

While the GWOT is our immediate priority, America's Airmen must also stay ahead of competitors preparing for conventional conflict and attempting to counter the asymmetric advantage our air, space and cyberspace power currently gives our Joint Team. Sustaining US advantages in such conflicts will become increasingly more challenging as advanced air defense, aircraft, WMD, cyber and anti-satellite (ASAT) capabilities proliferate.

Integrated Air Defense Systems (IADS) continue to evolve, placing current generation aircraft at increasing risk. Modern IADS incorporate more data sources, process and pass information faster, and are increasingly mobile. Man-portable air defense systems (MANPADS), shoulder-fired SAMs, also are an increasingly serious threat. Their availability, affordability, and proliferation increases the likelihood of modern MANPADS ending up in the hands of non-state actors, placing US civil and military aircraft at risk around the world.

The lethality and availability of fourth-generation combat aircraft is also increasing, and potential adversaries are already purchasing and fielding these complex and capable weapon systems. Many nations are enhancing the capabilities of their existing fighter and bomber aircraft through use of aerial refueling, signature reduction technology, and cyberspace weapons that inject confusion or mask operations. Ever greater numbers of states are not only

acquiring advanced aircraft, but are developing indigenous production capability, increasing the likelihood of proliferation.

Proliferation of WMD to countries and non-state actors remains a significant challenge to US interests and a top priority in the QDR. While nuclear weapons and materials proliferation always pose grave dangers, chemical and biological weapons pose arguably greater detection challenges. Easier and less costly to make than nuclear weapons, chemical and biological weapons are easier to transport, produce and mask from detection because they can be camouflaged as dual-use civilian industrial products. Proliferation may also enable future adversaries, especially terrorist groups, to develop, use, or threaten to use WMD as an asymmetric response to American conventional warfighting dominance, which might otherwise deter them from directly challenging the US.

Perhaps less obvious, but all the more insidious, is the adversary's use of the cyberspace domain to support and carry out their attacks world-wide and on our shores. The adversary knows that they can contest our use of the electromagnetic spectrum and conduct their war of ideas from a supposed sanctuary in this domain.

Finally, we see challenges to our current advantages in the space domain. Employment of Global Positioning System (GPS) jammers in an attempt to reduce US and coalition air strike precision is an example. While we can currently overcome this threat through a variety of methods, such a challenge presents a warning and a valuable lesson as we posture our air, space and cyberspace forces for the future.

Recent foreign testing of kinetic ASAT weapon capabilities further demonstrates an explicit willingness to challenge, disrupt, or destroy America's space assets and capabilities. This testing also demonstrates a disregard for both American and global concerns over space debris and the damage it may inflict upon any object stationed in or traversing through low Earth orbit.

As technology matures and proliferates, and as access to space becomes available to more countries, organizations and individuals, threats to America's air, space, and cyberspace capabilities will continue to grow and evolve. America's Airmen aim to be ready to meet these and all other threats to our Nation.

1.1.2 Irregular Warfare

Our Nation is now in its sixth year waging the GWOT while the Air Force is entering its 17th year of engagement in Southwest Asia. Current conditions portend this to remain a long war. The enemy chooses not to operate as a "uniformed military," but rather uses criminal networks and terror tactics to attack from the shadows. They use indiscriminate violence against combatants and non-combatants alike. They extensively use propaganda to advance their radical ideology of tyranny and hatred. Iraq and Afghanistan are two current fronts in this war, but the struggle extends beyond these vital campaigns. The Air Force and the entire Joint Team must wage this war on a global scale, in multiple locations and domains at simultaneous times, and for a number of years.

We are strengthening our ability to deter and defend against non-state threats and our ability to conduct globally distributed irregular operations of

varying duration. We stand ready to conduct a large-scale, long-duration irregular warfare campaign as an integral part of the Joint Team, to include counterinsurgency, security, stability, transition and reconstruction operations.

1.1.3 Adapting to Non-Traditional Roles

Airmen are finding innovative new uses for our current systems while successfully executing irregular warfare operations in Afghanistan and Iraq. Airmen increasingly find themselves engaged in non-traditional roles requiring ingenuity and the use of Joint warfighting technology. Our missions and taskings range from standard close air support and armed reconnaissance to non-traditional taskings like convoy escort, infrastructure protection, provincial reconstruction, and host nation election support.

Still other Airmen have stepped in to fill Joint warfighter taskings in stressed skill areas in which other Services are shorthanded. The Air Force currently provides over 7,700 Airmen to fulfill these "In-Lieu Of" (ILO) ground force taskings. These Airmen fulfill ILO requirements in areas such as detainee operations, convoy operations and protection, Explosive Ordnance Disposal, Police Training Teams, Provincial Reconstruction Teams, Military Transition Teams, civil engineering, security, interrogation, communications, fuels, medical services, logistics, intelligence, and base operating support. The Air Force also fills another 1,200 Joint Individual Augmentee positions. Airmen began fulfilling these requirements in 2003 and will continue to do so through 2007 and beyond – until the ground force component recaptures these missions and our job is done.

Finally, Air Force mission, training, and force structure requirements will necessarily increase correspondingly as Joint ground force, Army and Marine Corps requirements and end strength increase. The full range of Air Force air, space and cyberspace capabilities and personnel are interdependently woven into Joint ground forces operations.

Recognizing there will be an impact of increased ground forces on our budget, we are assessing our programs. We forecast there may be increased requirements in the areas of inter- and intra-theater airlift; command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) capabilities; Close Air Support (CAS); Tactical Air Control Party (TACP) personnel; and extended ILO personnel requirements. While the Army and Marine Corps reset and recapitalize, we are following through in every way with our Joint teammates.

1.1.4 Defending Our Homeland

Future threats to our Homeland are constantly evolving. They present challenges to the established methods and structures of homeland defense. Development, fielding and proliferation of standoff weapons, such as long-range cruise missiles, provide potential adversaries with offensive capabilities of increasing accuracy and range. In addition, we can expect many of these future weapons to be of relatively small size, presenting an extremely difficult detection and tracking challenge.

As we safeguard the aerial, maritime and cyber approaches to our Nation, the Air Force will continue to play a large role in providing the full spectrum of air

sovereignty options, including air defense, missile defense and support to civil authorities for consequence management. Additionally, as illustrated by our response to Hurricane Katrina, the Air Force will surge and contribute to national responses in the event of natural disasters or catastrophic events, supplying airlift, communications, imagery from unmanned aerial vehicles (UAVs) and space assets, and combat search and rescue capabilities.

1.2 Cyberspace

America's Air Force is redefining air and space power for the 21st Century.

Our current and potential adversaries already operate in cyberspace, exploiting the low entry costs and minimal technological investment needed to inflict serious harm. We cannot allow them to expand their foothold. We seek to deny our adversaries cyberspace sanctuary while ensuring our access and operations in this domain. Our Nation's ability to deliver effects in air, in space, on land, and at sea depends on control of this domain.

Cyberspace dominance goes beyond communications and information technology. It requires superiority across the entire electromagnetic spectrum – DC to daylight – radio waves, micro-waves, infra-red, x-rays, directed energy, and applications we have not even begun to think about – to ensure global command and control, global reach, and global power. We have a well-established capability to operate in cyberspace. We take advantage of physics, technology, and synergies to operate in and through it. Therefore, we are establishing a new Cyberspace Command to stand alongside Air Force Space Command and Air Combat Command. America's Airmen are force providers the

President, Combatant Commanders (COCOMs) and the American people can rely on to preserve freedom of access and operations in air, space and cyberspace.

The newly designated Air Force Cyberspace Command will provide combat ready forces trained and equipped to conduct sustained combat operations through the electromagnetic spectrum and fully integrate these with air and space operations. In November 2006, we held a Cyberspace Summit and, in January 2007, we hosted the first-ever integrated cyber exercise, CYBER VISION 2007, at the US Air Force Warfare Center (USAFWC). This exercise focused on dominating the cyberspace domain in a potential conflict. These events and future integration of Cyber Aggressor Teams into RED FLAG will build upon the significant cyberspace capabilities we already contribute to homeland defense and the Joint fight.

Cyberspace Command will leverage, consolidate and integrate unique Air Force cyber capabilities and functions across the spectrum of conflict from peace, to crisis and war: Command and Control; Electronic Warfare; Network Warfare; and Intelligence, Surveillance and Reconnaissance (ISR). Many Air Force programs, while contributing to air and space power, also directly contribute to our dominance of the cyberspace domain.

1.3 Loss of Buying Power

While the Air Force is postured to meet our Nation's near-term requirements, our ability to meet steady state and surge requirements over the long term hinges on our ability to organize, train and equip 86 modern combat

wings, as mandated in the QDR. Achieving these goals will be difficult, as we balance fighting the GWOT, maintaining our readiness, maintaining America's air, space and cyberspace advantages, modernizing our equipment and capabilities, and shaping our Airmen, organizations and force structure for the future.

Several factors have applied pressure to the Air Force budget: GWOT and operations costs; increasing costs of fuel, utilities, manpower, and health care; increased costs to own, operate and maintain our aging aircraft; unforeseen BRAC costs; and lost savings due to Congressional restrictions on retirement and divestment of our least useful legacy aircraft. In particular, current legislative restrictions on legacy aircraft retirements, should they remain in effect, will cost the Air Force up to $1.74B annually through 2013. Although recent Congressional support for planned legacy aircraft retirements has aided our divestment strategy, unnecessary restrictions draw critical resources away from our aircraft modernization programs and degrade our efforts to recapitalize our aircraft inventory.

We are meeting our current wartime commitments. We are also operating within the resources entrusted to our service – we are staying in bounds. We are self-financing our modernization and recapitalization efforts to the maximum extent possible though initiatives such as Force Shaping, Air Force Smart Operations for the 21st Century (AFSO21) and aircraft retirements, while focusing on a "mission first" basis. Furthermore, we are committed to operate, organize, train and equip to meet the projected demands of the future – they are many.

The Future Years Defense Plan (FYDP) involves taking acceptable risk in lower priority areas in order to meet future readiness, capability, force structure and National Security requirements.

1.4 Next Generation Air Force

Our loss of overall buying power means the Air Force must attempt to rebalance our available resources and force structure to achieve Force Planning Construct goals. To reach our 2025 force structure objectives, we will synchronize our investments to maximize their effect.

In 2005, we began divesting significant numbers of our oldest, least capable, and most costly and difficult to maintain aircraft. In 2006, we also initiated a carefully calculated reduction in personnel end strength to match our declining force structure. As investments in research, development, and procurement grow, we will continue building our force structure towards 86 modern combat wings. Our personnel end strength must concurrently keep pace as we modernize our force structure. These two elements – force structure and personnel end strength – drive our resource requirements.

The Air Force is committed – now and in the future – to not only defend our Nation but also provide good stewardship of the resources entrusted to us. We look forward to working closely with Congress to ensure our force structure and personnel investments are synchronized, and our efforts to posture, recapitalize and modernize America's Air Force fly together in close formation.

1.5 Air Force Priorities

As the Air Force strives to defend America's interests within a dynamic strategic environment, we remain committed to our top service priorities, as stated by Air Force leaders and outlined in our Vision:

- Fighting and Winning the GWOT
- Developing and Caring for our Airmen and their Families
- Recapitalizing and Modernizing our aging aircraft and spacecraft inventories

These priorities, together with our Enduring Core Values of Integrity, Service and Excellence, provide America's Airmen a steady beacon, guiding how we organize, train and equip in defense of our Nation. Our national strategic requirements, global complexities and threats, and fiscal elements within the overall strategic environment will continue to shape how we execute these priorities. We remain focused on the GWOT, our people, and a modern, capable force.

Your Air Force is dedicated to maintaining, evolving, and expanding America's capabilities in air, space and cyberspace. These capabilities are America's Edge – the foundation of America's unparalleled Global Vigilance, Reach and Power.

2.0 Fighting and Winning the Global War on Terror

Our Air Force has been engaged in over sixteen years of continuous combat in Iraq, currently a central front in the GWOT. In addition to OIF, the Air Force is a critical player on the Joint and coalition team in Operation Enduring Freedom (OEF) in Afghanistan. Airmen also vigilantly defend the skies of our Homeland in Operation Noble Eagle (ONE). Our enemies are vile, unrelenting, adaptive and global. They are motivated by extremist ideologies and bent on subjugation and denial of basic freedoms of expression, government and religion. It will ultimately require all elements of national power to defeat them. Militarily, the Air Force remains committed to finding and destroying our Nation's enemies wherever they seek sanctuary, fighting side by side with friendly nations in this struggle against violent extremism.

America's Airmen operate on a global scale every day. The full, complete impact of Air Force engagement includes Airmen deployed outside of the Continental United States (OCONUS) to contingencies, forward deployed in Europe and the Pacific, and employed from their home stations as they execute global missions. The Air Force has nearly 30,000 Airmen deployed in Central Command conducting theater operations. Similarly, 60,000 Pacific Air Forces and US Air Forces Europe Airmen are fully engaged in the full spectrum of dissuasion, deterrence, coalition training, and military-to-military activities.

Furthermore, the inherent qualities of air, space and cyberspace – speed, range, and payload – allow the forward deployed Air Force footprint to be smaller, less vulnerable, and vastly more flexible. Airmen are also fully engaged

in the GWOT from their home stations, controlling satellites, standing on alert with intercontinental ballistic missiles (ICBMs), providing intelligence assessments, operating UAVs, and launching airlift, tanker and other aircraft missions essential to Joint operations worldwide. Every day over 200,000 Active, Guard, and Reserve Airmen fulfill COCOM missions around the world.

2.1 A Day in the Life of America's Airmen

The Air Force delivers Global Vigilance, Global Reach and Global Power for our Nation. America's Airmen provide vigilance that is persistent, focused and predictive; reach that is reliable, rapid and agile; and power that is flexible, precise, stealthy and decisive.

A snapshot of current Air Force operations illustrates the myriad ways in which COCOMs employ air, space and cyberspace power to accomplish their missions.

2.1.1 Global Vigilance

Air Force Global Vigilance capabilities are critical elements of the GWOT, at home and abroad. For instance, the Air Force currently operates and maintains satellites directly serving Central Command and providing the communications, sensor, and navigation capabilities on which the lives and missions of Soldiers, Sailors, Airmen, Marines and Coast Guardsmen depend. From bases in the continental US, our Airmen also maintain space situational awareness (SSA) for the region, tracking over 500 daily orbital passes over Baghdad of satellites of all nations.

Theater-based aircraft have become critical elements in the Counter-Improvised Explosive Device (Counter-IED) effort by "scanning and jamming." On a daily basis U-2s, Global Hawk and Predator UAVs, and E-8C Joint Surveillance Target Attack Radar System (Joint STARS) aircraft survey, track, identify – and sometimes destroy – insurgents and safe houses. In fact, the Air Force maintains over ten 24/7 UAV Combat Air Patrols (CAP) in Central Command, providing persistent ISR and – in the case of Predator – a lethal strike option. In addition to their global responsibilities, stateside Airborne Warning and Control System (AWACS) crews and airplanes fly and stand on alert as part of our homeland defense surveillance requirements.

2.1.2 Global Reach

Air Force airlifters and tankers provide the global reach that underwrites the Joint effort in the GWOT. An Air Mobility Command aircraft departs a runway somewhere on the planet every 90 seconds, 24 hours a day, 365 days a year. On a typical day, the Air Force flies over 250 airlift sorties, moves over 1,000 tons of cargo, and transports nearly 2,500 passengers. In Central Command, intra-theater airlift aircraft like the C-130 and C-17 have borne heavy loads, taking thousands of convoys off dangerous roads and reducing the threat of IEDs to about 8,500 people each month.

Aeromedical evacuation (AE) has emerged as a critical capability for the Joint Force. In fact, Air Force AE is responsible for the transport and care of over 36,000 patients in the GWOT. Our Airmen have achieved a record-setting average patient movement time of 72 hours, a dramatic reduction from the 10-14

days required during the 1991 Persian Gulf War. Such rapid global movement provides US service men and women the highest survival rates in the history of warfare.

Air Force tankers provide global mobility and reach for Air Force aircraft, the Joint Team and coalition forces. While the average tanker is over 40 years old, KC-135s and KC-10s nonetheless fly 30 tanker missions on a typical day in Central Command and stand on alert to provide additional endurance for our aircraft performing homeland defense missions.

2.1.3 Global Power

At the sharp end of Air Force capabilities, America's Airmen deliver Global Power in the GWOT. Using UAVs, tight air-ground integration, and time sensitive targeting, we have eliminated several high-value terrorist and insurgent targets in Afghanistan, Somalia and Iraq. In a war where intelligence is fleeting, the Air Force has made constant innovations to shorten the time cycle it takes to deliver rapid, precise effects. Fighters originally designed for strike missions are now using their targeting pods as non-traditional ISR sensors over Iraq and Afghanistan, providing a unique extension of both vigilance and power for the Joint Force Commander (JFC). Battlefield Airmen serve side by side with our Joint partners on the ground and use live streaming video from Predators or targeting pods to orchestrate rapid air and ground attacks on insurgents. The successful June 2006 strike against Al-Qaeda leader Abu Musab al-Zarqawi is only one illustration of how the Active Duty, Air National Guard, and Air Force

Reserve Command seamlessly integrate capabilities from around the globe into precise, dislocating, and decisive effect.

Since the beginning of the GWOT, the typical strike mission has evolved from a pre-planned sortie against a fixed target to a flexible, on-call mission profile responsive to a rapidly changing battlefield. In Central Command, fighters typically fly nearly 80 strike, electronic warfare, or non-traditional ISR sorties each day. Back in the US, fighters stand guard over our Homeland, ready to launch at a moment's notice. Worldwide, Air Force fighters and bombers, coupled with the strength of America's space and cyberspace capabilities, are the tools of reassurance, deterrence and dissuasion. America's Airmen are the global, strategic muscle behind US diplomacy, providing a lethal over-the-horizon capability to directly influence events on the ground – whether based in Japan, Guam, or Whiteman AFB, Missouri.

2.2 Fostering Joint Interdependence

Air Force dedication to Joint interdependence is illustrated in the GWOT. Around the world, we are committed to providing COCOMs an increased ability to integrate air, space and cyberspace capabilities and gain cross-dimensional synergies in pursuit of National Security Joint Force objectives.

2.2.1 Fifth-Generation Fighters

Currently in production and fully operational at Langley AFB, Virginia, the F-22A is the newest member of the Air and Space Expeditionary Force – our Airmen are putting the world's first fifth-generation fighter into action. Its

attributes of speed, stealth, maneuverability, advanced sensors and adaptable, integrated avionics will meet our Nation's enduring national security requirement to gain and maintain Joint air dominance, as well as enable precise engagement against a broad range of surface targets.

America's Airmen are understandably proud of their contributions to the Joint fight. They have prevented enemy aircraft from inflicting any US ground force casualties for over 50 years. We dedicate our efforts and risk our lives to sustain this record. Production in sufficient numbers of fifth-generation fighters – both the F-22A Raptor and the F-35A Lightning II – remains the best guarantee of homeland air sovereignty and Joint air dominance.

2.2.2 Numbered Air Forces

The Air Force has established component Numbered Air Forces (NAFs) dedicated to supporting each COCOM across the full range of military operations. Each component NAF provides an integrated and technologically advanced command and control capability, adaptable to contingencies across the spectrum of conflict. Over the next several years, we will continue to refine this command and control structure through the development of centralized "reach back" capabilities, integration of Guardsmen and Reservists, and more advanced cyber technologies.

2.2.3 Air and Space Expeditionary Force

The Air and Space Expeditionary Force (AEF) organizational construct is a modern design for the modern world.

Since the end of the Cold War, the Air Force has evolved from a force based at large, permanent US and overseas bases to an expeditionary force, requiring fewer permanent bases and using an expanded network of temporary forward bases. As we adapted to this new operating environment, we quickly recognized the deployment construct for our force also had to change. Since 1999, we have organized our Air Force combat forces into ten AEFs that present capability to COCOMs, provide trained and ready forces for emerging threats and contingencies, and help manage high deployment tempo through a stable and predictable rotation schedule. When demand for American air power skyrocketed after 9/11, the Air Force extended the deployment period from 90 to 120 days to accommodate the COCOMs' demands.

We continue to adapt our people and organizational constructs to ensure Airmen are highly motivated, exceptionally well trained, and equipped with the right skill sets to present the Joint warfighter with a broad set of capabilities. We realigned the AEF Center under the Air Force Personnel Center at Randolph Air Force Base, Texas, to leverage similar functions and merge permanent authorizations, wartime requirements, and assignments under a single commander. The Air Force is also moving forward with fielding of Contingency Response Groups (CRGs), organized, trained and equipped to provide an initial "Open the Base" capability to COCOMs. The CRG provides a rapid response team to assess the location-specific support requirements necessary to open an expeditionary airfield, as well as provide a rapid projection of America's vigilance, reach and power.

2.2.4 Joint Warfighting Integration

Due to the dynamic demands of the GWOT, Airmen fly strike, ISR, combat search and rescue (CSAR), AE, electronic warfare and airlift sorties everyday over Afghanistan and Iraq. They also augment ground forces to provide security and stability in both countries. Airmen are working hand-in-hand with ground and naval forces training and augmenting both Iraqi and Afghan security forces, rebuilding critical infrastructure, and providing medical services to these war-torn countries.

Air Force CSAR helicopters remain on alert in Iraq and Afghanistan, providing commanders with the capability to rescue isolated military and civilian personnel. Air Force CSAR crews answer the moral obligation to safely secure and return any and every member of our Joint team.

The effectiveness CAS provides Soldiers and Marines is another example of interdependence. Tactical training at the National Training Center provides Soldiers and Airmen the opportunity to see how they will deploy and fight together on future battlefields. The Army's Stryker Brigade Combat Teams now in service and the Future Combat System under development both rely heavily on Air Force strike capabilities to remain effective. Therefore, we are adding 700 TACP Airmen to serve with ground components to ensure the Air Force's timely and precise effects are always available.

2.2.5 Building Global Partnerships

Fighting and winning the GWOT requires commitment, capability, and cooperation from allies and partners around the world. We depend on our international partners to secure their territory, support regional stability, provide base access and overflight rights, and contribute a host of air, space and cyber power capabilities as interoperable coalition partners. As the pace of economic, political and cultural globalization increases, the importance of strong global partnerships – both now and in the future – is abundantly clear.

The Air Force leads the way in developing enduring air force-to-air force relationships around the world. To strengthen these relationships, we are expanding RED FLAG access to our allies and partners. We are also working to establish the Gulf Air Warfare Center as a tactical center of excellence. In addition to integrating coalition partners into our most robust combat training scenarios, we have established the Coalition and Irregular Warfare Center of Excellence to facilitate development of relevant airpower capabilities, capacities, and relationships in partner nations in the GWOT, and to facilitate development of innovative Air Force irregular warfare applications. We are also expanding the 6th Special Operations Squadron to bolster our ability to train foreign air forces and expand our repertoire of non-kinetic capabilities in the GWOT. Furthermore, our aircrews, especially Airmen executing global mobility and airlift missions, interact daily with host nation personnel, representatives and citizenry, enhancing America's image of strength, freedom, and hope.

Through the Air Force Security Cooperation Strategy, we continue working with allies and friends to help them attain capabilities that complement our own air, space and cyberspace capabilities. This document uses the OSD Security Cooperation Guidance as a foundation and aligns with COCOM Theater Security Cooperation strategies. This comprehensive, coordinated effort builds capability in potential partner air forces using the six US Air Force Distinctive Capabilities as driving tenets.

Recent commitments, such as procurement of C-17 airlifters by Australia and the NATO Alliance, and broad international participation in the F-35A Joint Strike Fighter (JSF) program, will further reinforce our current and future interoperability with global partners. Finally, we have infused expeditionary, regional, cultural and linguistic education throughout our training programs at every level. The Air Force executes a global mission. Our approaches to operations, interoperability and training exemplify our global, international perspective.

2.2.6 Air Staff Intelligence Directorate

Intelligence is becoming more critical in today's rapidly changing security environment. Collection, analysis, and timely distribution of information are essential to kinetic and non-kinetic approaches to our Nation's security challenges. Accordingly, we moved Intelligence directly under the Chief of Staff, creating the position of Deputy Chief of Staff for Intelligence (A2) and elevating the position to a three-star billet from its former two-star billet.

2.2.7 Partnership with the National Reconnaissance Office

The Air Force and the National Reconnaissance Office achieved a groundbreaking agreement on 7 June 2006 to share expertise and best practices. The agreement focuses specifically on sharing lessons learned in developing, acquiring, fielding and operating modern space systems. Both organizations recognize the need to enhance their respective capabilities, as well as to work collaboratively to respond to future challenges.

2.2.8 Combat Search and Rescue Realignment

The transfer of the CSAR mission from Air Force Special Operations Command to Air Combat Command provides a clearer presentation of forces to Joint commanders and ensures a direct CSAR link to the Combat Air Forces and the personnel they serve. In addition, the new HH-47 aircraft selected in November 2006 will modernize an aging CSAR fleet, provide greatly improved all-weather combat search and rescue worldwide – an essential component of our commitment to the Joint team and our allies.

2.2.9 Air and Space Operations Centers

In June 2005, we achieved an Initial Operational Capability with our Air and Space Operations Center (AOC) Weapon System and are well on our way to a Full Operational Capability for the entire AOC inventory. The Air Force leads the way in delivering sovereign options to defend our Homeland and our global interests by providing a global command and control (C2) capability to COCOMs,

enabling them to orchestrate air, space and cyberspace effects in pursuit of national military objectives. AOCs are the central operational nodes in this capability, and the Combined AOC in operation at Al Udeid, Qatar, exemplifies the most advanced and robust AOC system in the Air Force today.

2.2.10 Aeromedical Evacuation

Air Force AE contributes a unique, nationally vital capability to the Joint fight. Air Force AE innovations include use of "designated vs. dedicated" aircraft, "universally-qualified" AE crewmembers, able to fly on any AE-configured aircraft, and the extensive use of Critical Care Air Transport Teams to transport stabilized patients.

Air Force AE is combat proven. Since late 2001, we have orchestrated the care and transfer of more than 36,000 overseas patients to CONUS facilities. We continue to refine this remarkable capability and the "enroute care" system built upon our expeditionary medical system.

Air Force AE is a Total Force system, and both AE and enroute care are built on teamwork, synergy and Joint execution. Technological advances such as the single integrated patient data system, high-flow ventilators, high deck patient loading system, and the Joint Patient Isolation Unit are under development and will further enable safe patient movement regardless of transportation mode.

America's Air Force has provided Soldiers, Sailors, Marines, Coast Guardsmen and Airmen the highest casualty survival rates in the history of

warfare. By leveraging AE and enroute care, we will continue to improve our ability to save and sustain lives.

2.3 Space Capabilities in Joint Operations

The entire Joint force depends on Air Force space-based capabilities to meet not only the needs of military operations, but also the full spectrum of civil, economic, and diplomatic activities. Moreover, rescue and recovery operations in 2005 following Hurricanes Katrina and Rita clearly demonstrated the humanitarian mission utility of space-based communications, positioning and navigation services, and environmental monitoring. America's Airmen safeguard the high ground of space and ensure America's unimpeded access to vital space capabilities.

2.3.1 Space Applications in Afghanistan and Iraq

Operations in Iraq and Afghanistan highlight the importance of space-based capabilities to US and coalition forces. An example of Air Force response to warfighter needs is the successful deployment of the Satellite Interference Response System (SIRS), a defensive counterspace prototype. It aids in the identification, geolocation and reduction of interference sources for critical satellite communications. SIRS has improved the response time to unknown interference sources within the CENTCOM AOR and reduced friendly interference sources from impacting operations.

Blue Force Tracking capability is another success story. Joint Blue Force Tracking has fundamentally changed ground warfare. The ability to accurately

locate friendly forces with GPS timing and positioning information, and then share that information, dramatically improves understanding on the battlefield and reduces the risk of friendly fire. The unprecedented real-time knowledge of friendly force locations renders all operations – especially night and urban operations – less dangerous and more effective.

2.3.2 Joint Space Operations Center

The 14th Air Force Air and Space Operations Center (Space AOC) at Vandenberg AFB, California, serves as the core of the United States Strategic Command (USSTRATCOM) Joint Space Operations Center (JSpOC). The Space AOC/JSpOC is the primary command and control node for integrating the full resources of space-based sensor and command-control systems. The Space AOC/JSpOC proactively reaches forward to COCOMs, ensuring accomplishment of theater and global space objectives, while providing a continually updated space common operating picture for integration into current wartime and peacetime missions.

The Space AOC/JSpOC consists of personnel, facilities, and resources providing long-term strategy development, short-term crisis and contingency planning, real-time execution, space asset reallocation, and space forces assessment. The Space AOC/JSpOC provides tailored space effects to Joint forces worldwide.

The Space AOC/JSpOC maintains SSA through the fusion of intelligence, space- and ground-based sensor readings, and operational indications to allow US and allied forces unfettered access to space. The Space AOC/JSpOC also

provides predictive analysis of adversary space activity and supports the protection of National Security Space assets.

2.3.3 Counterspace

Air, space and cyberspace superiority are the foundational elements of Joint success in any action. Counterspace and Countercyber technologies and operations provide America with the tools to achieve space and cyber superiority, allowing America freedom of action while denying freedom of action to an adversary or enemy. SSA, Defensive Counterspace (DCS) and Offensive Counterspace (OCS) capabilities comprise the main elements of Air Force counterspace efforts.

SSA provides Airmen with detailed knowledge of the space environment, enabling responsive, effective execution of DCS and OCS actions. Enhanced ground-based and new space-based SSA assets would provide the needed information. In the near-term, the Rapid Attack Identification Detection and Reporting System (RAIDRS), along with SIRS, will test detection and geo-location technologies. The Space Based Space Surveillance (SBSS) and Space Fence programs will deliver transformational capabilities to improve responsiveness, surveillance coverage, and small object detection. We expect to field these improved capabilities in the FY09 and FY13 timeframes, respectively.

Air Force Defensive Counterspace efforts will protect National Security Space capabilities vital to Joint success. Some defensive strategies comprise technical solutions integrated into satellite designs. We will design other systems specifically to counter adversarial threats. Additionally, our Airmen are

continuously developing new tactics to mitigate potential threats to our space systems.

Offensive Counterspace technologies and operations seek to disrupt, deny or degrade an adversary's ability to leverage space capabilities. The Counter Communications System (CCS) provides COCOMs a method to deny an adversary's access to satellite communications through temporary, reversible and non-destructive means. CCS expands the options available for the COCOM to address the proliferation of advanced space technologies and their availability to potential adversaries.

3.0 Developing and Caring for Our Airmen

Your Air Force today is a seamless Total Force, with over 690,000 Airmen serving on Active Duty, in the Air National Guard (ANG), in the Air Force Reserve Command (AFRC) and as Air Force civilians. While modern equipment, technology and capability are essential to success, your Airmen are the bedrock of America's ability to succeed in an era of challenge and uncertainty.

While emphasizing our global expeditionary culture, organization and mission, we remain committed to providing and maintaining the highest possible standards of education, training, health care and installation services for America's Airmen.

3.1 Force Shaping

When the Air Force began to develop a long-term force structure plan, we started with divestment of legacy aircraft. While we have achieved some success, significant investment gaps remain. Moreover, the costs of personnel continue to rise. Personnel costs have increased 57% in the past decade. In early 2006, Program Budget Decision 720 directed additional end strength reductions over the FYDP. As we manage this downsizing, we remain committed to a balanced force. We will increase manning in stressed career fields, and expand opportunities for career development and training. Our goal is a lean, more capable, more lethal Air Force, organized, trained and equipped for our global, expeditionary mission.

To tailor our personnel mix to the new security environment, we authorized implementation of annual Force Shaping Boards (FSBs). The purpose of the FY06 FSB was to reduce officer overages by identifying eligible officers for separation, while balancing career fields and officer commissioned year groups. Prior to the board, eligible officers were offered voluntary options to transition to other forms of service in and out of the Air Force. The Air Force also waived most Active Duty Service Commitments (ADSC) to allow officers to separate early. In addition, the Air Force is offering Voluntary Separation Pay to officers in overage career fields, and we will convene a Selective Early Retirement Board to identify retirement-eligible officers for early retirement if necessary.

To achieve the required reductions of enlisted Airmen, the Air Force instituted a date of separation rollback for personnel with limitations on their assignment or enlistment eligibility. We also offered a limited number of ADSC waivers for eligible members in overage career fields. These initiatives to shape the enlisted force join the tools already in place: Career Job Reservations, reduction in accessions, and the Non-Commissioned Officer Retraining Program.

Overall, the Air Force aims for a reduction of over 4,000 officers and 10,000 enlisted members by the end of FY07. These reductions are difficult but necessary to ensure the Air Force maintains the right size and mix of forces to meet the fiscal and global challenges of today and tomorrow.

3.2 Total Force Integration

A distinguishing hallmark of the Air Force is the ease with which Airmen from Active Duty, ANG, and AFRC work together at home and abroad. From the build-up of the ANG after World War II, the first Reserve Associate unit in 1968 and the full integration of Guard and Reserve units into the Air & Space Expeditionary Force in the 1990s, the Air Force has a history of employing Airmen from all components in innovative and effective ways.

One of the Air Force's significant commitments to long-term transformation is Total Force Integration (TFI). The Total Force construct seeks to maximize the Air Force's overall Joint combat capability with Active Duty, Air National Guard and Air Force Reserve Airmen working together cohesively. TFI is critical to meeting the challenges of competing resource demands, an aging aircraft inventory, and emerging missions.

3.2.1 New and Emerging Missions

As the Air Force transforms to a smaller, more agile and lethal force, we will retain the strengths of the Guard and Reserve and use them in new ways to reflect a changing mission set. Increased integration allows Air Force personnel to capitalize on experience levels inherent in the Guard and Reserve, while building vital relationships necessary to sustain successful combat operations.

Ongoing Total Force initiatives integrate Air Force components into missions critical to future warfighting, and include ISR, UAVs, space and cyberspace operations. Given the ease of employing these capabilities from home station, these missions are ideally suited for the Guard and Reserve. In a time of increasing demand for these capabilities, it only makes sense to use reachback technologies to tap into our Air Reserve Component. Using this approach improves our operational effectiveness, reduces reliance on involuntary mobilization, and provides more stability for our Airmen and their civilian employers. It also allows the Air Force to capitalize on the state-of-the-industry advanced skills and best practices residing in the ranks of the ANG and AFRC.

3.2.2 Way Ahead

The Air Force continues to make significant progress on our Total Force initiatives. We have identified 136, secured funding for 98 opportunities and are executing 19. We have established associate units at several locations including F-22As in Virginia and Alaska, C-17s in Hawaii, F-16s in Utah, and C-130s in Wyoming. Additionally, Guardsmen are analyzing GWOT intelligence in Kansas,

and Reservists are flying operational GWOT UAV missions from Nevada. With over 100 initiatives in the planning phase and many more in the development phase, Total Force Integration is paving the way for a smaller, more capable, more affordable Air Force.

3.3 Improving Training Opportunities

Spanning six decades of Air Force history, particularly over the past sixteen years, our Airmen have proven themselves as the global first responders in times of crisis – taking action anytime, anywhere. The foundation for this well-deserved reputation is the quality and frequency of the training and education we provide. Our Air Force training initiatives continue to evolve, improving our ability to develop and retain the world's best air, space and cyberspace warriors – expeditionary, knowledge-enabled, ethical, and prepared for the interdependent fight.

3.3.1 Air Force Basic Military Training

We changed Air Force Basic Military Training (BMT) curriculum to stress an expeditionary mindset in all phases of training, providing Airmen with more expeditionary capability from day one. These changes are the most significant in BMT history. The Air Force basic training experience now mirrors the AEF cycle with a pre-deployment, deployment and reconstitution phases. We emphasize basic war skills and practical application throughout BMT. Beginning 1st quarter FY09, BMT will incorporate two additional weeks of instruction – lasting 8.5 weeks total – to provide more opportunities for practical application and field

exercises. Finally, we have added "Airman's Time," mentoring sessions in which our veteran instructors share their real world experiences, relate daily training events to warrior and Airmanship qualities, and reinforce the Core Values expected of all Airmen.

3.3.2 Space Professional Development

Space capabilities have become vital in the defense of our Nation and the continued growth of the US and world economies. Developing, fielding, operating, and maintaining the Air Force's broad array of space systems demands a highly trained, expertly managed workforce of space professionals. As we begin to field even more capable and complex systems, the demands on our space professionals will only increase. We have brought these personnel together within the Space Professional Development Program, ensuring our operations, acquisition and support personnel receive the training, education and experience necessary to accomplish our mission in space – now and in the future.

3.3.3 US Air Force Warfare Center

The US Air Force Warfare Center (USAFWC) integrates initiatives across the Air Force. USAFWC sets the standard for executing Joint and coalition air, space and cyberspace operations. The USAFWC provides advanced training designed to ensure our Air Force warfighting capability remains unrivaled. USAFWC provides performance assessment and Joint integrated exercise venues for units from the USAF, USN, USMC and USA – as well as our allies.

They provide adversary analysis through a unified and coordinated "Red Force" ready to "combat" the United States' and their coalition partners during all phases of testing, tactics development, training programs, and integrated exercises.

3.3.4 RED FLAG

In addition to its original location at Nellis AFB, Nevada, the Air Force now conducts RED FLAG exercises in Alaska using Eielson AFB, Elmendorf AFB, and the Pacific Alaska Range Complex. The two exercises are designated RED FLAG-Nellis and RED FLAG-Alaska, respectively.

RED FLAG is expanding aggressor capabilities to provide enhanced training at both locations. The Air Force added an F-15 aggressor unit in Nevada and, starting in October 2007, we will establish an F-16 Aggressor Squadron at Eielson AFB ready to participate in RED FLAG-Alaska exercises in 2008. Aggressor functions have expanded to include air defense, space, and cyber operations. This integrated aggressor force provides all RED FLAG exercises with a consistent, world-class training capability. Bolstering the dissimilar combat experience, the Air Force also has taken steps to expand the participation of coalition partners and allies in RED FLAG.

Overall, enhanced aggressor operations and common training concepts will increase the quality of RED FLAG training, and two locations will increase the quantity of training opportunities. When complete, these changes will make a great program even better – saving lives in the next fight.

3.3.5 Military Personnel Exchange Program

Through the Military Personnel Exchange Program, the Air Force builds, sustains, and expands international relationships that are critical enablers for our Expeditionary Air and Space Force. Long-term success in the GWOT calls for broad international partnership and integration. Expanding our exchange programs to Eastern Europe, the Middle East, and Southeast Asia is critical to the conduct of the GWOT and in building lasting partnerships with our Allies.

3.4 Quality of Life

Your Air Force has been at war for nearly 17 consecutive years. These challenging times underscore the importance of properly maintaining the capabilities of the primary weapons in our Air Force arsenal – our Airmen. Our focus on their Quality of Life ensures these vital "weapon systems" remain ready when called upon.

3.4.1 Expeditionary Support

We ensure the best possible facilities and programs at all our expeditionary locations. Our dining facilities are unequalled – currently serving over 36,000 meals daily to deployed forces. We also provide fitness and recreation support to help maintain the health and morale of our Airmen. Additionally, our Learning Resource Centers provide the necessary means for distance learning, continued professional development, and connectivity with friends and family.

Our Airman and Family Readiness Program is an aggressive effort to prepare Airmen and their families for deployment challenges. Mandatory pre-deployment briefings provide information on personal planning and stressors related to extended duty away from home, while mandatory post-deployment briefings prepare Airmen for the dynamics of reuniting with their families.

3.4.2 Language and Cultural Education Opportunities

We are moving beyond traditional Air Force and Joint warfighting skills development. Our educational programs provide increased opportunities for Airmen to receive focused cultural and language training, facilitating greater professional interaction, deeper understanding, and more effective operations.

The expanded instruction includes cultural awareness, regional affairs, and foreign language proficiency. All Air Force Academy cadets and Reserve Officer Training Corps (ROTC) non-technical scholarship cadets will be required to take language courses. Additionally, both Academy and ROTC cadets have increased opportunities for Foreign Language and Area Studies degrees and have expanded Cultural Immersion and Foreign Exchange Programs. Our enlisted basic military training also will provide instruction on cultural sensitivity.

Once in the Air Force, each level of Officer and Enlisted professional military education (PME) provides additional cultural, regional and foreign language instruction, developing leaders who can articulate US policy and operate effectively in foreign settings. Furthermore, we will increase Developmental Educational opportunities for global skills, including overseas professional military education and the Olmstead Scholars Program. We will

then vector these Airmen into Political-Military Affairs or Regional Affairs Strategist career tracks, maximizing America's return-on-investment.

3.4.3 Housing and Military Construction

Air Force investments in housing underscore our emphasis on developing and caring for Airmen. Through Military Construction (MILCON) and housing privatization, we are providing quality homes faster than ever before. Over the next two years, the Air Force will renovate or replace more than 4,200 homes through military construction. We are on track to meet our FY09 goal of eliminating inadequate housing at overseas locations.

Investment in dormitories continues to provide superior housing to our unaccompanied members. We have over 3,000 dormitory rooms programmed for funding over the next six years. Approximately 75 percent of these initiatives rectify inadequate dormitory conditions for permanent party members. Our new "Dorms-4-Airmen" standard is a concept designed to increase camaraderie, social interaction and accountability. The remaining dormitory program modernizes inadequate "pipeline" dormitories that house young enlisted students during their initial technical training.

MILCON is an essential enabler of Air Force missions; however, we are accepting risk in facilities and infrastructure funding in order to bolster our efforts to recapitalize and modernize our aging aircraft and equipment. We have prioritized the most critical requirements to support the Air Force and DoD requirements. Our MILCON strategy supports these priorities by focusing on

new mission beddowns, dormitories, fitness centers, childcare centers, and depot transformation.

3.4.4 Joint Basing

The Air Force has a long and successful history of working toward common goals in a Joint environment, without compromising Air Force principles and the well-being of our people. Joint Basing initiatives are no exception. We want Joint Basing to be a raging success. Therefore, each Joint Base should be required to provide an attractive setting to all of its assigned personnel.

To accomplish this end, we advocate the establishment of the highest Quality of Life standards of individual bases as the Joint Base Quality of Life standards. Joint Basing is an opportunity to improve efficiency, Quality of Life standards and common delivery of Installation Support Services. Joint Basing will consider best business practices to ensure enhancement of Joint warfighting capabilities, eliminate duplication, and ultimately achieve synergy for base support services. These actions will optimize Joint use of limited resources and result in more efficient installations from which all Services will project combat power for our Nation.

Through the establishment of the highest level of Quality of Life standards at each Joint Base, our Airmen, Soldiers, Sailors, Marines, DoD Civilians and their families will benefit from efficient, consistent Installation Support Services. These standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of Installation Support Services they deserve. As we work with OSD and our sister Services, we will ensure all Joint Basing

initiatives guard against any interference with the DoD's ability to perform its mission. Joint Basing allows us to build closer relationships and forge stronger ties among the Services. We will not only train as we fight, we will live as we fight.

4.0 Recapitalizing and Modernizing the Force

To meet the needs of our Nation at war and successfully build the 86 modern combat wings necessary to maintain a credible defense posture in the future, we are committed to aggressively recapitalizing and modernizing our inventories of aircraft, space systems, equipment and operational infrastructure. Executing a successful recapitalization plan is a balancing act. We will continue to meet today's operational needs while striving to ensure America and our future Airmen inherit an Air Force that is ready, capable and sustainable. We are committed to maintaining air, space and cyberspace advantages and America's unparalleled Global Vigilance, Reach and Power – America's Edge.

4.1 Comprehensive Plan

Our recapitalization and modernization plan follows an integrated strategy of retirement, procurement, selective Service Life Extension Programs (SLEPs) and modifications – coupled with the broadest, most innovative science and technology program in DoD. We will progressively shed our oldest, most costly, and least capable legacy aircraft, while reinvesting in a smaller – but more capable – expeditionary force, emphasizing global and Joint capabilities. While these strategies will sustain selected legacy systems for near term, we will avoid

billions of dollars on further SLEPs by working our stewardship of funds today. It has become far more expensive to continuously extend the life of older aircraft. We are fast approaching the point where it is cheaper to buy new aircraft.

Our plan will allow effective, efficient modernization and replacement of our air superiority, strike, space, ISR, mobility, special operations, and combat support systems. Fully recapitalized, America's Air Force will remain dominant in the conduct of modern, networked, cross-dimensional 21st Century warfare.

4.1.1 An Aging Inventory

The Air Force is meeting today's combat requirements – but not without increasing risks and costs. We have an aging and increasingly unfit inventory of aircraft, space systems and equipment. Of our inventory of approximately 6,000 aircraft, a significant number operate under flight restrictions. Many transport aircraft and aerial refueling tankers are more than 40 years old. The average age of the bomber force exceeds 30 years. The fighter force is the oldest it has ever been, at an average age of more than 18 years. Additionally, our Airmen operate and maintain many satellites well in excess of their originally designed mission durations. Across every mission, the Air Force is experiencing detrimental effects of high tempo operations and age, including engine and structural fatigue, deterioration, corrosion and increased rates of component failure.

As a result, the Air Force's ability to meet the combat requirements of tomorrow is in question. The increased tempo of current operations delays

routine maintenance and we find our systems becoming progressively less effective and more costly to own and operate. Aircraft and equipment modifications currently absorb 20 percent of the Air Force's procurement budget. This is the highest percentage in the history of the Air Force. In fact, 14 percent of our Air Force fleet is either grounded or operating under mission-limiting flight restrictions. Our comprehensive plan for modernization and recapitalization outlines the prudent investments necessary today to avoid the future capability risks and spiraling maintenance and modernization costs we currently experience with our legacy systems.

4.1.2 Inventory Management

Fiscal responsibility is a critical element of our plan. The Air Force is committed to planning and operating within our allocated resources. However, we face fiscal constraints that introduce risk into our efforts to successfully posture America's Air Force for the future. We appreciate Congressional language in the 2007 National Defense Authorization Act supporting our efforts to retire older aircraft and manage our inventory of aging equipment. However, legislative restrictions on aircraft retirements remain the biggest obstacle to efficient divestiture of our oldest, least capable, and most costly to maintain platforms and equipment. Keeping these legacy aircraft on the flightline levies additional operations and maintenance costs at the expense of modernization programs and funding. In particular, current legislative restrictions on legacy aircraft retirements, should they remain in effect, will cost the Air Force up to $1.74B annually through 2013. This cascades into procurement delays for future

platforms and diverts resources away from expanded Joint capabilities. We welcome the opportunity to work with Congress to overcome these fiscal challenges, reduce risks to meeting our National Security and Joint requirements, and successfully prepare our Air Force for the future.

4.1.3 Procurement Priorities

We design and structure every Air Force program throughout our diverse, comprehensive recapitalization and modernization plan to meet critical Air Force, Joint, and National requirements. Several programs currently receive our highest attention and represent our top priorities within the plan.

Our top acquisition priorities include: the KC-X Tanker; the CSAR-X Combat Search and Rescue Helicopter; space communications, space situational awareness and early warning programs; the F-35A Joint Strike Fighter (JSF); and Next Generation Long Range Strike – a new bomber. We will continue to advocate and advance these and many other modern elements of air, space and cyberspace capability. Collectively they will strengthen America's advantages in Global Vigilance, Reach and Power for years to come.

4.2 Global Vigilance

The Air Force acts as the global eyes and ears of the Joint Team and our Nation. Using a vast array of terrestrial, airborne and spaceborne sensors, we monitor and characterize the earth's sea, air, space, land, and cyber domains around the clock and around the world. Our Command, Control, Communications and Computers (C4) networks link the Joint Team together and

speed information to users at the point of action, from commanders in AOCs, to ground units engaged with the enemy, to a pilot dropping a precision-guided munition.

The future vision of all the US military Services is information-driven. Success will hinge on America's cyberspace advantages. Air Force assets like Joint STARS, AWACS, Rivet Joint, Global Hawk, Predator and our constellations of satellites, contribute vital networking and C4ISR products and services to every aspect of every Joint operation. Our recapitalization and modernization plan aims to increase dramatically the quantity and quality of C4ISR capabilities, products and services available to the Joint Team and the Nation. Our plan especially focuses on ensuring Air Force space communications, SSA and early warning missions provide uninterrupted continuity of service for America and our allies.

4.2.1 Transformational Satellite Communications System

The Air Force continues to pursue next-generation satellite communications technology with the Transformational Satellite Communications System (TSAT). The TSAT program will employ Internet Protocol networks, on-board routing and high-bandwidth laser communication relays in space, dramatically increasing warfighter connectivity. TSAT capabilities will enable the realization and success of all DoD and Joint visions of future network-centric operations, such as the Army's Battle Command-on-the-Move and the Navy's Sea Power 21 vision and Fleet FORCEnet/FORCEview concepts. In 2007, we expect the TSAT program to complete system design milestones.

4.2.2 Advanced Extremely High Frequency System

The Advanced Extremely High Frequency (AEHF) satellite communications system reaches Assembly Integration and Test in 2007, preparing for first launch in spring 2008. When deployed, AEHF will provide the secure, survivable, anti-jam communications that MILSTAR currently provides. AEHF will, however, also provide greater bandwidth, larger throughput, faster dissemination, and better service quality to US and Allied users.

4.2.3 Wideband Global SATCOM System

In 2007, the Air Force will take the first major step in the modernization of its satellite communications architecture with launch of the first satellite in the Wideband Global Satellite Communications (SATCOM) System (WGS), a program formerly known as Wideband Gapfiller Satellite. A single WGS satellite has more communications capacity than the entire Defense Satellite Communications System it replaces, enabling direct broadcast of digital multimedia, high-bandwidth imagery and digital video information directly from global and theater sites to deployed warfighters.

4.2.4 Terminal Programs

Air- and ground-based satellite communications terminals provide warfighters with critical links to America's space assets from anywhere in the world. Our terminal modernization programs are maintaining pace with the high performance satellites they support. Through programs like the Family of

Advanced Beyond Line of Sight Terminals (FAB-T) and the Ground Multi-band Terminal, the Air Force will transform its air- and ground-based space capabilities with terminals that consolidate logistics support, provide increased communications throughput, and ensure seamless command and control.

4.2.5 Space Based Missile Warning Capabilities

The Air Force is America's only provider of Space-Based Missile Warning. Providing a robust missile warning capability to the Nation through enhanced space-based ISR systems remains a priority in 2007. We expect to launch the final Defense Support Program launch (DSP-23) in spring 2007, continuing 36 years of the DSP constellation's outstanding service.

The Space Based Infrared System (SBIRS) represents the next generation of Early Warning satellites. The first SIBRS Highly Elliptical Orbit (HEO) payload is currently deployed on-orbit and undergoing operational testing. The HEO-2 payload has been delivered for integration. Launch of the SBIRS Geosynchronous Earth Orbit (GEO)-1 satellite is scheduled for late 2008. Once fielded, SBIRS will provide a transformational leap in capability over our current DSP system.

4.2.6 Space Radar

Space Radar (SR), another key transformational space-based ISR program, will have the ability to look into denied areas and to cue additional sensors, such as those on Predator and Global Hawk. The SR will provide COCOMs unprecedented surface wide-area surveillance capabilities, updating its

AOR coverage report several times per hour. SR will characterize objects and activities of interest for target development in conjunction with other assets to meet critical Joint warfighter requirements. In 2007, the program will focus on building engineering development hardware while emphasizing risk reduction, integration, and systems engineering.

4.2.7 National Polar-orbiting Operational Environmental Satellite System

The National Polar-orbiting Operational Environmental Satellite System (NPOESS) is a tri-agency program sponsored by DoD, the Department of Commerce, and NASA. NPOESS will support DoD forces worldwide as well as Homeland Security agencies. The system will provide assured, timely and high-quality environmental data to our warfighters for weather forecasting, mission planning and weapons employment. NPOESS environmental data will also enhance our domestic preparedness when dealing with natural disasters.

4.2.8 Rapid Attack Identification Detection and Reporting System

Meeting the requirement to assist in the protection of our space assets, the Rapid Attack Identification Detection and Reporting System (RAIDRS) will provide a capability to detect and locate satellite communications interference using fixed and deployable ground systems. A fully operational RAIDRS Spiral 1 will be delivered in FY08 and provide detection and location of SATCOM interference. Future developments will automate data analysis and fusion, as well as provide decision support tools for near-real-time actions.

4.2.9 Global Hawk

The RQ-4A Global Hawk is a high altitude, long endurance UAV providing the Joint warfighter with persistent vigilance and observation of targets in day, night and adverse weather. Global Hawk entered development in 2001 after completing a successful Advanced Concept Technology Demonstration. We plan to develop and field the aircraft in blocks of increasing capability, allowing accelerated delivery to the warfighter, while the system evolves and expands to its full potential.

We have already employed block 10, the first of four production variants, in support of GWOT. It provides an effective, persistent imagery capability using synthetic aperture radar (SAR) and electro-optical/infrared (EO/IR) sensors. The larger Block 20 aircraft, which will begin development test in early 2007, will provide 50 percent more payload capacity carrying enhanced SAR and EO/IR sensors for even clearer images at greater ranges.

In 2012, Block 30 will field a more versatile, multi-intelligence capability by integrating Block 20 imagery sensors with a robust signals intelligence (SIGINT) suite. The fourth Global Hawk variant, Block 40, will be available for operations in 2011. It will carry a single payload – a Multi-Platform Radar Technology Insertion Program sensor – to provide the warfighter a highly advanced radar imagery and moving target indicator capability. Global Hawk has demonstrated its combat value in GWOT and the Air Force will continue to mature and enhance its capabilities in the coming years.

4.2.10 MQ-1 Predator

Leading the way in armed reconnaissance, the Air Force is currently flying MQ-1 Predator missions 24 hours a day, 7 days a week. The MQ-1 Predator is a medium-altitude, multi-role, long endurance UAV, providing persistent ISR and strike capabilities to COCOMs. Predator aircraft are able to transmit live, full motion digital video to ground-based and airborne targeting teams equipped with the Remote Operations Video Enhanced Receiver (ROVER) system.

The Predator is operational, and by 2010, we will expand its capability from 10 to 21 total CAPs to meet increased COCOM and warfighter demands. We also plan to incorporate Target Location Accuracy improvements to rapidly provide targeting data for GPS-guided munitions.

Total Force Airmen in Nevada and California control Predator aircraft operating in numerous locations around the world, including Iraq and Afghanistan. By 2010, this capability will spread to Air National Guard units in Arizona, North Dakota and Texas. The Predator has transformed the way we fight, providing persistent ISR, reliable target acquisition and lethal strike capability for COCOMs and our Joint warfighters.

4.2.11 RC-135 Rivet Joint

The RC-135 Rivet Joint continues its four decades of success in providing SIGINT capabilities across the full spectrum of Joint operations and national information needs. Most missions directly support OEF and OIF tactical

operations, adding to Rivet Joint's outstanding record of accomplishment and continuous presence in CENTCOM since 1990.

In addition to mission equipment upgrades, we have completed re-engining and cockpit modernization, keeping the force viable until 2040. In 2007, the Air Force will procure Rivet Joint 17, a GWOT acquisition for additional medium-altitude SIGINT capacity.

Rivet Joint has become the cornerstone of an airborne targeting modernization effort known as Net-Centric Collaborative Targeting. Rivet Joint has demonstrated the capability to horizontally integrate C4ISR assets across the entire Joint Force and dramatically improve target location accuracy, timeliness and identification.

4.2.12 Joint Surveillance Target Attack Radar System

The E-8C Joint Surveillance Target Attack Radar System (Joint STARS) is an airborne battle management, command and control, intelligence, surveillance, and reconnaissance platform. Its primary mission is to provide theater ground and air commanders with surface moving target indications (SMTI) and tailored surveillance in support of operations and targeting. Joint STARS has been a significant contributor to US Air Force fighting effectiveness in Operations DESERT STORM, JOINT ENDEAVOR, ALLIED FORCE, OEF, and OIF. Continuing modifications and enhancements will sustain Joint STARS viability beyond 2034.

4.2.13 E-3 Airborne Warning and Control System

The E-3 Airborne Warning and Control System (AWACS) is the premier airborne command and control platform in the DoD and a key element of all airborne operations. AWACS supports decentralized execution of the Joint air component missions and provides theater commanders with the ability to find, fix, track and target airborne or maritime threats, and to detect, locate and identify radars. AWACS has been the key airborne asset in all operations since its fielding in 1983. Our ongoing modernization of the platform will position AWACS to remain a viable airborne command and control platform beyond 2035.

4.2.14 Air and Space Operations Center

The Air and Space Operations Center (AOC) Weapon System is the Combined/Joint Force Air Component Commander's (C/JFACC's) tool for employing air, space and cyberspace power. The AOC enables decision-makers to focus and synchronize our air, space and cyber superiority, global attack, precision engagement, information superiority, and rapid global mobility capabilities across the full range of military operations in multiple, geographically separated arenas.

The AOC weapon system, with its Theater Battle Management Core System (TBMCS), has evolved significantly since its designation as a weapon system in 2001. We used the Al Udeid Combined AOC model to establish the AOC Weapon System Block 10.1 baseline. Creating this baseline enabled us to standardize our development, procurement and presentation of C2 capabilities to

Joint and Combined Commanders worldwide. Increment 10.1 standardizes configuration among the five deployed FALCONER systems, providing operators with greater and faster access to air battle management information. The program team efforts continue to generate greater system performance for warfighters, with major improvements planned for delivery over the next two years.

The Air Force has committed to continue evolving and modernizing our AOC Weapon System through the FYDP, building toward a fully operational, cross-dimensional C2 enterprise by FY14.

4.2.15 Battle Control System – Fixed

The Battle Control System – Fixed (BCS-F) system is a cooperative program with Canada. The system provides air defense and surveillance capability for the entire North American continent. BCS-F supports ONE and serves as the Air Force's homeland defense battle management, command, and control system. The BCS-F system integrates data from multiple radar sensors providing tactical communications and data link capabilities with other military and civil systems responsible for air surveillance, air defense and control of sovereign US air space.

4.2.16 Battle Control System – Mobile

The Battle Control System – Mobile (BCS-M) is the next generation of Low Density / High Demand (LD/HD) ground-based tactical C2 nodes supporting the warfighter with theater air defense, airspace management, aircraft identification,

wide-area surveillance and tactical data link management. These are the same missions the current legacy system, the Control and Reporting Center, performs in support of OIF, OEF, and ONE, as well as homeland defense activities such as counter-drug operations and special security events.

4.2.17 Air Force Distributed Common Ground System

The Air Force Distributed Common Ground System (AF-DCGS) is the Air Force's premier ISR Tasking, Collection, Processing, Exploitation and Dissemination (TCPED) weapon system. From reach back locations, AF-DCGS operators collect raw sensor data from the Global Hawk, Predator, and other platforms around the world, turn it into decision-quality intelligence in near-real-time, and send it directly to those in need at the Joint Task Force level and below. Its proven capabilities in sharing and correlating multi-source SIGINT, imagery intelligence, and signature intelligence data will be enhanced with the fielding of the AF-DCGS Block 10.2, which is leading the way in DoD's net-centric ISR enterprise transformation.

4.3 Global Reach

America's Airmen provide not only the long legs and heavy lifting for Joint warfighters' rapid global mobility, but also the long arms for global strike and high endurance for global persistence and presence. On a daily basis, Air Force mobility forces support all DoD branches as well as other government agency operations all over the world. Increased demand and decreased availability underscore the critical need for tanker recapitalization and investment to ensure

the long-term viability of this national capability. Without prudent, timely investment, our national defense, global vigilance, reach, presence and power are put in serious peril.

4.3.1 Tanker Recapitalization

Aerial refueling capability is essential to the expeditionary nature of America's armed forces. Aerial refueling serves as a Joint force multiplier, providing American and coalition air forces with increased range, persistence, and endurance. We are committed to maintaining an inventory of tankers that guarantees the projection of US combat power.

For the past 50 years, the Air Force's primary tanker platform has been the KC-135, and it has served with distinction. However, we are carrying great risk operating this aircraft beyond expected service life. Some of the oldest models already operate well beyond the point of cost-effective repair. Tanker recapitalization is not a new idea. In 1999, a thorough GAO report presaged the declining operational utility of our aging tankers and underscored the need for immediate investments in recapitalization. Given the increased operational requirements of the GWOT, procurement of a new tanker aircraft – the KC-X – has become both an operational necessity and the most fiscally prudent option to maintain America's global presence and expeditionary capabilities.

The KC-X is our number one procurement priority. KC-X tankers will provide increased aircraft availability, more adaptable technology, and greater overall capability than the current inventory of KC-135E and KC-135R tankers they will replace. Enhancements in every aspect of aircraft operation will provide

the Joint warfighter with more flexible employment options. It is imperative we begin a program of smart, steady reinvestment in a new tanker – coupled with measured, timely retirements of the oldest, least capable tankers. Recapitalizing our tankers will ensure the viability of the vital national capability they provide.

4.3.2 Intra-Theater Airlift

The Air Force has a two-pronged approach to modernize America's intra-theater airlift capabilities. First, we are striving to replace our oldest aircraft with a mixture of new C-130Js and Joint Cargo Aircraft (JCA). The JCA offers the potential for additional solutions to the Air Force's intra-theater airlift recapitalization strategy. JCA will provide a modern mobility platform suited to accessing an array of demanding and remote worldwide locations, including short, unimproved and austere airfields.

Second, we will standardize remaining C-130s via the C-130 Avionics Modernization Program (AMP) and center-wing box replacement programs. C-130 modernization extends operational lifetime, reduces operation and sustainment costs, and increases the combat effectiveness of our intra-theater airlift capability.

For decades, C-130s have been the workhorses for intra-theater airlift during numerous contingences. Additionally, the C-17 has done a superb job augmenting the C-130s in the intra-theater airlift role. Similarly, the new C-130Js, which are far more capable than legacy C-130s, have proved their worth supporting GWOT and humanitarian operations since December 2004.

4.3.3 Inter-Theater Airlift

The C-17 continues its outstanding support for Joint operations across the spectrum of conflict. During the past year, C-17s flew over 44,000 sorties, bringing the total number of OEF and OIF missions to over 123,000. Additionally, the C-17 flew 900 humanitarian and disaster relief sorties following Hurricanes Katrina, Rita and Wilma, as well as the Southeast Asian tsunami, Pakistani earthquake, and the Lebanon non-combatant evacuation operations. Given this high operational tempo, the Air Force appreciates Congressional action to procure additional C-17s to sustain a fleet of 190.

During 2006, the Air Force's other heavy lifter, the C-5 Galaxy, flew 5,500 sorties in support of the GWOT. Since 11 September 2001, C-5 have flown over 50,000 sorties in support of the Joint warfighter and provided humanitarian aid around the world. To keep the C-5 mission capable and maximize capability, the Air Force is continuing the C-5 Avionics Modernization Program (AMP) and the Reliability Enhancement and Re-engining Program (RERP). The AMP and RERP efforts ensure compliance with emerging airspace requirements, upgrade aircraft propulsion, and improve over 70 other unreliable C-5 systems, enabling this large airlifter to remain viable through 2040.

Together, the C-17 and C-5 weapons systems provide complementary capabilities and are critical to meeting our US inter-theater airlift requirements today and in the future – for the entire Joint force.

4.3.4 Space Launch Operations

The Air Force continues to fulfill its role as the guardian of the world's premier gateways to space and America's vital national space launch capabilities. Space launch is another element of Air Force space capability that is vital to American global military, political and economic success.

With fourteen operational launch successes, the Evolved Expendable Launch Vehicle (EELV) program provides assured access to space in support of operational requirements. In FY 2007, we expect to continue building upon our DoD launch successes with seven EELV and three Delta II launches.

4.3.4.1 Launch and Test Range System

The Eastern and Western Ranges, located at Cape Canaveral Air Force Station, Florida and Vandenberg AFB, California, respectively, comprise the Launch and Test Range System (LTRS). The LTRS, part of the DoD's Major Range and Test Facility Base (MRTFB) infrastructure, provides tracking, telemetry, communications, command and control to support the testing of ballistic missiles, precision weapons, national missile defense and advanced aeronautical systems. The LTRS also provides the vital infrastructure necessary to support manned and unmanned space launches for DoD, National, civil and commercial space missions. We will continue LRTS modernization and further reinforce our capabilities to ensure space launch safety and mission success.

4.4 Global Power

The US Air Force provides the Joint Team a historically unprecedented ability to deliver a precise, tailored effects whenever, and wherever and however needed – kinetic and non-kinetic, lethal and non-lethal, at the speed of sound and at the speed of light. It is an integrated cross-dimensional capability that rests on our ability to control air, space and cyber. We exploit these domains to hold at risk any target on the surface of the Earth. As we continue to transform this capability, we will focus on expanding our effectiveness in multiple dimensions. We will continue to refine our abilities to deliver lethal and non-lethal effects at the time and place of our choosing, shortening the sensor-to-shooter "kill chain."

4.4.1 Combat Search and Rescue

Uniquely within DoD the Air Force organizes, trains and equips dedicated forces for Combat Search and Rescue (CSAR) mission. Air Force CSAR crews fulfill our absolute moral imperative to safely secure and return all of our Airmen and any member of our Joint team.

On 9 November 2006, the Air Force selected the Boeing HH-47 as our next generation combat search and rescue replacement aircraft (CSAR-X). The HH-47 will enable the COCOM to recover isolated Joint or coalition personnel engaged across the spectrum of military operations as well as support non-combatant evacuation and disaster relief operations.

The Air Force must recapitalize our CSAR forces to maintain this essential capability. The HH-47 will relieve the high OPSTEMPO strain placed on the current LD/HD inventory of HH-60G Pave Hawk helicopters. The HH-47 will also present COCOMs with key combat and non-combat mission options.

The HH-47 will dramatically improve Air Force CSAR mission capabilities. This new helicopter will provide our personnel recovery forces with an aircraft that is quickly deployable and capable of operations from austere locations. It will operate day or night, during adverse weather conditions, and in all environments including Nuclear, Biological and Chemical conditions. On-board defensive capabilities will permit the HH-47 to operate in an increased threat environment, and in-flight refueling will provide an airborne alert capability and extend its combat mission range.

These increased capabilities are crucial to meeting current and future Joint operational needs, while providing greater capability to Air Force CSAR forces, "that others may live."

4.4.2 F-35A Lightning II

The F-35A Lightning II JSF is a fifth-generation multi-role strike fighter aircraft optimized for air-to-ground attack. The F-35A is the Conventional Take-off and Landing (CTOL) variant, and it will recapitalize F-117, F-16 and A-10 combat capabilities. The F-35A will complement the capabilities of the F-22A. Like the Raptor, the F-35A reaps the benefits of decades of advanced research, development and field experience.

The F-35A will provide affordable precision engagement and global attack capabilities for the Air Force, Navy, Marines, and our international partners. In 2006, the JSF program delivered the first CTOL variant test aircraft and completed its first flight on 15 December 2006.

4.4.3 Next Generation Long Range Strike

Range and payload are the soul of an Air Force. These elements form the foundation of strategic military deterrence. The LRS mission, a primary reason the Air Force became a separate Service in 1947, continues as a vital and unique Air Force contribution to national defense. The Air Force has a three-phased strategy to help ensure the US meets its enduring LRS capability requirements. Phase One includes near-term maintenance and modernization of current bombers and air-to surface weapons.

By 2018 and in accordance with QDR goals, Phase Two will deliver a new LRS bomber incorporating highly advanced technologies. This next generation bomber will combine speed, stealth, payload, and improved avionics/sensors suites. This new bomber will bring America's bomber forces up to the same high standard we are setting with our F-22A and F-35A fifth-generation fighters. It will ensure our bomber force will continue to be effective in meeting COCOMs' global needs across the full range of military operations. The Analysis of Alternatives will be complete in the spring of 2007.

In Phase Three, the Air Force plans to field a revolutionary LRS capability in the 2035 time frame using an advanced system-of-systems approach. We

expect technology maturation to yield advancements in several areas, including hypersonic propulsion, advanced materials and non-kinetic weapons.

4.4.4 F-22A Raptor

The F-22A Raptor is the Air Force's primary air superiority fighter, providing unmatched capabilities for operational access, homeland defense, cruise missile defense and force protection for the Joint Team. The F-22A's combination of speed, stealth, maneuverability and integrated avionics gives this remarkable aircraft the ability to penetrate denied, anti-access environments. The F-22A's unparalleled ability to find, fix, track, and target enemy air- and surface-based threats ensures air dominance and freedom of maneuver for all Joint forces. In addition, the F-22A is the only airborne system in the US military that can conduct network-centric warfare and provide ISR capability from inside adversary battlespace in the opening moments of any contingency.

Until the F-22A became operational in 2005, America's Air Force had not fielded a new fighter since the 1970s. Today, combat-capable Raptors are in full-rate production on the world's only fifth-generation fighter production line. As of 1 January 2007, 84 aircraft have been delivered, including 44 combat coded aircraft, and another 25 are in production. The first operational F-22A unit declared initial operational capability at Langley AFB, Virginia in December 2005,. The second operational F-22A unit will pick up the AEF rotation in May 2007. Meanwhile, the third operational unit is standing up at Elmendorf AFB, Alaska with a projected AEF rotation of May 2008. We will also station a fourth

unit at Elmendorf, followed by fifth and sixth units at Holloman AFB, New Mexico and the seventh unit at Hickam AFB, HI.

The F-22A flew its first operational mission in support of ONE in January 2006, participated in the Alaskan NORTHERN EDGE exercise in July 2006, and is preparing for upcoming AEF deployments.

4.4.5 MQ-9 Reaper

Similar to its smaller MQ-1 Predator sibling, the MQ-9 Reaper is a medium-altitude, multi-role, long endurance UAV that will provide persistent ISR and improved strike capabilities to COCOMs. MQ-9 incorporates MQ-1 operational design improvements, a larger airframe, battle-proven sensors, full motion digital video, ROVER connectivity and expanded munitions capability.

Initial mission capability will begin at Nellis AFB Nevada, with future expansion to New York ANG. In 2007, we expect to continue rigorous MQ-9 development and demonstration, as well as operational employment with pre-production aircraft to meet urgent Joint warfighter needs.

The MQ-9, like the MQ-1, will also incorporate Target Location Accuracy improvements to support GPS-guided munitions. Ultimately, the MQ-9 will provide theater commanders with expanded employment options in a vastly improved Hunter-Killer UAV, incorporating a larger payload, automatic cueing, and self-contained capabilities to strike time sensitive and hard targets.

4.4.6 CV-22 Osprey

The Air Force will procure 50 CV-22s, with an Initial Operational Capability scheduled for FY09. The CV-22 is a V-22 tilt-rotor aircraft designed to meet a US Special Operations Command (USSOCOM) requirement for long-range infiltration, exfiltration, and re-supply of Special Operations Forces. The CV-22's advanced systems include Terrain Following/Terrain Avoidance Radar, Integrated RF Countermeasures, Directional Infrared Countermeasures, the Multi-mission Advanced Tactical Terminal, and additional fuel tanks and tactical communications gear.

4.4.7 Global Positioning System

The Global Positioning System (GPS) constellation serves as a global utility for precision navigation and timing. GPS is yet another Air Force mission that has become vital to American military and global economic activity. As with all elements of the Air Force space mission, we are dedicated to ensuring uninterrupted continuity of GPS services.

GPS modernization continues in 2007 with additional launches of GPS IIR-M satellites. The GPS IIR-M satellites will provide a new military signal more resistant to jamming and a new civil signal for improved position accuracy for civil, commercial, and recreational GPS users. The follow-on system, GPS IIF, will provide IIR-M capabilities plus an additional civil signal for aviation safety-of-flight services. The development of the next-generation GPS-III will further enhance navigation and precision-engagement capabilities and improve

resistance to jamming, as well as add a third civil signal compatible with the European Galileo System.

4.4.8 Counter Communications System

As part of the broader Counterspace mission, the ground-based, theater-deployable CCS provides COCOMs with a non-destructive, reversible capability to deny space-based communication services to our adversaries. CCS enhances our capability to ensure air, space and cyberspace superiority for the Nation.

We plan to procure three additional operational CCS and one training system. This comprises the full complement of systems for two Space Control Squadrons. We will continue block upgrades to the CCS to enhance our Offensive Counterspace capabilities and begin pre-acquisition work for the next generation CCS.

4.4.9 Intercontinental Ballistic Missiles

America's ICBM force remains the foundation of our Nation's nuclear deterrent capability. Modernization programs are crucial to the Minuteman ICBM, which, when initially deployed in the 1960s, were designed to last ten years. Service life extension programs are underway to ensure the Minuteman III remains mission capable through 2020. These programs replace obsolete, failing, and environmentally unsound materials, while maintaining missile reliability, survivability, security and sustainability. These efforts are critical to sustaining the ICBM force and are vital to America's nuclear deterrent posture.

4.4.10 Operationally Responsive Space

The Air Force intends to continue its demonstration, acquisition, and deployment of an effective Operationally Responsive Space (ORS) capability in support of the DoD's focus on meeting the urgent needs of the COCOM.

ORS includes the ability to launch, activate and employ low-cost, militarily useful satellites to provide surge capability, reconstitute damaged or incapacitated satellites, or provide timely availability of tailored or new capabilities. ORS capabilities can lead to long-term benefits by advancing technology, improving space acquisitions, enhancing the skills of the technical workforce, and broadening the space industrial base.

4.4.10.1 Space Development and Test Wing

In 2006, the Air Force established the Space Development and Test Wing (SDTW), headquartered at Kirtland AFB, New Mexico, to focus on the development and testing of orbital assets with the goal of encouraging innovation in the space mission area.

One of the Wing's responsibilities is ORS. Working with other services and agencies, it will perform concept development, design, manufacturing, and operation of small satellites, as well as other activities required to support the fielding of ORS capabilities. As capabilities are developed and fielded, the wing will directly interface with user organizations responsible for employing ORS capabilities in Joint and coalition operations.

During FY07, we will develop a plan further refining ORS. This plan will fully define ORS roles and missions, along with the organization and reporting structure. In addition, we plan to develop specific acquisition policies, implementation schedules, funding, and personnel requirements to support deployment of ORS capabilities.

4.5 Science and Technology

True to our history over the past century of powered flight, the Air Force continues to maintain the most complex, diverse and ambitious Science and Technology (S&T) portfolio of all the Services. History clearly demonstrates the broad benefits to America of our S&T efforts, in terms of military power, industrial capability, economic growth, educational richness, cultural wealth, and national prestige. Examples include aerospace technology and propulsion, materials science, advanced computing and communications, atmospheric science, remote sensing and satellite navigation. What has been good for the Air Force has been great for America. We are committed to building upon this heritage.

The Air Force S&T Program develops, demonstrates and tests technologies and advanced warfighting capabilities against the spectrum of 21st century threats. As we continue to adapt to a volatile and uncertain world, today's focused investment in our S&T Program will strive to produce the future warfighting capabilities needed to ensure America's continued technological pre-eminence and military flexibility. Additionally, Air Force S&T organizations work closely with the other Services, Defense Agencies, Intelligence Community, and other Federal agencies, such as the National Aeronautics and Space

Administration, as well as partner nations. Through these partnerships, we leverage efforts, share information, and advance state-of-the-art technologies.

The Air Force S&T Program provides the foundation for future Joint warfighting capabilities, focusing on dominance of the air, space and cyberspace domains for America.

4.5.1 Improving Energy Efficiency

The Air Force is taking the lead in reducing the DoD's dependence on foreign oil. As the DoD's leading consumer of jet fuel, we are currently engaged in evaluating alternative fuels and engine technologies leading to greater fuel efficiency. Air Force efforts focus on high-efficiency aerodynamic concepts, advanced gas turbines and variable cycle engines providing higher performance and greater efficiency.

As a part of this effort, the Air Force is performing flight tests on a B-52 using a blend of MILSPEC JP-8 fuel and a synthetic fuel derived from natural gas. We plan to continue airworthiness certification testing of synthetic fuel.

4.5.2 Cyber Technology

Fulfilling its role as a leader in the Information Age, the Air Force is exploring technologies and concepts of operations within the cyberspace domain. Air Force Cyberspace initiatives will provide tools for offensive and defensive cyberspace operations as well as bolster our information assurance capabilities. The Air Force is investing in technology concepts to ensure reliable, operational links between individuals and systems – in addition to machine-to-machine

interfaces – to ensure cyberspace dominance, information delivery, situational awareness, and rich connectivity across the Joint Team.

4.5.3 Small Satellites

The Air Force is pursuing development of small satellite technologies, including modular buses with "plug-n-play" payloads, along with the development of low-cost launch systems. We aim to provide a greater range of responsive space applications for the tactical warfighter. Small satellite technology demonstrations have achieved lighter payloads and reduced development and integration timelines. Additionally, these achievements serve to mitigate technology risks for larger, more complex satellite programs in development. Small satellites with operationally responsive payloads could potentially provide either specifically tailored, stand-alone capabilities, or rapid augmentation capability for a satellite or constellation of satellites that suffer failure or attack.

4.5.4 Directed Energy

Directed energy weapons will profoundly transform how we fly, fight, and defend ourselves, and we are integrating them into our broader cyber operations effort. As lasers and radio frequency weapons find applications in the battlespace, their ability to operate at the speed of light will change both offensive and defensive capabilities and tactics. New designs and technology may be necessary to offer adequate protection for our people and capabilities.

Weapons in development include the Airborne Laser (ABL), a large aircraft carrying the High Energy Laser for missile defense. Additionally, the

Active Denial System has demonstrated the viability for a long-range, non-lethal, anti-personnel weapon.

These systems benefit from many years of technology development. Revolutionary technologies continue to be developed. These include versatile high power solid-state lasers; devices for aircraft self-protection; higher power Active Denial components for airborne applications; relay mirrors to extend the range of systems like ABL; and high power microwave devices to disable electronics covertly without affecting structures or people.

4.5.5 Hypersonics

The Air Force is a world leader in the development of practical hypersonic air-breathing propulsion. Hypersonic research, relating to flight speeds greater than five times the speed of sound, offers dramatically reduced time-to-target for conventional weapons and, in the future, may provide "airplane-like" on-demand access to space. Our effort involving supersonic-combustion-ramjets (Scramjets) – specifically our planned flight tests of the X-51 Scramjet Engine Demonstrator – highlights our commitment to maintaining America's leading role in this field.

We also expect advanced hypersonic munitions technologies to improve penetration capabilities and decrease collateral damage. These characteristics will allow us to expand our target attack ability, particularly in urban environments and against time critical, hardened, and buried targets.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

FEBRUARY 28, 2007

QUESTIONS SUBMITTED BY MR. ORTIZ

Mr. ORTIZ. For those of us who are not pilots, now—what is a 10 percent reduction? What does it mean as far as hours? I mean, how many hours do they—were training before? And the 10 percent means how many hours of reduction? And what are the risks, if there is any risk involved when you do that?

General MOSELEY. The 10% flying hour program reduction in the FY08 budget submission equated to 104,768 flying hours. Our analysis indicates that 7.5% of the current 10% reduction is manageable within low to medium risk categories. The remaining 2.5% of the reduction is in a higher risk category. We continue to evaluate and assess the risk incurred by reduction to the program in FY08 and will adjust future budget positions based on that analysis.

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. What was the specific cost-breach notification that you gave us?

General MOSELEY. C–130 AMP declared a critical Nunn-McCurdy breach, because the current Program Acquisition Unit Cost and Average Procurement Unit Cost will exceed both the original Baseline Estimate and current Baseline Estimate by more than 50%. C–130 AMP has experienced increases in its unit cost as a result of significant cost growth during the development portion of the program.

QUESTIONS SUBMITTED BY MR. KLINE

Mr. KLINE. What percent of utilization are you flying those 130Hs at?

General MOSELEY. Sortie utilization (UTE) rate is defined as 'average sorties per month per aircraft', and in this case, includes the entire C–130H inventory (Air National Guard, Air Force Reserve Command, and Active Duty Air Force). In 2006 the C–130H sortie UTE rate was 23.2—a 46.8% increase over the 2001 sortie UTE rate of 15.8. The significant increase in C–130H UTE rate from 2001 to 2006 is directly attributed to increase C–130H utilization in the CENTCOM AOR.

QUESTIONS SUBMITTED BY MR. SAXTON

Mr. SAXTON. I am interested in getting your perspective on whether or not land should be transferred from one service to another, that is number one, and number two is, how we can protect and maintain the proper quality of life issues between and among the services.

General MOSELEY. [The information referred to is classified and retained in the committee files.]

QUESTIONS SUBMITTED BY MR. ABERCROMBIE

Mr. ABERCROMBIE. The FY08 budget request once again does not include funding for the JSF alternate engine program.

a) What advantage does the Air Force see to not having a JSF engine competition?

b) Did the Air Force participate in any of the Congressionally-mandated analyses in last year's authorization bill to support this decision? If so, could the Committee review this analysis?

c) What amounts would be required to fund the alternate engine in FY08 and in the FYDP? Why were these amounts deemed to be unaffordable in FY08 and in the FYDP?

d) Is the alternative engine program proceeding as envisioned with the use of FY07 funding until Congress acts on the FY08 budget?

e) What lessons were learned and what benefits resulted from the F100 and F110 engine programs?

Secretary WYNNE. **a)** Cancelling F136 development will save DOD ~$2B through FY13. The AF portion of that savings would be ~$1B.

b) No, in accordance with the authorization bill language, the AF did not participate in any of the Congressionally-mandated analyses from last year's authorization bill. The bill specifically directed the studies be done by OSD CAIG, the Comptroller General and a Federally Funded Research & Development Center (FFRDC). OSD selected IDA as the FFRDC.

c) F136 engine development would require ~$500M in FY08. USAF portion would be ~$250M. F136 engine development would require ~$2B between FY08 - FY13. AF portion of that would be ~$1B. Cancelling F136 development will save DOD ~$2B through FY13. The Department concluded that a single engine supplier provides the best balance of risk and cost and there were higher priorities in the constrained budget environment.

d) Yes, the Department will continue to provide the funds appropriated in the FY07 budget for the F136 program and called for in the F136 systems development and demonstration contract, while Congress is considering the FY08 request.

e) The lessons learned from the F100 and F110 engine programs have been captured by three Congressionally-directed studies. The studies all found intangible benefits to competition in general. However, results also indicate that it will be difficult to achieve a net return on the investment for an alternate engine. For example, the Institute for Defense Analysis (IDA) study determined that 8.8 billion in constant FY06 dollars would be required to develop, maintain and procure a second engine. $2.1 billion of this would occur in fiscal years 2008–2012. They noted that offsetting this amount through savings from competition would require a 40 percent savings rate in production costs. Production savings of this magnitude appear implausible based on savings of 11–18 percent achieved in historical engine competitions. If Operating and Support (O&S) costs were effectively competed in addition to procurement costs, the required savings rate would fall from 40 percent of procurement costs to 18 percent of total costs. Because the Department of Defense has not typically linked procurement and O&S costs in a single competition, IDA found no historical data with which to estimate plausible O&S savings under such an acquisition strategy. IDA assessed that competition can be expected to bring non-financial benefits in the form of fleet readiness, contractor responsiveness, and industrial base robustness.

The Department continues to believe that managing the risk with a single engine supplier is the best use of the available resources.

Mr. ABERCROMBIE. Two Joint Strike Fighters were requested in the FY07 Supplemental budget to replace the combat losses of fighter aircraft. Since, the JSF aircraft will not be available to the fleet for several years, why are these aircraft not listed in the base budget as they will not reach the Warfighter during the next fiscal year?

Secretary WYNNE. This request is in accordance with DOD guidance which allows the Services to request replacement of combat losses in the supplemental. The request for two F–35A aircraft in the FY07 Supplemental is consistent with the Air Force's recapitalization effort and the position of not procuring legacy platforms that are incapable of surviving future conflicts.

Note: White House memo dated 9 March 2007 revised the FY07 Supplemental request by deleting the funding for the two F-35A aircraft "to finance higher priority emerging global war on terror needs".

Mr. ABERCROMBIE. The Government Accountability Office (GAO) sustained the bid protests of Sikorsky Aircraft Company and Lockheed Martin Systems Integration-Oswego (LMSI) against the Air Force's award of a contract to The Boeing Company, for the Combat Search and Rescue Replacement Vehicle (CSAR–X). The solicitation provided that for purposes of the source selection, cost/price would be calculated on the basis of the Most Probable Life Cycle Cost (MPLCC), including both contract and operations and support costs. GAO sustained the protest on the basis that the Air Force's actual evaluation of MPLCC was inconsistent with the required approach as set forth in the solicitation.

Secretary WYNNE. In its March 29 decision the GAO denied all of the additional arguments raised by Sikorsky and Lockheed Martin Systems Integration, "finding that none furnished an additional basis for sustaining the protests." In response to the GAO's recommendation in their February 26 decision the Air Force intends to amend the Request for Proposals (RFP) to clarify its intent with respect to the evaluation of Operations and Support (O&S) costs, reopen discussions with offerors, and request revised proposals. If the evaluation of the revised proposals results in a change to the CSAR–X Best Value Source Selection decision, the Air Force will make

QUESTIONS SUBMITTED BY MR. MARSHALL

Mr. MARSHALL. The Air Force has initiated internal budget reductions or budget shifting through Program Budget Decision 720 (PHD 720), that directly affects base operating structures (BOS) through the elimination of fire protection positions. Do you feel that these fire protection reductions will affect the Air Force's ability to adequately respond and mitigate a catastrophic event that could occur at an Air Force facility?

Secretary WYNNE and General MOSELEY. The Air Force will retain its capability to respond to emergencies IAW DOD Instructions. We have the mandate to be able to respond to and manage a single major emergency event. Our new resource levels will achieve that. Our former manning for fire and emergency services was able to manage multiple emergencies at a given time. We also will continue to mitigate fire risks by ensuring our fire prevention and engineering programs remain intact. Our facilities are designed to meet all Life Safety Code requirements. We're confident that we are taking appropriate risk in managing our resources. We have an outstanding record as it has been five years since the Air Force has had a major fire event. We are proud of our record and believe we can be more effective and efficient in providing fire protection in support of our mission.

Mr. MARSHALL. A CONOPs, which the Air Force has produced, demonstrates that the Air Force intends to rely heavily on outside municipal resources for assistance in fire protection, rescue and emergency medical service responsibilities for Air Force facilities as part of the base operating structure reductions. Do you feet that the Air Force has an inherent responsibility to provide adequate emergency service response capability for the protection of Air Force assets and personnel? Given the unique hazards of an AF base (combat aircraft, weapons systems and complex research structures), should that responsibility be levied on cash-strapped municipalities and States?

Secretary WYNNE and General MOSELEY. The Air Force does indeed have a mandated responsibility to provide adequate emergency service response capability to protect our people and assets. This is a responsibility we take seriously. Our new concept of operations will staff our Fire & Emergency Services, including rescue, to handle a major event IAW DOD Instructions.

The new Fire Emergency Services Concept of Operations does not rely on non-Air Force resources to provide fire protection and rescue at required levels. We have had in place Mutual Aid Agreements between local municipalities and Air Force bases to ensure shared capability is identified for unpredictable catastrophic events. These existing mutual aid agreements were not factored into the new concept as far as personnel and equipment levels. The mutual aid agreements however continue to be an effective tool in managing both on and off base resources for large events.

The fundamental premise of the staffing reductions is that Air Force fire departments have more resources than they require based on DOD Instruction and actual fire emergency response data. Those excess positions can be reduced with no quantifiable risk to Air Force people and property. There is no shift in responsibility for fire protection to external entities. Regarding Emergency Medical Services, Air Force bases routinely contract with local providers for all service beyond Air Force capability at that location. This arrangement is compensated and not based on Mutual Aid Agreements.

Mr. MARSHALL. These reductions, regarding fire and emergency services also appear to directly affect the Air Force's capability to affect an aircraft rescue or mitigate an aircraft incident. A review of the CONOPs shows that the AF will reduce staffing on aircraft firefighting vehicles from three (3) personnel to two (2). This appears to conflict with DOD requirements (DOD instruction DOD 6055.6) which establishes that such vehicles will be staffed with three (3) personnel. Does the Air Force intend to violate DOD Policy regarding these reductions?

Secretary WYNNE and General MOSELEY. The CONOPS defines the most probably major fire emergency involving aircraft. Revised Air Force manpower standards will provide the authorizations to deliver this level of service. The CONOPS does not reduce manpower on any fire fighting vehicles. The number of firefighters required on fire vehicles is determined by the incident commander. DODI 6055.06, Fire and Emergency Services Program, does not prescribe the number of firefighters required on specific vehicles. This document addresses "fire companies" which can include multiple vehicles for the required company firefighters. The Air Force fully conforms to DODI 6055.06 today and will continue to do so after the PBD 720 reductions are executed.

QUESTIONS SUBMITTED BY MS. GIFFORDS

Ms. GIFFORDS. The Air Force budget submission requests $69.2 million for the A–b Wing Replacement Program. However, the Air Force's Unfunded Priority List includes an additional $37.5 million for Fiscal Year 2008, to purchase six additional wings. Close Air Support is one of the Air Force's most important combat missions in Iraq and Afghanistan. What degree of risk does slowing the rate of A–10 recapitalization create for the Close Air Support mission, given the planned expansion of the Army and the Marine Corps?

Secretary WYNNE and General MOSELEY. [The information referred to is classified and retained in the committee files.]

Ms. GIFFORDS. Does the Air Force consult with the Army and Marine Corps when making budget decisions that could affect the availability of air support for ground troops? If so, what was the Army and Marine Corps reaction to your budget decision? If not, why not?

General MOSELEY. The Air Force takes its responsibility very seriously to provide timely and effective air, space and information support to meet Combatant Commander requirements of which US and Coalition land forces are one of the integral warfighting components. As a member of the Combatant Commander's warfighting team, today's land forces require close air support aircraft and supporting personnel, persistent intelligence, surveillance and reconnaissance, secure satellite communications, and inter-/intra-theater airlift all provided by the US Air Force. Our staff works diligently to balance all of these requirements within our available obligation authorization to provide the best balance of trained and equiped forces today and in the future.

The Air Force is a key member of the Joint close air support executive steering committee that reports to the Joint Requirements Oversight Council (JROC), ensuring the Services establish a joint position for the future of close air support operations. These vetted requirements are used to guide and influence budget decisions, but there are more requirements than funding available. Each Service then balances funding and risk to best optimize their force mix and provide capability to support the National Military Strategy and Combatant Commanders.

QUESTIONS SUBMITTED BY MS. CASTOR

Ms. CASTOR. How does the United States monitor other countries' procurement and development of air systems? What do we know?

Secretary WYNNE. A key National Air and Space Intelligence Center (NASIC) mission is to establish future aerospace force assessments. This mission prevents technological surprise through research, development, and acquisition analysis and forecast assessments. These assessments are derived from manpower, equipment, material, processes and facilities analysis for key strategic countries. In addition, NASIC assesses on-going air system developments worldwide to ensure current warfighters are constantly appraised of the foreign state-of-the art available to any potential adversary. These technical assessments build on the aerospace force assessment and provide detailed capabilities and performance estimates for planning and tactics development, as well as specific requirements for US weapons systems acquisition programs.

NASIC uses all sources of intelligence to derive these assessments. Our primary intelligence monitoring sources are: Imagery Intelligence (IMINT), Human Intelligence (HUMINT), Signals Intelligence (SIGINT), Measurement and Signatures Intelligence (MASINT), and Open Source Intelligence (OSINT). These sources provide a foundation to monitor, understand and identify trends in air and aircraft weapon systems research, development and acquisition (RDA) processes. The sources also help identify air system programs and resources. NASIC collaborates with the entire Intelligence Community (IC) to develop and maintain intelligence collection requirements. These are driven by target country doctrine and strategy. The analyses from these sources yield assessments on a country's strategy and capabilities for weapon systems development and procurement. The assessments include forecasts of when key air systems will become operational, i.e., reach their initial operational capability (IOC). NASIC also conducts analysis on overall trends in a country's investment in its weapons research, development, test, and evaluation resources.

NASIC has successfully forecast and accurately assessed strategic countries' procurement and development of leading air systems. In addition we produce original scientific & technical intelligence on the characteristics, capabilities, limitations, and exploitable vulnerabilities of foreign air systems. This intelligence is in support of current and future warfighters and national policymakers.

Ms. CASTOR. What is the Air Force doing to facilitate the use of alternative fuel?

Secretary WYNNE. The Air Force intends to test and certify a synthetic fuel blend in the entire aircraft fleet by 2010.

Currently, we are completing the testing of the synthetic fuel blend in the B–52, with certification expected by the end of the 2007. In addition, we are working with the Federal Aviation Administration and the commercial airline industry (Commercial Aviation Alternative Fuels Initiative - CAAFI) to test and certify the use of synthetic fuels in high-bypass engines by 2009. Since the commercial airline industry uses 85% of the jet fuel in the U.S. and the Air Force uses the same type engines on our transport and refueling aircraft, we feel it is prudent to work together to facilitate the use of synthetic fuels.

The Air Force goal is to acquire 50% of our domestic aviation fuel from domestic sources producing a synthetic fuel blend by 2016. It is our intent to procure synthetic fuels from sources that have carbon capture and sequestration (CCS) technology and equipment in order to greatly reduce carbon dioxide (CO2) emissions.

Ms. CASTOR. What is the most consequential impact to the Air Force of airmen and airwoman being assigned in lieu of (ILO) ground force tasks?

Secretary WYNNE. Airmen supporting US Central Command's ILO requirements predominantly serve in their core competencies and receive valuable combat experience in doing so. Approximately 80% of Airmen serve in core skill sets. The remaining 20% perform ILO tasks outside of their core competency and require extensive additional training. These represent the most consequential impact. These areas are comprised of interrogator and Detainee Operations specialists. The Air Force does not possess an interrogator specialty which requires tasking Airmen to attend 6 months of training before deploying to the combat zone. These disposable skill sets require Airmen to leave their primary career fields for up to 18 months. Detainee Operations requirements have similar consequences in that the specific skills, taught by the Army to execute the Detainee Operations mission, are not required by Airmen on return to their bases.

The Air Force is aggressively pursuing options to limit Airmen performing duties outside their core competency. Currently, all Airmen interrogator requirements are eliminated and an ongoing initiative is shifting Airmen from Detainee Operations requirements to missions more in line with Security Forces specific skill sets. Ultimately we will continue to work with our joint partners to ensure we provide the best military solution for the Combatant Commander.

Ms. CASTOR. Please detail the strengths and weaknesses in the Air Force Reserve and Air National Guard's ability to contribute to national responses if the nation is hit by a natural or catastrophic event.

Secretary WYNNE. **Reserve:** The Air Force Reserve is able to respond immediately to an event because we train to one-tier of readiness. We are bound only by the availability of Military Personnel and Operation and Maintenance funds.

Air National Guard: Thirty-Four percent of our air and space force capability is resident in the Air National Guard. Each day, approximately 16,000 Air National Guard members are supporting continental air defense, another 5,000 are mobilized or deployed and they continue to provide a critical surge capability for the Air Force. They not only protect America's skies, but also provide critical skills for domestic operations: airlift, air traffic control, weather, medical, communications, civil engineers, security forces, aerial firefighting systems, and many other capabilities. All of these capabilities are "dual use" capabilities derived from the Air National Guard's federal role.

The Air National Guard's 177 locations are spread across 54 states and territories and, unless deployed away from home, members live and work near their units. If one area of the country is hit with a natural or catastrophic event, the other areas quickly respond, as they did in their historic response to Hurricane's Katrina and Rita. This response is rapid and agile but can be difficult to coordinate.

Our adaptable airmen have overcome challenges brought on by a piecemeal approach to how we present capability to the governors and domestic responders. The bottom line is there is a lack of identified requirements to allow the Air Force to adequately plan and allocate resources. While this can easily be misunderstood as a Department of Defense problem, this issue crosses many agencies and departments.

QUESTIONS SUBMITTED BY MR. MEEHAN

Mr. MEEHAN. I would like to complement the United States Air Force for their excellent work in protecting our troops by providing ballistic armor in all C–130 and C–17 transport aircraft. I know this has been essential to safe operation in many theatres including Iraq an Afghanistan. I note with great interest that the Air

Force, through its unfunded priorities list, has now placed high priority on procuring and installing the same add-on armor on the C–5 aircraft. It's my understanding that some initial work is being done to procure the first few such armor kits. I would like to understand your plans for outfitting the full fleet as quickly as possible to ensure that the C–5 crews have the same protection the Air Force has always provided for C–17 and C–130 crews.

Secretary WYNNE. Thank you for your interest in the protection of our aircrews and the protective armor needed to help assure their safety. The Air Force Reserve has allocated $2.5M in order to procure 11 kits for aircraft assigned to Westover. The AF has requested an additional $18.5M to procure the remaining 100 kits to outfit the total force fleet via the 2008 Unfunded Priority List. If these funds are appropriated, the vendor has demonstrated the capability to deliver.

QUESTIONS SUBMITTED BY MR. EVERETT

Mr. EVERETT. General Moseley, I know how important educational opportunities are in the recruitment and retention of a high quality force. But I understand that the current language in the National Defense Authorization Act hinders your ability to offer some of the educational programs you would like to see at Air University at Maxwell AFB in Alabama. What changes would you recommend to this language and why is this important?

Secretary WYNNE. A change in congressional language would make our professional military education programs more responsive to our emerging GWOT requirements. We see a need for Bachelors Degree for Enlisted Airmen, a hybrid resident and distance learning Master's Degree for young officers, a Master's Degree in Flight Test Engineering for the Test Pilot School, and a PhD for a few officers in Strategic Studies. All these programs are beyond our authority under the current language in the National Defense Authorization Act (NDAA). We could be more responsive if the Commander of Air University had the authority to grant these degrees and others we might identify in the future.

This is not a request for funding . . . just a request to pursue better educational opportunity for our people, and to increase our intellectual throw weight in the tactical, operational and strategic levels of discourse regarding the role of an Air Force in the affairs of the nation.

Mr. EVERETT. I was please to see last Fall that the Air Force stood up a Cyberspace Command with the mission of providing freedom of access to cyberspace. Within this command, I am particularly interested in the work the Air Force is doing in the area of network security. How does both network and application security fit into the overall construct of the mission of the new Cyberspace Command? Do you feel as though you have adequate resources to address the threat to our networks and applications?

Secretary WYNNE. A change in congressional language would make our professional military education programs more responsive to our emerging GWOT requirements. We see a need for Bachelors Degree for Enlisted Airmen, a hybrid resident and distance learning Master's Degree for young officers, a Master's Degree in Flight Test Engineering for the Test Pilot School, and a PhD for a few officers in Strategic Studies. All these programs are beyond our authority under the current language in the National Defense Authorization Act (NDAA). We could be more responsive if the Commander of Air University had the authority to grant these degrees and others we might identify in the future.

This is not a request for funding . . . just a request to pursue better educational opportunity for our people, and to increase our intellectual throw weight in the tactical, operational and strategic levels of discourse regarding the role of an Air Force in the affairs of the nation.

Mr. EVERETT. As you know, the force structure of the Air Force Reserve is being affected by a variety of factors, including BRAC, the Air Force's Total Force Initiative, and Program Budget Decision 720, which eliminates 7,655 positions. One issue of particular concern to me is inactive duty training (IDT). What steps are being taken to ensure that the Air Force Reserve component have the authority they to ensure that reservists are receiving the training that they need?

Secretary WYNNE. At this time the Air Force Reserve (AFR) is meeting all training requirements. As requirements evolve, we will make necessary adjustments, including seeking legislative relief, if necessary.

Mr. EVERETT. Given China's January 11th test of an anti-satellite weapon-the first antisatellite test in over 20 years, a) What new capabilities or additional resources are needed to counter this threat and address other growing threats to space? b) In your testimony, space situational awareness (SSA) is a top priority yet

for two key SSA programs, Space Based Space Surveillance (SBSS) and the Space Fence, the Air Force has requested $46 million less than expected in fiscal year 2008. Furthermore, funding of space control technology, counterspace systems, and SSA systems and operations comprises roughly $300 million in FY 2008. Is this funding adequate given the overall investment in space and growing threats to space? c) As threat to space and operations in space increase, so too will the need for a robust space intelligence capability. How does the Air Force plan to address this requirement? d) To what extent will the Chinese test and other emerging threats to space change the DOD's investment priorities in space? Furthermore, to what extent will this drive us to different types of systems and capabilities, or a different space architecture?

Secretary WYNNE. The Air Force recognizes space control as a top priority and is placing a greater emphasis on Space Situation Awareness (SSA), space command and control, and space protection. One of the key elements of a robust SSA effort is the ability to integrate SSA data and enhance space command and control. In the FY08 President's Budget, the Air Force has added funds for a new program called Space Situation Awareness Foundational Enterprise (SSAFE), which will ensure the right processing and connectivity behind the sensors to support the timely, correct decision making necessary to counter emerging threats.

The budget for SSA and space control is adequate relative to the threat and the Air Force's overall investment strategy. The Air Force's top SSA priority in the FY08 President's Budget was to maintain the continuity of current capabilities. To that end, funding for Space Based Surveillance System (SBSS) Block 10, which will supplant the Space-Based Visible as the primary space-based SSA sensor, was increased to ensure that system is launched in FY09.

The Department of Defense (DOD) is addressing requirement for a robust space intelligence capability by improving the capabilities of the National Air and Space Intelligence Center (NASIC), the primary DOD producer of foreign aerospace intelligence. Specifically, NASIC is adding resources to collect/process/evaluate open source and classified literature/material necessary to exploit and integrate available intelligence to increase awareness of foreign space/counterspace capabilities and predict intent. The increase in and acceleration of emerging threats in space validated the DOD's increased emphasis on developing a capability to rapidly launch and deploy satellites to surge capability or reconstitute lost or damaged satellites. In the FY08 President's Budget, the Air Force significantly increased funding for the Operationally Responsive Space program to demonstrate the ability to develop and launch Tactical Satellites (TacSat). The first TacSat was successfully launched in December 2006 and two more launches are planned for 2007.

Mr. EVERETT. A topic of considerable focus over the last few years has been the relationship between "black and white" space. What areas of cooperation and/or integration between "black and white" space do you see as valuable? What are your plans to further black and white space integration?

Secretary WYNNE. Integration and partnership across Department of Defense (DOD) and the Intelligence Community is essential for providing the nation with effective and efficient space capabilities to support national security activities; the Air Force is committed to fostering this relationship.

There is value added to any activity that pursues efforts to maximize the partnership and integration between the Intelligence and Defense communities, particularly "black" and "white" space. The NSSO is following the highly successful Transformational Communication Architecture with development of architectures for Position, Navigation, and Timing; Space Control; and Intelligence, Surveillance, and Reconnaissance.

Integration efforts include building architectures, Concepts of Operations, Intelligence, Surveillance and Reconnaissance (ISR), Communications, Launch and Ranges, S&T, Specifications and Standards, Industrial Base, CADRE, Acquisition processes and lessons learned, relations with other Civil Agencies, and joint operations where possible.

Joint forums between the Air Force and NRO afford the opportunity to coordinate and share across the National Security Space enterprise. As we look towards future integration of black and white space, collaborative efforts such as the Space Partnership Council allows for senior space leadership in the DOD, civil, and intelligence communities to discuss issues of mutual interest. The council meets about three times a year; example topics include Space Situational Awareness, Space Control, Space Acquisitions, Space Professional Development, Space Launch,

Mr. EVERETT. The Committee noticed that Space Radar funding is now classified and reflects a change in funding from an Air Force program line to a Military Intelligence Program (MIP) line. What motivated the change in funding sources for the Space Radar? What ramifications will this have on system development, program

management, and cost sharing between the Department of Defense and Intelligence Community? What is the status of the DODIC memorandum of agreement currently in revision?

Secretary WYNNE. The Office of the Secretary of Defense (OSD) directed the movement of Space Radar funds from the Air Force Military Intelligence Program (MIP) to the NRO MIP. This movement has occurred. These funds remain under the jurisdiction of the DOD, to be applied to the Space Radar Program. In concert with this movement, OSD and the Office of the Director of Intelligence (ODNI) have developed a cost-sharing budget agreement for FY 2008–13 as demonstrated in the FY08 President's Budget (PB) submission. The movement of these funds does not affect Space Radar system development or program management. A draft Memorandum of Agreement between the Deputy Secretary of Defense and the Principal Deputy Director of National Intelligence is in final coordination and documents the Space Radar cost-sharing agreement. It also establishes the framework for Space Radar program management and oversight as a joint OSD and ODNI program. Final cost sharing for the production effort in FY14 and beyond is to be determined in the FY 2009 PB submission. Space Radar continues to be the single, shared space radar capability for the nation. Support for both the MIP and the National Intelligence Program funding lines is important so we can maintain DOD and the Intelligence Community synchronization on the program.

QUESTIONS SUBMITTED BY MR. HAYES

Mr. HAYES. General Moseley and Secretary Wynne, I want to ask you both about how you are going to handle the $15 billion contract for the CSAR–X Combat Search and Rescue helicopters. The General Accountability Office has just called the winning bid "inconsistent" with the requirements spelled out in the Request for Proposal. The GAO is very impartial, and they found in their recent ruling regarding award of CSAR–X that flaws in the initial RFP and procurement process are serious enough that the Air Force should re-issue a corrected RFP, solicit updated proposals, and hold new evaluations of the offered proposals. GAO rarely upholds protests, and has never upheld a protest of a program of this magnitude, so it is important for the Air force to follow through on this ruling. In light of the GAO upholding the CSAR–X protest, what is the Air Force's plan to go forward with the CSAR–X procurement?

Secretary WYNNE. In its March 29 decision the GAO denied all of the additional arguments raised by Sikorsky and Lockheed Martin Systems Integration, "finding that none furnished an additional basis for sustaining the protests." In response to the GAO's recommendation in their February 26 decision the Air Force intends to amend the Request for Proposals (RFP) to clarify its intent with respect to the evaluation of Operations and Support (O&S) costs, reopen discussions with offerors, and request revised proposals. If the evaluation of the revised proposals results in a change to the CSAR-X Best Value Source Selection decision, the Air Force will make any necessary changes in the contract award decision.

Mr. HAYES. How will the Air Force address the need to procure the right aircraft for the warfighter and the CSAR mission?

Secretary WYNNE. From program inception, Air Force Combat Search and Rescue (CSAR) personnel, including experienced aircrew and maintainers, have been involved in every step of this acquisition. We have a moral obligation to deliberately and expeditiously deliver the Combat Search and Rescue capability the warfighter needs to protect those who are in the fight today, and in the future, in operations around the world. The Air Force operational and acquisition communities will continue to work as a team to procure and field the best possible aircraft for our warfighters.

Mr. HAYES. I am concerned by recent statements from the Air Force indicating that because of the need to get a new rescue aircraft into the field quickly, the Air Force is willing to proceed with the intention of "narrowly" interpret this GAO decision. How and why do you intend to do so? Fielding a system quickly is important, but most important is choosing the best platform to support the warfighter. In your selection process, will fielding a system quickly take precedence?

Secretary WYNNE. In its March 29 decision the GAO denied all of the additional arguments raised by Sikorsky and Lockheed Martin Systems Integration, "finding that none furnished an additional basis for sustaining the protests." In response to the GAO's recommendation in their February 26 decision the Air Force intends to amend the Request for Proposals (RFP) to clarify its intent with respect to the evaluation of Operations and Support (O&S) costs, reopen discussions with offerors, and request revised proposals. In evaluating the responses to the RFP amendment, the

Air Force will continue to apply an integrated Best Value assessment, which considers Mission Capability, Proposal Risk, Past Performance, and Cost/Price evaluation factors. If the evaluation of the revised proposals results in a change to the CSAR–X Best Value Source Selection decision, the Air Force will make any necessary changes in the contract award decision. The Air Force remains committed to a fair, open and transparent process while working to resolve this protest. Additionally, we have an obligation to deliberately and expeditiously deliver the Combat Search and Rescue capability the warfighter needs.

Mr. HAYES. Can you assure the committee that the Air Force will take the proper steps to assure the GAO ruling is followed, including their suggestion of a re-bid? Can you assure us that proposals will be re-evaluated?

Secretary WYNNE. In its March 29 decision the GAO denied all of the additional arguments raised by Sikorsky and Lockheed Martin Systems Integration, "finding that none furnished an additional basis for sustaining the protests." In response to the GAO's recommendation in their February 26 decision the Air Force intends to amend the Request for Proposals (RFP) to clarify its intent with respect to the evaluation of Operations and Support (O&S) costs, reopen discussions with offerors, and request revised proposals. If the evaluation of the revised proposals results in a change to the CSAR–X Best Value Source Selection decision, the Air Force will make any necessary changes in the contract award decision.

Mr. HAYES. Are you planning a thorough requirements review or will cost be the only area you are going to examine?

Secretary WYNNE. The Air Force is not planning an additional review of the CSAR–X Capability Development Document (CDD) requirements. The Air Force did a thorough review of CSAR–X requirements when the CSAR–X CDD went to the Air Force Requirements for Operational Capability Council (AFROCC), en route to the Joint Requirements Oversight Council (JROC) where the CSAR–X CDD was validated on 16 Aug 05. The Air Force intends to comply with the GAO's February 26 Recommendation by amending the Request for Proposals (RFP) to clarify its intent with respect to the evaluation of Operations and Support (O&S) costs, reopen discussions with offerors, and request revised proposals. If the evaluation of the revised proposals results in a change to the CSAR–X Best Value Source Selection, the Air Force will make any necessary changes in the contract award decision.

Mr. HAYES. Was the lowest cost helicopter in the original CSAR–X competition the one which was selected?

Secretary WYNNE. The CSAR–X source selection decision was based on an integrated assessment using Best Value source selection criteria. The Best Value selection criteria included Mission Capability, Proposal Risk, Past Performance and Cost/Price factors. As reported in the 26 Feb 07 GAO decision document for public release, Lockheed Martin had the lowest evaluated Most Probable Life Cycle Cost under the Cost/Price factor.

Mr. HAYES. Also, it is my understanding that CSAR pilots and users were not closely included in the source selection process and in the selection committee. I am especially concerned that the initial platform chosen was questioned by numerous analysts and CSAR crews for this particular mission. Moving forward will CSAR pilots and users' concerns and input be given thorough consideration? How so?

Secretary WYNNE. From program inception, Air Force Combat Search and Rescue (CSAR) personnel, including experienced aircrew and maintainers, have been involved in every step of this acquisition, as well as participating as members of the source selection team and source selection advisory council. The development of CSAR–X requirements was led by Air Force pilots, aircrew, and support personnel who have flown demanding CSAR missions, maintained the HH–60G, and supported CSAR operations in austere locations around the world. As we move forward with the CSAR–X program, CSAR aircrew and support personnel will continue to play a vital role in its acquisition, development, testing and fielding.

Mr. HAYES. Have any of the helicopters in the CSAR–X competition been used for rescue in Afghanistan or Iraq? Which ones? How did they perform?

Secretary WYNNE. Variants of the H–47 and EH–101 have been deployed to Iraq or Afghanistan. While these platforms provide an inherent rescue capability associated with any helicopter, to the best of our knowledge they are not dedicated to Combat Search and Rescue (CSAR). The Air Force is the only service within the Department of Defense to provide dedicated forces conducting the CSAR mission. The fact these forces are dedicated is critical as it ensures CSAR is always available and not delayed.

Mr. HAYES. How "survivable" is the original contest winner in a high threat area? Why do you see it as the best helicopter for the CSAR mission?

Secretary WYNNE. The Capability Development Document (CDD) is based on rigorous mission analysis and its development aided by combat experienced HH–60G

CSAR operators and maintainers. The CDD outlines the required key performance parameters, key system attributes, and attributes to include survivability needed for the CSAR–X aircraft. The H–47 variant proposed by Boeing meets or exceeds all requirements as set forth in the CDD.

Mr. HAYES. Are any of the helicopters in the competition being used as rescue helicopters by any of our major allies? If so, which ones?

Secretary WYNNE. While our allies may be deploying variants of the H–47, S–92 and US–101 as a vertical lift platform with the inherent rescue capability associated with any helicopter, to the best of our knowledge they are not dedicated to Combat Search and Rescue (CSAR). The Air Force is the only service within the Department of Defense to provide dedicated forces conducting the CSAR mission. The fact these forces are dedicated is critical as it ensures CSAR is always available and not delayed.

Mr. HAYES. Do you think that the current situation is a result of an "era of protests" caused by declining defense programs or is it a reflection of a poorly executed acquisition?

Secretary WYNNE. The CSAR–X acquisition is not indicative of problems within the Air Force acquisition system. The Air Force is employing and remains committed to fair, open and transparent acquisition processes.

Mr. HAYES. Since this is the first major acquisition since the Air Force received its acquisition authority from OSD, is this executed acquisition indicative of any problems or flaws with the Air Force acquisition system?

Secretary WYNNE. No, the CSAR–X acquisition is not indicative of problems within the Air Force acquisition system. The Air Force is employing and remains committed to fair, open and transparent acquisition processes.

QUESTIONS SUBMITTED BY MR. MILLER

Mr. MILLER. The first RAND study will be issued 31 March. I am concerned that the study will not address the 2005 BRAG finding, now law, that Eglin is an RDT&E center of excellence. Mr. Chairman, with your permission I would like to submit the DOD and BRAC commission comments on Eglin Air Force Base's military value and will not read them now. SECDEF quote from BRAC report: "http://www.brac.gov/finalreport.htmt" Eglin is one of three core integrated weapons and armaments RDAT&E centers (with China Lake, CA, and Redstone Arsenal, AL) with high MV and the largest concentration of integrated technical facilities across all three functional areas. Eglin AEB has a full spectrum array of Weapons & Armaments (W&A) Research, Development & Acquisition, and Test & Evaluation (RDAT&E) capabilities. Accordingly, relocation of Hill AFB and DTRA NCR W&A capabilities will further complement and strengthen Eglin as a full spectrum W&A RDAT&E Center. "Commission findings htm://www.brac.gov/finalreport.html" The Commission found merit in DOD's proposal to create a fullipectrum capability at Eglin for Weapons and Armaments, and found no reason to disagree with the Secretary's recommendation. The Commission carefully examined the justification for the Secretary's recommendation to transfer in-service engineering responsibilities for research, development and acquisition, test and evaluation from FUII Air Force Base to Eglin Air Force Base, and found it would enhance long-term military value. "Do you agree with the BRAC law, and if not, what does the Air Force intend to do to implement its desired Test and Evaluation plan while still complying with the law?

General MOSELEY. The Air Force Cost-Benefit analysis required by the Fiscal Year 2007 Defense Appropriations Act will be delivered to Congress no later than 30 April 2007. The Air Force will comply with BRAC law and will implement the Secretary of Defense's recommendation to relocate Weapons and Armaments In-Service Engineering Research, Development and Acquisition, and Test and Evaluation from Hill Air Force Base to Eglin Air Force Base.

Mr. MILLER. As a result of PBD 720, the Air Force proposed realigning a portion of its Test & Evaluation capability and divesting itself of other capabilities, in order to generate future cost savings. The Air Force is currently conducting a cost benefit analysis mandated by Congress in the FY07 National Defense Authorization and the Defense Appropriations Acts, prior to implementing such a plan. We have been told that the target date for the final assessment is June 2008, although the assessment might be delivered as early as December 2007. Likewise, most of the cuts to Air Force T&E in the FY08 and FY09 budget were restored, pending the results of the cost benefit analysis. Can you assure this committee that the Air Force will maintain funding of its T&E infrastructure at least through the budget submission for FY10, which is the budget submission after the cost benefit analysis is com-

pleted? Also, we have been told that there is an additional study underway by the RAND Corporation to assess the infrastructure and staffing required to support Air Force Test & Evaluation. One could assume that this study might find that additional infrastructure or staffing is required. Has the study been constrained in any way to simply look for cuts within the T&E enterprise?

General MOSELEY. The Air Force is faced with budget challenges, continuous combat operations, and the need to reconstitute the force. This has resulted in the Air Force considering all options available to maximize efficiencies. This includesoptimizing the Test and Evaluation infrastructure. The Air Force is engaged in several studies, including a RAND study, to assist the Air Force with this effort. The RAND study was not constrained to only identifying cuts within the T&E enterprise and appropriate funding will be allocated to support optimizing the Test and Evaluation infrastructure.

Mr. MILLER. With the average aircraft age currently at 24 years, I know you're concerned about modernizing and/or replacing many airframes. Are you comfortable with the state of our C–130 center wing boxes and our C–130 Fleet overall and second do you feel the budget request was large enough? Do you believe AC–130U operational tempo has accelerated fatigue damage to center wing over the previous projections?

General MOSELEY. First, let me say we are confident the current restriction/grounding limitations and center wing box replacement program have effectively mitigated the risks that center wing fatigue damage has on the C–130 fleet. The Air Force budget request is sufficient to address the immediate needs for the Center Wing Replacement (CWR) program. However as pointed out, the increase in flying hours of the AC–130U in support of the war on terrorism has accelerated the need to replace AC–130U Center Wing Boxes from FY12 as originally scheduled to FY10, requiring purchase of AC–130U Center Wing kits in FY08 in lieu of those programmed for the C–130H fleet.

Mr. MILLER. The Air Force has been designated lead service for the Joint SOF/CSAR Recapitalization Program and will procure and field basic aircraft, common support equipment and trainers for USSOCOM. It is my understanding that the acquisition strategy is currently under review and a materiel solution has not been determined. Additionally, the Joint SOF/CSAR tanker recapitalization ICE was approved by the JROC on 18 Oct 06 and a report to Congress provided in FY06. What is the status of the additional report to accelerate SOF tanker recap due in FY07? Do you feel the Joint SOF/CSAR Recapitalization Program is on schedule?

General MOSELEY. The HC/MC–130 Recapitalization Program is progressing well. The Joint Requirements Oversight Council validated the Initial Capabilities Document (ICD) in Oct 06, and OUSD(PA&E) graded our Analysis of Alternatives as "Sufficient" in Feb 07 and recommended recapitalizing Air Combat Command's HC–130P/N and Air Force Special Operations Command's MC–130Es and MC–130Ps with new modified, medium transport aircraft. We anticipate Joint Staff review and validation of the Capabilities Development Document in May, which would meet our target date. Meanwhile, Aeronautical Systems Center is conducting market research to determine the best strategy for HC/MC–130 Recapitalization. That determination will be made in the May - Jun 07 timeframe.

USSOCOM and Air Force are preparing a response to the FY07 NDAA HASC Report request regarding "U.S. Special Operations Command Aviation Modernization." We anticipate the report will be submitted by the end of Apr 07.

Mr. MILLER. It's my understanding that the President's Budget Request for fiscal year 2008 includes $49 million for repairs to Santa Rosa Island Range Facilities. I'm very happy to see this and was disappointed OMB removed the $169 million the DOD submitted in one of last year's supplementals since the hurricane damage was not Katrina related. What is the Air Force's plan to ensure that at least $169 million is provided to this island which protects all of Eglin Air Force Base and much of the community?

Secretary WYNNE. The Air Force is committed to restore full access and protection of critical test capabilities at Santa Rosa Island Range Complex test sites. The construction funds are needed to construct seawalls, repair roads, and restore the land mass. We have included two projects totalling $84.0 million in the FY08 President's Budget; Construct Seawalls ($35.0 million) and Repair Roads ($49.0 million). The third project, Land Mass Restorations is tentativly programmed in the FY10 MILCON program at $38.0 million. This project was deferred to FY10 because of need for full environmental assessment study. In addition, we have programmed $13.0 million for design of these three projects. The total cost for restoring the test capability at Santa Rosa Island Range Complex is about $135.0 million. This is less than the original estimated cost of $169.0 million.

QUESTIONS SUBMITTED BY DR. GINGREY

Dr. GINGREY. Mr. Secretary, we certainly understand the need for efficient and effective aircraft that meet the warfighter's needs. As you know, I support both the C–17 and C–5 programs. You previously testified that selective C–5A retirements would allow you to save excessive maintenance money and buy new C–17s. Considering that the O&S costs of a C–5 and C–17 (on an annualized per aircraft basis) are very similar, what analysis has the AF done which suggests that this is fiscally advantageous? It is true that C–5A/Bs today have a higher per flying hour cost than C–17's, but when one measures the amount of cargo carried by both aircraft, the cost of delivered cargo (cost-per-ton-mile) are remarkably similar between the aircraft. In fact, modernized C–5Ms will have a significant advantage over the C–17 in terms of cost-per-ton-mile, and the investment will pay for itself. The Year 2005 USAF estimates of modernization O&S reductions were ~$20.4B BY00$ or $49.8B TY$ which did not include an additionally anticipated $2B in fuel savings. Reduced Total Ownership Costs (O&S savings - investment) is ~$11.48 BY00$ or $38.2B TY$. RERP pays for itself while generating an extra $38B TY$s to support AF recapitalization of other priority programs in the future, such as space, tankers and fighters that you mentioned. Even the AF's own C–5 Fleet Viability Board took a look at C–5 O&S costs and concluded they were not out of line with other heavy aircraft, considering the size and cargo carrying capability of the C–5. Consequently, it does not appear that the AF's argument to trade C–5s (with decades of service life remaining) for C–17 has any fiscal advantage, nor generates a significant operational effect. In fact, it seems much more prudent to apply the cost of a single C–17 toward modernizing 3 C–5s, which provide 6 times the cargo capacity. Why should Congress support replacement of C–5s with C–17s when there appears to be no compelling reason to do so?

Secretary WYNNE. Ongoing evaluation of the RERP program has brought previous estimates of cost savings into question. The assumptions that led to predictions of $11.4B in cost savings through 2040 did not account for the recently identified cost pressures associated with engines, pylons, and touch labor. The Air Force is currently engaged in a detailed cost estimating effort to establish a service cost position for C–5 RERP. This detailed cost estimate is forecast to complete by July 2007.

A robust, modernized C–5 fleet is a force multiplier, carrying roughly twice the palletized payload of a C–17 and is the only aircraft that can carry certain cargo. This enables the C–17 fleet to fully exploit its unique multi-role, aeromedical, airdrop, special-operations and austere airfield capabilities (short/unimproved airfields, direct delivery). It is clear that we need both. The three RERP aircraft currently in flight test are performing well. Outside of RERP testing, there are other legacy aircraft issues emerging, which will also need to be addressed. No modernization program can address everything. As we see with all our aging aircraft, unforeseeable issues continue to materialize. Investment in new aircraft is the only other option currently available that reduces the risks associated with an aging aircraft fleet.

Dr. GINGREY. Mr. Secretary, I supported the procurement of C–17s to replace the C–141, and Congress is on track to provide funding for 190 of these aircraft. The MCS, QDR, and the AF's own program of record also support C–5 modernization as part of the nation's strategic airlift solution set. These studies have all suggested that 292 aircraft are sufficient. By my numbers, the AF will grow to 301 strategic airlift aircraft, which appears to meet all of those requirements. Considering Congress' previous support for your airlift plans, why do you now present the dilemma that C–5As need to be immediately replaced by additional C–17s? From my perspective, there is nothing to preclude the AF from buying additional C–17s today. However, it was the AF that chose not to put additional C–17s in the budget, nor include any additional C–17s in its top 25 unfunded priorities for FY08. Why is the AF sending such mixed signals? Given the fact that the C–5 fleet has 70% service life remaining, and that the benefits of C-5 modernization are clearly documented (last year the USAF told us RERP pays for itself while generating an additional savings of ~$11.4B BY00$ or $38B TY$s), why would the AF not accelerate this program for the entire C–5A/B/C fleet to realize even greater future savings while maximizing cargo capacity?

Secretary WYNNE. The ongoing evaluation of the RERP program has brought previous estimates of cost savings into question. The assumptions that led to predictions of $11.4B in cost savings through 2040 did not account for the recently identified cost pressures associated with engines, pylons, and touch labor. The Air Force is currently engaged in a detailed cost estimating effort to establish a service cost position for C–5 RERP. This detailed cost estimate is forecast to complete by July 2007. The three RERP aircraft currently in flight test are performing well tech-

nically. However, there are other legacy aircraft issues emerging, such cracks in the fuselage crown skins, which will also need to be addressed.

Although the Air Force did not include additional C–17s in the FY08 budget, we did include additional C–17s in the FY08 Unfunded Priority List as a part of Remaining Requirements.

Acceleration of the C–5 modernization program could in result in higher O&S savings and mitigate upward programmatic cost pressure, but in the current fiscally constrained environment this is a challenge for the Air Force.

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