

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MARCH 30, 2011

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

The subcommittee met at 10:31 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Johnson, Cochran, Hutchison, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF MICHAEL B. DONLEY, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning, we welcome back the Secretary of the Air Force, the Honorable Michael Donley, and the Air Force Chief of Staff, General Norton Schwartz.

Gentlemen, we thank you for being here with us today as we review the Air Force's budget request for fiscal year 2012. And we thank you also for submitting your prepared testimony. Without objection, the full statement will be made part of the record.

For fiscal year 2012, the Air Force is requesting \$150 billion in base budget. This funding level is roughly equal to your fiscal year 2011 request. The Air Force is also requesting \$16.4 billion for overseas contingency operations for fiscal year 2012, which is a decrease of \$4.4 billion from last year's request, and reflects the ongoing drawdown from our forces in Iraq.

The lack of growth in the Air Force is partly a result of the Secretary of Defense's efficiency initiatives, and I look forward to hearing today how the Air Force plans to reduce overhead, streamline logistics, improve satellite procurement, and reduce energy consumption as part of your efficiencies.

The subcommittee commends the Department of Defense for examining ways to make operations more efficient and affordable; however, we must ensure that we are achieving true savings and not just deferring tough decisions to a later date.

In addition to achieving the efficiency savings that have been identified, in the near term the Air Force must meet growing de-

mands for cyber security and nuclear security and intelligence, surveillance, reconnaissance (ISR).

In theater, the situational awareness requirements of our forces continue to grow. Good progress has been made toward achieving this goal of operating 65 continuous combat air patrols in theater with remotely piloted vehicles. However, the Air Force must still address how to fulfill long-term manpower requirements of these operations and how to incorporate the ever increasing number of ISR assets into the Air Force's force structure.

Over the next decade, the Air Force will face growing budgetary pressures as several expensive recapitalization programs get underway. But, first, let me commend both of you on the successful award of the aerial refueling tanker contract. This is a critical step in replacing our aging tanker fleet.

But as you know, the commencement of work on the new tanker comes at the same time as the development of a new penetrating bomber begins and Joint Strike Fighter (JSF) production ramps up. These efforts will place significant pressure on the budget at a time of tightening budgets.

To this end, to add to the Air Force's already full plate, you are now heavily engaged in operations in Libya. And I look forward to hearing from you today about the extent of Air Force support to the coalition forces operating in Libya, as well as the cost of these operations, and what you see as the end game of our involvement there.

Gentlemen, these are challenging times, to say the least, and we have many difficult choices in front of us. I look forward to working with both of you to ensure that the fiscal year 2012 appropriations reflects the current and future needs of the Air Force.

And now, I wish to turn to our vice chairman, Senator Cochran, for his opening statement.

Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I am pleased to join you in welcoming our panel of witnesses at our hearing today. We are looking, of course, at the budget request that has been submitted for the Department of the Air Force, and anxious to learn what the reaction of the Uniformed Services and the Secretary are to the budget request, and whether it meets the needs that you have, particularly in light of developments in Libya. We are interested to know what are the consequences in terms of the budget request of—for the actions that we are taking and the obligations that we have assumed in that part of the world. Your insights would be helpful to us to understand what we are facing there in terms of the need for appropriated dollars.

I join the chairman in thanking you for your service. We appreciate very much what you are doing for the safety and security of our country.

Thank you.

Chairman INOUE. I thank you very much. And, Mr. Secretary?

Mr. DONLEY. Thank you. Mr. Chairman, Senator Cochran, members of the subcommittee, it is certainly a pleasure to be here today representing more than 690,000 active duty, Guard, Reserve, and

civilian airmen. I am also joined this morning with my teammate and a tireless public servant, General Norty Schwartz.

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

AIR FORCE GLOBAL OPERATIONS

Today, we are bringing this capability to bear in operations across the full spectrum, from humanitarian support to our Japanese friends in need, to the ongoing stability and counter insurgency operations in Iraq and Afghanistan, to the no fly zone enforcement and protection of the civilian population in Libya, to the continuous air sovereignty, space, and cyber, and nuclear deterrence missions—the speed, precision, and versatility of your Air Force is being tested and proven daily.

We are, as you suggested, Mr. Chairman, requesting \$150 billion in our baseline budget, and \$16 billion in the overseas contingency operations supplemental appropriation to support this work. Our budget request represents a careful balance of resources among Air Force core functions necessary to implement the President's national security strategy, and between today's operations and investments in the future.

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

EFFECTS OF OPERATING UNDER FISCAL YEAR 2011 CONTINUING RESOLUTIONS

Operating without a defense appropriations bill in fiscal year 2011 is having a significant impact on the Air Force. A decision to extend the continuing resolution at fiscal year 2010 levels through the remainder of this year would delay our ability to reach and sustain the Secretary of Defense's directed goal of reaching 65 MQ-1/9 Combat Air Patrols by 2013 in support of operations in Afghanistan. And it would cause a production break and the likely increase in the unit cost of F-15 radar modernization, among other programs. Deeper reductions to our modernization programs would be required to fund over \$4 billion in must-pay bills for urgent operational needs, like those in Afghanistan, Iraq, military healthcare, and the military pay raise of 1.4 percent, which Congress authorized, but which has not yet been funded. Without fiscal year 2011 appropriations, we would face delay or cancellation of some depot maintenance, facilities maintenance, and other day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full year continuing resolution. Finally, fiscal year 2011 appropriations are also required for 44 military construction projects now on hold, which support ongoing operational needs and improve the quality of life for airmen and their families. Passing a fiscal year 2011 Defense appropriations bill is essential to avoid the severe disruptions. And we certainly appreciate, Mr. Chairman, your personal leadership, Senator Cochran,

your personal leadership, and the help of this subcommittee currently underway to resolve this situation.

RESHAPING THE AIR FORCE FOR PRESENT AND FUTURE THREATS

Over the past decade, the Air Force has substantially reshaped itself to meet the immediate needs of today's conflicts and position itself for the future. While we have grown in some critical areas, it has been at the expense of others. We have added intelligence, surveillance, and reconnaissance capacity with 328 remotely piloted aircraft and over 6,000 airmen to collect, process, exploit, and disseminate intelligence. We added over 17 aircraft and nearly 2,400 airmen to bolster special operations capacity necessary in counter insurgency operations. We added over 160 F-22s and 120 C-17S to our inventory and funded over 30 satellites. We added 2,200 airmen for critical nuclear and cyber operations and to support our acquisition process.

In the same period, however, we retired over 1,500 legacy aircraft. We cancelled or truncated procurement of major acquisition programs. We shed manpower in career fields less critical for the current fights, and deferred much-needed military construction in order to balance these capabilities within the resources available. In all, during the past 7 years, the size of the active duty Air Force has been reduced from 359,000 in 2004 to approximately 333,000 today. And the Air Force's baseline budget, when adjusted for inflation and setting aside the annual wartime supplemental appropriations, has remained flat.

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

We continue to recognize the requirement for fiscal restraint and are committed to remaining good stewards of every taxpayer dollar, improving management and oversight at every opportunity.

EFFICIENCIES ACROSS THE FYDP

The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the future year's defense plan, which will be shifted to higher priority combat capability by reducing overhead costs, improving business practices, and eliminating excess troubled or lower priority programs. By consolidating organizational structures, improving our acquisition processes, procurement, and logistic support, and streamlining operations, we have been able to increase investment in core functions, such as global precision attack, intelligence, surveillance, and reconnaissance (ISR), in space and air superiority, reducing risk by adding tooth through savings in tail.

We are fully committed to implementing these planned efficiencies and have already assigned responsibilities to senior officials, and put in place the management structure to oversee this work and track progress on a regular basis. Having faced the need to reshape our force structure and capabilities within constrained manpower and resources over the last several years, we do not view the current need for efficiencies as a singular event, but rath-

er as an essential and continuing element of prudent management in our Air Force.

Our investment priorities remain consistent with minimizing risk and maximizing effectiveness and efficiency across the full spectrum of potential conflict. Proceeding with the development and production of the KC-46 tanker aircraft, implementing the Joint Strike Fighter restructure, and meeting the Combatant Commanders' need for more ISR, investing in the long-range strike family of systems, including a new penetrating bomber, and enhancing space control and situational awareness, all remain critical capabilities for both today's and tomorrow's Air Force.

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

CARING FOR TOTAL FORCE AIRMEN

And, of course, Mr. Chairman, we will continue to support our Active, Guard, Reserve, and civilian airmen and their families with quality housing, healthcare, schools, and community support.

With respect to healthcare, I would like to convey the Air Force's support for DOD's TRICARE reforms that will modestly increase premiums for working-age retirees, premiums that have not changed since they were initially set—set in 1995.

Going forward, we must continue to seek and develop reforms in the benefits that our men and women in uniform earn to make them economically sustainable over the long term.

PREPARED STATEMENT

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

Thank you.

Chairman INOUE. All right. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL B. DONLEY

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

We remain mindful of our Nation's budgetary challenges and fiscal constraints, because fiscal responsibility is a national security imperative. This environment requires that we balance our capabilities between current combat operations and the need to address emerging threats and challenges. We continue to pursue cost-effective systems that leverage existing capabilities and maximize interoperability and

integration of legacy and future systems. The commitment of the Air Force to collectively discern, access and provide tailored and scalable effects with Global Vigilance, Reach, and Power virtually anywhere in the world is reflected in our acquisition priorities. These priorities are:

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

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

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

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

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

Last, our fiscal year 2012 budget request recognizes the need to properly manage our force structure. We recognize that our most valuable assets—our people—are critical to achieving our broadest strategic goals, and our near- and far-term mission success is inextricably linked to the overall well-being of our Airmen and their families.

Operating without a defense appropriations bill in fiscal year 2011 is having a significant impact on the Air Force. Under a Continuing Resolution (CR), we are unable to raise procurement to requested levels in several critical areas. Constraining MQ-9 procurement to 24 aircraft versus the 48 requested will delay our ability to reach the Secretary of Defense's directed goal of 65 MQ-1/9 Combat Air Patrols (CAPs) by 2013 in support of ongoing operations in Afghanistan. The inability to initiate a contract for the Wideband Global SATCOM (WGS)-7 satellite will cause a production break and a likely increase in unit cost. Production breaks and delayed

procurements will also negatively affect the Joint Air-to-Surface Standoff Missile (JASSM), F-15 active electronically scanned array (AESA) radar, F-15 APG 63 radar, and other programs. In addition to these impacts, deeper reductions to our modernization programs would be required to fund over \$3 billion in must-pay bills for urgent operational needs in Afghanistan and Iraq, military healthcare, and the military pay raise of 1.4 percent, which was authorized by Congress and is being implemented, but was not funded. Fiscal year 2011 appropriations are also required for 75 military construction (Milcon) projects, now on hold, which support ongoing operational needs and improve the quality of life for Air Force personnel and their families. Last, the Air Force would have to delay or cancel some depot maintenance, weapon system sustainment and other day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full year CR.

In summary, continuing the CR far beyond March 4 would severely impact program and budget execution in the Air Force, delaying modernization and causing significant restructuring and potential cost increases to many acquisition programs, and creating larger backlogs for maintenance and other operations. Passing a fiscal year 2011 defense appropriations bill is essential to avoid these severe disruptions.

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

As part of the fiscal year 2012 budget, the Air Force exceeded our efficiency target by \$5 billion and identified \$33.3 billion in efficiencies in an effort to make resources available to better support warfighter and readiness programs across the FYDP. Examples of these efficiencies include:

- Consolidating three Numbered Air Forces with collocated Major Command staff and consolidating the activities of four Air and Space Operations Centers into two, thereby achieving a redistribution of 347 military authorizations (228 in fiscal year 2012 and 119 in fiscal year 2013) across the FYDP and eliminating 212 civilian authorizations beginning in fiscal year 2013 which will save \$100.1 million across the FYDP;
- Consolidating installation support management to improve Air Force-wide standardization and prioritization;
- Reallocating 5,600 active duty billets over the FYDP from lower priority support functions to higher priority, growth areas;
- Saving more than \$3 billion from anticipated growth in Weapon System Sustainment (WSS) portfolio efficiencies across the FYDP by reviewing operational requirements, depot processes and the sustainment of the supply chain without degrading operational capabilities or support to the warfighter;
- Reducing fuel consumption within the Mobility Air Forces by leveraging proven commercial aviation practices for flight planning and weight reduction, and implementing other initiatives to save \$715 million (net) across the FYDP;
- Reducing acquisition costs by consolidating services, scrutinizing contracts, reducing contract support, and more efficiently using resources to deliver capabilities and support to the warfighter;
- Reducing information technology costs by more than \$1.2 billion over the FYDP by adopting DOD-level Enterprise Information Services including enterprise core services, consolidating and standardizing the network information technology infrastructure from nine Air Force and Air National Guard Regional Processing Centers to five centrally controlled centers, and migrating current and developmental applications, services and data to DOD-provided enterprise computing centers; and
- Improving our procurement of satellites with a new acquisition strategy which, subject to congressional approval, will lower procurement costs and stabilize the defense industrial base.

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

- Investing in the Long-Range Strike Family of Systems, including a new penetrating bomber as a key component of the Joint portfolio;
- Investing an additional \$3.5 billion to fund the Evolved Expendable Launch Vehicles (EELV) program to the Office of the Secretary of Defense (OSD) Independent Cost Assessment, with the Department of Defense (DOD) committed to buying five boosters per year to meet national space launch requirements and stabilize the industrial base;

- Repurposing 5,600 active duty billets over the FYDP to support ISR capability, U.S. Pacific Command force structure requirements, Total Force Integration, the U-2 continuation, building partnership capacity, increasing support to the Air Force District of Washington UH-1N mission, among other increases;
- Procuring an additional 16 simulators for F-35 aircrew training bringing the total procurement to 30 simulators to ensure an effective training pipeline throughput and operational unit pilot proficiency and cost control;
- Recapitalizing the aging special operations forces MC-130H/W aircraft;
- Improving the aircraft computer infrastructure of the B-52 to enable more rapid machine-to-machine retargeting;
- Enhancing combat capability of the F-15C and F-15E with additional AESA radars and electronic protection software upgrades;
- Continuing to fund the development of next-generation Global Positioning System (GPS) III Operational Control Segment;
- Researching and developing electronic protection and suppression of enemy air defense (SEAD) capabilities for the F-22;
- Transitioning MC-12W Liberty Project from Overseas Contingency Operations (OCO) funding into the Air Force baseline budget beginning in fiscal year 2013;
- Continuing maximized production of the MQ-9 Reaper to ensure delivery of 65 CAPs by the end of fiscal year 2013;
- Extending U-2 operations through fiscal year 2015 to ensure a smooth high-altitude transition; and
- Baselining the Air Sovereignty Alert program across the FYDP to solidify support to homeland security operations.

The Air Force leadership recognizes the importance of achieving planned efficiencies to avoid future bills and a negative impact to our mission and our Airmen. We are taking a long-term view of this initiative and will address our efficiency targets annually to further refine and identify follow-on opportunities. We assigned responsibility for initiatives to individual senior leaders who are developing their detailed implementation plans to oversee our efforts. Quarterly executive-level reviews will monitor plans and progress, and ensure that efficiency initiatives do not inadvertently impact readiness, mission performance, or quality of life for our Airmen. Our continuous process improvement program, Air Force Smart Operations for the 21st Century (AFSO21), is well-established and provides our Airmen with the tactics, techniques and procedures to improve performance while achieving efficiencies.

In order to ensure Air Force leadership has reliable and relevant financial information to monitor our efficiency goals, we are further emphasizing our work in Financial Improvement and Audit Readiness. In fiscal year 2012, the Air Force is dedicating \$29 million to audit readiness and validation and \$327 million to modernize our business systems.

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

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

End Strength, Retention and Recruiting.—The overall programmed Air Force end strength for fiscal year 2012 is more than 690,000 personnel. This includes 332,800 active duty, 71,400 Reserve, 106,700 Air National Guard, and more than 182,000 civilian personnel. To support the efforts of our Airmen and to recruit and retain the highest quality Air Force members, the fiscal year 2012 budget request includes \$30.2 billion in military personnel funding and a military pay raise in fiscal year 2012 of 1.6 percent.

The retention rates in the Air Force are the highest they have been in 16 years and recruiting has also been successful. Therefore, the \$626.6 million requested in the fiscal year 2012 budget for recruiting and retention bonuses is highly targeted. Bonuses are proposed for specific career fields with critical wartime skills including pilots, control and recovery, intelligence, contracting, security forces, health professionals, civil engineering, special operations and explosive ordnance disposal.

In addition, the current economy has slowed attrition from the Air Force and had the effect of increasing active duty manning above planned levels. As a result, the Air Force is making difficult, but fiscally responsible decisions to implement force management programs that allow us to remain within authorized end strength ceilings. Specifically, we continue to progress toward an active duty end strength goal of 332,800 by the end of fiscal year 2012. To address excess end strength, particularly in the officer force, we will reduce accessions, continue to waive Active Duty Service Commitment and Time in Grade requirements for voluntary separations and retirements, continue to conduct enlisted Date of Separation rollbacks, and institute involuntary separation and retirement programs for officers through Selective Early Retirement, Reduction in Force and Force Shaping boards. We will also work with OSD to seek additional legislative authority to help the Air Force meet end strength ceilings by the end of fiscal year 2012 and maintain the appropriate level in fiscal year 2013 and beyond.

Civilian Workforce.—The Secretary of Defense has limited our civilian workforce to fiscal year 2010 levels, with limited growth allowed for specific priorities like the acquisition workforce. This policy will require significant changes to previously planned civilian growth. The Air Force will also conduct an enterprise-wide review of civilian personnel end strength to facilitate DOD's efforts for efficiencies and reinvestment possibilities.

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

- Reduce our staff support contractor workforce by 10 percent per year, over the next 3 years in accordance with DOD's guidance with an estimated fiscal year 2012 savings of \$127 million; and
 - Reduce the funding for advisory studies by 25 percent from the fiscal year 2010 levels over the FYDP with an estimated fiscal year 2012 savings of \$41 million.
- The Air Force identified two other areas that will result in reductions to its headquarters contract workforce and release resources for warfighter use. These include: Knowledge-based services estimated at \$252 million in fiscal year 2012; and Program Management Administration estimated at \$191 million in fiscal year 2012.

Man-Days.—Active Duty Operational Support days play a critical role in resourcing extended military operations. They allow for the active duty appropriation to pay for temporary use of National Guard and Reserve personnel to support military missions beyond the regular component's capability. In support of the Secretary of Defense's efficiency initiative, the Air Force reduces, by 1,250 work years, the Reserve Component fiscal year 2012 man-day program that supports non-critical administrative and overhead activities.

The demand for global mobility and related airlift support remains high in fiscal year 2012 as the Air Force will continue to support a large footprint in Afghanistan. The Air Force identified \$1.4 billion to support fiscal year 2012 OCO requirements. Our reliance on the Total Force is by design, and we recognize and value the contributions of the members of the Reserve Components who have performed tirelessly in support of our Nation. The Air Force will continue to prioritize Reserve Component requirements prudently and in accordance with mission needs as we transition to a lower steady state tempo.

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

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

Readiness.—With Air Force personnel deployed to more than 135 locations worldwide on an average day, we rely heavily on the Total Force. Currently, more than 37,000 Airmen are deployed and more than 57,000 are forward-stationed. In addition, approximately 134,000 Airmen are directly supporting Combatant Commander requirements from their home stations daily. These Airmen contribute in a variety

of ways, to include operating the Nation's space and missile forces, processing and exploiting remotely collected ISR data, providing national intelligence support, operating and defending our networks, and executing air sovereignty alert missions.

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

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

The Air Force Core Functions, assigned by the Secretary of Defense and recognized by the Joint community, provide a framework for balancing investments across Air Force capabilities. While this document describes the Core Functions individually, we recognize the inherent interdependence of these capabilities within the Air Force, the Joint force, and throughout the United States Government. When considered together, the Core Functions encompass the full range of Air Force capabilities. The budget request in this posture statement provides an appropriate balance of investment across our Core Functions. The table below depicts the fiscal year 2012 budget request and the projected allocation of resources across the FYDP, by Air Force Core Function.

[In billions of dollars]

Air Force Core Function	Fiscal Year 2012 PB Request	FYDP
Nuclear Deterrence Ops	5.2	28.0
Global Precision Attack	16.0	93.7
Air Superiority	9.2	46.1
Rapid Global Mobility	15.9	89.5
Global Integrated ISR	8.2	41.4
Space Superiority	11.6	56.2
Cyberspace Superiority	4.6	21.9
Command and Control	6.3	33.5
Special Operations	1.4	6.5
Personnel Recovery	1.6	9.0
Building Partnerships	0.5	1.9
Agile Combat Support	33.8	175.0

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

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

NUCLEAR DETERRENCE OPERATIONS

Continuing to strengthen our nuclear enterprise remains the number one Air Force priority, and we have taken positive steps within the fiscal year 2012 budget request to continue to strengthen and improve this Core Function.

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

Base, North Dakota. ICBM modernization and sustainment also continued with investments in new test equipment and launch facility environmental control systems. Although an initial study for the Ground Based Strategic Deterrent to replace the Minuteman III will begin in fiscal year 2011, we must continue sustainment efforts to ensure Minuteman III viability through 2030.

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

The fiscal year 2012 budget request of \$5.2 billion continues to invest in the future of nuclear deterrence. The Air Force is committed to sustaining the ICBM force through 2030 with investment including command and control, cryptographic improvements and ballistic missile fuze sustainment. Bomber modernization and sustainment efforts include the B-52 Combat Network Communications Technology program, the B-2 Extremely High Frequency communications program and the Defensive Management Systems program. The Air Force removed early-to-need procurement funding in bomber extremely high frequency communications and the ground element of the Minimum Essential Emergency Communications Network program due to program delays. The Air Force is committed to continuing to strengthen the nuclear enterprise through other programs such as the tail kit portion of the B61 nuclear weapon life extension program, the future long-range stand-off weapon, and the Common Vertical Lift Support Platform. Beyond weapon system sustainment and modernization, the Air Force is focusing on human capital as we carefully balance requirements for our limited, intensively scrutinized, high-demand Airmen in the nuclear enterprise.

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

GLOBAL PRECISION ATTACK

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

The Air Force used a balanced approach across the global precision attack portfolio in fiscal year 2011, prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35, Joint Strike Fighter. We continue to modernize our bomber fleet to sustain our capability and capacity as we invest in a Long-Range Strike Family of Systems.

The fiscal year 2012 budget request for this Core Function is \$16 billion. Investments in global precision attack will fund modernization of legacy fighters and the B-1B, development and procurement of the F-35A, preferred munitions, and simulators for Tactical Air Control System training. The fiscal year 2012 budget request adds \$15 million to begin design and development of structural and capability modifications for the F-16 Block 40/42/50/52 fleet. The SLEP initiatives for the F-16 airframe are scalable and responsive to the Air Force's total fighter requirements. The Air Force is also studying F-16 modernization efforts, to include a new AESA radar, center displays, electronic warfare defensive suite, and an improved data-link in anticipation of F-35A delivery delays.

The multi-role F-35A is the centerpiece of the Air Force's future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing across Services and partner nations. It will also serve to fulfill our commitment to NATO's dual-capable aircraft mission. The fiscal year 2012 budget includes \$5.3 billion for continued development

and procurement of 19 F-35A, Conventional Take-Off and Landing (CTOL), production aircraft.

The F-35A program team achieved a number of accomplishments over the past year, including the first flight of the first mission systems aircraft, arrival of the first four F-35A test aircraft at Edwards Air Force Base, California, completion of F-35A static structural testing 5 months ahead of schedule with no failures, roll out of the first Low Rate Initial Production (LRIP) F-35A, completion of 410 total F-35 test flights in 2010 of which 171 were F-35A flights, negotiation of the first fixed price type production contract (LRIP Lot 4—10 CTOL aircraft), and the signing of a Letter of Acceptance to procure the F-35A by Israel.

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

The program continues to experience challenges as it transitions from development to production despite the significant accomplishments. The Secretary of Defense announced a program restructure in February 2010. The restructure resulted in increased funding for development and production in accordance with Joint Estimate Team II estimates, reduced procurement by 122 aircraft over the FYDP in the fiscal year 2011 PB, upgraded the Program Executive Office position from a 2-star to 3-star flag rank, extended development by 13 months, added an additional LRIP lot prior to entering full rate production, and reduced the ramp rate to less than 150 percent of the previous year's production. Program cost growth, including growth from the restructure, resulted in a critical Nunn-McCurdy breach in March 2010. The Under Secretary of Defense for Acquisition, Technology, and Logistics subsequently certified the program in accordance with the Nunn-McCurdy statute, allowing the F-35 program to continue.

The DOD tasked the program office to perform a bottom-up review of the remaining development effort after the program Nunn-McCurdy certification. This Technical Baseline Review (TBR), completed in November 2010, became the basis for additional program restructuring within the fiscal year 2012 PB. The TBR informed the need for an additional \$4.6 billion to complete the Joint development effort. To fund this new development effort, and recognizing a continued lagging performance in production, the DOD reduced procurement by 124 aircraft over the FYDP in the fiscal year 2012 PB, 57 of which were F-35As.

The Air Force intends to accelerate the procurement of the F-15E AESA radar modernization program, funding 88 radars and electronic protect software upgrades across the FYDP to keep our legacy platforms viable well into the future. Other legacy fighter improvements in the fiscal year 2012 budget include the continuation of the A-10C wing replacement program.

The fiscal year 2012 budget request includes funds to modernize the B-1B fleet, including the central integrated test system, fully integrated data link, and vertical situation display unit. To provide the funds to modernize the B-1B fleet, the fiscal year 2012 budget request also reduces B-1B force structure by six primary aircraft authorizations leaving 60 B-1Bs in our inventory. Investing in a new penetrating bomber is critical to maintaining our long-range strike capability in the face of increasing risk associated with anti-access and area-denied environments.

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

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

This budget request also includes Developmental Test (DT)/Operational Test (OT) and procurement of the Joint Air-to-Surface Stand-off Missile baseline and Extended Range programs. As Small Diameter Bomb (SDB)-1 production concludes in fiscal year 2011, the Air Force plans to transition to development and production of the SDB-II in fiscal year 2012. Additionally, the fiscal year 2012 budget request continues funding for integration of the Hard Target Void-Sensing Fuze onto the BLU-113 and BLU-109 weapons, and funds weapon DT/OT for the Massive Ordnance Penetrator.

Fiscal year 2012 budget investments in global precision attack reflect the requirement to win today's fight while recognizing that proliferation of anti-access and area-denial capabilities will increasingly challenge America's ability to penetrate contested airspace. The Air Force continues to modernize the legacy fighter and bomber fleet to maintain sufficient capability and capacity as we transition to a fully operational F-35A fleet and field a modern Long-Range Strike Family of Systems.

AIR SUPERIORITY

Air superiority is crucial in modern warfare. It enables air, land and maritime operations in support of our Joint, Interagency and Coalition partners. For over five decades, Air Force investments, expertise and sacrifice in achieving air superiority have ensured that friendly ground forces operate without threat of attack from enemy aircraft. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid mobility, ISR and precision strike are broadly available to the Combatant Commander. Ongoing air defense modernization efforts by global and regional competitors will challenge the Air Force's ability to attain the same degree of control in the future. The fiscal year 2012 budget request for air superiority is \$9.2 billion.

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

We are currently modernizing our legacy fleet of F-15 fighter aircraft with AESA radars to ensure their viability well into the future. Other F-15C/D modernization programs underway include an advanced display core processor upgrade with vertical situation display, beyond line of sight radios, and Link-16 cryptographic upgrades. The fiscal year 2012 budget request continues funding for the F-15C/D AESA radar modernization program. The Air Force has recently restructured this program, procuring 90 radars across the FYDP and an additional eight radars in fiscal year 2017.

The Air Force is also incrementally modernizing the F-22 Block 30/35 aircraft and requests funding in the fiscal year 2012 budget for the F-22 Block 20/30/35 Common Configuration, Reliability and Maintainability Maturation Program and enhancement of the air-to-air and SEAD capabilities on F-22 Block 30/35 aircraft.

Select electronic warfare enhancements continue in fiscal year 2011, including EC-130H Compass Call fleet upgrades, and a flight deck and mission crew simulator to increase training capacity. The fiscal year 2012 budget request begins funding 13 electronic attack pod sets for MQ-9s and the conversion of a C-130 to EC-130H Compass Call aircraft, adding two mission aircraft authorizations across the FYDP. The fiscal year 2012 budget also funds concurrent production of Miniature Air-Launched Decoy (MALD)/MALD-Jammer (MALD-J) and development of MALD-J Increment II to improve the system's electronic warfare capabilities.

The Air Force continues to enhance development, production, and integration of critical munitions for air superiority. The fiscal year 2012 budget requests funds for the development and full-rate production of the AIM-9X Block 2; development, integration, and production of the AIM-120D; and development and integration of the AGM-88 HARM control section modification. The fiscal year 2012 budget also requests research and development funding for the "Next Generation Missile," an air launched missile to replace both the AIM-120D and the AGM-88. This funding will provide for a competitive prototype demonstration and technical development preceding entrance into the Engineering and Manufacturing Development phase of the program.

Other key enhancements in the fiscal year 2012 budget request include the development and fielding of new training range equipment and updates to threat systems to provide realistic combat training. Among these are the P5 Combat Training System and Joint Threat Emitters. Also, the fiscal year 2012 budget request provides procurement of F-16 Block 40/50 Full-Mission Simulators, affording high-fidelity simulation for use in Distributed Mission Operations. Enhanced opportunities to mi-

grate aircrew training into high fidelity simulators will help realize efficiencies in the peacetime flying hour program, as well as support energy efficiency.

The proposed fiscal year 2012 investments will sustain America's air superiority advantage and expand the multi-role capability of the Air Force's most advanced aircraft. Additionally, these investments continue the development and procurement of electronic warfare capabilities and preferred air-to-air munitions.

RAPID GLOBAL MOBILITY

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

The Air Force is accelerating the retirement of our oldest legacy airlifters, the C-5A and C-130E, in fiscal year 2011. Airlift capacity and capability will be maintained through continued recapitalization and modernization. The Air Force will take delivery of seven C-130Js, and continue to ensure world-wide airspace access through avionics modernization of C-130H2/3, KC-10 and the C-5. In 2010, the C-27J completed transition from a Joint to an Air Force-led program, and we continued C-27J procurement as an investment in overall fleet viability.

The fiscal year 2012 budget request balances tanker and airlift requirements to ensure that we sustain the critical needs of the warfighter. This is accomplished by prioritizing recapitalization of the tanker aircraft while ensuring the continued viability of the legacy fleet. Tanker capability investments of \$877 million are heavily weighted toward our top acquisition priority, the KC-X program. The Air Force submitted a Request for Proposal for a KC-X replacement tanker in February 2010, and is anticipating contract award in early 2011. While moving aggressively to recapitalize the tanker fleet, we also continue maintaining the health of legacy aircraft. The budget includes \$147.4 million in fiscal year 2012 for the airspace access requirement and sustainment of the KC-10 and KC-135 fleets.

In conjunction with the continued procurement of C-130Js, the fiscal year 2012 budget continues to modernize C-130Hs through the Avionics Modernization Program, ensuring continued global airspace access. Similar efforts to modernize C-5 avionics remain on track and the C-5B/C Reliability Enhancement and Re-engine Program (RERP) has completed operational testing. In October 2010, OSD approved RERP for full rate production with the final C-5M "Super Galaxy" scheduled for delivery in the third quarter of fiscal year 2016. Additionally, in accordance with the results of the Mobility Capabilities and Requirements Study 2016, and subject to authorization by the Congress, we intend to retire some of the oldest, least capable C-5As and C-130H1s. The C-17 Globemaster III remains the backbone of our Nation's strategic airlift fleet, and the Air Force takes delivery of 11 new C-17s in fiscal year 2011 and eight in fiscal year 2012. These additions bring the total C-17 fleet to 221 aircraft. The Air Force will continue to modernize its mature C-17s to the production line standard by accelerating the Block 13-17 upgrade program, and retrofitting the aircraft with extended range fuel tanks and an improved on-board inert gas generating system.

Efforts to increase direct support airlift continue, with plans to beddown 38 C-27Js in the Air National Guard. The Air Force continues Operational Support Aircraft/Very Important Person Special Airlift Mission modernization with the upgrade of VC-25 avionics, with completion in fiscal year 2018 enabling unrestricted global access for the Presidential aircraft.

GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE

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

The exceptional operational value of Air Force ISR assets has led Joint force commanders in Iraq, Afghanistan and the Horn of Africa to continually increase their requests for support. To help meet this demand, the Air Force currently has more than 90 percent of all available ISR assets deployed. Over the last 2 years, the Air Force increased the number of remotely piloted aircraft (RPA) and completed deployment of 30 MC-12W Project Liberty aircraft to theater to complement remotely piloted capabilities. This is being accomplished as we transitioning MC-12W Liberty Project from OCO funding into the Air Force baseline budget beginning in fiscal year 2013. Additionally, the Air National Guard, already full partners in the RPA enterprise, has also deployed the RC-26B in support of operations in Iraq. Finally,

both the Air Force and Air National Guard operate the RC-135 Rivet Joint and Senior Scout, respectively, in support of global signals intelligence taskings.

In fiscal year 2011, we will increase the number of CAPs in theater to 50, maximize the MQ-9 production rate to 48 per year, complete the procurement of 11 RQ-4 Block 40, and will deliver five additional MC-12W aircraft. We also will maintain our current Joint Surveillance Target Attack and Radar System-based Ground Moving Target Indicator (GMTI) capability as we complete an Analysis of Alternatives to determine the future of GMTI.

Our fiscal year 2012 ISR budget request of \$8.2 billion fully supports the Joint force emphasis on ISR capacity and allows the Air Force to sustain maximum MQ-9 production and achieve 65 RPA CAPs in theater by the end of fiscal year 2013. In intelligence production, we corrected an internal Operation and Maintenance shortfall within the Air Force Distributed Common Ground System to sustain intelligence analysis and dissemination. The budget request also continues support for the U-2 Dragon Lady manned aircraft through the end of fiscal year 2015 to ensure a smooth high-altitude transition to the unmanned RQ-4 Global Hawk. This extension enables a measured reduction of the U-2 program as RQ-4 Block 30 aircraft become operational and ensures continued support to national leadership, Combatant Commanders and Joint warfighters.

The fiscal year 2012 ISR budget also realigns resources within the RQ-4 program to correct a \$979 million diminishing manufacturing sources disconnect across the FYDP. To optimize our support of the overall RQ-4 program, the Air Force decided to curtail production of the RQ-4 Block 40 at 11 aircraft. This decision allows the Air Force to fully support and sustain the required RQ-4 Block 40 capability already procured and concentrate on fielding effective Block 30 multiple intelligence platforms on time.

SPACE SUPERIORITY

The DOD, civilian agencies and our Nation rely on space capabilities developed and operated by the Air Force. The fiscal year 2012 space superiority budget request of \$11.6 billion will enable the Air Force to field, upgrade and sustain vital space systems for the Joint warfighter. As part of the Joint force, we integrate and operate these capabilities to execute the space support, force enhancement, space control and force application missions; and, as launch agent for both the defense and intelligence sectors, provide reliable and timely space access for national security purposes.

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

In close cooperation with OSD and the Office of Management and Budget, the fiscal year 2012 Air Force budget request proposes a new acquisition strategy for buying military spacecraft, Evolutionary Acquisition for Space Efficiency (EASE). The current practice of procuring satellites one-at-a-time or on a just-in-time basis has inadvertently increased costs due to production line breaks, parts obsolescence, and inefficient use of labor. Numerous space experts and congressional committees have expressed concern with the inefficiency and disruption caused by the status quo approach to procuring satellites. EASE is an acquisition strategy that encompasses the following tenets: block buys of satellites, fixed price contracting, stable research and development investment, and a modified annual funding approach. We believe this approach will result in savings that can be reinvested in research and development that will further improve the performance and lower the cost of follow-on systems.

Commitment to satellite production and reinvestment in technology development provides stability and predictability for a fragile space industrial base.

The Air Force budget request reflects the use of EASE for acquisition of the next blocks of Advanced Extremely High Frequency (AEHF) protected communications satellites in fiscal year 2012 and Space Based Infrared System (SBIRS)-Geosynchronous missile warning satellites in fiscal year 2013. Once the EASE approach is proven, we will examine the application of this acquisition strategy to a wider portfolio of space programs. Relying on a combination of regular appropriations, advance appropriations, and multi-year procurement authority, the EASE proposal is consistent with the full funding principle and is a critical part of the Air Force's efficiency agenda. The Air Force recognizes the need to work with Congress to define and obtain the necessary legislative authorities to achieve our vision.

Spacelift is a critical component of the national security space enterprise. Despite our having achieved a record 76 consecutive successful launches since 1999, spacelift is still a complex and costly undertaking. Three recent launch studies reached the same conclusion that immediate commitment to a fixed annual production rate for launch vehicles is imperative to sustain the industrial base and control costs. To ensure this commitment, the fiscal year 2012 budget submission requests an additional \$3.5 billion across the FYDP to procure five DOD launches each year. In addition, the Air Force is working aggressively to reduce the cost of providing this critical launch capability. Additionally, the Air Force is collaborating with the NRO and NASA to explore synergistic solutions to maintain a healthy industrial base and meet government launch requirements.

Our Combatant Commanders and national leadership rely on satellite communications for continuous secure communications around the world. In fiscal year 2010, we successfully launched the third Wideband Global SATCOM (WGS) satellite and first AEHF satellite. AEHF will provide 10 times the throughput and greater than 5 times the data rate of the current MILSTAR II Satellite Communication System. To increase the effectiveness of our Joint warfighting operations, we are expanding communications capability with the launch of another WGS satellite in fiscal year 2012. Each WGS satellite delivers the equivalent capacity of the entire existing Defense Satellite Communications System constellation. WGS has become the keystone for international cooperation measures in space, with our Australian allies funding the sixth WGS satellite in return for a portion of the overall bandwidth. We requested \$469 million in the fiscal year 2012 budget request to fully fund WGS to meet Combatant Commander's bandwidth requirements. These essential systems provide our forces the vital communications needed to remain effectively coordinated, synchronized, and responsive in global operations.

For over 20 years, GPS has been the global standard for positioning, navigation and timing (PNT) and is used in everything from consumer automobiles, precision farming and smart phones, to enabling the Nation's most sophisticated weaponry and financial systems. In fiscal year 2011, we will continue to launch GPS Block IIF satellites to maintain the constellation as a global utility. The fiscal year 2012 budget request includes \$1.7 billion for PNT capability and incorporates initial funding of the next generation GPS III satellite production, development of the next-generation operational control segment and upgraded military user equipment.

Our fiscal year 2012 budget request also includes \$87 million for the Operationally Responsive Space program to pursue innovative capabilities that can be rapidly developed and fielded in months rather than years to respond to Combatant Commanders' immediate space requirements. In the critical areas of missile warning and SSA, we requested \$1.2 billion for the SBIRS program, which will launch the first geosynchronous satellite in fiscal year 2011 to begin our transition to a highly effective space-based missile warning system, and \$122.1 million for the Joint Space Operation Center Mission System. We will continue to improve SSA ground-based systems and space-based capabilities to ensure continued freedom to operate in the space domain. The Air Force also recognizes that space capabilities are essential to the nuclear enterprise for its operational readiness, providing key decisionmaking information through missile warning and nuclear event detection, along with essential communications. Weather and forecasting data is another important source of information for our forces in peacetime and in conflict. We requested \$444.9 million for the Defense Weather Satellite System in fiscal year 2012. This system will replace the Defense Meteorological Satellite Program in the early morning orbit slot, ensuring continuity of detailed overhead weather imagery and sensing information. All elements of space capability must operate through the full spectrum of potential contingencies.

While participating, last year, in the DOD's development of the national long-term space strategy as part of the Space Posture Review and Quadrennial Defense Review, the Air Force recognized a need to review our own internal space governance

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

CYBERSPACE SUPERIORITY

The Air Force fiscal year 2012 budget request includes \$4.6 billion to sustain and maintain our critical cyberspace capabilities and to enable Air Force expeditionary and Conus-based operations in support of Joint force commanders. The Air Force contributes to the Joint force by developing, integrating, and operating cyberspace capabilities in three mission areas: support, defense, and offense.

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

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

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

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

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

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

COMMAND AND CONTROL

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

In fiscal year 2011, we will improve assured communication links for U.S. Strategic Command's Distributed Command and Control Node and U.S. Northern Command's National Capital Region-Integrated Air Defense System. The Air Force has also done the following: expanded the training pipelines for Joint Terminal Attack Controllers (JTACs); began fielding advanced video downlinks, and airborne radio and datalink gateways to improve the connectivity of air support operations centers and JTACs; and modernized the 1970s-era technology of the E-3 airborne C² node with the Block 40/45 program. In addition, the Air Force created pipeline training in support of the warfighting elements of the Commander, Air Force Forces theater staff.

In fiscal year 2012, the Air Force requests \$6.3 billion for full spectrum C² sustainment, replacement, and development efforts. Of note, \$19.1 million is requested to bolster the Air and Space Operations Center's (AOC) C² capability and interoperability with programmed Joint systems to execute the Integrated Air and Missile Defense mission. Secure and reliable strategic level communications are improved with a \$53.2 million request for modernization to Senior Leader Command and Control Communication Systems for senior leader support aircraft and the E-4 National Airborne Operations Center. Support to Combatant Commanders is also enhanced with almost \$60 million in fiscal year 2012 for improved airborne and mobile C² systems. The Air Force maintained our commitment to the Joint development of the Three-Dimensional Expeditionary Long-Range Radar. Three-Dimensional Expeditionary Long-Range Radar will be the future long-range, mobile ground-based sensor for detecting, identifying, tracking, and reporting aircraft and missiles in defended airspace. Additionally, the United States secured a cooperative development position in the NATO Airborne Warning and Control System avionics and navigation modernization program.

SPECIAL OPERATIONS

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

In fiscal year 2011, the Air Force will continue procurement of five CV-22s and MC-130Js for the recapitalization of AFSOC's MC-130E/P and AC-130H aircraft. The fiscal year 2012 budget request includes an investment of \$503.7 million toward recapitalization of AFSOC's MC-130H/W fleet, with an additional investment of \$26 million across the FYDP to align MC-130J program funding with OSD cost estimates. Additional investments were made to enhance CV-22 mission capability with upgraded cockpit data recording and Communication Navigation System/Air Traffic Management modifications. Finally, a low-cost engine wiring modification allowed the Air Force to realize a \$9.6 million efficiency and reduce MC-130J spare engine inventories.

PERSONNEL RECOVERY

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

In fiscal year 2011, the Air Force will continue to recapitalize HC-130N/P aircraft and procure H-60 Blackhawk helicopters under the operations loss replacement (OLR) program to restore the fleet to 112 HH-60G aircraft. The fiscal year 2012 request funds four HH-60G OLR aircraft, and provides a \$2 billion investment for procurement of 54 HH-60 replacement aircraft across the FYDP. We will also accel-

erate the procurement of our HC-130J rescue/tanker aircraft by procuring three aircraft in fiscal year 2012 to replace the 1960s-era HC-130P fleet on a one-for-one basis, up to 37 aircraft. Finally, the fiscal year 2012 budget funds \$73 million for the Guardian Angel program which will standardize and modernize mission essential equipment for an additional five pararescue teams.

BUILDING PARTNERSHIPS

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

The Air Force continues to emphasize extensive language skills and regional knowledge in its growing cadre of Regional Affairs Strategists. These personnel possess a regionally focused advanced academic degree and language proficiency. They work with partner nations as attachés and Security Cooperation Officers. Political-Military Affairs Strategists and best-fit officers also fill positions requiring in-depth understanding of the interagency processes key to building partnerships. The Air Force has also increased the culture and language content of selected pre-deployment training courses and recently inaugurated a new language learning program—the Language Enabled Airman Program. This program provides an opportunity to create a cadre of language-capable Airmen who are deliberately developed for requirements, leverages the capability attained in foreign language accession programs, and provides a systemic opportunity for these Airmen to maintain these skills throughout their careers. Our fiscal year 2012 budget request includes funding to expand foreign language instruction for officer commissioning programs as well.

The Air Force continues to engage our international partners across the spectrum of operations. The fielding of the F-35, Joint Strike Fighter, will further our partnerships with more established allies, while the three C-17s procured for the 12-nation Strategic Airlift Capability are fully operational and currently meeting the airlift requirements of our European allies. We are funding new initiatives which support longer term Building Partnerships Capacity (BPC) efforts. For instance, \$65.7 million was budgeted toward the procurement of 15 Light Mobility Aircraft (LiMA) to assist partner nations in building their airlift capability in fiscal year 2011. These aircraft are scheduled to be fielded and achieve initial operating capability (IOC) in the second quarter of fiscal year 2012. We are also requesting \$159 million in fiscal year 2012 to procure the first nine of 15 Light Attack/Armed Reconnaissance (LAAR) aircraft. These LAAR aircraft will be used to train a cadre of pilots who will subsequently export their BPC aviation skills to international partners who may operate the same or similar platforms. To ensure the proper capability is provided to build partner capacity by Contingency Response Forces, LiMA and LAAR personnel, we funded the formal establishment of an Air Advisor Academy in fiscal year 2011 to expand our current efforts that include training air advisors heading to Iraq and Afghanistan and training air advisors for engagements globally. English language proficiency is a prerequisite to nearly all of the education and training that the Services provide to our partner nations. To meet increasing partner demand for English language training, the fiscal year 2012 Air Force program expands the capacity at the Defense Language Institute English Language Center.

AGILE COMBAT SUPPORT

Underpinning the work of all Air Force Core Functions are the capabilities included in agile combat support (ACS). ACS is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations and spans a diverse set of Air Force functional capabilities. The fiscal year 2012 budget request of \$33.8 billion for ACS accounts for efforts affecting our entire Air Force—from the development and training of our Airmen to regaining acquisition excellence.

Airmen and Families.—The Air Force is proud of its commitment to supporting its Airmen and families. The nearly two decades of sustained combat operations has imposed extraordinary demands on them and underscores the need to remain focused on sustaining quality of life and supporting programs as a top priority. To help address the demands, in 2010 the Air Force executed the Year of the Air Force Family and highlighted support programs focused on three outcomes: Fostering a Strong Air Force Community; Strengthening an Airman's Sense of Belonging; and Improving Airman and Family Resiliency.

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

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

Second, we continue to strengthen our Air Force Community by expanding child care through different programs such as the Extended Duty Program, Home Community Care, Missile Care, and the new Supplemental Child Care initiative to provide flexibility in meeting child care needs. In fiscal year 2011, the Air Force will continue to demonstrate our commitment to military child education, funding full time School Liaison Officers (SLO) Air Force-wide. SLOs and our new Air Force Exceptional Family Member Program Coordinators will work in close collaboration to address educational and other assistance for families with special needs. The Air Force fiscal year 2012 budget request includes \$4 million to assist with respite child care for military family members with special needs children.

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

Airman dining facilities remain an important commitment of the Air Force as we plan to increase funding for dining facilities at basic military training and technical training bases by \$14.9 million in fiscal year 2012. In fiscal year 2011, we launched the Food Transformation Initiative (FTI) to address Airmen's concerns with dining facility closings, lack of healthy food options, and insufficient hours of operation. FTI is designed to enhance food quality, variety and availability while maintaining home base and warfighting capabilities.

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

We established a new Resiliency Division at the Air Force level to take the lead and develop an overarching Air Force Resiliency Roadmap. The Deployment Transition Center (DTC) was established at Ramstein Air Base, Germany on July 1, 2010. The DTC and Chaplain Corps Care for the Caregiver programs provide valuable decompression, reintegration and resiliency training for those exposed to significant danger and stress in combat zones. To support these efforts, the Air Force fiscal year 2012 budget request includes \$8 million for the Air Force Resiliency Program for research, curriculum development, materials and intervention training for the DTC. We will continue to develop our Airman Resiliency Program by identifying needs, researching best practices, partnering with internal and external organizations, and developing targeted and tiered training that is integrated into an Airman's career to allow a building block approach that leads to life-long resiliency that benefits both Airmen and their families. We are also requesting an increase in the Chaplain Recruitment program by \$1.5 million in fiscal year 2012 to better provide for religious accommodation and support of Airmen. This includes chaplain-led MarriageCare Retreats, that help heal and save marriages, and deployment reintegration programs expanded to meet the needs of redeploying Airmen.

The Air Force is highly committed to the Wounded Warrior Program that ensures access to medical and rehabilitation treatments for the ill and wounded. The Air Force Warrior and Survivor Care Division is dedicated to building a culture of understanding and concern for wounded, ill and injured Airmen. The Air Force has hired 33 Recovery Care Coordinators and a Program Manager to support 31 locations across the Air Force. Recovery Care Coordinators serve as the focal point for non-clinical case management, development of comprehensive recovery plans and creation of timelines for personal and career accomplishments. Additionally, the Air Force has implemented new personnel policies regarding retention, retraining, pro-

motions, assignments and evaluation of Wounded Warriors. In fiscal year 2012, the Air Force is requesting \$2.8 million for additional case workers and program managers to provide non-clinical case management services to meet the growing demands of the Wounded Warrior population.

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

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

Suicides.—Air Force suicide rates have been on the rise since 2007, although primary risk factors for suicide among Airmen remain the same. The most commonly identified stressors and risk factors have remained the same over the last 10 years: relationships, financial problems and legal problems. Although deployments can stress Airmen and their families, deployment does not seem to be an individual risk factor for Airmen—many Airmen who have committed suicide have never deployed. The Air Force is providing additional support to our most at-risk Airmen by providing additional frontline supervisor suicide prevention training to all supervisors in career fields with elevated suicide rates. In addition, mental health providers are based in primary care clinics across the Air Force to counsel patients who may not otherwise seek care in a mental health clinic because of the perceived stigma. The Air Force has significantly expanded counseling services in addition to those available through the chaplains or the mental health clinic.

Other helpful programs that provide non-medical counseling include Military Family Life Consultants, which can see individuals or couples, and Military OneSource, which provides sessions for active duty for up to 12 off-base sessions.

Fort Hood.—In the wake of the Fort Hood shooting, the Secretary of Defense directed the Air Force to conduct a follow-on review to identify ways to better protect Airmen and families. Our review yielded 118 findings and 151 recommendations. The key revelation of the study is that we must do a better job of preventing and responding to violence. Specifically, we must improve our ability to identify indicators of potential violence and share that information with those who are best positioned to prevent a violent outcome. This will require improved understanding, education, processes and training, as well as more integrated processes at both the installation and interagency levels. To undertake these efforts, the fiscal year 2012 budget request includes \$37 million across the FYDP. We anticipate that our resource requirements will increase as we refine the implementation of our recommendations. We are confident that the resources Congress provides, coupled with our sustained effort, will help the Air Force reduce the likelihood of tragedies like Fort Hood and position us to respond more effectively should prevention fail.

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

Science and Technology.—Air Force warfighting capabilities have a proud heritage of being born from the very best science and technology (S&T) our Nation can produce. The creation of the Air Force is closely intertwined with the development of advances in S&T. In 2010, the Air Force presented the “Technology Horizons Study” to serve as a roadmap for guiding Air Force science and technology investments during the next 20 years. Despite current fiscal constraints, the Air Force is

increasing its investment in basic research by \$18 million and in Advanced Technology Development by \$76 million, while continuing fiscal year 2011-level investment in Applied Research.

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

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

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

An example of the successful implementation of recapturing acquisition excellence is the consolidation of fiscal year 2008 OCO, fiscal year 2009 OCO and base-year funding, fiscal year 2010 base-year funding, and Foreign Military Sales C-130J contracts into one negotiation. By taking advantage of economies of scale, the Air Force realized a savings and was able to procure two additional C-130Js. This effort reduced the number of aircraft the Air Force needs to buy in the out-years to meet its requirement.

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

As part of our institutional effort to utilize energy to maximize mission effectiveness, the Air Force is requesting over \$550 million for energy initiatives in fiscal year 2012. Initiatives include investments in reliable alternative energy resources, enhancing energy efficiency, and reducing environmental impacts and life cycle costs. In addition, the Air Force is continuing to take steps to reduce mission risk by increasing critical infrastructure resiliency to ensure reliable energy availability at Air Force installations.

We have reduced energy use at facilities by nearly 15 percent since 2003, and expect to achieve nearly a 30 percent reduction by 2015. In addition, we have instituted a number of fuel saving initiatives and reduced the amount of fuel our aircraft have consumed by over 46 million gallons since 2006, despite increased operational requirements associated with ongoing operations. The Air Force is continuing to explore opportunities to reduce demand for aviation fuel. For example, the 618th Tanker Airlift Control Center is optimizing flying routes by working clearances to allow flights to transit through previously denied airspace. We can save the Air Force an estimated 2.6 million gallons of fuel per year by optimizing our flight routes and clearances. Some of the initiatives we will pursue to achieve fuel efficiencies are:

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

We are also increasing the energy supplies we can use to meet our mission. We have certified over 99 percent of our aircraft fleet for unrestricted operational use of a synthetic aviation fuel blend. This fuel can be produced domestically, and we are looking to industry to help us meet our needs. We are in the process of certifying our fleet to use biofuel blends as well. These alternatives provide our fleet with additional flexibility and enable our freedom of action. The Air Force is also looking

at alternative sources for energy at our facilities. In the upcoming years, we will quadruple on-base solar energy production and dramatically increase the amount of wind energy consumed. These clean sources of energy will serve to enhance our energy security.

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

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

Reducing Excess Physical Plant and Infrastructure.—The fiscal year 2012 budget request includes a \$300 million demolition and \$100 million consolidation investment to reduce long-term fixed costs through the consolidation and demolition of unneeded facilities and infrastructure. In line with the June 10, 2010 Presidential memorandum, the Air Force intends to reduce energy use and curtail unnecessary sustainment activities by eliminating physical plant that is no longer needed.

Military Construction.—The Air Force's fiscal year 2012 \$1.4 billion Milcon request provides funding for our most critical requirements including new construction aligned with weapon system deliveries and the Combatant Command priorities. This includes projects supporting beddowns and upgrades for F-22, F-35, HC-130J, EC-130H, RPA and B-52, as well as projects supporting our mission support facilities most in need of recapitalization. The Air Force Milcon program supports the U.S. Strategic Command Headquarters replacement facility in three increments beginning in fiscal year 2012, the new U.S. Cyber Command Headquarters in fiscal year 2013, an additional phase of the Blatchford Preston Dormitory Complex at Al Udeid, Qatar, and an air freight terminal on Guam.

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

The Air Force recognizes the critical role Milcon holds in successful mission execution and is taking action to increase Milcon funding in the near years of the FYDP—the Air Force proposes to increase Milcon in fiscal year 2012, fiscal year 2013, and fiscal year 2014 by a combined \$1.8 billion over the fiscal year 2011 PB submission.

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

Logistics.—WSS is a vital element in sustaining Air Force readiness. The Air Force faced a \$7 billion increase in WSS requirements across the FYDP at the beginning of the fiscal year 2012 budget cycle, largely due to increasing numbers of weapon systems, such as C-17, F-22 and MQ-1/9 aircraft that use contractor logistics support. We recognized that we cannot sustain that kind of growth in requirements, so we implemented a WSS end-to-end assessment to identify efficiencies with respect to supply chain management, centralized asset management, and depot performance.

We were able to reduce WSS investment from \$7 billion to \$4 billion through efficiencies in depot and supply chain processes identified in the assessment. While we will still experience growth, this \$3 billion FYDP offset represents important sav-

ings that the Air Force applied elsewhere. Prior to the WSS end-to-end assessment, the sustainment funds requested in fiscal year 2012 would have supported 80 percent of the WSS requirement. Following the assessment, and the resulting reduction in growth, the same amount of funds requested will actually support 84 percent of the fiscal year 2012 WSS requirement.

While the peacetime flying hour program is fully funded, reprogramming may be necessary to cover increased fuel costs due to the volatility of fuel prices. Over the longer term, enactment of the DOD's legislative proposal for the Refined Petroleum Products Marginal Expense Transfer Account would reduce disruptions to operations and investment programs by providing the flexibility to meet fuel price fluctuations.

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

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

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

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

In developing our fiscal year 2012 budget request, we looked at ways to maximize combat capability out of each taxpayer dollar by identifying waste, implementing efficiencies, pursuing continuous process improvement initiatives and making smart investments. Recognizing the need to shift resources from "tail to tooth," the Air Force identified efficiencies across the enterprise that will enable investments in enhancements to increase our warfighting capabilities. This includes the continued pursuit of cost-effective systems that leverage existing capabilities and maximize interoperability and integration of legacy and future systems.

Our ability to project Global Vigilance, Reach, and Power is constrained by the increasing costs to design and build platforms in a particularly challenging budget environment. Our fiscal year 2012 budget request reflects the difficult choices that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the all-volunteer force.

We are confident in our Airmen. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle and defeat any enemy as long as they are given adequate resources. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of \$119 billion for fiscal year 2012.

Chairman INOUE. And now, General Schwartz.

STATEMENT OF GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF

General SCHWARTZ. Mr. Chairman, Senator Cochran, and members of the subcommittee, I am privileged to be here today with

Secretary Donley, representing the men and women of our United States Air Force.

Our airmen continue to inspire us with their dedication and their service, quietly and proudly serving alongside their Army, Navy, Marine, and Coast Guard teammates. Every day airmen act on behalf of the American people as stewards of the Nation's trust and defenders of her security.

FULL SPECTRUM OF AIR OPERATIONS

This budget request, fully appreciating the Nation's extraordinary fiscal conditions, supports our airmen and our continuing efforts to structure the force for maximum versatility and the full spectrum of operations. This includes humanitarian relief operations in Japan, where several hundred airmen and Air Force civilians have deployed, with more on the way, to assist 13,000 Air Force personnel already stationed in Japan. Along with their joint and interagency teammates, they are all working hard to provide some measure of comfort to the victims of multiple concurrent disasters.

In the immediate aftermath, airmen at Yokota Air Base received a dozen or so commercial aircraft and more than 500 passengers that were bound for Narita International Airport in an ongoing support to Operation Tomodachi, they continue to receive more than triple the average amount of aircraft on their flight line.

Members of the 33d Rescue Squadron from Kadena Air Base in Okinawa continue to partner with their Japanese self-defense force counterparts to conduct search and rescue operations, while teammates from the 352d Special Operations Group, also from Kadena, work to open a couple of hard hit airfields, including Sendai and Matsushima.

For the world—the wide angle view, RQ-4 Global Hawks and the U-2 aircraft continue to gather imagery of the devastation, while WC-135s operate in international airspace to collect atmospheric data to support ecological awareness efforts.

Airmen who provide inter- and intra-theater airlift capability have transported more than 900 passengers, including aeromedical patients, and delivered more than 5 million pounds of cargo via C-17s, C-130s, and other airborne assets, while on the ground, other airmen have contributed to transport and deliveries of critical supplies and equipment.

Meanwhile, in North Africa, B-2 bombers from Whiteman Air Force Base in Missouri led U.S. strikes on a variety of strategic targets, for example, military command and control sites as well as air defense systems, that posed a direct threat to Libya civilian population and partner nation forces.

Other Air Force assets, F-15Es and F-16 CJs, along with a multitude of AWACs, tankers, and other support aircraft, joined coalition aircraft from Britain, France, and others to help gain control of the airspace, establish a no fly zone over Libyan opposition forces, and protect Libyan citizens from any further harm from Moammar Gadhafi's regime. The Joint Task Force Odyssey Dawn leaders closely monitor the situation and ensure close coordination and transition to our NATO allies. Airmen stand ready to continue supporting the enforcement of U.N. Security Council Resolution

1973 by providing unique air and space power for United States, allied, and coalition forces.

OPERATING UNDER FISCAL YEAR 2011 CONTINUING RESOLUTIONS

As you can see, airmen and their joint teammates are doing tremendous work on behalf of the American people, and we would be remiss to allow current budgetary pressures to adversely affect their performance and their safety. I, therefore, echo Secretary Donley's concerns about operating under a continuing resolution. Without a fiscal year 2011 Defense appropriations bill, we will have to further reduce flying hours, cancel training and exercise opportunities, delay or cancel weapon system sustainment and depot maintenance activities, and disrupt a multitude of other day-to-day activities.

Current reductions to the President's budget request not only create inefficiencies that basically reverse the efficiency measures that Secretary Gates has directed, they adversely affect military readiness and performance as well.

We appreciate your efforts to pass a Defense appropriations bill to provide for the critical needs for our uniformed men and women.

Airmen are committed to the task of leveraging the air and space power with all of its inherent versatility, and presenting to the President and the national leadership a range of strategic options to meet the following national military objectives: countering violent extremism, deferring and defeating aggression, strengthening international and regional security, and shaping the future force.

COUNTERING VIOLENT EXTREMISM

To counter violent extremism, airmen continue to make vital contributions to our Nation's strategic objective of disrupting, dismantling, and defeating Al Qaeda and its affiliates, and inhibiting their return to former sanctuaries. More than 42,000 airmen—approximately 6 percent of our force—are forward deployed worldwide. Of this group, nearly 30,000 are on a continually rotating basis to directly contribute to operations in the U.S. Central Command area of responsibility, including nearly 11,000 airmen in Afghanistan providing close air support, air mobility, personnel rescue, air medical evacuation, leadership of provincial reconstruction teams, and training to develop our partner air force.

In direct support of combatant and command requirements, we have 57,000 total force airmen—or about 11 percent of the force—who were forward stationed overseas, as well as approximately 218,000 airmen, or some 43 percent of the Air Force force—who stand nuclear alert, operate our satellites, process intelligence, surveillance, and reconnaissance data, and do much, much more.

To deter and to defeat aggression, we maintain vigilance across the entire spectrum of conflict, from our recent experience in counter insurgency operations, to more traditional roles of air mobility and precision strike.

At the upper end of the continuum, we continue to provide two of the Nation's three arms of nuclear deterrence with steadfast excellence, precision, and reliability.

And across the remainder of the operational spectrum, we will maintain robust conventional deterrence by building on our com-

prehensive portfolio of air, space, and cyber capabilities, with multirole systems that can flex to fulfill different warfighting requirements.

STRENGTHENING INTERNATIONAL AND REGIONAL SECURITY

To strengthen international and regional security, we will translate air power's inherent versatility and ability to traverse vast distances with unmatched speed, ensuring U.S. forces are globally available, yet tailored to be regionally focused. And we will continue to coordinate efforts to build international partner capabilities, which can help prevent lower intensity problems from escalating into full-scale crises. For instance, nearly 300 airmen are deployed as members of the Iraq Training and Advisory Mission Air Force, supporting the development of counterpart capabilities in some 425 specialties. Similarly, airmen supporting combined Air Power Transition Force not only advise and train Afghanistan airmen, they help to set the conditions for a viable and self-sustaining Afghan national army/air force to meet a range of security requirements.

Finally, to shape the future force we will work hard to ensure readiness, training, and equipment because mission success relies on resilient airmen as much, if not more, than on weapons systems.

CARING FOR AIRMEN AND THEIR FAMILIES

Airmen are the lifeblood of our Air Force, to whom we owe our fullest commitment—particularly our wounded warriors and their families. And during this time of sustained and frequent deployments, we will bolster our capacity to assist our airmen in managing both the obvious and the less obvious challenges of returning home from war.

We intend to continue to progress since July when we established the Deployment Transition Center at Ramstein Air Base in Germany. Nearly 1,200 personnel have attended programs to decompress and begin their healthy reintegration into family life and unit of assignment. And we will further strengthen our efforts to develop the Air Force Resiliency Program in its ongoing assessment of the fitness of the Force, which will inform our continued efforts to improve quality of comprehensive support services.

CONTROLLING DOD HEALTHCARE COSTS

In closing, I'd like to affirm my personal support for efforts to better control the cost of DOD healthcare. I respect and I celebrate the service and sacrifice of our retirees. They are, and always will be, honored members of the Air Force family. But I do believe that current DOD proposals are both modest and responsible.

CONCLUSION

Mr. Chairman and subcommittee members, the Air Force remains committed to providing global vigilance, reach, and power for America's requirements today and for her challenges tomorrow. Thank you for your continued support of the United States Air Force and for our airmen and their families.

Sir, I look forward to your questions.

Chairman INOUE. All right. Thank you very much, General Schwartz.

NEW PENETRATING BOMBER

I'd like to begin the questioning with a question on the new penetrating bomber. When is the initial operating capability planned for this aircraft?

Mr. DONLEY. We estimate initial operating capability in the mid-2020s, Mr. Chairman. This is a very important initiative for us.

Chairman INOUE. And how many do you plan to acquire?

Mr. DONLEY. Between 80 and 100 is the target. This program is very much focused on affordability and poised for technical success, lower technological risk. We plan on taking advantage of existing technologies and other programs that are mature, a streamlined management process, and a strict limitation on requirements for the system going forward as ways to control cost curves and to keep it on schedule.

Chairman INOUE. To the extent possible, realizing this is not a classified hearing, can you describe this new penetrating bomber's capabilities?

General SCHWARTZ. Mr. Chairman, the platform we envision would be a nuclear capable, optionally manned in either remotely or piloted variants, as the case may be, and it will be part, sir, of a family of systems. This will not be a lone wolf platform. It will be a platform that is part of the family of systems that includes direct and stand-off munitions, that includes intelligence, surveillance, and reconnaissance capabilities, that includes electronic attack capabilities, not necessarily all on board the aircraft, but provided, again, in a family of systems of context.

Chairman INOUE. Mr. Secretary, General, thank you very much.

The word efficiency has been used quite a bit today. When you do feel that you have realized this efficiency?

REALIZATION OF EFFICIENCIES

Mr. DONLEY. Well, Mr. Chairman, the effort to identify lower priority programs and activities and to wring out greater productivity and efficiency in our organizations and how we manage our acquisition process and other dimensions, was a major focus for the Department of Defense, including the Air Force, at the end of last year. So the \$33 billion that we have identified has been moved inside our future year defense program for over the next 5 years. So it is spread out over the 5 years. We are tracking it in about 12 different categories, and each of those categories has a lead senior official, a general officer, or a Senior Executive Service (SES) senior civilian, who is tracking the progress of that work. And much of that work has already started. We are already down the track of restructuring our air operations centers, and we are in the process of making decisions on collapsing and combining some of our headquarters activities.

The acquisition community has already booked in excess of \$600 million in savings from tougher negotiations and smarter management of our acquisition programs. So these are—also fuel is a major issue for us. We have booked about \$700 million in savings

across the—on more efficient operational and infrastructure practices to get savings from fuel.

Chairman INOUE. In bringing about this efficiency program, do you work together with other services because you are part of a team?

Mr. DONLEY. We are working with other services. Sometimes we are taking best practices, if you will, from other services and bringing them over. In the case of, for example, the evolved expendable launch vehicle (EELV), we have worked carefully with the National Reconnaissance Office and NASA to get a stable investment—in that case, an investment rather than an efficiency, but to control costs and get a stable industrial base for the EELV program. So, that has been a focus of cross-agency work, to get the best value for the taxpayer across the full scope of government interaction with that contractor.

Chairman INOUE. In describing the light attack on reconnaissance plane, you spoke of building partnership capacity. What do you mean by that?

BUILDING PARTNERSHIPS WITH EMERGING AIR FORCE

General SCHWARTZ. Mr. Chairman, many air forces we interact with can operate—have the sophistication and the resources to operate F-16 equivalent aircraft or C-17 equivalent aircraft. But the reality is, is that many nascent air forces around the world with whom we want to establish a relationship, that are strategically important, cannot afford and do not have the level of technical expertise yet to operate those kind of aircraft. And so, it is a recognition of that reality that we need to be able to interact with them with something that is not quite what we routinely operate in our own Air Force.

And, therefore, both on the lift side and on the light strike side, we are proposing to field modest aircraft that will enable us, again, to train with and advance these nascent air forces in a more resource conservative way that can be sustained by these nations.

And in the process, Mr. Chairman, what we do is not just airplane stuff, but this is really about the whole of what an air force does, from operating air fields, to having engineering capacity, to how you care medically for aviators and others, and air traffic control, and logistics. These are the things that enable an air force to fulfill national taskings, and this is what we are talking about when we address building partner capacity.

Chairman INOUE. All right. Thank you very much. My time is up.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I am pleased to join you in thanking the leadership of the Air Force for the excellent job they are doing.

And I wonder, is it a concern to you that we may be trying to do too much, given the current economic realities that have changed the price of fuel, the cost of operations, maybe realignment of foreign governments, resource allocations to its military forces? Is it time to sit back or step back and take a new look at our obligations that we are assuming and that we are asking you to perform, and say, hey, wait a minute, you know, we really need to

start cutting back in some areas that have been perceived to be immune from cuts or sacrosanct for whatever reasons for morale. A pilot we know is not going to be interested in staying in the Air Force for a career if there is not going to be any flying hours, or if the equipment and material that they are given to use and operate is dangerous because of lack of repair and that kind of thing.

Have we gotten to a point where we need to take a hard look at some of these huge dollar amount costs that are skyrocketing, and we are just keeping on flying right up into the ionosphere with them? I worry about that. Do you?

DIFFICULT RESOURCE ALLOCATION DECISIONS

General SCHWARTZ. We certainly do. In fact, all the chiefs do. And the commitment that each of us has made is that we are not going to follow the path that has occurred in the past where the forces became hollow, Senator Cochran. We would much prefer to be good—great, if you will—and smaller than to maintain our current size, if that is what is in the cards, and not be ready and not be capable. So if the resources require us to make these trades, as painful as they are, we prefer to remain the quality Air Force and the quality Army and the quality Marine Corps and Navy that the American people expect.

Senator COCHRAN. Mr. Secretary?

Mr. DONLEY. Well, sir, I think the President's national security strategy, the space strategy, other aspects of our work are effectively addressing the issues that you raise here, trying to balance internal commitments with overseas commitments, and really broadening the aperture for how we look at national security. We recognize in the Department of Defense, certainly in the counter insurgency operations that we have experienced in the USCENTCOM area of responsibility, that this is not just momentary work. There is whole of Government work that is required here where we require the commitment and the capabilities of other Government agencies and civilian expertise to help build capacity for self-government and economic sustainability in these challenged environments. So the military solution is not the only tool that we need to apply in these situations.

I think we are also taking a broader look, and you see it in the President's policy with respect to Libya, toward coalition operations. Again, these complex political military situations we find ourselves in do not belong solely to the United States. They have a regional context. They have a global context that applies to our allies and partners in those affected regions, who need to be part of our work going forward. And so, I think you see that in the space policy as well, and I think you see a broadening perspective of how we need to work more closely with industries in the cyber field and also in reducing the cost of our acquisition process. I mean, it is getting major attention in DOD.

Senator COCHRAN. At the time the budget request was submitted to Congress for the Air Force for the next fiscal year, we did not have the Mediterranean crisis on our hands and calling on us to supply airplanes and other defense forces to that region if we are called when needed. What is the impact on the budget of this situation in the Mediterranean right now? Have you had time to assess?

Are you going to be submitting a supplemental request for the Congress to review any time soon?

OPERATION ODYSSEY DAWN COSTS

General SCHWARTZ. Sir, I can tell you that the current monetary investment is in the neighborhood of \$50 million for the Air Force for what we have already done in terms of employment, and it is substantially higher than that, of course, for the entire DOD. I am not in a position to predict whether the administration will submit a supplemental request for operations in Libya.

Senator COCHRAN. Mr. Secretary, what is your take on that?

Mr. DONLEY. Well, the first thing we did was to start tracking the additional costs. We—again, we are in conversation with the DOD Comptroller, the Office of Management and Budget, and others on how these bills will be paid, and that is unresolved. But as the Chief indicated, the cost, depending on the expenditure of munitions, has been running for the Air Force roughly \$4 million a day, so we are at the \$50 million point today. At the end of the 2-week—first 2 weeks, we will probably be in the \$70 million range, and then we will have to assess, based on the changes in operational emphasis, which the President has announced and which are underway now in which coalition partners will take a stronger role on the strike side, and the U.S. Air Force and other parts of the U.S. military will provide—continue to provide much of the enabling capabilities underneath. As that stabilizes, then we will be able to see what sustaining costs would be going forward.

Senator COCHRAN. Thank you, Mr. Chairman.

Thank you very much.

Chairman INOUE. Thank you.

Senator JOHNSON.

Secretary Donley and General Schwartz, thank you for being here today, and thank you for your service to this country.

Secretary Donley, I appreciated speaking to you—with you in February about the proposed retirements of the B-1 fleet. At that time, you assured me that my staff and I would receive a detailed briefing in the coming weeks. Six weeks have passed. Can you tell me when we can expect a briefing?

Secretary Donley, I appreciated speaking to you—with you in February about the proposed retirements of the B-1 fleet. At that time, you assured me that my staff and I would receive a detailed briefing in the coming weeks. Six weeks have passed. Can you tell me when we can expect a briefing?

B-1 FLEET MODERNIZATION

Mr. DONLEY. Very soon, Senator. That work is coming to closure. The Chief and I have had preliminary briefs outlining how this will work.

As you are aware, the B-1s are deployed, of course, at—

Senator JOHNSON. Yeah.

Mr. DONLEY [continuing]. Ellsworth, and also at Dyess Air Force Base, Texas and so we are working through the details of where those aircraft will come from. I can tell you, the solution will involve both bases, and it will be taking into account that the schoolhouse is at Dyess. It is not completely an apples-to-apples comparison in terms of how those adjustments are made. But we are working through the final stages of that and should have that ready for your staffs in the next week or two.

Senator JOHNSON. Mr. Secretary, how has the Air Force determined that 60 aircraft will be enough to meet both current and future operational needs?

Mr. DONLEY. Well, Senator, for the B-1 and for other aircraft in our fleet, this is a fleet management issue in terms of how much resources are available and what draw those fleets are making on our maintenance requirements going forward. And it is part, I think, of a pattern of managing a fleet across the Air Force. We have often in the past adjusted the size of the fleet by a few tails at a time to help provide the resources required to modernize the fleet, in this case, to upgrade some cockpit avionics for the B-1, make some other modifications, and also meet the increasing requirements for maintenance for this aircraft as well. So those are the factors that go into the sizing of—

General SCHWARTZ. Senator Johnson, I would only mention—
Senator JOHNSON. Yeah. Yeah.

General SCHWARTZ [continuing]. That it is important to take the entire bomber fleet—

Senator JOHNSON. Yeah.

General SCHWARTZ [continuing]. Into consideration when we address a question such as you asked, that it is the 60 or 66 B-1s, but it is also the 76 B-52s. It's the 20—

Senator JOHNSON. Yes.

General SCHWARTZ [continuing]. B-2s that we take into consideration in making that assessment.

Senator JOHNSON. Yeah. Are efforts—Mr. Secretary, are efforts still on track for the MQ-9 squadron to arrive at Ellsworth Air Force Base in early 2012? Does the Air Force still estimate the assignment of about 280 personnel to Ellsworth to support this mission? General?

General SCHWARTZ. Yes. It is still on track. It would be about 280 folks. And, again, that particular unit is part of our growth path to 65 orbits of remotely piloted aircraft capability by 2013.

Senator JOHNSON. General, the extended comment period for the Powder River Training Complex environmental impact statement ended on January 20, 2011. When does the Air Force anticipate issuing the final environmental impact statement on the proposed expansion of the training area?

POWDER RIVER TRAINING COMPLEX EIS

General SCHWARTZ. Senator, I do not have that right off the top of my head. With your permission, I would like to present that for the record.

[The information follows:]

The Air Force is preparing a Powder River Training Complex Environmental Impact Statement (EIS) for the expansion of the current Powder River Military Operations Area and Powder River Air Traffic Control Assigned Airspaces to help meet military flight training needs and enhance training capabilities in regions of South Dakota, North Dakota, Wyoming and Montana. A Federal Register Notice of Availability (NOA) for the Draft EIS was published on August 20, 2010. In response to a congressional request, the Air Force extended the public comment period beyond the required 45 days, from November 15, 2010 to January 20, 2011.

The EIS process is continuing to move forward with a target issuance of an NOA for the Final EIS in the first half of 2012. To issue the NOA, the Air Force is working to resolve all aeronautical issues identified by the Federal Aviation Administration (FAA) (a Cooperating Agency for this EIS) and to complete the consultation

process for the National Historic Preservation Act (NHPA) and the Endangered Species Act. A mandatory 30-day waiting period will begin after the NOA for the Final EIS is published in the Federal Register after which the Air Force can sign a Record of Decision. The FAA has overall authority for charting new airspace and its own procedural requirements. The FAA will consider the Air Force decision and its own findings before making the final decision on the Powder River airspace proposal.

Senator JOHNSON. Yeah. When the Air Force Financial Services Center was created, it was touted as a way to save money and promote efficiency. Now, just 5 years later, I understand the Air Force is proposing undoing many of those changes. Has the Air Force come to determine that those changes are necessary? Can you speak specifically as to what services will be sent back out to the bases, and what financial services will remain at Ellsworth Air Force Base? How many jobs, both military and civilian, will be impacted by those changes?

AIR FORCE FINANCIAL SERVICES CENTER

Mr. DONLEY. Sir, we are working through the numbers that you refer to as part of our briefing to you in the next couple of weeks, which will include the B-1 adjustments you previously referenced.

Our experience on the consolidation of financial services simply was that, with respect to military, I believe there were individual specific changes for each airman that would be more effectively accomplished, in terms of adjustments to their military pay, if we had personnel more closely connected to these airmen. And at the recommendation of our major commands, the financial management community made the decision to redistribute those folks from a centralized posture at Ellsworth Air Force Base, South Dakota back to the major commands. So that is the big picture for what is intended. We are working through the numbers, and you will get a full briefing on that in the next couple of weeks.

General SCHWARTZ. Senator, I would only add that that part of the reason this has occurred—sort of the head fake, if you will—

Senator JOHNSON. Yeah.

General SCHWARTZ [continuing]. Is that the Enterprise Resource Planning System, that was supposed to underwrite this—it is the defense integrated military human resources system (DIMHRS)—never came to pass.

Senator JOHNSON. Yeah.

General SCHWARTZ. And so, given the absence of that architecture, it became necessary to move back away from a centralized model to something more distributed.

Senator JOHNSON. My time has expired. Thank you.

Chairman INOUE. Thank you.

Senator Coats.

Senator COATS. Thank you, Mr. Chairman. Thank you, gentlemen, for your testimony here.

I wonder if I could drill down and do a specific topic, and I am trying to get my knowledge base built on this alternative engine issue.

The—I generally hold the principle view—foundational view—that competition generally results in a better product at a lower price over a period of time. And I have supported competition in systems on a number of occasions for that reason.

However, we are in a unique time now relative to our deficit, our costs. We are stretched thin. You are stretched thin. You have to prioritize in ways perhaps you have not had to do in some time. And so, I am trying to get a handle on what potential—there have been a number of estimates—potential long-term savings would be over the life of the F-35 or the engine—the 135, 136—as compared to what the cost is going to be in the short term, and potentially how that savings—potential savings could be directed to either lowering the cost per copy of the plane—and I understand some allies are concerned and some others are concerned about the increasing cost per copy of that plane—or perhaps moved and shifted to some other higher priority. So can you help me a little bit better understand that, why that decision was made? I know it was made by the Department, but how—what the Air Force take on that is?

JOINT STRIKE FIGHTER ALTERNATE ENGINE

Mr. DONLEY. Senator, I think you put your finger on it, that the Department's analysis of this issue at the highest level really was that the sure costs in the near term of funding a second engine were more clear than the long-term savings to the program, which were more murky. That economic analysis is down at the DOD level.

There are, I think, two additional perspectives on this. I know General Schwartz can add to this as well. The Joint Strike Fighter Program, is our largest program, but it has had difficulty, and we have had to restructure that program twice in the last year. We think we are getting a better handle on it, but committing to a second engine in this program now would add to the cost of the Joint Strike Fighter Program even more. And we are reallocating dollars to get this program on track, so it would be yet another brick on top of the Joint Strike Fighter Program at a time where we are trying to get control over costs in that program.

And finally, we like competition. We like the idea of having backups and backups to backups, and backups to backups in the Department of Defense. But in this fiscal environment, we need to make some tough choices about where to put marginal dollars. And in this case, we felt like the reliability that goes with modern engines compared to those of a generation or two ago justified this decision. Chief?

General SCHWARTZ. Sir, if I may just elaborate at the practical level. As the Secretary suggested, this is a question of balancing near term firm costs versus longer-term soft savings.

But fundamentally, the question for us is, a second engine means a second supply chain. It means a second training pipeline. There are costs in manpower associated with that.

The truth of the matter is that we operate a number of our aircraft with one engine. Now admittedly, it is not a single engine plane like the F-35, but the F-22 has one engine. The FA-18 EF has one engine. The big airplanes all have a single engine, although multiple engines on one machine. And so, the notion that there is inherent risk in this, based on our experience, we think that is manageable.

Equally important is that the F135 is a descendant of the F119, which is in the F-22, and we have had pretty good experience with

that. So, on balance, this is one of those close calls. I think the Secretary and I endorse the notion of competition, but the question is, what can we afford? And at the moment, the judgment is this is one of those things that we can pass on, sir.

Senator COATS. Relative to the F-22, let me ask a question about their current activities in North Africa. We have been launching a lot of Tomahawks. Would it have been more cost effective to use the F-22? Could we have accomplished the same mission at lower cost? What is your take on that?

F-22 AND ACTIVITIES IN NORTH AFRICA

General SCHWARTZ. Senator, clearly had the F-22s been stationed in Europe, both closer in proximity and, therefore, more available, they undoubtedly would have been used. But as this came together fairly quickly, the judgment was made to apply the various tools that we have in our tool kit, as we did, using the resources that were in close proximity, both in Europe, in southern Europe, in the Mediterranean, and so on. So, the fact that the F-22 did not perform in this particular mission was not an ad hominem against that weapon system at all. It really was an expedient judgment with respect to putting the plan together, to executing on a very rapid time line, and so on.

Mr. DONLEY. Just to amplify briefly as well, the F-22, of course, has some air-to-ground capability, but it is optimized for air-to-air engagements. So the air-to-ground capability is somewhat more limited than that of the F-15Es, for example, which were already available in Europe. And I would say, in terms of operational efficiency—and the Chief is more of an expert on this than I am—I would say one of the initial outcomes—very premature and still early in the Libya operation—has been just to reinforce the effectiveness and the efficiency of the bomber forces in environments, such as this, where they have been able to, with very few missions, drop lots of ordnance very accurately against multiple targets. The bomber force has proven to be very effective in this operation.

Senator COATS. Mr. Chairman, I noticed that my time is running out. Let me just say at the end here, I like to associate myself with the remarks of Senator Cochran relative to the fiscal crunch that we are now in and the need to really establish priorities. The realities are that—and I am not picking on any one service here or even the Department of Defense. Everybody that's come before me personally relative to their program or appropriation request or in public here, I have basically made the same pitch, and that is, I think it is incumbent on all of us to, in a sense, think in terms of a plan B. What if we do not get the budget line that we think we need? And I know everything has been scrubbed, and efficiencies have been built in, and so forth, but even having said that, I think it is possible that we are not going to get the numbers we need in the future. And, so, therefore I think the prioritization of, you know, what is absolutely essential, what is very, very important, but not absolutely essential, what is important, but not very, very important, and on down the line is something that we need to look at. And I know the Department is looking at that, and it is unfortunate that we are in this situation, even when it comes to national security issues. I think the reality is we are going to have to make

some of those tough decisions, and it really is going to be helpful if we are able to turn to each of the agencies and say, have you scrubbed this thing through and, because we cannot go here, but can go here, how do we do it? It is, I think, much better if you can present us with your plan as to how that can be best accomplished rather than having us try to make that determination. So I would just throw that out there as a two cents worth of counsel and advice in terms of what I think is coming down the line.

Thanks, Mr. Chairman.

Chairman INOUE. Thank you. Senator Hutchison.

Senator HUTCHISON. Well, thank you very much, Mr. Chairman.

And just following up on a couple of areas, one that Senator Coats was just mentioning. I mean, that is a realization that we all agree with. The F-35, you have said that they are performing satisfactorily, and yet you are cutting back on the production—57 aircraft over the next 5 years. And that is going to raise the price of each model approximately \$5 million per unit. So I just would ask in that context, is that saving money now, but paying the piper later? And what is your thinking on doing that?

F-35 PRODUCTION

Mr. DONLEY. Well, Senator, the F-35 has a long history. It has been a very concurrent program from its origins, and a very aggressive program from its origins. Bringing on new technologies, even after the F-22's capabilities and experience from that program, additional capabilities into the F-35 program. But a lot of concurrent development and planning for production that was a very high risk venture from the beginning.

Senator HUTCHISON. Now are you talking about the vertical capability factor?

Mr. DONLEY. The fact that we were building three variants at the same time. The fact that we had all our international partners in from the beginning is a good thing, but, again, a complicating factor. We had to invent new capabilities for the F-35 that had not been demonstrated previously in any other fighter platform. So, it had a number of challenges with it.

And the last 2 or 3 years of this program, we have focused very carefully on balancing the continuation of development and the need to work the kinks out of the program—before we get too far up the production ramp. And that is really where we are, making that delicate transition from development to production, where both are going on at the same time.

Senator HUTCHISON. So you are really experimenting continually, and that is why you are slowing down?

Mr. DONLEY. We have stretched out the development and slowed down the production. We paid for the additional development by taking dollars from the plan for production and putting them into the development program. So that is where we have been the last couple of years.

We have this year, I think, 32 Joint Strike Fighters across all the services proposed for this fiscal year 2012 budget. And we are building them at low rates, but they will not have all the capability that we want, so we do not want to build too many of those early.

But we are committed to this program. There have been cost increases. There is no question we are very frustrated with this, but we are also very focused on how to wring the cost out of that program where we can. But we are committed to going forward with this program. Our Air Force is committed to this program, and so are about eight or nine other allied air forces as well. So, we are committed to completing this program and getting on with it.

Senator HUTCHISON. Let me ask you on the B-1, you are cutting back, as was mentioned earlier, six of the aircraft. And yet it is certainly performing in Afghanistan on a continuing basis. You are saying that the savings in the out-years will be about \$357 million. You will reinvest in modernization about \$125 million. My question is, of course, are you thinking that that is enough modernization to get us to the mid-20s when you intend to start replacing? I am concerned that you are cutting back six, and then only modernizing at maybe a modest level. So what is the thinking there?

B-1 FLEET MODERNIZATION

General SCHWARTZ. Ma'am, your numbers are exactly right. And in 2012, we are talking about \$67 million in savings to be—with about \$32 million reinvested.

What we are doing on the airplane is what we need to do—make improvements in the cockpit, communications, and so on. It is a good airplane, as you suggested. It is serving extremely well in Afghanistan in what essentially is a close air support role. It currently flew missions in Libya departing from Ellsworth Air Force Base, South Dakota, went all the way into theater, and has since returned.

But our belief, again, based on that theme I mentioned earlier on quality is that this is a rational fleet management decision in order to maintain the remaining aircraft at the level of capability and reliability that we want for the next decade at least.

Senator HUTCHISON. And—but the 6, when they are retired, are they going to be unable to be returned if you did need them?

General SCHWARTZ. Ma'am, we have not made that decision in terms of precisely what status it would have in the bone yard. There are different levels of maintaining aircraft. My hunch would be, given the financial situation we face, that it would be in long-term storage and not immediately recoverable.

PREPARING/DELIVERING SPACE SHUTTLE "ATLANTIS" TO OHIO

Senator HUTCHISON. Let me just ask you. I was interested and also somewhat concerned about a \$14 million request for the Air Force budget for the preparation and delivery of the Space Shuttle *Atlantis* to the museum in Ohio. And I am concerned about that because presumably the administration says that they have not made a decision about those, and there are other places where the National Aeronautics and Space Administration has had a significant impact, including Houston, that very much wants to have something so significant to our history. And my question is, is that a subsidy that would give a preference to the Air Force and to Ohio, and is that warranted with this kind of a budget constraint? Secretary Donley, or either one of you.

General SCHWARTZ. Ma'am, I—

Senator HUTCHISON. Whoever would like to take that ball.

General SCHWARTZ. I would just say that whoever gets these platforms will have to have certain expenses in terms of transporting them to their ultimate destination and preparing them for safe display in a non-operational mode. So that is what these dollars were intended to do. The dollars were in our budget request. We were planning ahead, and obviously we put the 2012 budget submission together last year in anticipation of a positive decision.

I might just mention that with respect to the *Atlantis*, that platform has flown more dedicated DOD missions than any other space shuttle. Thirty-eight members of the various services flew on the *Atlantis*, so it has some legacy with respect to DOD.

Senator HUTCHISON. I understand that totally. I mean, and I relate to that. I think there are several areas that have legacy claims. I think you are one. I just hope that there is not a decision that puts it ahead of legacies in basically Florida, Houston, and California. I mean, there—I wish there were four or five that we could split up, but I was concerned that there might be an advantage already in place, and I hope that is not the case.

Thank you.

Chairman INOUE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

General and Mr. Secretary, thank you for your testimony this morning, and thank you for your service. Appreciate it.

Talking a little bit about energy this morning, and the President is going to be speaking to that just about now, I guess, and our energy policy. I know that within the Air Force, it is my understanding now that about 99 percent of the Air Force fleet is certified for the Fisher-Tropsch process using either coal to liquids or gas to liquids technology. I think that that is—that is a good move, that it is positive. We certainly encourage that.

Back in the 2009 the Defense appropriations bill, the Air Force was directed to conduct a study on a coal to liquids plant up in Eielson Air Force Base, Alaska. And we have had conversation in previous subcommittee hearings about the status of that study and the monies that were spent.

COAL TO LIQUIDS TECHNOLOGY

The question that I have to you gentlemen this morning is, give me a little bit more of an update in terms of where you feel the Air Force is going with regard to the development of alternative fuel sources, and particularly in relation to our Alaska facilities. Our Alaska bases, as you know, we have got incredible coal supplies, incredible natural gas supplies. I happen to think that we could be the fueling station for the country in many regards.

I would also like a little bit of an update in terms of where the \$10 million kind of went in terms of studying that feasibility on the coal to liquids plant at Eielson Air Force Base, Alaska. So, if you could give me an update on that, and then kind of project out a little, if you will.

Mr. DONLEY. Sure. We have expended the \$10 million. It was divided into basically two halves. Part of that went to the Patel Corporation. I think the University of Alaska, if I'm not mistaken. Part

of the money was spent to investigate the feasibility of the basic technology and the work at Eielson, and then part of it went to the site survey work at that location. I do not have a specific outcome of that for you. I can provide that—

Senator MURKOWSKI. That would be appreciated.

Mr. DONLEY [continuing]. For the record.

Senator MURKOWSKI. Thank you.

[The information follows:]

The Air Force is interested in environmentally friendly, domestically produced and cost competitive alternative aviation fuels to enhance its energy security posture through diverse fuel sources. In support of this, the Air Force conducted several analyses to study viability of a coal-to-liquid plant at Eielson Air Force Base in Alaska using funds authorized by Congress (\$5 million for operations and maintenance; \$5 million for research, development, testing and evaluation).

The \$5 million in operations and maintenance funds was used by the Air Force, led by the Air Force Real Property Agency, to complete a mission impact analysis and a business case analysis in August 2010. The mission impact analysis determined there would be minimal impact to operational and support missions. However, the business case analysis concluded that development of coal-to-liquid production facility was not feasible due to high capital costs, limited local market for fuels, low crude oil prices (less than \$99/barrel), uncertainty in carbon requirements and sequestration, and availability of government loan guarantees to secure lower financing costs.

The \$5 million in research, development, testing and evaluation funds was used by the Air Force, led by the Air Force Research Laboratory, to complete a scientific survey and a technical analysis. Both technical reports are currently under review and thus have not been publically released. The scientific survey, which was done by the Alaska Center for Energy and Power at the University of Alaska, Fairbanks, assessed options for geologic sequestration, biological sequestration, and other carbon management and disposal options. The initial analyses do not identify any engineering issues; however, the lack of technical maturity adds high project risk.

The technical analysis performed by the Air Force Research Laboratory in February 2011, preliminarily found that, although the project is technically feasible, there are a number of significant concerns with implementation. These concerns include the disposal of generated waste (i.e., slag, coal ash, and sulfur); major environmental issues (i.e., PM2.5 emissions, ice fog formation, and effects on local hydrology, particularly ground water); transportation impacts; air emission permitting; and a chemical process hazard subject to the Department of Homeland Security's chemical security requirement.

Mr. DONLEY. At the larger level, obviously we are a primary consumer of energy. We are very interested in having developed alternative sources of energy, whether it be coal to liquid, gas to liquid, biomass, or other renewables, both for our flying operations and our installations as well. But we do not see ourselves as a manufacturer or a provider, so we are very interested in working with the rest of the Department of Defense and with the Department of Energy to sort through what the optimal aviation fuel blends will be for the future—which of those will—are not just scientifically feasible, but which are most economically viable and sustainable going forward.

Senator MURKOWSKI. Are you sorting that through now?

Mr. DONLEY. Those discussions are being undertaken at the DOE and DOD level. It is not an Air Force decision. And the aviation industry is part of this as well going forward. But not all of that work has gelled yet. As you indicated, we certified our engines for alternative sources, so we have confidence that we can fly our airplanes with these alternative fuels. So, that work is largely complete. The issue now in front of us is where will alternative fuels come from, and which will be the most economically viable. But we

are ready to buy them, and especially if they will be available at competitive economic prices.

Senator MURKOWSKI. Well, I think we would be interested in perhaps learning a little bit more as you sort through where you feel not only the most economic, but really in terms of greatest efficiencies and performance needs, because, again, we have got a little bit of everything up there. But we need that customer, and happy to be working with the Air Force—with the military to advance this.

PACIFIC RANGE COMPLEX

General Schwartz, I wanted to ask you just very quickly, your comments on the proposed enhancements to the Joint Alaska Pacific Range Complex. In my visit to Afghanistan, as we were doing the fly over, looking down over so many parts of that country, it sure reminded me of home. And your time in Alaska and your opportunity to fly over our ranges, and I am sure you, too, have noted the comparison of the extreme open spaces and big mountains and lots of snow.

The question that I have, as we look to the various proposals that are out there to modernize the Alaska Range Complex—we have got an environmental study that is underway right now—can you comment on the proposed enhancements—the value of these to the Joint War Fighter, the additional capabilities that would be provided?

General SCHWARTZ. Clearly, you know, Alaska is unique and the Pacific Range Complex is a unique installation, both in terms of its scope, the air space available, the land ranges beneath, and so on. At the moment, we have five exercises a year, three of which are known as Red Flag Alaska, and two of which are Joint Chiefs of Staff sponsored exercises yearly. That tempo we expect to remain at least at that level. And so, this is, along with just a handful of other ranges in the lower 48, this is a very important place that we, as a joint team, will continue to utilize in the years ahead. There is no doubt about that.

And so, the study that you referred to, in terms of the improvements, is not yet final, and that certainly will inform decisions as we go forward. But I think the key thing is there is not another location that has the combination of land and air space that the Pacific Range Complex does.

Senator MURKOWSKI. Well, as you indicated, that study is still underway. There have been issues that have been raised within the State about the proposed expansion. I think it is fair to say, though, that Alaskans—the Alaskan civilian community wants to work with the Air Force, with our military community, as we provide this incredible training range to the Nation.

With that, I thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

I want to begin my questioning by just making two comments.

First, and I know the chairman and the vice chairman share this concern, I am increasingly worried about the impact not only on the Air Force, but on the entire Department, of the Pentagon hav-

ing to operate under short-term continuing resolutions. At a time when we are involved in three wars, I just think it is an irresponsible situation, and we have got to get the work done on the budget. If it cannot be done, then I really hope that we will move the DOD appropriations bill separately and to get that done, because I know it is creating very real problems. And ironically, it is going to end up increasing costs in the long term if you are having to put out stop orders, and disrupting the supply chain, and juggling your accounts. We are going to end up paying more.

So, I just—I realize I sound like a Johnny one note on this issue, but I feel so strongly about it.

Second, I do want to take a moment to recognize and thank all the Air Force personnel who have been so involved in the military operations in Libya. Regardless of my individual view on whether that is a wise operation or not, there is no doubt that as usual our military has operated superbly. And I know that the Air National Guard Air Refueling Wing in Bangor, Maine, where I live, has been playing a supporting role by refueling aircraft en route to supporting the North Atlantic Treaty Organization (NATO) operation and the efforts in Libya. So, I just want to express my thanks to the men and women of the Air Force as they are involved in this mission.

Mr. Secretary, the chairman asked you about the efficiencies that the Air Force had identified, and you indicated fuel savings would be part of those efficiencies, and Senator Murkowski also sort of followed up in that area as well. The Comptroller of the Pentagon has indicated that the increase in oil prices is increasing the cost of fuel, and that is a potentially very serious problem for the Pentagon. And obviously, the Air Force is particularly affected when there are increases in oil prices.

STRATEGIC BASING PROCESS FOR KC-46A TANKER

I understand that the Air Force is currently in the strategic basing process to select the locations for basing the first KC-46A aircraft. Earlier this year, I wrote to you encouraging the Air Force to consider the proximity of candidate bases to operational air refueling tracks. And to me, this makes all the sense in the world because it minimizes the fuel that is consumed in the time that it takes to fly from the home base to the point where the aircraft are actually refueled. And in learning more about this, because of the critical role that the Air National Guard base in Bangor has been playing with our operations in Afghanistan, Iraq, any overseas operations, I learned that taxpayers pay about \$85 per minute in fuel costs alone for the current tanker in our fleet.

My question is to you, Mr. Secretary, where—will these real world operational costs, such as the distances to operational refueling tracks, be considered in the basing criteria?

Mr. DONLEY. Senator, we are still working through the criteria. We have not settled on them yet. General Schwartz and I will be reviewing those probably in the summer timeframe. This work is scheduled to get underway to the back half of this calendar year.

First of all, we will want to take advantage of and understand completely the new capabilities that will be available through the KC-46, and take into account the operational improvements that

come with that. We will be looking at obviously the Air Force operational requirements across the United States and elsewhere, but also the Combatant Commanders' requirements in various regional contingencies. That is our starting point at this point in time. We have not zeroed down beyond that.

I would say that the current KC-135 fleet is in excess of 400 aircraft. This initial KC-46—the KC-46 buy is 179 aircraft, and it is going to take the better part of 12 years roughly to buy those 179 aircraft. So we are not going to make the beddown decisions on the KC-46 in advance of need. We need to let the time unfold as those tankers are being delivered, make sure we make the decisions in advance of but not too far in advance of need.

So, just as a reminder, there are many bases that want to be the first in the Air Force to get the KC-46, but there will be 179 of them, and hopefully modernized tankers beyond that. We will be taking the kinds of issues that you raised into consideration.

Senator COLLINS. General.

General SCHWARTZ. If you would allow me just to brag on the Air National Guard a little bit, the wing that is flying in support of Libya out of Moron, Spain is led by an Air National Guard colonel from the Pittsburgh unit, and aircraft from Bangor are there as well. So, I think the key thing is here that the Air National Guard has been all in, and we certainly salute that.

Senator COLLINS. Absolutely. They have been absolutely critical, and that base in Bangor is much busier than many active duty bases, in fact, in its refueling mission.

Just a very quick follow-up. There have been reports that can be read to suggest that you have already made tentative decisions to select 11 bases. That has appeared twice. If you have not settled on the criteria, then I assume that those reports are not accurate. General Schwartz.

General SCHWARTZ. They are not accurate. What happened was in order to run the competition for source selection of the KC-46, we had to have representative bases to look at in order to do the bed down analysis. And there were 11 bases, nine United States and two overseas. That was not presumptive in terms of what the actual bed down would be, as the Secretary suggested, in the years ahead, not presumptive at all.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUE. All right. Thank you very much. The vice chairman and I will be submitting questions for your consideration. And we thank you for your testimony this morning.

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

QUESTIONS SUBMITTED TO MICHAEL B. DONLEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

AFFORDABILITY OF AIR FORCE RECAPITALIZATION STRATEGY

Question. Secretary Donley, over the next several years the Air Force is planning to recapitalize portions of its fighter, tanker, bomber, and helicopter fleets which will cost billions of dollars per year. Given the current budgetary environment, how does the Air Force plan to afford all of these programs simultaneously?

Answer. Based on strategic and fiscal guidance, the Air Force Corporate Structure develops a Program Objective Memorandum (POM) that achieves the right balance of resources between providing capabilities for today's commitments and posturing for future challenges. During Corporate Structure deliberations, savings through efficiencies, cost growth issues, and program phasing and quantities are thoroughly reviewed to ensure the resources allocated to Air Force operations and capabilities investment are optimized to the greatest extent practical. Using this process, we intend to maximize use of every dollar in the fiscal year 2012 PB through prioritizing our requirements to meet strategic guidance, force structure management, and resource management. Strategic resource management will include evaluation of our investment in existing fleets during transition to maintain the Air Force operational capability. As resources are further constrained, more difficult decisions will be required.

Question. Secretary Donley, which recapitalization program has the largest risk of cost overruns and what is the Air Force doing to mitigate those issues?

Answer. The F-35 program, in particular, has seen significant cost growth due to a multitude of reasons, as discussed and examined in many forums. Going forward, the Air Force believes the F-35 program is on solid ground, with realistic development and production goals and a significant reduction in concurrency, as a result of the recent Technical Baseline Review. Also, the Government awarded a fixed price contract for the fourth low rate initial production lot (LRIP Lot 4) on November 19, 2010. This is the first fixed price production contract for the program, and it occurred 2 years earlier than envisioned in the acquisition strategy. With regard to engine affordability, the F-35 engine Joint Assessment Team (JAT) investigated F135 propulsion costs in 2010 and provided a should cost objective. The propulsion team is in the process of implementing the JAT recommendations with a focus in the coming year to ensure we make the necessary investments to achieve F135 cost reduction goals.

The Air Force is committed to reducing the risk of cost overruns in this and other recapitalization programs using techniques we are applying across the force; by improvements in our program management processes, including cost estimation, contracting, and acquisition strategies that emphasize competition and using proven technology when possible.

One key step to avoiding an overrun in the future is to start with an accurate estimate up front. The Air Force has made a concerted effort to utilize Fixed-Price and Fixed-Price Incentive Firm Target type contracts whenever possible and at the earliest phases of a program to stabilize costs. These incentives encourage contractor innovation to bring programs in below target cost by sharing those savings with the contractor.

The Air Force is also focused on managing the cost of our acquisition programs with continuing efforts to manage technology maturation and transfer to development, understand and reduce overhead costs, negotiate better prices, and execute more economical and efficient production rates.

The KC-46A and the helicopter recapitalization programs will use competitively selected non-developmental aircraft platforms as their foundations, thus avoiding the large cost uncertainty of development and testing of a new platform.

HEALTHCARE PROPOSALS

Question. Secretary Donley, the increases in co-pays have been proposed previously. Could you explain how these proposals are different and why they should be reconsidered by Congress at this time?

Answer. The TRICARE Prime enrollment fee was established in 1995 and set at \$230/\$460 for individuals/families. This fee has not changed in 16 years. Enrollees who pay this fee subsequently pay no TRICARE deductible (reducing the effective cost of enrollment to \$80/\$160 per year). The expectation had always been to raise the enrollment fee on a periodic basis, but this has never happened. In 2005, DOD attempted to increase the TRICARE enrollment fee by approximately 300 percent over 3 years to again have some parity with civilian health premiums. This proposal

was met by significant resistance from beneficiary organizations, and Congress ultimately decided the increase was too severe and prohibited any increase in TRICARE Prime enrollment fees. Having learned lessons from the previous attempts at increasing TRICARE enrollment fees, and out of genuine concern to not introduce unexpected and steep hikes in out-of-pocket costs, the Department has put forward the most modest fee increase possible (\$2.50 or \$5/month for individuals/families). The proposal indexes any future enrollment fees to a medical inflation rate, thereby moving to a regular and gradual increase from year to year, and also excludes from fee increase the following special populations of retirees: survivors (regardless of when or how the service member died), and medically retired military members and their families.

We believe this proposal represents a fair and responsible increase in TRICARE Prime enrollment fees, and provides a balanced approach to managing the escalating healthcare costs of our Military Health System while ensuring we continue to provide the best healthcare in the world for our warriors and their families.

REMOTELY PILOTED AIRCRAFT PERSONNEL REQUIREMENTS

Question. Secretary Donley, the Air Force has quickly expanded its unmanned aerial vehicle missions in the past few years.

How is the Air Force doing in meeting the requirement for pilots for these Remotely Piloted Aircraft (RPA)?

Answer. The Air Force is training at maximum capacity and has enough pilots to meet the current RPA requirement. Due to increased operational demands, the Air Force continues to operate MQ-1 and MQ-9 aircraft at surge manning levels. As the operations tempo slows, pilot production will enable the Air Force to begin normalizing RPA pilot manning levels.

Question. With the information being generated from this increase in Remotely Piloted Aircraft patrols, does the Air Force have enough personnel to process the additional data?

Answer. Yes. The Air Force has planned, programmed, and is fielding the requisite number of analysts to support the RPA mission growth through streamlined operations. Using streamlined crewing procedures, Air Force Distributed Common Ground System (DCGS) analysts are aligned against the highest priority intelligence requirements to address the exponential increase in ISR demand. Due to the training lead times, much of the programmed manpower increases in Air Force DCGS have not yet reached the field, but the Air National Guard, through volunteerism at its Air Force DCGS sites, has surged to help mitigate any current shortfalls. Additionally, the Air Force is taking steps to maximize the analytical effectiveness of our ISR force by (1) partnering with National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools; and (2) federating mission exploitation with other military Services and Coalition partners.

SATELLITE ACQUISITION STRATEGY

Question. Over the years, the Air Force has struggled with many of its satellite acquisition programs, with schedule delays measured in years, and cost overruns measured in the billions. The budget includes a proposal to bring satellite costs under control through incremental funding and \$3.2 billion in advance appropriations for fiscal years 2013 through 2017.

Secretary Donley, what other options did the Air Force consider to control satellite costs? How much will the Air Force save under this strategy, and when do you expect those savings to start?

Answer. The Air Force is proposing the Evolutionary Acquisition for Space Efficiency (EASE) approach to address some of the cost and schedule difficulties experienced in satellite acquisition. Over the past several Program review cycles, as many of our complex satellite systems have begun transitioning from development to production programs, we have been struggling with how to most affordably procure these systems under our current policies and procedures. We have tried and employed several methods and strategies including: buying on need; inducing production pauses to spread funding requirements; stretching Advanced procurement limits in both dollar limits and number of years; breaking out components of cost from the full funding requirements (e.g. Government Support and launch operations). Unfortunately, none of these options could address the bottom line of overall efficiency and affordability to these systems, and instead often created more inefficient behavior in order to balance budget issues. OSD-CAPE has collected and analyzed comprehensive satellite development and procurement data on both unclassified and

classified programs over the past several years. The EASE strategy incorporates the cost efficiencies demonstrated in block buying of large satellite systems, within the constrained budgetary environment. The Air Force envisions implementing the EASE concept to drive down costs, improve stability in the fragile space industrial base, invest in technology that will lower risk for future programs, and achieve efficiencies through block buys of satellites.

The satellite unit cost savings gained from this strategy will vary by program. The estimated savings for the Advanced Extremely High Frequency (AEHF) block buy in fiscal year 2012 is greater than 10 percent but is contingent on contract negotiations. Through aggressive negotiations with the contractor, the Air Force will work to achieve the best possible savings for the taxpayer at AEHF contract award in fiscal year 2012. Savings realized through block buys will be reinvested in research and development for technology enhancement to advance mission area capabilities.

AIR FORCE ROLE IN LIBYA

Question. Secretary Donley, now that there is an agreement that NATO will assume command and control responsibility for the no-fly zone over Libya and that the role of the U.S. forces is projected to decline, do you have a cost estimate for the Air Force operations to date and the anticipated costs to continue this level of support to coalition forces?

Answer. The Air Force's costs for the first 14 days of operations were \$75 million, or \$5.4 million per day. With NATO assuming command and control responsibility for the no-fly zone over Libya, the projected costs will decrease to approximately \$1.1 million per day. If operations continue through the fiscal year, the Air Force's estimate is an additional \$199 million, bringing the total to \$275 million for the entire operation. If the cost to replace munitions is included, this estimate would increase by \$48 million, to \$323 million.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

LARGE MILITARY AIRCRAFT DEFENSE INDUSTRIAL BASE

Question. The ability of the U.S. industrial base to support the production of large military aircraft is a growing concern. Today C-17 production shutdown is imminent. A former Commander of Air Mobility Command testified before Congress that, I would like to see the C-17 line stay open, because it's our only insurance policy right now if anything else goes wrong or if there's another development that we need to look at. Instead of preserving the insurance policy and the industrial base, we are conducting a study of how to store the tooling for potential future use. A restart of this production capability in the future would cost billions.

How are we going to protect our vitally important strategic airlift capability and maintain America's current leadership in the area of producing large military aircraft?

Answer. The Air Force is conducting a major Aircraft Industrial Base study that is expected to complete in the summer of 2011 and results from this study should help inform Air Force decisions impacting the industrial base. The Air Force is concerned with maintaining and enhancing its ability to perform all 12 of its Core Functions to include rapid global mobility. We depend on the industrial base to design, develop, produce, and sustain the components and systems used to perform these Core Functions; however, the simple reality is our leadership, in any of these functions, comes with a price tag. In the current fiscal planning environment, it is clear the Air Force must take a very critical look at its processes and programs to improve efficiencies and increase our internal multipliers. The results of these analyses will be reflected in future budget requests; however, it is imperative that our investment decisions provide the capabilities the Air Force needs to continue to fly, fight, and win in air, space, and cyber.

Question. What are you doing to maintain the U.S. industrial base and ensure our Nation retains its technology and capability edge in supporting and winning future wars?

Answer. The Air Force is concerned about the current and projected state of the domestic industrial base, particularly with respect to its capabilities to support emerging Air Force requirements across the three Air Force domains air, space, and cyber. We recognize that today's fiscal realities will drive some very difficult budget choices. In that regard, it becomes even more critical for the Air Force to make data-driven investment decisions whether on research, engineering design and development, sustainment, or weapon systems upgrades. The Air Force is working with the Office of the Secretary of Defense as it leads a sector-by sector, tier-by-tier review

of the current network of the Department's suppliers. We expect this initial review, and subsequent updates, to provide all of the Department of Defense with a shared view of how the industrial base segments interface to support each of our capabilities. With this knowledge of the industrial base, the Air Force will be better informed so that our investment decisions can preserve the critical domestic industrial base capabilities needed for the Air Force to continue to fly, fight, and win in air, space, and cyber.

Question. What alternatives do you see for future airlift production if the C-17 production line shuts its doors and closes?

Answer. The United States has a diverse aerospace industrial base with sales in 2010 of over \$200 billion as reported by the Aerospace Industries Association [Source: AIA, 2010 Year-end Review and Forecast, accessed at: http://www.aia-aerospace.org/assets/YE_Analysis.pdf on April 8, 2011]. While aircraft designed and produced to enable the Air Force to perform our rapid global mobility Core Function do differ from their commercial cousins, there are commonalities in areas such as avionics, propulsion, environmental controls, and others. In the past, the Air Force has leveraged both the intellectual and physical assets of the commercial aerospace industry and we expect to do so in the future. In those areas needed to provide military-unique capabilities, the Air Force uses its research and development programs to grow those capabilities.

Question. Is modernizing the C-5 fleet the most cost effective means of meeting the U.S. military's strategic airlift requirements?

Answer. During the C-5 Reliability Enhancement and Re-engining Program (RERP) Nunn-McCurdy certification process, the Department examined several alternatives for meeting strategic airlift requirements. In the final analysis, a restructured C-5 RERP (or C-5M) effort of 52 aircraft was certified as the least costly alternative to meet strategic airlift requirements. Subsequently, the Mobility Capability and Requirements Study 2016 (MCRS-16) demonstrated that a strategic airlift fleet with the capacity to provide 32.7 million ton miles/day (MTMs/D) was sufficient to satisfy the most demanding case in the study. The programmed fleet with a mix of 222 C-17s, 52 modernized C-5Ms, and 59 legacy C-5As provided MTMs/D in excess of the 32.7 MTM/D requirement. It is not cost effective for the Air Force to maintain aircraft in excess of requirements; therefore, a plan to retire 32 excess C-5A aircraft will be executed assuming fiscal year 2010 National Defense Authorization Act fleet limits are lifted by Congress.

HELICOPTER ACQUISITION

Question. I understand that the Air Force is planning to replace their Combat Search and Rescue helicopters with an upgraded version of the HH-60 they are currently flying. I am also told that the Air Force plans to replace the UH-1 Huey's currently being used for force protection at the ICBM fields and for transport of government officials in the event of an emergency in Washington, DC with the Common Vertical Lift Support Platform (CVLSP). There seems to be a disconnect in the Air Force message regarding the sourcing of this helicopter. In February, Lieutenant General Jim Kowalski of the Air Force Global Strike Command told reporters he wanted to avoid competition while last week, Secretary Donley told the Senate Armed Services Committee that he is "absolutely sure competition will be involved".

What is the Air Force's plan for sourcing the Common Vertical Lift Support Platform?

Answer. General Schwartz and I approved proceeding with the Common Vertical Lift Support Platform acquisition program based on a full and open competition and contract award in fiscal year 2012 leading to an initial operational capability in fiscal year 2015. Following an Acquisition Strategy Panel in the third quarter of fiscal year 2011, we anticipate release of a request for proposal in the fourth quarter of fiscal year 2011 for a Non-Developmental Item/Off-The-Shelf solution to program requirements. Source selection will be conducted in fiscal year 2012.

Question. Will there be a competitive process or will the Air Force choose from a platform currently in production?

Answer. The Common Vertical Lift Support Platform program will award a contract on the basis of a full and open competition. However, we anticipate the request for proposal to solicit a non-developmental, off-the-shelf solution to meet the warfighters' requirements.

INCREASED INTELLIGENCE SURVEILLANCE AND RECONNAISSANCE CAPABILITIES

Question. I was pleased to hear this month that the final decision was made to base MC-12 Liberty aircraft at Beale Air Force Base in California. I understand that the MC-12 has been very successful in Iraq and Afghanistan and we are proud

to host them. Over the years, the success of our manned and unmanned intelligence, surveillance, and reconnaissance systems has been well documented. There seems to be an insatiable need for the information that these assets provide. In the fiscal year 2012 budget, the Air Force wants to procure 48 MQ-9 Reaper unmanned aerial systems and 3 RQ-4 Global Hawk systems. With this increase in platforms, there will be an increase in the amount of information available that will need to be processed and analyzed.

The intelligence professional force is already stretched thin, do you have enough personnel to support the increase in platforms both operationally and to exploit the intelligence?

Answer. The Air Force is extremely proud of California's longstanding support for all of our intelligence, surveillance, and reconnaissance (ISR) assets and personnel that are hosted at Beale AFB, California, a relationship that I hope will continue to flourish after the MC-12W Liberty fleet arrives. The concern over the ability of our analysts to analyze the amount of data being produced by a variety of new ISR platforms and sensors is certainly a valid one; however, I believe the Air Force has planned, programmed, and is fielding the requisite number of analysts in order to support ongoing mission requirements. The Air Force is taking steps to maximize the analytical effectiveness of our ISR force by (1) partnering with the National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools; and (2) federating mission exploitation with other military Services and Coalition partners.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

KC-46A CLEAR WINNER

Question. The words "the clear winner" were used when referring to the Air Forces selection of Boeing to build the new tanker aircraft. Can you elaborate on how the decision was made and what aspects of their bid delineated them as the clear winner, including value and cost?

Answer. In accordance with Section M of the Request for Proposal, Boeing was rated acceptable for all subfactors in Mission Capability, Factor 1. Additionally, the difference between the Total Evaluated Prices in present value terms of the offerors was greater than 1 percent, yielding substantial savings. The Total Evaluated Price (TEP) is the sum of the Total Proposal Price (TPP), Integrated Fleet Aerial Refueling Assessment (IFARA) Fleet Effectiveness adjustment, military construction adjustment, and Fuel Burn adjustment.

Boeing was considered the clear winner because the TEP was more than 1 percent less than their competitors. In the overall source selection strategy, had both offerors' TEPs been within 1 percent of each other, the score of the non-mandatory capabilities would have been used to determine the winner. This was not the case as Boeing's TEP was more than 1 percent lower than their competitor's. Consequently, they were considered the "clear" winner.

KC-46A TIMELINE

Question. What is the current timeline for the KC-46A Tanker Program?

Answer. The contract for the KC-46A was awarded to Boeing on February 24, 2011. The Engineering Manufacturing Development (EMD) contract includes 4 RDT&E aircraft that will be converted after testing is complete into production representative aircraft. The initial flight of the KC-46A aircraft is scheduled for late calendar year 2014. By fourth quarter fiscal year 2017, the Air Force will have 18 operational aircraft. The KC-46 Program is working toward a late August Integrated Baseline Review (IBR) that will generate a Program Management Baseline (PMB). This Baseline may result in an overall schedule adjustment, although that is not anticipated.

KC-46A BASING PROCESS

Question. What is the status of the KC-46A Tanker basing process and what is the timeline for the decisionmaking process?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

In support of KC-46A basing decisions, Air Mobility Command (AMC) is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing from a Total Force perspective. After the criteria are finalized and approved later this year, a briefing will be made available to interested Members of Congress and their staffs. AMC will then evaluate all Air Force installations against the criteria in an Enterprise-wide Look, to identify candidate bases.

After the release of the candidate bases list, Air Force site survey teams will conduct detailed, on-the-ground, evaluations at each candidate location covering a range of operational and facility issues. The results of the site surveys will be briefed to General Schwartz and I, and we will then select the preferred and reasonable alternatives for beddown locations.

Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act. The site location decision will become final after the Environmental Impact Analysis Process is completed.

KC-46A MILESTONE IN BASING PROCESS

Question. When is the next milestone in this basing decision?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

The next milestone for the KC-basing process is determining the criteria on which to analyze potential beddown locations. Air Mobility Command is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing. After the criteria are finalized and approved by the Secretary later in 2011, a briefing will be made available to interested members of Congress and their staffs.

KC-46A BASE SELECTION AND NUMBER OF AIRCRAFT

Question. When do you expect to identify the bases selected to house the KC-46A and how many aircraft they will receive?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

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Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act (NEPA). The Secretary and Chief of Staff site location decision will become final after the Environmental Impact Analysis Process is completed. No specific dates/timelines have been identified for the preferred alternative decisions and no final decision dates can be identified until NEPA actions have been completed.

KC-46A BASING CRITERIA

Question. When will the Air Force share the basing criteria for the KC-46A?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

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QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

B-1 FLEET REDUCTIONS AND CONSOLIDATION

Question. During the last round of B-1 fleet reduction and consolidation, the Air Force said that they would reinvest the savings into the B-1 fleet and additional investments would be made in B-1 modernization. Unfortunately, over the years, much of that funding did not materialize. Now we again find ourselves being told that there's a need to cut the B-1 fleet and that some of the savings would be reinvested in B-1 modernization.

Secretary Donley, what reassurances can you provide that this time when the Air Force says it will reinvest the savings, it means it?

Answer. During the previous round of B-1 fleet reductions and consolidation, the Air Force did reinvest in capability enhancements based on anticipated program performance. Today's ongoing modernization efforts, critical to the continued viability of the B-1 fleet, were born as a result of funding made available from previous fleet reductions, as well as the cancellation of the Defensive Systems Upgrade Program in 2002 due to cost and schedule overruns. The Air Force fully intends to make the required investments in B-1 modernization to ensure the remaining fleet is viable to conduct its assigned missions. These actions also contribute toward the objectives of the 2010 Quadrennial Defense Review; to rebalance capabilities to prevail in today's war while building the capabilities needed to deal with future threats.

The retirement of six B-1s will provide a total savings of \$61.9 million in fiscal year 2012 in procurement and sustainment funding. Of these savings, the Air Force is reinvesting \$32.9 million in fiscal year 2012 into critical B-1 sustainment and modernization programs to ensure the health of the remaining fleet. These programs include procurement and installation of Vertical Situation Display Upgrade and Central Integrated Test System sustainment efforts, Fully Integrated Data Link capability upgrade, and procurement of critical initial spares for these modifications. The Department applied the remainder of the savings from the B-1 reduction to other Air Force and Department of Defense priorities including strengthening the nuclear enterprise.

Question. I appreciate the Air Force's efforts to pursue alternative fuels. I am told that alternative fuel producers would require contracts of 15 to 20 years in order to attract the private financing needed to build a "first-of-a-kind" plant.

Does the Air Force have sufficient statutory authority to enter into contracts of this length for alternative fuels?

As the largest buyer of fuel within the government, DOD could catalyze the development of multiple plants and technologies to produce domestic alternative fuels, particularly jet fuel. In order to do so, it is my understanding that DOD would need to enter into long-term (15-20 year) supply agreements with fuel producers, which would allow those producers to attract private investment to build the plant(s) that would make the fuel to meet the military's needs. However, currently there is uncertainty surrounding what authority the Pentagon has to enter into long term agreements.

Question. How do you anticipate using these contracts to get new domestically produced alternative fuel plants up and running to meet the military's goals?

Answer. Currently, over 99 percent of the Air Force fleet is certified for unrestricted operational use of a 50/50 synthetic fuel blend, where the synthetic component is produced via the Fischer-Tropsch process. The Air Force is in the process of certifying the RQ-4, commonly called the Global Hawk, which represents the only remaining Air force-owned platform not yet certified, and is working with the Navy to test and certify the CV-22 and F-35. Both airframes are Navy-owned assets.

The Air Force is positioning itself to integrate cost competitive, environmentally friendly, domestically produced alternative fuel blends by 2016, and will purchase available alternative fuel blends if they meet the Air Force technical, legal, environmental and economic requirements. Currently, there is no significant commercial scale market in place that is developing sufficient enough quantities at price cost competitive with traditional JP-8; however, even the limited production is yielding falling prices for alternative aviation fuels.

Question. Can you also tell me when the Air Force expects to conclude testing of Fischer-Tropsch fuels?

Answer. Certification activities are expected to be completed for the synthetic fuel blend by the end of 2011 completion. To date, no performance or safety-of-flight anomalies have been identified.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NEW PENETRATING BOMBER AIRCRAFT PROGRAM

Question. Secretary Donley, how is the Air Force going to be able to afford to buy this new long-range bomber given other high costs Air Force programs, such as, the Joint Strike Fighter aircraft, the new aerial refueling tanker aircraft, and satellite programs?

Answer. The fiscal year 2012 Air Force budget request represents a careful balance of resources among Air Force Core Functions necessary to implement the President's National Security Strategy and our Nation's defense. The Air Force realizes that it must balance between today's operations and investments to develop capabilities for the future.

The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the Future Years Defense Program to improve business practices and eliminate excess troubled or lower priority programs. By consolidating organizational structures, improving acquisition processes, procurement, and streamlining operations, we have been able to increase investment in Core Functions, such as global precision attack in ISR in space and air superiority, and enhance combat capability through such programs as the new penetrating bomber.

The DOD aircraft procurement plan for fiscal years 2012–2041, presented to Congress on April 12, 2011 provides a comprehensive look at the Department of Defense's plan to ensure we have the capabilities needed to meet current and projected national security objectives, while prudently balancing security risks against fiscal realities.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

KC-46A BASING AND ACTIVE DUTY ASSOCIATE UNITS

Question. Secretary Donley, it was of interest to me that of the National Guard bases among the 11 bases included in the KC-X RFP each of them had an active duty "associate unit." Given your previous comments that these bases are not tied to the actual bed down selection process, can you reassure the committee that the presence of an associate Active Duty Unit will not be a requirement for National Guard candidate bases competing in the KC-46A basing process?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me. There is nothing in this process to preclude an Air National Guard base from competing.

In support of KC-46A basing decisions, Air Mobility Command (AMC) is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing from a Total Force perspective. After the criteria are finalized and approved, a briefing will be made available to interested Members of Congress and their staffs. AMC will then evaluate all Air Force installations against the criteria in an Enterprise-wide Look, to identify candidate bases.

After the release of the candidate bases list, Air Force site survey teams will conduct detailed, on-the-ground, evaluations at each candidate location covering a range of operational and facility issues. The results of the site surveys will be briefed to General Schwartz and I, and we will then select the preferred and reasonable alternatives for beddown locations.

Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act. The site location decision will become final after the Environmental Impact Analysis Process is completed.

QUESTIONS SUBMITTED TO GENERAL NORTON A. SCHWARTZ

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

HEALTHCARE PROPOSALS

Question. General Schwartz, I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most basic benefits we can provide to the men and women serving our Nation and I also believe it is one of the most effective recruiting and retention tools you have at your disposal. The Department of Defense is proposing several changes to the military health system that could go into effect as early as October of this year.

Do you support these cost saving measures? Could you please explain what impact they might have on recruiting and retention?

Answer. As stated in our February 11, 2011, letter, I strongly support these modest changes to the military healthcare program in the fiscal year 2012 budget request.

I believe we have included the appropriate safeguards to ensure a careful and measured approach to protect our most vulnerable beneficiaries, while continuing to provide free healthcare to our active duty personnel. Additionally, all Services and the TRICARE Management Activity have looked internally to identify efficiencies and incorporate those into the system before the decision to pursue these changes.

Our commitment to our beneficiaries remains unchanged, with continued investment in wounded warrior care and enhanced access to superior health services to all our beneficiaries. I believe these changes to the military health system are critical to our continuing to provide the finest healthcare benefit in the world while also slowing the cost growth in that same healthcare system.

While there are many dynamics that impact military recruiting and retention, we do not believe the proposed change to TRICARE fees for working age retirees will adversely impact our recruiting and retention. Without these adjustments, we will need to reduce funding in other areas such as those programs supporting Airmen and their families. The latter funding reductions would more adversely impact recruiting and retention.

REMOTELY PILOTED AIRCRAFT PERSONNEL REQUIREMENTS

Question. General Schwartz, what is the status of using technology to ease some of the burden of processing, exploiting, and disseminating the additional data derived from the increase in Remotely Piloted Aircraft flights?

Answer. The Air Force is aware of the enormous tasking, processing, exploitation, and dissemination burden that the rapid expansion in the number of intelligence, surveillance, and reconnaissance (ISR) Remotely Piloted Aircraft missions is placing on our ISR analysts. While automation cannot completely replace the need for human analysis, the Air Force is taking the following steps to maximize the analytical effectiveness of our ISR force:

- Partnering with the National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools that reduce overall analyst workload.

- Working with other military Services and Coalition partners to federate mission data, employing technology and forming habitual relationships to bring to bear more intelligence expertise from distributed locations.

The long-term solution for reducing the burden on Air Force analysts is through the continuous evaluation and integration of available technologies while also leveraging industry, other Service, and intelligence community investment in emerging technologies.

AIR FORCE ROLE IN LIBYA

Question. General Schwartz, now that there is an agreement that NATO will assume command and control responsibility for the no-fly zone over Libya and that the role of the U.S. forces is projected to decline, how dependent will the coalition air forces be on continuing U.S. support for fighter and tanker aircraft and intelligence, surveillance, and reconnaissance (ISR) assets to enforce the no-fly zone?

Answer. The Air Force will provide tanker and ISR support to meet NATO requirements. Strike support is in reserve and will require additional coordination between NATO and the United States.

Question. Will you have to reallocate assets from other ongoing operations in the region to continue to provide this level of support to the coalition?

Answer. No reallocation is anticipated at this time.

Question. How long do you expect this operation to continue?

Answer. The Air Force cannot speculate on the length of the Libya operation; however, the Air Force will provide capabilities as long as our civilian leadership deems this support vital to U.S. national interests.

Question. General Schwartz, could you tell us what types of aircraft and capabilities the coalition nations are contributing to enforce the no-fly zone.

Answer. Coalition forces provide the following capabilities: Strike (Mirage, Tornado, F-16); Air Intercept (Rafale, F-16); Command and Control (E-2, E-3); Air Refueling (KC-135F, VC-10, KC-150); Intelligence, Surveillance, Reconnaissance (ISR) (specific aircraft are classified); and Theater Airlift (C-160).

ROLE FOR F-22 IN LIBYA

Question. General Schwartz, there has been speculation in the press as to why the F-22 has not participated in Operation Odyssey Dawn over Libya. Could you explain why the F-22 was not used?

Answer. Whenever forces are required to support an operation, they are allocated via Global Force Management, a joint structure to identify and provide the most appropriate and responsive force or capability that best meets the Combatant Commander's requirement. For Operation Odyssey Dawn, adequate capabilities were available in Europe to meet the Combatant Commander's needs.

Question. Was the F-22's limited air-to-ground capability a factor in the decision not to deploy it?

Answer. The F-22's air-to-ground capability was not a factor in the deployment decision. The Air Force had sufficient assets available in the area of responsibility to satisfy the Combatant Commander's request to accomplish the desired mission sets.

Question. General Schwartz, do you have a funded program to upgrade the F-22's air-to-ground capability? How much will it cost?

Answer. Yes, the F-22 has a funded program to upgrade the F-22s air-to-ground capability. Follow-on Test and Evaluation for F-22 Increment 3.1 began in January 2011 and is expected to be complete in June 2011 and will begin fielding in July 2011. Increment 3.1 will add air-to-ground capabilities including electronic location of surface threat emitters, radar ground mapping, and carriage of small diameter bombs.

Note, these upgrades are in addition to current F-22 air-to-ground capabilities provided through internal carriage and supersonic delivery of two 1,000 pound Joint Direct Attack Munitions.

The fully funded Increment 3.1 retrofit program will cost \$150 million in fiscal year 2011 through fiscal year 2016.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

PRIMARY AIRCRAFT AUTHORIZED BY TRUAX FIELD, WISCONSIN

Question. Recently, the Air Force and National Guard Bureau announced a decision to reduce the Primary Aircraft Authorization at Truax Field in Madison, Wisconsin from 18 to 15 F-16 fighters. I understand that this was part of a larger reduction in the Primary Aircraft Authorization for F-16 fighters, which is being implemented over several years at many bases.

Did the Air Force consult the leadership of the Wisconsin Air National Guard in this decision? When was the decision made to reduce the Primary Aircraft Authorization at Truax Field, and when were the Wisconsin Air National Guard leaders informed of the decision?

Answer. The decision to reduce the Primary Aircraft Authorization at Truax Field was made early in 2006 as part of the fiscal year 2008 President's budget request. The leadership of the Wisconsin Air National Guard was informed of this action in December 2010 by the Director of the Air National Guard, approximately 4 months prior to the planned official force structure announcement.

Question. I understand that the decision to reduce the Primary Aircraft Authorization at Truax Field will lead to the loss of one full-time technician job and 76 drill-status guardsmen.

How will the people in these positions transition into other jobs and responsibilities with the Wisconsin Air National Guard?

Answer. With regard to the 76 drill-status guardsmen positions that will be affected by the reduction of primary aircraft authorization at Truax Field, there are provisions in written guidance, (Air National Guard Instruction 36-2101), that allow for the reassignment of personnel based on force structure changes. These force

management decisions would be made by the wing commander and the squadron commanders of the units affected in conjunction with State Headquarters Human Resources department. The National Guard Bureau would function in an advisory capacity to assist units with interpreting the above mentioned guidance and on how best to apply it to their situations.

In regard to the one full-time technician who is impacted by the reduction of the primary aircraft authorization at Truax Field, Wisconsin, there are provisions in written guidance, reference TPR 300, The Technician Personnel Regulation and TPR 303, The Military Technician Compatibility Program, that provide procedural directions based on force structure changes and manpower criteria. The National Guard Bureau, J1-Technician Program Division, will function in an advisory capacity to assist the Wisconsin Joint Forces Headquarters-HRO to execute the proper notification procedures, in compliance with the Technician Program Regulations, to reassign this technician into another full-time technician position that will closely align with their current position series, pay, duties, and responsibilities.

Question. On March 18, 2011, the Air Force Magazine reported that senior Air Force leaders are concerned about a shortfall in fighters over the next several years.

Given this concern, is this the right time to reduce the Primary Aircraft Authorization for F-16 fighters in the Air National Guard?

Answer. The Air Force manages a balanced Total Force mix of approximately 1,200 Primary Mission Aircraft Inventory and 2,000 Total Aircraft Inventory combat fighter aircraft to execute the National Defense Strategy at a moderate risk level. The small aircraft reduction in the Air National Guard F-16 fleet transitions aircraft to the Backup Aircraft Inventory while retaining them in the total aircraft inventory. The Air Force's warfighting analysis accounted for this planned F-16 reduction over the recent budgetary cycles since it was implemented in the fiscal year 2008 program. The reduction does not increase current shortfall projections, but rather was a deliberate decision to accept near term risk while bridging to a fifth generation fleet.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

ANALYSIS OF ALTERNATIVES ON JSTARS GMTI

Question. We understand that Air Combat Command (ACC) is finalizing an Analysis of Alternatives (AOA) on the Joint STARS Ground Moving Target Indicator (GMTI) Mission Area, which is planned to be completed this year.

Is the Air Force looking at efficient alternatives such as existing systems like the Navy P-8 that DOD has already invested in as an alternative for Joint STARS?

Answer. The ACC analysis underway is studying 29 alternatives ranging from existing systems to future concepts. The 29 alternatives being evaluated were provided by both the Office of the Secretary of Defense, Cost Assessment and Program Evaluation (OSD-CAPE) and identified via industry days. The analysis is considering the P-8 option, future KC-X platforms, a Business Jet, multiple remotely piloted aircraft (RPA), and an airship among others.

Question. Would the re-engining of the E-8 platform create a significant increase in the fleet's overall mission capability and what is the cost of that program?

Answer. We believe re-engining the E-8 would increase overall mission capability. However, until the results of both the analysis of alternatives and the Fleet Viability Board are complete and presented, it is premature to invest in fleet-wide re-engining.

Question. Beyond re-engining, are the current E-8 cockpits fully compliant with all operational requirements?

Answer. Yes, the E-8 cockpit is currently fully compliant. ACC is working an avionics Diminishing Manufacturing Source (DMS) program to ensure the E-8 is compliant with pending FAA/ICAO regulations.

Question. What would be needed to upgrade the E-8 to the same capabilities as a P-8 AGS and how much would the program cost?

Answer. Until the results of both the analysis of alternatives and the Fleet Viability Board are completed and presented, it is premature to speculate in favor of one system or another. We will know much more as these studies report out.

Question. When will the new AOA be completed?

Answer. The analysis of alternatives is scheduled to complete by September 2011.

Question. What specifically will be addressed in the AOA?

Answer. As detailed in the original Resource Management Directive 700 direction, the analysis of alternatives team will evaluate materiel solutions to fulfill all, or part of, the Departments overall Synthetic Aperture Radar/MTI requirements. The

team was further instructed by OSD-CAPE to investigate alternatives to replace, refurbish, modernize JSTARS and to support acquisition of JSTARS replacement, refurbishment or other SAR/MTI system(s).

Question. Will the Air Force consider other platforms in lieu of the E-8, such as capitalizing on other DOD programs with similar requirements?

Answer. The ACC analysis underway is studying 29 alternatives which were provided by both the Office of the Secretary of Defense, Cost Assessment and Program Evaluation (OSD-CAPE) and identified via industry days. The analysis is considering the P-8 option, future KC-X platforms, a Business Jet, multiple remotely piloted aircraft, and an airship among others.

QUESTION SUBMITTED BY SENATOR TIM JOHNSON

B-1S IN LIBYA

Question. To what extent are B-1s being used in Libya?

Answer. B-1B aircraft based in Continental United States (CONUS) were utilized in support of Operation Odyssey Dawn. A pair of B-1 aircraft conducted two sorties, striking over 40 fixed targets in Libya in order to protect the Libyan population as outlined in United Nation Security Council Resolution 1973. This marked the first time CONUS B-1 aircraft were launched to strike overseas targets. CONUS aircraft were utilized to minimize impact to OND/OEF missions. Currently, B-1 aircraft are not directly tasked in support of Operation Unified Protector (previously Operation Odyssey Dawn); however, aircraft remain postured to support Global Strike Command missions if tasked.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NEW PENETRATING BOMBER AIRCRAFT PROGRAM

Question. General Schwartz, your prepared testimony indicates that the Air Force is developing a new long-range, penetrating bomber with a focus on affordability. Our experience with the B-1 and B-2 bomber programs resulted in very high development and production costs for relatively few aircraft. Can you share with the Committee in further detail how the Air Force plans to meet requirements while controlling costs and maintaining schedule on this new bomber program?

Answer. The new penetrating bomber program is very much focused on affordability, constraining requirements, and lowering technological risk. The program will use a streamlined management and acquisition approach to balance capability with affordability. The new bomber will use existing, mature technologies and leverage systems and subsystems from other programs to the maximum extent practical. Additionally, the Air Force will limit requirements based on affordability using realistic cost targets to inform capability and cost trade-offs.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

MILITARY SEXUAL ASSAULT

Question. Concerning sexual assault in the Air Force, can you comment on what is being done on the front lines of this fight to protect airmen. Is specialized training given to the most vulnerable, which studies consistently indicate are the female, junior enlisted?

Answer. All Airmen receive initial accessions training, that is scenario/vignette based education, when they first enter military service that incorporates learning what constitutes sexual assault; differences between offenders, victims, facilitators, and bystanders; and effective risk reduction strategies that include the following:

—Clearly communicate boundaries. If you are in any kind of relationship, talk with your partner. If you are unsure about what your partner wants or is thinking, ask. Don't make assumptions. State your boundaries and be aware of non-verbal communications that could send unintended messages.

—Assert yourself. If you don't want to do something, say "No" clearly. Avoid phrases meant to let him/her down easy; these are often misunderstood. "I don't know," "I don't think so," and "We'll see," can each be interpreted as "Keep on coming." When you mean no, say, "No!"

—Be "situation smart." Don't drink alone with people you do not know well or who are all drinking. Leave a public place with a peer, not alone. Don't go to a room after a night of drinking alone with another person.

- Use the buddy system. Your job may be to protect your wingman—but it's also your wingman's job to protect you. Make a plan for getting home together. Give each other feedback on how much you've been drinking to reduce the risk of assault. Develop a signal you can use when you are in an uncomfortable situation.
- Be smart if using alcohol. Drink responsibly and don't accept "freebies." Watch out for dates who try to get you drunk or high. Don't EVER leave your drink alone or accept a drink from someone else. Date rape drugs are used by perpetrators to take advantage of victims.
- Trust your instincts. You know when things don't feel right or safe. Have the intelligence and strength to trust yourself in those situations, and get out of danger. Tell your wingman you need support to get out now—then do it. Furthermore, annual refresher training incorporates the cycle of sexual assault, circumstances in which it occurs, and broad awareness of situations when Airmen may be most at risk. The Air Force is committed to eliminating behavior that may lead to sexual assault and implemented bystander intervention training (BIT): BIT is designed based on specific target populations for women, men, and leaders. Bystander intervention is a strategy that motivates and mobilizes people who may see, hear or otherwise recognize signs of an inappropriate or unsafe situation, to act. Using an interactive and dynamic model, the 90-minute courses provide basic education about recognizing dangerous situations/behavior, analyzing for best approach, and practicing effective bystander intervention strategies. The Air Force has a keen focus on key learning objectives for all of its target populations; here are key learning objectives for the women's (includes junior enlisted members) module:

- Raise awareness of female Airmen regarding the continuum of behaviors that can lead to a sexual assault.
- Empower female Airmen to develop concrete Bystander Intervention Strategies and problem solving competencies.
- Foster female Airman responsibility, for ourselves and fellow Airmen, in addressing inappropriate sexual behaviors at all levels of conduct.

Additionally, the Air Force is finalizing a Risk Reduction module designed uniquely for the female most at-risk population. The design of Risk Reduction includes education for those actions and choices individuals may make to ensure their own safety and increase situational awareness. However, this must be done carefully to avoid any inherent victim self-blame/guilt if sexually assaulted even after following all possible safety measures.

Question. Alcohol is prominent as a factor in reported sexual assaults and from reviewing specific cases, is an obstacle to prosecuting offenders. How are you addressing the role of alcohol in your prevention efforts?

Answer. The Air Force remains committed to eliminating situations and circumstances which may lead to sexual assault through educating Airmen in effective bystander intervention training (BIT) in separate sessions for men, women, and leaders. Since the majority of known reports involve alcohol, and the vast majority of sexual assaults are committed by males, the men's BIT module has specific learning points focused exclusively on alcohol related sexual assault. As part of the interactive, facilitated sessions, dialogue introduced includes:

- People are always looking for a bright line where alcohol and consent are involved. There isn't one. The legal definition of consent in this area is "Words or overt acts indicating a freely given agreement to the sexual conduct at issue by a competent person." When alcohol is involved, you can't consent if you are "substantially incapable of appraising the nature of the sexual conduct at issue due to mental impairment or unconsciousness resulting from consumption of alcohol, drugs, a similar substance, or otherwise."
- You have to look at the facts of each situation, and if there isn't "freely given agreement to the sexual conduct at issue by a competent person" because the person was too drunk to understand what was going on, there isn't consent.
- Participants are provided an alcohol based scenario to further discussion of the issues surrounding alcohol and sexual consent. This is a highly realistic and common scenario. Most Airmen have been in this situation, either as participants or observers.
- Alcohol impairs cognitive functioning, specifically increases focus on short-term positive outcomes, and lessens consideration of long-term negative consequences of actions. Alcohol makes it easier for individuals to cross their personal violence threshold and feel justified for using force. Perpetrator motives may vary. It takes multiple motives and the "right" circumstances when sexual assault may occur. Alcohol increases the likelihood that an individual will cross his/her personal violence threshold more easily.

After consuming two standard alcoholic drinks, cognitive impairments may include: Abstraction, conceptualization, planning, problem solving, integration of conflicting information, response inhibition, and focus on short-term rewards.

—The facilitated learning also includes highlighting some “pre-game” strategies that offenders develop in trying to facilitate sex for themselves and their friends. Examples include having punch with higher alcohol content at parties for women to drink and beer for men.

Again, the Air Force remains committed to eliminating situations and circumstances which may lead to sexual assault.

SUBCOMMITTEE RECESS

Chairman INOUE. And the Defense Subcommittee will reconvene next Wednesday, April 6, at 10 a.m., at which time we will receive testimony from defense health activities.

We stand in recess.

[Whereupon, at 11:55 a.m., Wednesday, March 30, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 6.]