

**HEARING TO RECEIVE TESTIMONY ON THE  
DEPARTMENT OF THE AIR FORCE IN RE-  
VIEW OF THE DEFENSE AUTHORIZATION  
REQUEST FOR FISCAL YEAR 2012 AND THE  
FUTURE YEARS DEFENSE PROGRAM**

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**THURSDAY, MARCH 17, 2011**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:34 a.m., in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Akaka, Nelson, Udall, Hagan, Begich, Manchin, Shaheen, Blumenthal, McCain, Inhofe, Sessions, Chambliss, Brown, Portman, Ayotte, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Madelyn R. Creedon, counsel; Creighton Greene, professional staff member; Jessica L. Kingston, research assistant; and Jason W. Maroney, counsel.

Minority staff members present: David M. Morriss, minority staff director; Christian D. Brose, professional staff member; Pablo E. Carrillo, minority investigative counsel; Daniel A. Lerner, professional staff member; and Christopher J. Paul, professional staff member.

Staff assistants present: Christine G. Lang, Brian F. Sebold, and Breon N. Wells.

Committee members' assistants present: Christopher Griffin, assistant to Senator Lieberman; Nick Ikeda, assistant to Senator Akaka; Ann Premer, assistant to Senator Ben Nelson; Patrick Day, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Michael Harney, assistant to Senator Hagan; Joanne McLaughlin, assistant to Senator Manchin; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; and Brad Bowman, assistant to Senator Ayotte.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody.

I want to welcome our witnesses here today, Secretary Donley and General Schwartz. They are coming back to the committee this morning to testify on the plans and programs of the Air Force and our review of the fiscal year 2012 annual budget and overseas contingency operations requests.

Gentlemen, please extend, on behalf of the committee, our gratitude to the men and women of the Air Force and their families for the many sacrifices that they have made on behalf of our Nation. And thanks to both of you for your long careers of leadership and service.

We are truly mindful this morning, as we meet here, of the terrible devastation that the Japanese people have experienced with the earthquake and the tsunami that struck that nation. Our thoughts and our prayers go out to them. Such incidents remind us just how indiscriminate natural disasters can be, and they provide us the opportunity to once again demonstrate America's commitment to support our valued ally in the Pacific.

The Department of Defense has already been providing support to the Japanese people, and that effort will increase over the coming weeks. We know that the Air Force has played a critical role in supporting previous relief efforts around the world, and that is the case again in Japan.

We applaud those efforts. This committee stands ready to work with the department to ensure that the department—and the Air Force as part of that department—is able to continue to provide support to this critical humanitarian disaster response effort in the weeks and the months ahead.

We are also very mindful that the Defense Department maintains a number of facilities in Japan, including Air Force bases in Yokota, Misawa, and Kadena. These bases provide opportunities for U.S. forces to support the government and the people of Japan. But we are also concerned about the safety of our own service personnel and their families that are stationed there, and we hope that you will tell us more about the situation this morning from your perspective and based on what you know.

There is a number of ongoing critical issues that confront the Air Force. We know that the Air Force is providing forces to the Central Command's war efforts in a number of traditional roles but is also providing airmen in support of land component tasks. And so, we expect this morning to hear about how the Air Force is supporting these current operations while preparing its forces to deal with other demands and with future demands.

This committee has sought to ensure that our combatant commanders have what they need to succeed in those conflicts, including technologies to counter improvised explosive devices and intelligence, surveillance, and reconnaissance assets. This committee will continue to support the needs of our warfighters in those conflicts.

I would note that, in particular, the new budget will continue the expansion of intelligence, surveillance, and reconnaissance orbits within the theater, with the goal of achieving 65 orbits in fiscal year 2013. Each orbit consists of two to three air vehicles and the appropriate ground support equipment necessary to operate them.

The committee has been pressing the department in general and the Air Force in particular to field more UAVs for at least the last 15 years and has regularly provided additional funds for that purpose. And I should note the fact that General Schwartz has been taking extra steps to accelerate that fielding by altering Air Force approaches to pilot training and accelerating production of Predator and Reaper UAVs.

The Air Force has included funding in its fiscal year 2012 budget request to begin a new bomber program that will be both conventional and nuclear capable. The goal is to utilize mature technologies to increase the likelihood that the new bomber is fielded on time and on budget.

In addition, the Air Force has proposed to reduce a small number of B-1 bombers, while modernizing and sustaining all three bomber aircraft, the B-1, B-2, and B-52. The committee needs a detailed explanation of this new proposal to develop a new long-range strike system.

After a significant number of failures a few years ago, the Air Force has refocused on managing nuclear forces. The Global Strike Command is now in place to do that. There has been a lot of hard work on the part of dedicated professionals, but recent incidents have shown that the force structure itself needs attention. We are interested in the plans to improve the critical nuclear infrastructure.

The Air Force has made some recent changes to deal with the management of space programs, including bringing acquisition of space programs under the regular Air Force acquisition process. In reviewing the cost of buying space programs, however, it has become clear that a different approach needs to be developed to prevent these programs from becoming unaffordable.

The committee has encouraged the Air Force to look at ways to buy space systems that reduce cost and technical risks in these very complicated systems. To that end, the Air Force is evaluating a variety of approaches that might achieve the cost savings and program stability goals, and we look forward to receiving a proposal and any legislation needed to implement it. And I expect that we will be hearing more about the Air Force's current thinking on that issue as well this morning.

Another acquisition challenge, which is facing the Air Force, is the stretching out of production lines which delay modernization programs. Foremost among these is the Joint Strike Fighter, the JSF program.

Given recent identification of additional troubles and delays with the system design and demonstration phase of the JSF program by the new program manager, the Air Force is apparently responding by extending the service lives for existing fighters, including the F-16 and the F-15 fighter fleets, and we need to hear more about that.

One acquisition program that appears to be moving forward as planned is the Strategic Tanker Modernization Program. The Air Force determined a winner of the tanker competition in late February, and apparently, the other bidder is not protesting the contract award.

We look forward to receiving more details from the Air Force this morning on its plans for executing that program. What is the timetable for the tanker program?

Underlying all of these major acquisition concerns is an acquisition management issue. Secretary Donley, we hope that you will tell us this morning about your efforts to bolster the numbers within and the quality of the Air Force Acquisition Corps.

Part of improving the acquisition process is an extensive effort to hire additional acquisition personnel, including additional technically qualified personnel, so that the Air Force will be a smart buyer of weapon systems and provide better oversight of the contractors. We would also like to hear how that effort is progressing and whether or not it has been impacted by recent hiring and salary freezes.

The Weapon System Acquisition Reform Act of 2009 has required the Defense Department to make significant changes in its regulations and procedures governing the acquisition system. But this legislation will fully address past problems only if there are concerted efforts within the executive branch to implement that legislation and improve past behavior within the department.

We look forward to hearing how the Department of the Air Force is proceeding to implement the provisions of that Acquisition Reform Act.

On the subject of current operations, a significant readiness concern continues to be the inadequate levels at which the Air Force funds their weapon system sustainment accounts. For several years now, the Air Force has funded these accounts at less than 100 percent of the stated requirement. It is my understanding that the fiscal year 2012 budget request only provides for meeting 84 percent of the sustainment requirement, even if we include the overseas contingency operations funding in the base budget request.

During last year's budget review cycle, this committee authorized additional resources for sustainment that were identified as an unfunded requirement by General Schwartz. So we will be interested in hearing from our witnesses what maintenance and readiness shortfalls exist, if any, for the Air Force and what amount of funding would be needed to address any potential backlogs, along with any plans and cost to address readiness shortfalls during the budget year and the rest of the Future Years Defense Program.

Senator McCain.

#### **STATEMENT OF SENATOR JOHN McCAIN**

Senator McCAIN. Thank you, Mr. Chairman.

I want to thank the witnesses for being here this morning and thank you for their outstanding service.

I had planned this morning to ask questions concerning the tanker program and the recent decision there, our continued frustration concerning the F-35 Joint Strike Fighter—I understand there is just another setback because of an oil leak—and the Advanced Extremely High Frequency Satellite program and the Global Hawk program and others.

But I am going to seize this opportunity this morning to try to find out what the capability of the United States Air Force is in

order to impose a no-fly, no-drive program, course of action over Libya.

We are seeing the momentum and the success of Muammar Gaddafi and his killers massacring people while we sit idly by. And one of the arguments used is that we somehow can't do it, despite the fact that General Odierno just a few days ago said that it would take a very short period of time in order to impose a no-fly zone.

I want to know about the assets we have in the region, our bases at Aviano and in Sicily and our capabilities there. And let us have no illusion about what is happening in Libya.

This morning's L.A. Times carries a story concerning the government troops attack on Ajdabiya, one of the towns closer to Benghazi. A woman said, "The shelling went on until 3 a.m. When it stopped, we saw people dead in the streets and cars destroyed. There were snipers on rooftops with red lasers on their guns, and they shot teenage boys who raised their arms."

A massacre is about to take place if the Libyan forces take Benghazi. I think the American people deserve to know what course of action we are going to take. I understand we are going—the United States finally, following the leadership of France and Britain, is going to the United Nations Security Council today.

What I need to know how—and I think the American people need to know what our capabilities are. And obviously, the imposition of such a restriction or attempt to stem the tide of Gaddafi and his murderers is dependent upon our air assets, as well as our naval assets.

So when it comes time for my questioning, Mr. Chairman, I will want to know from the Chief of Staff and the Secretary what we can do and how quickly in order to try to prevent at the 11th hour the fall of Benghazi, which would effectively allow Gaddafi to obtain an overwhelming victory when the President of the United States' stated policy is that Gaddafi must go.

So I thank the witnesses. And General, I hope you are prepared to give us a little straight talk on what we can do, if necessary, hopefully to prevent the massacre that is taking place as we speak.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

I understand we have a briefing also for all Senators this afternoon, which will involve Department of Defense personnel, as well as State Department personnel. I don't know that the location has been set, but I believe the time is 2:00 p.m.

Secretary Donley?

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

Mr. DONLEY. Thank you, Chairman Levin, Senator McCain, members of the committee.

It is a pleasure to be with you today, representing more than 690,000 active duty, Guard, Reserve, and civilian airmen. I am also honored to be here 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.

We are requesting \$150 billion in our baseline budget for fiscal year 2012 and \$16 billion in the overseas contingency operations supplemental appropriation to support this work. This budget 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 investment for the future.

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

First, operating without a defense appropriation bill in fiscal year 2011 is having a significant impact on our Air Force. The decision to extend the continuing resolution at fiscal year 2010 levels through the remainder of this year will delay our ability to reach and sustain the Secretary of Defense's directed goal of 65 MQ-1/9 combat air patrols by 2013 in support of operations in Afghanistan.

It will cause a production break and a likely increase in the unit cost of the Wideband Global Satellite Communications Satellite, the F-15 radar modernization, and other programs. Deeper reductions to our modernization programs would be required to fund over \$4 billion in must-pay bills for urgent operational needs in Afghanistan and Iraq, for military healthcare, and the military pay raise of 1.4 percent, which Congress authorized but has not funded.

Without fiscal year 2011 appropriations, we face delay or cancellation of some depot maintenance, 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.

Finally, fiscal year 2011 appropriations are also required for 75 military construction projects now on hold, which support ongoing operational needs and improve the quality of life for airmen and their families. Passing an fiscal year 2011 defense appropriations bill is essential to avoid these severe disruptions, and we appreciate the efforts currently underway by members of this committee and others to resolve this situation.

Over the past decade, the Air Force has substantially reshaped itself to meet the immediate needs of today's conflicts and position itself for the future. While we have grown in some critical areas, it has been at the expense of others.

We have added intelligence, surveillance, and reconnaissance capacity with 328 remotely piloted aircraft and over 6,000 airmen to collect, process, exploit, and disseminate intelligence. We have added over 17 aircraft and over 2,400 airmen to bolster special operations capacity necessary in the counterinsurgency operations we now face.

We have added over 160 F-22s now and 120 C-17s to our inventory. We have funded over 30 satellites and added 2,200 airmen for critical nuclear and cyber operations and acquisition support.

In this same period, however, we have retired over 1,500 legacy aircraft. We have canceled or truncated procurement of major ac-

quisition programs. We have shed manpower in career fields less critical for the fight and deferred much-needed military construction in order to balance these capabilities within the resources available.

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

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

We continue to recognize the requirement for fiscal constraint and are committed to remaining good stewards of every taxpayer dollar, improving management and oversight at every opportunity. The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the Future Years Defense Plan, which will be shifted to higher priority combat capability by reducing overhead costs, improving business practices, and eliminating excess troubled or lower priority programs.

By consolidating selected organizational structures, improving our processes in acquisition, procurement, and logistics support, and streamlining operations, we have been able to increase investment in core functions, such as global precision attack, integrated ISR, and space and air superiority, reducing risk by adding tooth through savings in tail.

We are fully committed to implementing these planned efficiencies, and I 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 past several years, we do not view the current need for efficiencies as a singular event, but as an essential and continuing element of prudent management in the Air Force.

Our investment priorities remain consistent with minimizing risk and maximizing effectiveness and efficiency across the full spectrum of potential conflict. Proceeding with development and production of the KC-46 tanker aircraft, implementing the Joint Strike Fighter restructuring, 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 nondeployed forces—and the personnel challenges across 28 stressed officer and enlisted career fields, both of which are the result of today's high operational tempo.

And of course, we will continue to support our active, Guard, 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 in 1995. Going forward, we must continue to seek and develop reforms in the benefits that our men and women in uniform earn to make them economically sustainable over the long term.

Mr. Chairman, good stewardship of the United States Air Force is a responsibility that General Schwartz and I take very seriously. We remain grateful for the continued support and service of each member of this committee, and we look forward to answering any questions you may have.

Thank you.

[The prepared statement of Mr. Donley and General Schwartz follows:]

Chairman LEVIN. Thank you, Secretary.  
And General Schwartz?

**STATEMENT OF GEN. NORTON A. SCHWARTZ, USAF, CHIEF OF STAFF OF THE AIR FORCE**

General SCHWARTZ. Mr. Chairman, Senator McCain, members of the committee, I am privileged to be here today with Secretary Donley representing the men and women of the United States Air Force.

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

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

Because of intense budgetary pressures, I echo Secretary Donley's concern about operating under a continuing resolution. Without a 2011 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 operations.

Current reductions to the President's budget request not only create inefficiencies that basically reverse the efficiency measures that the Secretary of Defense has directed, they adversely affect readiness as well. We appreciate your efforts to pass an appropriations bill to provide for these critical needs of our uniformed men and women.

Consistent with the National security—or rather the National security strategy and the Quadrennial Defense Review, our National military objectives are to counter violent extremism, deter and de-

feat aggression, strengthen international and regional security, and shape the future force.

Airmen now are committed to the task of leveraging 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 these objectives, calibrated as our Nation continues to grapple with substantial deficits and related national debt.

To counter violent extremism, airmen continue to make vital contributions to our Nation's strategic objective of disrupting, dismantling, and defeating al-Qaeda and its affiliates in Afghanistan and elsewhere, thereby inhibiting their return to former sanctuaries.

More than 37,000 airmen, about 6 percent of the force, are forward deployed worldwide. Of this group, nearly 30,000 are continually rotating to directly contribute to operations in the U.S. Central Command area of responsibility, including 10,000 airmen in Afghanistan, providing close air support to U.S. and coalition ground forces, airlifting or refueling, personnel rescue, aero-medical evacuation from hostile battle space, leadership of provincial reconstruction teams, and training and exercise opportunities to develop partner air forces.

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

And from their home stations in the United States, over 200,000 airmen, 43 percent of the force, provide daily support to worldwide operations, from standing nuclear alert to commanding and controlling our satellites, to analyzing intelligence, surveillance, and reconnaissance data, and much, much more.

To deter and defeat aggression, we maintain vigilance across the entire spectrum of conflict and will employ multi-role systems with capabilities that can flex to fulfill different warfighting requirements. At the upper end of the spectrum, we continue to provide two of our Nation's three arms of nuclear deterrence, with steadfast excellence, precision, and reliability.

And across the remainder of the operational spectrum, we will continue to leverage air and space power that are vital to our Nation's ability to sustain a robust conventional deterrent. This requires the ability to rapidly project power through the global commons and in the globally interconnected domains of air, space, and cyber space.

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

We will also continue to support the "whole of nation" effort to team with international partners in strengthening space architecture resiliency, establishing and reinforcing norms for space and cyber activity, and ultimately developing a broader range of options to ensure our Nation's access to and freedom of action in both domains.

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

Through a whole of nation approach and with mutually supporting strategies toward this objective, the U.S. Air Force and the joint team will underwrite defense, diplomatic, and developmental efforts to help address the root causes of radicalism and aggression and not just the violent manifestations thereof. 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 more than 425 specialties.

Similarly, the airmen supporting the 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 army air force to meet a range of security requirements. Ultimately, these and coordinated efforts to build international partner capabilities can help to prevent lower-intensity problems from escalating into full-scale crises.

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

But flexible air, space, and cyber capabilities require resilient airmen. They are the lifeblood of our Air Force, to whom we owe our fullest commitment, and particularly our wounded warriors and their families.

During this time of sustained and frequent deployments, we will bolster our capacity to provide assistance to our airmen in both managing the obvious and the less obvious challenges of returning home from war. Since the 1st of July 2010, we have made progress in this regard with the establishment of the Deployment Transition Center at Ramstein Air Base in Germany, where nearly 1,200 personnel attended programs to decompress and begin a healthy reintegration into family and unit of assignment.

We intend to continue this progress. And as deployment tempos remain high, we will further strengthen our efforts to develop the core components of the Air Force resiliency program and its ongoing assessment of the fitness of the force. This will inform our efforts as we continue to improve the quality of our airmen and family services and support from child education to base fitness centers to transition assistance programs.

In closing, sir, I would like to reaffirm my personal support for the 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 the current DOD proposals are both modest and responsible.

We, the Secretary and I, are watching the crisis in Japan very closely. The Department of State has authorized the voluntary de-

parture of family members and dependents of U.S. officials who wish to leave northeast Japan.

To date, airmen and their families are not—are not—at risk on our bases. We are working closely with the Pacific Command to ensure that they have the resources they need when they need them and will support the voluntary departure of U.S. family members to the fullest extent.

Mr. Chairman, committee members, the Air Force remains steadfastly committed to global vigilance, reach, and power for America. Thank you for your continued support of the United States Air Force, for our airmen, and certainly for their families.

I look forward to your questions, sir.

Chairman LEVIN. Thank you very much, General.

Let us try a 7-minute round for the first round. Secretary or General, tell us, if you would, what is the support which we are providing to the Japanese now, and what are the plans for the next few weeks?

Mr. DONLEY. Mr. Chairman, there are about 30,000 Air Force personnel and dependents in Japan. About half of those are on the main island between the two locations you mentioned, Yokota and Misawa, in the far north.

We are bringing to bear all the capabilities that we have in Japan. We have moved capability from Kadena up to Yokota and elsewhere to support ongoing humanitarian relief and disaster assistance.

We are using C-17s, other assets, to help move search and rescue capabilities from the United States to Japan. We have used both helicopter and fixed-wing airlift capabilities to move food and water, to move equipment, to move key personnel around the main island, all in support of the local requirements as defined by the Japanese officials.

We have also provided ISR coverage through Global Hawk missions, which have helped to define the scope of the problem for our Japanese allies. And of course, we are also taking the preparatory and prudent steps to make sure that we have in place all the capabilities and accoutrements that go with radiation-related defensive measures.

So the decontamination teams and capabilities are in place, if needed. The dosimeters are being distributed to forces when that is appropriated. Medical backup is being lifted into the island. So I think we are prepared for future contingencies as they might develop.

But there is a continuous reading of the health situation on an ongoing basis at both Misawa and Yokota. And as General Schwartz indicated, there is no threat to our personnel there, although radiation readings across Japan are spiking temporarily, based on the local conditions at the nuclear reactors involved and also the prevailing weather. So there are little spikes up and down, depending on where you are, but no immediate threats.

Chairman LEVIN. Okay. Have any of those spikes been noticed at our three facilities?

General SCHWARTZ. Mr. Chairman, no, sir, they have not.

Chairman LEVIN. Okay. On the Joint Strike Fighter delays, the testing program for the Air Force variant, the F-35A, has been pro-

ceeding ahead of schedule, and yet the 5-year defense plan cuts out 47 production aircraft compared to last year.

The Marine Corps version has had problems. They were cut as well. The Navy version was reduced by only two aircraft. So why is the Air Force making such a large reduction in the plans to buy F-35As, given the fact that the testing program is proceeding even better than expected?

General SCHWARTZ. Sir, there are a couple aspects to this. One is the way the program was sequenced. It happened that the C models, the Navy version of the aircraft, were toward the back end of the procurement cycle within the 5-year defense plan. And so, there were fewer reductions simply because of the sequencing.

As you suggested, the airplane is testing well, despite the fact that we did have a generator anomaly recently that caused a temporary grounding of the fleet. This is the kind of discovery that occurs in test. But the major cause for the reduction simply was a factor of producibility and the ability of the factory to put out aircraft and not to take too much risk on fulfilling the delivery requirements.

Chairman LEVIN. Now, on the engine issue, press reports indicate that the development costs for the F-135 engine have increased by about \$1 billion since last year. That is the so-called first engine.

The Pratt & Whitney program manager has been quoted as saying that one-third of those costs are related to shortfalls in meeting specifications, two-thirds related to improvements beyond specification. So we have got about a \$300 million to \$400 million cost overrun on that engine that is not related to improvements beyond the specifications.

What is going on? Why are we accepting those kind of cost overruns in this engine?

General SCHWARTZ. Sir, there are development issues that arise that one must deal with. I have to say that I wouldn't expect the situation with the proposed second engine to be a lot different.

But the bottom line is, though, that the F-135 engine is based on the F-119, which is currently in the F-22 aircraft. And so, I have confidence that these developmental issues will be overcome. And as I have indicated in the past, my personal conviction is that one engine is sufficient for the F-35 program.

Chairman LEVIN. I understand that. But I am talking about the cost overrun in that one engine, and why is that acceptable? Why do we not have a fixed cost at this time on an engine where these problems again are not—at least the \$300 million to \$400 million of this additional billion is not a result of any new specifications but meeting the existing specification? Is that acceptable to you?

General SCHWARTZ. It is not. I don't offer an excuse for it, Mr. Chairman.

We are moving into an era of more and more fixed-price contracts. The KC-46 is a case in point, and we understand your intent.

Chairman LEVIN. Okay. Thank you. My time is up.

Senator McCain?

Senator MCCAIN. Well, thank you, Mr. Chairman.

General Schwartz, last week General Clapper and General Burgess testified before this committee, and when asked, they said that if things continued in the way that they were—events in Libya continued as the way they were, that Gaddafi would prevail.

Given their view and the assessment of the situation on the ground today, do you agree with that?

General SCHWARTZ. Sir, my own view is that he has certain advantages—interior lines and the capacity to bring forces to bear. That is a clear advantage of those resources in Libya, which are better supplied and better equipped.

Senator MCCAIN. And in recent days, they have achieved significant successes. I think that is fairly obviously, wouldn't you say?

General SCHWARTZ. They have established or reestablished control over larger areas in Libya. Yes, that is correct.

Senator MCCAIN. And one of the ways of achieving this is through coordination of both air assets, land assets, and sea assets. Is that a correct assessment?

General SCHWARTZ. I don't have particular insight into the level of synchronization amongst their assets.

Senator MCCAIN. But factors have been control of the sea and the air?

General SCHWARTZ. Senator McCain, they have been operating in the air. That is certainly the case.

Senator MCCAIN. What is your assessment of the capability of their air assets? In other words, roughly—I think it is unclassified—how many combat aircraft do they have, and how many combat helicopters do they have?

General SCHWARTZ. They have multiple tens of combat aircraft and certainly I would say in the low hundreds of helicopter rotary-wing aircraft.

Senator MCCAIN. And of those, we have seen operational relatively small number.

General SCHWARTZ. They have been flying in the neighborhood of tens of sorties a day.

Senator MCCAIN. Do you agree with General Odierno's assessment and others that we could install a no-fly zone over Libya in a matter, in his view, of a few days?

General SCHWARTZ. I think that is overly optimistic, Senator McCain. But it is clear that we could establish a no-fly zone if that was the mission that was assigned.

Senator MCCAIN. And how long would that take, in your view?

General SCHWARTZ. I think it would take upwards of a week to do that.

Senator MCCAIN. And we would be using assets that are now in the region? I am talking about Air Force assets.

General SCHWARTZ. Sir, it would undoubtedly require resources in Europe, as well as those that are based in the U.S. I would like to say, however, that, for me, the question is not can we do it, but should we? And if so, how?

Senator MCCAIN. And if there was a declaration of a no-fly zone, it would be a motivating factor to the Libyan pilots not to fly. Would you agree with that?

General SCHWARTZ. If the President assigns the mission to maintain a no-fly zone, clearly that would have an influence on the thinking of Libyan pilots.

Senator MCCAIN. Is it your assessment, as long as that of—mine isn't so important, but many other experienced observers, that the situation has deteriorated to the point where it probably would require more than just a no-fly zone to reverse the momentum that the Gaddafi forces have obtained?

General SCHWARTZ. Sir, that is exactly my point. The question is, is a no-fly zone the last step, or is it the first step?

Senator MCCAIN. But your assessment of the battlefield situation at this point to reverse the momentum?

General SCHWARTZ. A no-fly zone, sir, would not be sufficient.

Senator MCCAIN. Thank you. As opposed to a couple of weeks ago, when probably it would have been.

Also, isn't it true that we do have significant capabilities to jam communications that the Gaddafi forces have?

General SCHWARTZ. We have some capability in that regard for military communications.

Senator MCCAIN. Well, I thank you.

The forces—but in order to impose a no-fly and perhaps other impositions on the enemy, it would require assets from the United States as well?

General SCHWARTZ. It would, sir.

Senator MCCAIN. It would not require assets taken from Afghanistan or Iraq?

General SCHWARTZ. I would not agree with that necessarily. Again, it depends on the mission that is assigned. But there are limited intelligence, surveillance, and reconnaissance assets, for example. As you are well aware, we have devoted virtually everything we have to the Central Command area of responsibility. There might well be some implications there.

With regard to lift, there is a limited amount of lift. And some being allocated to the Japanese mission, some being allocated to CENTCOM, in Libya, there would be some trade-offs involved, sir.

Senator MCCAIN. Regards to Iraq, the Iraqi government has made it clear that they would like to develop an air force that would at least have the capability to defend the skies over Iraq. Isn't that true?

General SCHWARTZ. They have indicated as much, sir. However, they have made choices not to put the resources behind that aspiration.

Senator MCCAIN. I see. If they had that aspiration and put—I mean, they have that aspiration, obviously. If they put the resources behind it, could they do it by themselves?

General SCHWARTZ. We believe that with appropriate training and so on, they could provide for their own air sovereignty. Yes, sir.

Senator MCCAIN. Their own air sovereignty. But training, could they do that by themselves?

General SCHWARTZ. Sir, we have a training mission in Iraq, and part of the effort would be, again, to qualify the Iraqi pilots.

Senator MCCAIN. I guess my point is if all of the U.S. forces are withdrawn from Iraq, I think it would, at least in the words of

General Austin before this committee, it would be very difficult for them to stand up an air capability. Do you agree with that?

General SCHWARTZ. Presumably, there will be a training mission after combat forces are—exit Iraq, sir.

Senator MCCAIN. That would be necessary?

General SCHWARTZ. I believe it would.

Senator MCCAIN. Thank you.

Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

And thanks, Secretary and General. Good to see you again.

I want to pick up at the outset of my time on some of the questions Senator McCain asked about Libya because it is a matter of such urgency.

I go back. It was just a week ago that General Clapper, the Director of National Intelligence, did respond, and it was to a question I asked him, essentially saying that over time, assuming there was no new factors on the ground or no outside assistance, that Gaddafi's forces would prevail over the opposition forces simply because they were so much better equipped, logistics, command and control, and the like.

And I know he took some abuse for that statement, but it is clear now that in merely the passage of a week, which was quicker than I think—than I assumed General Clapper meant, and maybe quicker than he meant, the Gaddafi forces now have moved very rapidly and are approaching Benghazi, which was the stronghold of the opposition.

The New York Times reports today what it calls, and I quote, “a striking shift in tone from the administration,” produced by the prospect of a deadly siege—these are also the words of the Times—“deadly siege of the rebel stronghold of Benghazi.”

And again, this is a newspaper report, but a suggestion that the administration may now be negotiating around a resolution introduced by Lebanon and France and the United Kingdom in the Security Council to not just give authority to impose a no-fly zone, but to authorize aerial bombing of Libyan tanks and heavy artillery to try to halt the advance of Gaddafi's forces.

This is also from the newspaper this morning. And it says that administration officials, after heated internal debate, have now decided that a no-fly zone would be, and I quote again, “too little, too late.”

So I wanted to ask you, in some sense similar to what Senator McCain did, from the Air Force point of view, if asked to participate—and I will get to whether we do it with some allies in a moment—in the aerial bombing of Libyan tanks and heavy artillery to try to halt the advance of Gaddafi's forces on Benghazi, how soon that could be carried out if authorized, and how it would compare as a mission to imposing a no-fly zone both in terms of its feasibility, the risk, et cetera.

General SCHWARTZ. First of all, a mission as you describe it, were it to be assigned, would require preparation of the battle space. That is, sanitizing ground-to-air threats to the various air-

craft. That clearly would require both electronic and kinetic action against air defense systems.

With respect to interdicting ground targets, that is certainly within our capability and to do so with precision. And in non-urban areas, that certainly is a capability that we have. We can do it in urban areas, but clearly with the concerns about collateral damage and so on.

Senator LIEBERMAN. Right.

General SCHWARTZ. I think the key thing here is, again, we, as the uniformed military, are planning. We are working to provide the civilian leadership with options, and ultimately, the President will decide what he wants us to do.

Senator LIEBERMAN. Understood.

General, Secretary Clinton said yesterday that the turning point or a turning point of the administration's consideration of what its options were and what it might do with regard to Gaddafi's advancing forces was the Arab League resolution over the weekend calling for a no-fly zone.

And I know, and you know better than I, that some of our allies in the Arab world have impressive air assets and capabilities. Have we begun at all to discuss with our Arab allies the possibility of them working with us, joining with us, in either of these options—the no-fly zone or some other use of air power—against Gaddafi in Libya?

General SCHWARTZ. Senator, I have not done that. That would be within the realm of Jim Mattis and likewise—

Senator LIEBERMAN. Central Command. Right.

General SCHWARTZ.—Central Command and Africa Command. So I cannot give you a definitive indication whether that has occurred. But I agree with you that there are nations within the Arab League with capable air forces that under the right circumstances might be brought to bear.

Senator LIEBERMAN. Okay. I appreciate those answers very much.

I am going to go to a very different kind of question, which may be relevant to what we are talking about, and that is one that I have been interested in, which is the Joint STARS program.

General, in earlier testimony before this committee, you stated that your Ground Moving Target Indicator analysis of alternatives would be used beginning for fiscal year 2013 to guide Air Force investment in ISR weapon systems like Joint STARS, which have this remarkable capability to chart what is happening on the ground and then advise our troops.

You also stated that the report would be ready at least in interim form by this spring, and I wanted to get a progress report from you on how that is doing.

General SCHWARTZ. Sir, the analysis of alternatives is on track. Preliminary information is coming up from Air Combat Command, where the people are working on it. It will conclude. It will be in final form in the fall.

Senator LIEBERMAN. So you would say it is pretty much on schedule? Okay. I appreciate it.

I just, I guess, would add by way of advocacy, from what we have heard, Joint STARS continues to be doing well in supporting our

troops in Southwest Asia and has been called into action in recent months in other trouble spots around the world. Does that sound right?

General SCHWARTZ. Ground Target Moving Indicator capability is an important part of our surveillance repertoire.

Senator LIEBERMAN. Right.

General SCHWARTZ. The real question is how do we go forward? And it is a question—you can depend on us to maintain the current JSTARS capability until and if we decide to migrate to another capability.

Senator LIEBERMAN. Thank you. My time is up. Thank you both very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Brown?

Senator BROWN. Thank you, Mr. Chairman. I appreciate it.

General Schwartz, you indicated that when the chairman was questioning the overruns, that there no excuse for the overruns, the \$300 million. But what are you doing about it?

I mean it is great not to have an excuse, but what actually is happening? Is there any type of recourse? What is the conversation? Where do we go?

Either one.

Mr. DONLEY. I think Admiral Venlet has outlined this in his testimony a little bit. I would defer to that, if we can get you a more specific answer for the record?

Senator BROWN. Okay. Yes.

Mr. DONLEY. The Joint Program Office is managing this program.

Senator BROWN. I am just reflecting on the comments that General Schwartz made that there has been no excuse. You know, you were just talking about it and saying you didn't ask the chairman to refer to another report. So I would like to kind of know what is being done about it.

General SCHWARTZ. Clearly, the folks that are managing this program are focused on that to make sure that the contractor delivers what the contract requires. It is my understanding this is not a fixed-price contract. So there is some room there for developmental issues and a cost share between the Government and the contractor.

The key point here is that we, as customers, need to be demanding. And we need to write the right kind of contracts. We need to make sure that the terms are enforceable, and that certainly is our conviction as an Air Force.

Senator BROWN. In light of the recent delays in the Joint Strike Fighter program, not to mention the cost overruns in the F-135 engine program, we have seen positive results from competition in the Navy with some of the projects that they are working on, and it does work. I hear it regularly. I was just at the Army breakfast this morning, and they were talking about competition, and et cetera, et cetera.

Do you have any comments on the competition when you have one engine that is being overrun with costs and delay, and you have another one that is ahead of schedule and under budget? Do you have any comments on that at all?

General SCHWARTZ. Well, I am not sure that I would agree that the other engine is under cost and so on.

Senator BROWN. But what about the concept of competition?

General SCHWARTZ. The concept of competition certainly is valid, as the KC-46 outcome demonstrates. But I think I would make the one case, sir, is that the issue is current or near-term cost versus future soft savings. And in the situation we find ourselves, while competition may, in fact, have benefits down the road, the question is what can we afford to do now?

Senator BROWN. Okay. The Guard and Reserve, Air Guard and Air Force Reserve, have, as you know, played an integral part of the war effort. The Air Force Reserve mans 14 percent of the total Air Force, but only constitutes 6 percent of the total Air Force personnel budget. And obviously, these figures represent significant cost savings and really a good bang for your buck.

With the Reserve components being such an effective and cost-efficient component, can you comment on the types of roles and responsibilities that will be expected among the Air Guard and Reserve over the next 3 years?

General SCHWARTZ. There is virtually no mission or very few missions where the Reserve component does not contribute in our Air Force. From kinetic missions, fighter, airlift, space, cyber, there isn't a mission where our Reserve components don't contribute. And we certainly value that contribution.

Senator BROWN. And what about I noticed that the C-5Ms, just curious as to your thoughts on the performance thus far, in light of the ongoing reliability enhancement and reengaging program, number one. And since the Air Force is likely to have a number of C-5As in service for the next 30-plus years, does it make sense that that inventory in the Air Guard and Air Force Reserves should also be included in the modernization effort?

Mr. DONLEY. Sir, I think the Guard and Reserve are included in the modernization of the C-5M. It has performed very well, and it is going to be part of our inventory going forward. It has provided a lot more operational flexibility and reliability to what is inherently an older airframe. So the C-5M has been a successful program for us.

Senator BROWN. I am not sure if you are aware, I am going to be the ranking member of Airland Subcommittee with Senator Lieberman, and I am looking forward to working on a lot of these issues. I appreciate your time.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Brown.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Mr. Secretary and General Schwartz, thank you so much for your service to our country. Under your leadership, the Air Force has secured the Nation's nuclear arsenal and restored public confidence.

And I know the Air Force's operational tempo has been high, and I want to thank the men and women of the Air Force, and their families as well, for their sacrifice.

General Schwartz, deployed airmen performing the search and rescue mission play a critical role in saving lives. They completed over 9,700 personnel recovery sorties in 2010 alone, and their ex-

expertise makes the goal of the “golden hour” medical evacuation a reality.

Can you talk about the casualty evacuation mission and how the rescue assets are holding up to the harsh environment we face?

General SCHWARTZ. Senator, our combat rescue community is one of those communities in greatest demand that has essentially a one-to-one tempo, time at home to time deployed. And they are, in fact, contributing to the Secretary of Defense’s mandate for recovery of our wounded within that golden hour.

They are a very capable force, and clearly, this is a core mission for the Air Force. That is rescue, personnel recovery operations in denied areas. That is our special expertise. And to have the right kind of medical capability onboard to stabilize patients and to get them back to higher-level care.

We are in the midst of replacing combat losses. Of note, we had 19 HH-60 aircraft in 2010 that sustained battle damage. We are replacing, through the operational loss replacement program, some aircraft which had been total losses. And we are looking forward to the HH-60 recapitalization program to move to a successor platform for the rescue mission.

Senator AKAKA. Well, we thank you so much. This is - - certainly, the program has really saved many lives.

General Schwartz, the Navy recently completed a critical design review for a maritime surveillance RPA and a realized cost and schedule savings in R&D by leveraging the thousands of hours flown by the Global Hawk. Do you foresee future opportunities for joint acquisitions, operations, maintenance, or training in the RPA arena to find efficiencies?

General SCHWARTZ. We certainly do, sir. And Global Hawk and the Navy equivalent program, BAMS, is just a case in point, and not the only one, where the fundamental question is why should we have two different depots? Why should we have two different training pipelines or even, for that matter, based at different locations?

And in fact, we will probably base both BAMS and Global Hawk at Sigonella in the European theater, as an example of our putting these things together. Certainly, we shouldn’t have two different ground stations.

Gary Roughead and I are committed in that area and others, in part as a result of our effort on air-sea battle, to make sure that where we have these synergies, we maximize them. And BAMS and Global Hawk is just a very good example.

Senator AKAKA. Thank you.

Secretary Donley, the department spends about \$16 billion a year for fuel, with the Air Force as the largest military consumer. The C-17 was recently certified to use biofuels. Can you discuss any preliminary results and any plans for biofuel usage in other aircraft?

Mr. DONLEY. Well, sir, the Air Force has had a comprehensive program for the last several years to make sure that we certify engines on all our Air Force platforms for alternative fuel blends, whether it be from sort of Fischer-Tropsch processes or from biofuel processes. And so, we have been stepping through that certification program.

The issues in front of us, I think, now more relate to the National marketplace and who will be the producers and what will be the supply chain that feeds alternative fuels as an alternative, a cost-effective alternative, which we can pursue in the mid teens. So I think that is the primary challenge in front of us.

We are, as you suggested, the largest consumer of fuel in the Department of Defense. We have—from exceptional efforts in fuel management and in changes in operations, we have been able to reduce our demand over the last several years by about 2 percent.

So the number of gallons used has gone down, but the cost has continued to go up. So this is a continuing challenge. And we also have a number of efforts underway at the installation level as well, in addition to aviation fuels, to get more renewable energy into our bases.

Senator AKAKA. Secretary Donley, 35 percent of the fiscal year 2012 budget request will be dedicated to quality of life projects, including dorms, training facilities, and child development centers. My question is what are the top three family issues that you are trying to resolve with the budget request?

Mr. DONLEY. Sir, as you suggest, we have a number of programs underway. We have used the Year of the Air Force Family, which really is over the last 15 months or so, to help refine our programmatic focus going forward.

And so, we have started to not just support sustaining programs, such as you have mentioned—the dormitory modernization program, the child development centers, manning the child development centers, getting the hours of operations right—but we have started to fine-tune where we put the limited, marginal dollar to help with family issues.

And one is our Exceptional Family Member Program, where we have airmen and families with exceptional needs and also focusing on school liaison support, which is so vital to airmen and their families, providing for education for their kids. So those are a couple of areas that we are focusing additional attention on.

Senator AKAKA. Thank you very much for your responses.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Akaka.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Secretary Donley, General Schwartz, it is an honor to be here with you. And I have a particular affinity for the Air Force, given that I am married to an A-10 pilot. So it is really an honor. Thank you both for your distinguished service to our country.

I wanted to mention up front that I had the privilege of also attending the Army breakfast this morning and then hearing both of your comments about where we stand right now with the continuing resolution, that I would like to say that I hope that leadership within the Senate and also in the House brings forward funding for the rest of the year for a defense appropriations.

Because we are at a time of war. I heard loud and clear what you had to say today. And I know that members of this committee are very concerned about this as well. But please know that we want a full-year defense appropriation for the rest of fiscal year 2011 to come forward.

And thank you for bringing those comments forward to let people know what the consequences are of having these short-term resolutions when we are at war.

I wanted to ask you about, first of all, say, understanding that it was a long and arduous process with lessons learned along the way, I would like to congratulate the Air Force on recently completing the tanker competition. The fact that EADS has decided not to contest your decision I think is a testament to the quality of the process that you followed during this bidding round. So thank you, and that was a very good thing that they decided not to contest what had happened.

In your posture statement, General, you rightly state that the new air refueling tanker remains the top acquisition and recapitalization priority for the Air Force. As you know, the current fleet of Eisenhower-era KC-135s are averaged over 48 years old, and they are long overdue for replacement.

And without refuelers, you can't run your fighters. You can't run the rest of them. So it is so integral to the Air Force.

General SCHWARTZ. Or a no-fly zone.

Senator AYOTTE. Or—exactly. Some of the key missions that we need to accomplish.

I am aware that you are now in the process of the early stages of the strategic basing process that will determine where the KC-46A will be stationed. And I wanted to ask you about that. I am sure you are aware we have the Pease Air National Guard that is a very vital part of the KC-135 mission and has a very close proximity to air fueling tracks and also has run those missions very cost effectively.

I wanted to ask you what type of criteria—I know that you haven't announced the criteria yet, but will that criteria be merit based and on proximity to refueling air tracks? And how do you anticipate that process coming forward and what the timing will be for announcing those criteria?

Mr. DONLEY. We will start to look at those criteria later this year. I will say this is a multi-year process, and I think General Schwartz and I have been very clear from the beginning that we don't want to get too far out in front.

This is a 179-aircraft program. It will take over a decade to play out. So we do not want to commit too far in advance to future basing and tie the hands of our successors or the operational commanders who will benefit from this capability later.

So our plan is to look at the first bed-down issues later this year, and we will do those on couple of year increments at a time, slowly building up the basing decisions. Obviously, we will want to take advantage of the capability of the aircraft and understand how it differs and will perform differently than the KC-135s. We will also look to Air Force operational needs and also the needs of the regional combatant commanders and how they define those requirements.

So there are a number of tanker bases that are interested in being the first on the block, if I may put it that way. We understand that. We will work through this process very deliberately, as we have in previous bed-down decisions.

Senator AYOTTE. Well, I appreciate that. And you know we are very proud of the work that Pease is doing. And I hope that you will consider, of course, what we want is a transparent, merit-based process. I think that is what everyone would hope in how you make your decisions.

And I hope that you will consider, and I assume you would just based on cost effectiveness, the proximity to air refueling tracks.

Thank you.

Mr. DONLEY. Well, just to respond again, we—again, this is a multi-year process. So 179 aircraft for this KC-46 program, plus we will have probably roughly 200 more tankers to be modernized in the mid- to late '20s and beyond. So this is a long-term proposition.

The point I would like to leave with you is that even as we make the first decisions about where the first airplanes will go, it is not a reflection on the value that we put on the refueling mission at the locations in which they are now serving. So it is a little bit like the F-35 decisions we made last year, where we announced just the first few bases. But our intent is to buy over 1,700 Joint Strike Fighters. So, eventually, we will get those fighters bedded down at fighter bases around the country. Same with the refueling capability, I think.

So if you are not the very first, please don't take that as some context of some negative ranking of some sort. This is going to take a while to field this capability across our Air Force.

Senator AYOTTE. Well, thank you. And I do appreciate. I know that the process will be open, and it will be merit based. And I think that is all that we can hope for in how you make your decision. So I appreciate that.

I wanted to also follow up. General Petraeus testified before our hearing the other day, and I asked him about—Senator Brown and I are sponsoring a bill. It is called not providing—giving the authorities in Afghanistan an opportunity to terminate contracting funds as soon as possible whenever we learn that the contractor is collaborating with the enemy or, in other words, working to undermine our mission there.

And one of the issues that came up is that CENTCOM has asked at least twice for additional contracting officers for Afghanistan to be able to perform oversight over those contracts, which is going to be key, with our legislation, to give you the tools you need to make sure the money gets in the right hands. And I wondered what the status was of the Air Force officers because, as I understand it, those contracting officers are a very important piece of that oversight.

General SCHWARTZ. Ma'am, we are providing, roughly 70 percent of the joint contracting capability is from our Air Force. So we have a major piece of this.

One of the two flag officers in Central Command is an Air Force brigadier. So we have a stake in this. Our people, you know, understand the mission. And we are truly all in at 70 percent of the workload.

Senator AYOTTE. Well, thank you, General. I appreciate that.

I just wanted to say, too, if there is feedback that you have and tools that we could provide you to make sure that you have the

ability to terminate funds to contractors where the money shouldn't go, so it doesn't get in the hands of our enemy, I know that I am very open and Senator Brown is—I am sure others are—in working with you to make sure that you have the tools that you need.

Mr. DONLEY. We would be happy to provide comments on that legislation.

Senator AYOTTE. Thank you. My time is up. I just wanted to thank you both for your distinguished service to our country.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

And let me add my appreciation for your service, and all the men and women wearing the Air Force blue, supporting all the efforts around the world.

This is to both of you, Secretary Donley and General Schwartz. For a number of years now, the need for a U.S. Strategic Command new headquarters has been understood and has become more apparent as time has gone by with the deterioration of the building, I think, but also with the inadequacy of the building for the current mission of Strategic Command.

The deterioration is well known, but what I would like to do today is focus on how a new headquarters will facilitate the changing nature of the mission of Strategic Command in today's complex world, consisting not only of traditional military operations, but also with cyber, with space.

So, Secretary Donley, maybe you could give us your appreciation—I know you were just there recently, as we got together—to consider this area and explain why you think it is necessary. And then, General Schwartz, maybe you could give us more of the detail on what the new command operation will be and why a new facility is necessary for that?

Secretary Donley?

Mr. DONLEY. Well, sir, the new STRATCOM headquarters is one of our largest and most important MilCon projects, and the committee has seen that material before, and we continue to stand behind the need to get on with that work. The recent flooding that we had at the STRATCOM headquarters has only reinforced that need.

We have had the discussions, as you suggest, with both General Chilton and now General Kehler, about the changing nature of the requirements at that headquarters. And one of the things that had evolved at Offutt Air Force Base was that the headquarters was designed for a very different period, decades ago.

We are focused on the nuclear mission, of course. But in the intervening years the capability to support the space mission and now to support the cyber mission assigned to STRATCOM has evolved ad hoc in various buildings and locations on site, and the new headquarters will give us the opportunity to build and integrate some new capabilities that we have not had there before.

So I know STRATCOM is looking forward to this opportunity. And there are additional resources that will be required for the fitting out of the facility later, not inconsequential. Lots of IT, as you understand.

Senator NELSON. General Schwartz?

General SCHWARTZ. And I would just reinforce that Strategic Command has become increasingly an IT, cyber-intensive mission, and the building simply was not designed for that. It was designed in an analog age. And so, we, as an Air Force, certainly are committed over several years with substantial MilCon in the hundreds of millions in order to see that through.

Senator NELSON. Thank you.

A major argument for the new tanker that has been described as the '60s vintage KC-135 airframes were wearing out, that they are wearing out. A lot of our intelligence and surveillance capability is on that same airframe, including RC-135s, which are operated by the 55th Wing at Offutt Air Force Base.

Are the RC-135 airframes showing the same kinds of issues as the KC-135s?

General SCHWARTZ. Senator, in general, no. They operate—they tend to operate in a somewhat more benign environment and with weight distribution that is less, produces less fatigue on the airframe compared to the air refueling mission.

But they are still older assets, and ultimately, we will have to recapitalize those machines. And although that is not in the near-term horizon for us, clearly in the '20s, we will have to look at that seriously. And perhaps the KC-46 airframe will be a candidate for that, as the 707 was. But that is a choice to be made somewhat down the road.

Senator NELSON. While it is not a current issue that has to be decided at the moment, it is something that the Air Force is considering in the longer term, recognizing that we don't want to get to that date without a plan in place. Is that accurate?

General SCHWARTZ. That is certainly the case, sir.

Senator NELSON. And now that the next generation tanker contract has been awarded—and I congratulate you on that—do you have any estimated timeline, a strategic vision for how the National Guard units that have KC-135s might be rolled into the fielding plan?

I heard what you said to Senator Ayotte. But I am wondering, as it relates to National Guard units, is there a plan for fielding that you are considering?

Mr. DONLEY. Sir, as we go through this process very deliberately, we will work the Guard and Reserve capabilities into this and the overseas capabilities required as well. So as we have done and we will continue to do on Joint Strike Fighter, for example. So our initial decisions on Joint Strike Fighter included Guard, and I would expect we would take a similar approach as we field the tanker.

Senator NELSON. Changing direction just a bit here, I think everybody is familiar with the GAO report that was just issued earlier this month on March 1st. It details the opportunities to reduce potential duplication in Government programs, and of course, the GAO continues to look for those areas of duplication.

It reported the findings it made to Congress ever since 2005, that there is negative duplication of efforts among the services in the efficient use of ISR capabilities. In fiscal year 2012 budget request, the Army has requested \$1 billion to buy 36 MQ-1 RPAs, and they plan to operate 133 of these aircraft by 2015. The Air Force has requested \$1.4 billion to purchase 48 MQ-9 RPAs as part of its

program, that will spend \$7.4 billion on 396 MQ-9s over that same period.

They are very similar aircraft—medium altitude, long duration, remotely piloted. Are we, in working together with the Air Force—working jointly with the Air Force and the Army, trying to avoid unnecessary duplication and costs that come from unnecessary duplication, research, development, and in the planning stages?

General SCHWARTZ. Senator, absolutely. I think the key point here is, is that this has been a growth industry. The Army and the Air Force apply these assets in somewhat different ways. Their ISR birds, their Predator equivalents tend to be organic to units, to combat units, brigade combat teams. Ours, on the other hand, are more theater-level assets and are applied through the process both in terms of tethered operations—that is line of sight. We clearly operate our birds from positions here in the continental United States.

So different application, different approach to processing the data stream and so on. The bottom line is there is plenty of work to do here, as is reflected by the demand on these assets, that we went from, you know, 32 to 48, now to 65 CAPs. And I think the department clearly has a focus on not allowing pockets of capability to develop that are not accessible for combatant commander use.

But, like with the Navy, we have a commitment with the Army to try to minimize the expense, standardize the ground stations, and so on and so forth.

Senator NELSON. Well, the standardization where standardization can work should be an efficiency, an economic efficiency as well. But, obviously, we want to have the diverse capabilities that are required by the aircraft, and we need to accomplish that as well.

So I hope as these programs continue and the use of this airframe develops even greater that we will continue to work together to make sure that we don't have unnecessary duplication, coordination wherever it works.

Thank you, Mr. Chairman.

Thank you, gentlemen.

Chairman LEVIN. Thank you, Senator Nelson.

Senator SESSIONS.

Senator SESSIONS. Thank you, Mr. Chairman.

We thank both of you for your service to your country. And I have gotten to know both of you, respect you, and know how hard you work to try to do the right thing for our country.

I would like to ask a few questions about the tanker competition, since the loser would have built that aircraft in my hometown of Mobile, Alabama. I don't think that disqualifies us in this body to ask questions. In fact, I think other Senators expect those of us who have an interest in it to raise those questions and make sure that everything is handled in an up-and-up way.

I would congratulate you on the fact that the bids came in low, that the Air Force got a lower cost. I won't go into detail, but I remain convinced that the criteria that were changed when this administration took office too much reduced the advantage the more capable aircraft would have.

In other words, you made it a price shootout, but if you buy an automobile, just because they have got seats, tires, windshield wipers, and an accelerator doesn't mean they are the same. And it is the same with aircraft. And I am confident the Alabama aircraft would have been more capable. But besides that, now that the bid has been awarded, some people are anxious as to how it may be supervised in the future, and they want to see integrity in it.

Secretary Donley, isn't it a fact, when you have got essentially a commercial aircraft and people give a firm fixed-price bid, that the Air Force expects them to produce on that bid? And unlike in a development situation where maybe extra money has to be paid because difficulties occur in development, this bid put the burden on both bidders to honor their bid, and if they have difficulties, it is their own problem, and they have to pay for it out of their money. And if that principle is violated, it actually violates the integrity of the bid process.

Mr. DONLEY. Yes, we have a much stronger contract structure for this program, and that was one of the changes we made in the RFP, to move from cost-plus to fixed-price incentives across the program.

Senator SESSIONS. Well, my question, though, was, isn't it now incumbent on the Department of—the Air Force that you require this winner to fulfill the competition, and if they are given change orders or other kinds of advantages in the months and years to come, it would violate the integrity of the contract that has been awarded?

Mr. DONLEY. We have had that discussion internally. The discussions with Boeing on the development program just started this week, but we have already discussed within the Air Force the need to not only execute the program as planned on a timely schedule and within the costs that have been allotted, but that we hold the contractor to the terms of the contract and the plan and the RFP as we have outlined it.

And make sure that we have a very tight control over changes, any changes that are made in the Air Force, that we elevate that absolutely to the highest level and make that very, very, very difficult to change our plan for the way forward on this program.

Senator SESSIONS. General Schwartz, would you comment on that as to how you want to ensure that the winner complies with the terms of the bid?

General SCHWARTZ. This is by watching microscopically what occurs to make sure that at every level there is interaction to make sure that the offerer delivers what he promised.

And as the Secretary suggested, the level of approval for engineering change orders is not going to be at the program office level. We haven't decided where it will be yet. It might be at our level. But the bottom line is we intend to maintain discipline on this like you expect.

Senator SESSIONS. Thank you very much. I appreciate that.

And General Schwartz as, I guess, the representative of the warfighter, the airmen who flies these planes, isn't there some tension between purely the lowest bid price and the quality and capability of the aircraft that the Air Force is looking for?

And don't we have to be sure in the future that when we bid these contracts that we also provide some mechanism that enhanced capabilities are given some credit so that you get the best buy, not just the lowest price?

General SCHWARTZ. Senator Sessions, I would argue that this was a best value approach, that we had factors—

Senator SESSIONS. Well, just talk about that general principle that I just—

General SCHWARTZ. Sure. I think what we want is value, absolutely. And I think we got that, sir. What we ended up with, we looked at the capacity of the machines to carry fuel, to offload and so on. We looked at their cost effectiveness over a period of years. We obviously looked at price as well.

But the bottom line was there was a synthesis of that, and in the end, there was a substantial difference, as you are aware. So, yes, value matters. And, but I think it is important that the department have that opportunity to define how value is measured and to make sure that the offerers understand that explicitly so that we can avoid protests and so on.

Senator SESSIONS. Appreciate that.

I would just note, Mr. Chairman, that you and Senator McCain deserve credit after the ill-fated lease deal. I don't know how many billion dollars the Air Force will save as a result of this competition, but it is billions, and it was a fierce competition. Both people went as low as they could go.

And does anybody have any estimate of how much the United States benefited by having this competition?

Mr. DONLEY. No, sir, I don't think we have an exact number here. But if you provide a specific question here, we would be happy to try to answer it.

Senator SESSIONS. General Schwartz, you have any idea?

General SCHWARTZ. It is in the billions.

Senator SESSIONS. Well, I remember the first GAO report showed \$7 billion. And I remember saying you refer to the \$6 million man, I could describe Senator McCain as a \$7 billion man. But actually, it has gone beyond that, and I think the leadership of the committee in a bipartisan way moved this forward. I just do believe that an Alabama EADS aircraft on every objective criteria was at least somewhat better, in some areas significantly more capable than the other.

Can you tell us what the price was? Can you tell us what the bid price was? We have heard general numbers, but I would like to know what you can tell us about that.

Mr. DONLEY. I am not in a position to do that. I can tell you the value of the EMD contract was—

Senator SESSIONS. What is that, the EMD?

Mr. DONLEY. The EMD—the engineering, manufacturing, development—which was the contract signed, was \$4.4 billion.

Senator SESSIONS. For how many aircraft?

Mr. DONLEY. Those are for the first four airplanes.

Senator SESSIONS. And what do you expect per copy the aircraft will be, say, when the first tranche is completed?

Mr. DONLEY. I think it still depends on some options that are to be exercised. Let me get you a number for the record on that. The requirement is first 18 aircraft by 2017.

Senator SESSIONS. Well, thank you for sharing these comments with us. I still want to know more about it and will be looking at it.

We just feel like when I was a United States attorney and had to—involved with some city and Government bid contracts, and favored people would bid low. They would get the contract, and they would get change orders and make a lot of money. And a lot of good and decent contractors quit even bidding, told me they were not going to fool with them. They would be mistreated.

And so, you have got to maintain the integrity. You can't just let the person get a low bid and then run up the price in the years to come. Otherwise, you will undermine any ability to get the kind of competition that you need.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Sessions. And thank you for pointing out the value here of competition, which has clearly produced some real gains, and also the importance that this not be a buy-in.

Senator SESSIONS. Mr. Chairman, let us just say one thing that is put on the table. EADS is a European ally of ours. Europe is an ally in so many ways. They buy more military equipment from us than we buy from them. They were the only possible competitor to the Boeing aircraft. So to have competition, we had to have that.

And then for people to come in and say, "Well, they can't bid," when they were going to build the aircraft in the United States using American workers, to me, didn't reflect an understanding of the nature of this competition. And so, I would just share that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

Good morning, gentlemen. Thank you for your service.

And I did want to point out that in Colorado, we are very fortunate to have so many outstanding Air Force units and personnel, including the Air Force Academy.

General Schwartz, I know you are aware of some controversy about plans for a low-altitude navigation training corridor in southern Colorado. And I just want to, for the record, say that I know we are going to be able to work through these issues together. To you, Mr. Secretary, as well.

Let me turn to computer and cyber networks. I am concerned about vulnerabilities there. I would want to acknowledge that the 21st—the 24th, I should say more accurately, Air Force was activated last October, and we have just graduated the first class of cyber space operators. And I think in a few years, we will look back and say, "Boy, that was a historic event."

Like you, I want to make sure we have the right kind of recruiting pipeline that will bring young Americans into the military, and I understand some of those students aren't traditional Air Force recruits. Could you talk about cyber recruiting programs and how

you are bringing bright young computer scientists into the cyber security world?

General SCHWARTZ. Sir, there is a couple of aspects to this. Certainly, as you indicated, we have 24th Air Force, which is our component of the U.S. Cyber Command, and they provide the expertise and the wherewithal to monitor our networks, to secure them, to maintain them as hard as we need to, to respond to developments within the network, either manmade or otherwise.

And we have transformed the training for the folks that do this work. It is more technical. It certainly is more digital, and it is bringing folks on that certainly understand these things better than my generation did. And the first class out of Keesler is a case in point, and certainly that will continue.

I think the other aspect that is important here is that we need to provide venues how the most capable Americans can help us with this work. The DOD does not lead in cyber. This is largely something where the commercial world is pushing the envelope.

And so, the Secretary has made it possible for our National Guard and Reserve to recruit folks who are current in the discipline, who do this work on a daily basis, but that are willing to serve and share their expertise with the service. So that is the other aspect of this, which is to bring professionals who are current in the industry onboard through the Reserve and the National Guard to also support our mission.

Senator UDALL. Mr. Secretary, do you have anything to add?

Mr. DONLEY. Specifically, we have been building Reserve component units in the Silicon Valley area and in the Northwest.

And I would like to go back just to foot-stomp the very important point you made not only about the standup of 24th Air Force last year, but the creation of new career fields for these disciplines, which collapsed several functional specialties in a way that provides for the long-term continuity of this workforce into the future.

And I would say we are also working with outside groups like the Air Force Association, which has sponsored cyber patriot programs focused on youngsters in high schools. And certainly, it is that generation that is, in a sense, that is also leading the way in terms of cultural and technological changes, the abilities to multi-task, et cetera. But, you know, we are seeding the pipeline with some very important capability for the country going forward.

Senator UDALL. Somebody said recently, "Digital, baby, digital," and that is what I hear both of you saying.

Let me turn to space situational awareness. We have vulnerabilities. We have significant new capacities, and they have taken on—these capacities have taken on real importance for our warfighters and our security.

We are home in Colorado to Air Force Space Command, and I want to make sure we defend those assets. And I understand that the funding for improved space situational awareness, space control, and counter-space is approximately 27 percent lower than last year. If I could, I would direct, I think, three succinct questions to you.

Does that reflect, that reduction, a decrease in focus on space situational awareness? How will the activities that you are funding in Fiscal 2012 affect the vulnerability of our space assets? And per-

haps most importantly, I know, to you both and many of the rest of us, should we expect service disruptions to troops on the ground?

Mr. DONLEY. A couple of points, sir. The funding change that you notice in the fiscal year 2012 budget is the result of one programmatic adjustment, a large programmatic change that we made.

The Space-Based Surveillance System, which was launched just last year, had a second bird coming behind it. We decided to terminate that. We did not think the cost was worth the benefit in that case. But we have a requirement to come back and develop alternatives for a way forward with respect to that specific program.

At the policy level, I would like to take this opportunity to reinforce the importance of the space domain, both as reflected in the National security space strategy, which has just come out recently, and in the department's response to that work. Space situational awareness and space protection work, which has been done by both Air Force Space Command and the National Reconnaissance Office, are really new missions for the space domain, areas of our work here that we did not have to worry about 10 or 20 or 30 years ago.

So we have always had communications, weather, ISR assets, missile warning. These kinds of missions have always been part of the space domain. But space situational awareness and space protection are of growing importance and represent new work for us.

So there is a lot of emphasis. There are resources going to this, and it is getting a lot of attention in the department.

Senator UDALL. The Air Force is clearly undergoing some significant changes. I want to salute you both for your leadership in meeting those head on. Change can be both rewarding and challenging, and count on me to be there with you as we meet what I see are many, many opportunities to enhance our security and protect the warfighter.

Thanks again for your service. Thank you.

Chairman LEVIN. Thank you, Senator Udall.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

And gentlemen, let me echo the sentiments of my colleagues in thanking you for your leadership of the United States Air Force.

General Schwartz, I think you pretty well responded in sufficient detail to Senator Lieberman on the Joint STARS issue. But I take it from your comment, when you say that irrespective of what the AoA study comes out, that you are going to maintain the current Joint STARS platform going forward. Which I am taking your comment to assume that on the re-engining issue, which I have dialogued with both of you about over the last several years, is going to continue to be maintained as it is currently funded and will be funded in the future.

General SCHWARTZ. Sir, as we made the commitment, we certainly will fulfill the guidance we have from the department on the four ship sets. As you are well aware, there is an appropriations issue in this respect in 2011, and hopefully, that is addressed in the coming weeks.

Senator CHAMBLISS. Right. To both of you, Senator Levin mentioned this issue of weapon sustainment in his opening remarks, and I want to echo his concerns here. We are flying airplanes more

than we ever anticipated. We fly them, whether it is a TACAIR or transport or whatever, and we are fast wearing those airplanes out.

We have got three excellent depots in the Air Force that are providing the kind of maintenance we need to have done on those airplanes. But frankly, because of the workload requirements or workload demands, I guess, coming from the customer, we have got a backlog at every depot right now.

And I notice that you are only funded currently at 84 percent of your requirement. At first glance, this doesn't seem to be a step in the direction of getting ourselves healthy in this arena. And because we have got these backlogs, why are we not funded at 100 percent of the requirement?

Mr. DONLEY. Sir, we cannot afford to put the resources against what would be 100 percent of the requirement. Just in the last budget cycle, for example, just to stay even with growing demand, the initial estimate was that it would cost us an extra \$7 billion across the Future Years Defense Plan to fund a continuation of capability at the 80 or 82 percent, roughly.

It is not just the older aircraft that are challenging us in this respect. We are also taking ownership of new aircraft for which we are relying on lots of contractor support. So new deliveries of C-17s, new deliveries of F-22s, the MQ-1s and 9s that are coming on board, the MC-12, for example, smaller fleets. But all of these are heavily reliant on contractor support, and the cost of supporting those incoming aircraft has gone north very quickly.

So we are very interested in restoring materiel readiness to the fleet. There is no question that we have challenges there, and we are concerned about them. But we also need to push the logistics and support community to make sure we are getting the best value that we can.

We need to work through—we need to work through the issues of overtime. We need to work through the issues of supply chain in the depots so that we get more efficient in this work and we drive harder bargains with our contractors as well. But there is no question that we need get materiel sustainment north of where it is today.

Senator CHAMBLISS. You mentioned that supply chain issue. And of course, we made a change in that chain and incorporated DLA in to provide the parts, which sounds like a good idea. But very honestly, we know we have had some significant problems there.

And if folks can't have the part in hand when they are ready to put that part on the airplane, and then what our folks do is wind up sitting around, waiting on delivery of the parts. Where are we with respect to improving that transition to DLA?

General SCHWARTZ. Admiral Thompson and I have had that conversation eyeball-to-eyeball.

Senator CHAMBLISS. Good.

General SCHWARTZ. And you know, that we are relying on him to allow us to do the organic work that needs to be done. And just as you suggest, Senator, if the part is not in the bin when it is needed, it results in change work, which is more expensive. So I have expressed my expectation to him on exactly what is required.

Senator CHAMBLISS. Well, I hope you will stay in touch with us on that. And from a policy standpoint, however we need to be engaged, we stand ready to do so.

Secretary Donley, in a recent hearing, Lieutenant General Shackelford indicated that the Air Force is leaning toward a competition for the Common Vertical Lift Support Platform helicopter acquisition program. Can you confirm that there will be a competition and that any competition will be fair and allow commercial, off-the-shelf, nondevelopmental products to be considered? And will overall acquisition and life-cycle cost also factor prominently in the Air Force's decision?

Mr. DONLEY. Sir, the Chief and I are going to get the acquisition strategy on vertical lift later this month. I am absolutely sure that competition will be involved in that.

As you are probably aware, we are working not—we are working the recapitalization of the rescue fleet, the recapitalization of the helicopter fleet that supports the missile fields, and also handfuls of other vertical lift requirements in the Air Force that are now fulfilled by the very old and venerable UH-1 Huey. So we are trying to work those requirements in combination, again, to get the most capability, the most value out of the mix and the most efficiency that we can in this competition.

Senator CHAMBLISS. Well, we just talked about the competition in the tanker and the results that were achieved there. So I hope we will make sure that that competition is exactly comparable to that.

General Schwartz, you talked a little bit in response to Senator McCain about the no-fly zone issue in Libya. We know that they have a very capable surface-to-air capability, probably about as good as anybody in that part of the region, maybe with the exception of Egypt.

If we did have to, if the President makes a decision, Secretary Gates says, "Guys, we are going to enforce a no-fly zone over Libya," what kind of assets and what platforms would you put in there to enforce that no-fly zone?

General SCHWARTZ. It would entail numerous assets, certainly fighter aircraft, F-16, F-15, both air-to-ground and anti-radiation capabilities.

Senator CHAMBLISS. How are you going to send an F-15 and an F-16 in there with the SAM capability they have got and expect them to fly in a safe and secure manner?

General SCHWARTZ. Sir, I understand. Let me roll this out. Certainly, that is the fighter portion of the fleet. You are going to have RC-135s. You are going to have surveillance kinds of capabilities that would be used to surveil both the integrated air defense system and other areas as tasked.

You will have tankers to support the short-legged platforms. You would have Compass Call and other capabilities that, again, can jam communications and affect the effectiveness of the integrated air defense and so on. And you would have, undoubtedly, some bomber aircraft that would give you long dwell over specified target areas.

So the bottom line, if we do this, this is a complete force kind of—a total force sort of application of our air and space capabilities.

Senator CHAMBLISS. General, isn't this exactly what the F-22 was designed to do and has the capability of doing?

General SCHWARTZ. No doubt that it would be useful, and I would have the expectation that at least in the early days, it certainly would be used.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Thanks to both of you for being here today and the great work that you are doing for our country.

In your prepared statement, Secretary Donley and General Schwartz, you indicated that the Air Force's high operations tempo has significantly impacted the overall readiness for the full spectrum of military operations, due to, among other things, the limited supply of combat Air Force's and the high-demand aviation units. And this has caused lower deploy-to-dwell ratios for the high-demand skills.

Can you provide some thoughts on how to rectify the steady decline in reported readiness indicators, particularly among career fields that are so stressed?

General SCHWARTZ. Ma'am, we have transitioned people from within our Air Force, from lower-stressed career fields to higher-stressed career fields. And intelligence, surveillance, and reconnaissance is the best example.

I mean, 4,000 faces and spaces have migrated into that high-demand area from other parts of our Air Force. And so, we have retooled and adjusted ourselves internally to try to size the talent pools for the demand signals that we face. That is the major strategy.

The truth is that we cannot afford to grow as an air force. And so, our personnel ceiling is at about 332,000 active duty. It is 106,000 Guard. It is about 70,000 Air Force Reserve. Within that pool, we have to apply our manpower to the missions that we have undertaken, and we are doing that.

Senator HAGAN. Secretary Donley, any comments?

Mr. DONLEY. As the Chief suggested, we have reapplied manpower in some areas. We are still stressed in explosive ordinance disposal. We are stressed in contracting. We are stressed in joint tactical air controllers and other specialized fields.

But we have increased authorizations, but these are actually some of the most skilled airmen that we have, for which the pipeline is very long. So, but we continue to work those issues, and we have also applied reenlistment bonuses where we can to help induce airmen to stay in with that mission.

Senator HAGAN. General Schwartz, you mentioned the ISR. And in the prepared statements, you indicated that the Air Force continued to rapidly increase its intelligence, surveillance, and reconnaissance capability and the capacity to support the military operations.

And as you know, that combat air patrols play a critical role in the current war fight, as you mentioned, and I understand that for fiscal year 2012, the budget request fully supports the ISR capacity needs, sustains the maximum production, and achieves 65 remotely

piloted aircraft combat air patrols in the CENTCOM theater by the end of 2013.

What additional efforts are being done in the interim to mitigate this shortfall? And how is the Air Force and the Joint Chiefs of Staff working with CENTCOM to ensure the timely and effective distribution of the resources?

General SCHWARTZ. Ma'am, you know, the 65 CAPs, for the time being, are concentrated on the Central Command area of responsibility. But clearly, when the missions subside there, they will be used more broadly by the other combatant commanders who have legitimate requirements, but have been out-prioritized, obviously, by the missions in Central Command.

But I think a key aspect here is, it was suggested in an earlier question, is the Air Force isn't the only provider of ISR capability. There are capabilities in the other services. And they, too, need to have—the joint team needs to have access to them as well. And in the case of Afghanistan, that is seven shadow platoons from the Army, for example. So there is an effort across the team to provide all the ISR capability that we possibly can.

And as you can imagine, we have needs for Japan surveillance. We have requirements for surveillance in the Mediterranean. Obviously, the missions in Iraq and Afghanistan. So our youngsters are putting out at the moment.

Senator HAGAN. As you mentioned the situation in Japan, how can you ensure the safety of the pilots?

General SCHWARTZ. We have a surveillance process underway that—and as I indicated earlier, of the 34 aircraft that have operated in and around the areas of concern, that we have confirmed that they were not contaminated and that we have equipped our people with the detection capability to warn of contamination.

And we are monitoring the installations carefully, certainly Misawa, Yokota, Kadena, but elsewhere in the Pacific, because the plume has the potential of moving elsewhere, depending on weather and so on. So the bottom line is there are protocols. We know what they are, and we are implementing them properly.

Senator HAGAN. Thank you.

As you know, the well-being of our airmen and their families is fundamental to the mission effectiveness of our Air Force. And it is important that these programs strengthen the Air Force community and enhance resiliency.

And I think some of the questions might have addressed this, but can you provide some insights regarding some of the innovative and efficient ways that the Air Force is looking to provide and sustain programs that will support the airmen and their families? We all are, obviously, always concerned about the families and the sacrifices that they also are making.

General SCHWARTZ. The Secretary mentioned a couple of the major themes. Clearly, military family housing is one area that we have had considerable success with respect to privatized housing and so on.

A second one is education. Perhaps the most important family issue is the quality of education for our youngsters. And if we want to have thriving installations, we need to make sure that the schools that serve those installations are places where our families

want to send their youngsters. So we have worked hard to establish school liaison capability to make sure that our needs are understood by boards of education, by superintendents, and so on.

Another area the Secretary mentioned, the exceptional family member. We were not doing as well as we should have. And an exceptional family that relocates from Virginia to Texas, it is a stressful time because they have certain support structure here. The issue is what is available in Wichita Falls, in Texas?

We weren't providing the backstop for that. We are now. We are helping our exceptional families with connecting with the support services that are at their future destination by coordinators at each base.

And then, finally, child care. That is the fourth major theme. And we will have provided—in the next 2 years, we will meet the demand for child care at our installations.

Senator HAGAN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And Secretary Donley and General Schwartz, thank you for being here before us.

I would just pick up on the comment you made about child care. In my former life as Governor in New Hampshire, I worked a lot on early childhood education and the importance of quality child care. And we looked at the military as the model for the private sector because you all have been real leaders in recognizing how important the early years in a child's life are. So thank you very much for that commitment.

I am sorry to have missed much of the discussion. I had another hearing. So I will try not to repeat what has been said by my colleagues, except for one issue. And I do want to reiterate what my colleagues Senator Ayotte and Nelson raised with respect to the basing of the KC-46A.

I know that I echo what you have heard from others about how pleased we all are that the decision on procurement has finally been made and the importance of the deliberation and transparency of that process and the thoroughness, and very much appreciate that and look forward to working with you on a similar transparent and thorough process as you make the decision on where to base these planes.

You know, you won't be surprised to hear that, as a Senator representing New Hampshire, I think Pease National Guard Base is one of the places that you should look at very carefully, and we look forward to working with you on that. And I know that they will score very well on any objective criteria. So we look forward to that.

As you know, there is a lot of work in research and development and innovation that goes into new systems for the military, new planes, any of the initiatives that you have. And New Hampshire has a very important defense industry that has done a lot of that innovation.

And I wonder if you could speak to how comfortable you are that in the current budget situation that we are facing in this country,

that the R&D that needs to happen in order to provide the innovation that the Air Force is going to be relying on is going to continue to happen despite this tight budget situation?

Mr. DONLEY. This is a very important issue for us, Senator. And the Secretary of Defense has reinforced it by ensuring that we spend about 3 percent of our top line on R&D going forward. He has put focus on fencing resources to make sure we do not, in the vernacular, eat our seed corn going forward.

Just last year, we completed a broad review in the Air Force of our future R&D requirements, entitled "Technology Horizons." It is something that the Air Force has done on a decade-by-decade timeline. And so, we have just been through this process to help identify promising technologies that we think will bridge various aspects of our work going forward so, therefore, they represent good investments.

Certainly, the IT pieces of what we have been working on and the development of the sort of the cyber community over the last 5 to 10 years are critical to much of that work, the information technologies, but also materials, engines, propulsion systems that are more efficient and capable also are coming along well. And also, directed energy work, which has long been of interest in the Air Force, continues to progress as well.

So there are a variety of areas here. We recognize the importance of making sure that we continue to develop the technological edge that sets our Air Force apart.

Senator SHAHEEN. And can you talk a little bit more about what have been the most helpful tools in leveraging some of those new technologies? For example, one of the things we are considering right now in the Senate is the Small Business Innovation Research Program, of which the Defense Department spends probably the biggest piece in encouraging small businesses to develop new technologies in areas that you have an interest in.

So are there initiatives like that you feel are particularly important? Or have you developed other mechanisms internally that help drive this technological development?

Mr. DONLEY. We do watch carefully to make sure small businesses, especially with unique and new capabilities, have a way of entering our market, if you will, our R&D process. So this is something that does get attention.

Senator SHAHEEN. Thank you.

And finally, as we talk about R&D and new technologies, one area, obviously, that we are all very concerned about right now is energy. And when the Secretary of the Navy was here last week, he talked about some of the new energy advances they are doing to reduce their energy consumption.

And I wonder if you could speak to what you are doing in the Air Force and also how you are cooperating with other branches of the military so that you are taking advantage of the progress that each of you are making?

Mr. DONLEY. There is a Deputy Under Secretary at the DOD level that helps to coordinate work across the services in this respect. And she is doing some excellent work in getting us focused, especially on operational energy and support of the war fight, how

we can be more efficient down range in moving critical energy assets around the theater.

But more broadly, as one of your colleagues had mentioned earlier, we are the largest user of energy in the Department of Defense, and aviation fuel dominates that. We have been able to internally reduce demand for energy for aviation fuel by 2 percent over the last couple of years. It has leveled off. But our challenges with the prices have continued to sort of outpace our reductions.

Nonetheless, going forward, fuel efficiencies is a significant part of our planned efficiencies over the next 5 years. And Air Mobility Command is leading that work. We think there are further changes, adjustments that we can make in flight planning, bringing on commercial best practices. So we think there is more work that can and should be done.

A couple of other things. We have also certified to all of our—have been working methodically to certify all the engines in the Air Force inventory to operate on fuel blends, if you will, from alternative sources of energy, including biofuels. But I would note that as far as we have come in getting those engines certified, I think the challenge in front of us really is where we will be—who will be the producers and suppliers in bulk quantities of those new innovative fuels?

Which ones will we choose generally as the best practice or the best of many alternatives for aviation fuel going forward? And who will produce that, and when will that production capability come up to a level where we can start tapping it at an economical rate?

We are very anxious to get about that work, but it is a DOD-wide issue, and it is also an issue with the Department of Energy and others, including the U.S. aviation industry.

Senator SHAHEEN. And it is really a national challenge. So thank you very much.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Begich.

Senator BEGICH. Thank you very much.

And I will actually follow up on that. I know, Mr. Chairman, you have been generous with requests that I made. I know, as time progresses here, we might come to the conclusion that it seems every meeting we have had there are some elements of energy that we are talking about.

And it seems like we should probably have a more robust discussion about energy needs because you hit it on the head. It is supply that is critical. Of course, from Alaska, we would argue that gas-to-liquid is a great opportunity in the future of clean-burning fuel and for aviation fuel has huge opportunity.

And as I just read, last—yesterday or the day before, just in the Defense Department, the fuel budget is now \$1 billion over because of the high cost or the, in some cases, inability to get the volumes you need. And therefore, you pay a higher price for it.

So I look forward to that because I think there is from a national security perspective, for what you all are doing in all your different branches, we have to be serious about a long-term energy plan that has a diversified energy resource from a national security perspective as its first priority. Second is economic security.

But I am sure you don't want to see fuel in our lines coming from Iran, which we do have, or fuel coming from countries that may not have the most stable governments, as we are now experiencing at \$100, give or take a few, per barrel. Or waiting for the Saudis to tell us what price they will give us based on the volume they will produce, which is dangerous for us security-wise and economically.

So I look forward maybe to an opportunity to have a broader, bring in the person that is coordinating the new position, which is a great new position, to coordinate and discuss those. So I will hold that, but I just want to follow up on what was asked there.

In earlier conversation—I have a couple of very specific ones. Time is short. You have been here very long. I appreciate it. So I will try to rapid fire.

The no-fly zone discussion that occurred, you know, this is a budget hearing. So, obviously, my interest—there is public policy there. I understand that. But there is cost. There is cost in real dollars that have to come from somewhere, right?

I mean, the aviation issue alone, the fuel cost to fund such a thing or the allocation of resources from scarce resources or limited resources that we are utilizing now have a push-and-pull effect in Afghanistan, Iraq, and elsewhere. Is that a fair statement?

General SCHWARTZ. Depending on the mission assigned, you know, and its scope and scale, it could have an effect on either assets currently in theater or those that are bound for the theater.

Senator BEGICH. But even if it is a minimal, there is a cost that will be required out of your budget that we don't have budgeted today.

General SCHWARTZ. No question.

Senator BEGICH. So somewhere, someone has to write a check?

General SCHWARTZ. Right.

Senator BEGICH. Okay. I just want to—sometimes we get a little excited about ideas, but we forget that there is a check that has to be written by somebody. And we are experiencing that now, as you know, with the Afghanistan war, the Iraq war, you know, lots of money, lots of lives, a lot of issues here that in the front end, we are now realizing there is a cost.

And so, as we consider these issues, we have to also consider that piece of it. Because you have to make that - - you know, if we tell you here is a new policy, you are going to have to move some assets around. And so, I just want to make sure I am not misstating that, that there is cost, no matter what level of an idea might or might not materialize.

General SCHWARTZ. What we do is not free.

Senator BEGICH. Okay. You summarized it very well.

Let me go to a couple just quick ones. One is about total force integration. As you know, in Alaska, Elmendorf-Richardson, I think, is working phenomenal and may not be—to me, I consider it the model of joint base operations. That is not necessarily the case everywhere, but I think we really have a great model. You know it well, being up there.

And as you know, the active duty and the reservists, you know, they work hand-in-hand. But I have to say there are some issues. There is a disconnect. And I just want to kind of make—I want to

give you just a quick analysis and then—or comment and then maybe some questions that will follow it.

There is kind of a disconnect between the policies and the resourcing of the initiative. Reserve components, you know, have to request military personnel appropriations, as you know, MPAs, for mandates to meet anything above and beyond regular requirements. Under the total force integration, as you know, these initiative, on many occasions, are above normal requirements. But yet getting the MPA allocation is extremely difficult.

I am going to give you an example. The 477th Fighter Group in Alaska was scheduled to deploy in support of theater security cooperation agreement. reservists plan months ahead, get everything geared up. As you know, it is not something they can just flip tomorrow and do. Get things all lined up. And then, 10 days before, they were told, “Sorry, we don’t have the MPA.”

So then, as you can imagine, they start ratcheting down. Then, a few days before, they are told, “Nope, now we have it.”

First, are you—you know, honestly, I think that is unacceptable, especially with reservists who have a different scenario in what they have to get prepared for to get ready to be on the front lines. First, are you aware of this? And what steps, if you are aware of it, are you taking to help resolve this issue, especially with the reservists that I think are becoming under incredible pressure? And this is one example.

General SCHWARTZ. Sir, this is a manifestation of the fact that the supplementals are contracting and that those missions—in this case, it was a theater security cooperation mission, it was not related to Central Command operations, and so on—had a lower priority. And ultimately, we found MPA resources to make it go.

But you are right. There was this—

Senator BEGICH. Kind of rubber band back and forth.

General SCHWARTZ.—uncertainty about whether that was going to be the case. I think it is important to understand that as the supplementals subside or the so-called OCO accounts subside, there is going to be less MPA available, and we are going to do less with less. This is—we are going to have to recognize that for this decade, people have gotten used to being on long-term active duty. We are going to have less of that.

And we are going to have to be very surgical about where we use MPA. Because, for example, the surge that we now have underway in Japan, and if we do something for Libya, we will naturally allocate what MPA we have to those missions. And so, others who might have planned to have a training mission or something along those lines will be displaced.

So, Senator, I think the key thing here is that we understand completely, particularly on these associated missions, that MPA is how the Reserves function. And at the same time, I think we need to re-set our thinking a little bit about how readily available MPA will be.

Senator BEGICH. So if I can hold you there, and my time is up, but I just have one comment after this. And that is, but what I am hearing is you recognize there needs to—this kind of back and forth or ricochet is something that has to be addressed around the Reserves, recognizing the new economics or budgeting that we are

in, as well as other missions that are pressuring against it. So you recognize that is something we have to deal with?

General SCHWARTZ. It is a management obligation.

Senator BEGICH. Okay. Last thing, I would not want to let Senator Shaheen walk away with the tanker concept alone.

I know in the RFP there was like nine locations identified. We would hope that you would do your due diligence, and there is no better place, as you know, that can touch so many places in this world than Alaska.

As many in the Air Force know, it touches everywhere. And as you know, we have members now in Japan serving the needs that are there, which we are very grateful of our troops to be doing that, but also around the world. So we would not want to be excluded from any due diligence process that the military, the Air Force, the DOD would do, not in conflict with my friend—

Senator SHAHEEN. We have a longer runway.

Senator BEGICH. They have a long runway. We keep our airports open no matter when it snows. I will leave it at that. [Laughter.]

Thank you, Mr. Chairman.

Chairman LEVIN. It is the advantages of competition we talked about before. [Laughter.]

General SCHWARTZ. And it is wonderful to be popular.

Senator BEGICH. Thank you.

Chairman LEVIN. Okay. I just have a few more questions for a second round. We have had a recent lawsuit filed in Federal court alleging that the Department of Defense failed to protect its personnel from being raped and sexually assaulted.

Two of the plaintiffs were from the Air Force, and I am wondering if you can give us an assessment of the Air Force's Sexual Assault Prevention and Response Program. Is it having any impact that you can see? Secretary, let me start with you.

Mr. DONLEY. Sir, as you are probably aware, we have a slight increase in our sexual assaults reported for fiscal year 2010. This is of concern to us.

We have known for a long period of time that sexual assaults are among the least reported crimes in the United States and in the military as well. And this is of command concern, of management concern in our Air Force because for the most part, it reflects airman-on-airman violence, which is absolutely anathema to our core values and completely inconsistent with the respect that we expect airmen to reflect in their daily business with others. So we recognize this is an issue.

We did commission last year an independent review by the Gallup organization, and you will be getting the results of this fairly soon, in which we asked them to survey across our Air Force what the prevalence and the incidence of sexual assaults probably is, based on a scientific survey. And it is, as the criminologists and psychologists have told us for years, it is higher than is reported.

So you will see data there indicating that in the last year, as much as 3 percent of the female population and 0.5 percent of the male population believes that they have been victims of sexual assaults of one sort or another. So this is a serious issue for us.

We are reinvigorating our oversight, our management of this, and it is a very important issue for us going forward. We are in-

creasing frontline training on this subject, and we are very seized with the need to get a better handle on this.

Chairman LEVIN. General Schwartz, do you want to add anything to that?

General SCHWARTZ. Sir, I would only say that it is a crime. We don't beat up on our spouses. We don't beat up on our kids, and we don't assault each other. And that is message that we have sent out.

Chairman LEVIN. On the acquisition personnel issue that I made reference to before, the Air Force has made reforming its acquisition process a high priority. One of the elements is the hiring of more acquisition professionals, including personnel that are technically qualified to oversee programs.

Now, what is the current status of the efforts to meet the goal, which was identified in 2009?

Mr. DONLEY. Sir, my recollection off the top of my head—we will correct this for the record if I am off base here—but I believe we have hired about 8,000 into the contractor—into the acquisition workforce over the last couple of years.

So we have focused in our acquisition improvement plan that General Schwartz and I put in place at the end of 2008, early 2009, the focus of that was strengthening the workforce. So we think this is a very important priority, get the right people in, get the right skills in, in both the financial management side and the systems engineering side that support a strong acquisition management.

So we have been very focused on that.

Chairman LEVIN. Would you get us for the record the details on that? What was the goal in '09, and where are you in meeting that goal?

Mr. DONLEY. We will.

Chairman LEVIN. Thank you.

And finally, General Schwartz, let me ask you about the “don't ask, don't tell” issue and whether or not you have—where are you in terms of the implementation of the policy? And have you seen any problems in the repeal of “don't ask, don't tell?”

General SCHWARTZ. Sir, we have begun the internal training process. You know, there were three tiers—the so-called experts, the attorneys, the clergy, medics, and so on; second tier being the leadership; the third tier being the broader airmen population. We have trained about 2,100 individuals so far, and that process will accelerate.

We will complete the first two tiers here in a matter of a couple of months. And we will certainly strive to move through the larger body of airmen as quickly as we can.

We have made it clear that what this is about is treating each other with dignity and respect, that some of us in the Super Bowl were Pittsburgh fans and some of us were Green Bay fans, and that is the way it is amongst airmen, but it doesn't affect how we do our jobs. And likewise, we are not about changing what people believe, but we are about maintaining Air Force standards, and that is what we are communicating.

Chairman LEVIN. You think you are going to be able to successfully implement that policy change?

General SCHWARTZ. We will advise the chairman and the Secretary when that training is complete. And they will certify, as you are aware, and we will move on, yes, sir.

Chairman LEVIN. Are you confident that is going to be able to be done without any major problem?

General SCHWARTZ. We have some one-offs, Senator. And we can talk about that, if you would like, off-line.

Chairman LEVIN. Sure.

General SCHWARTZ. But generally speaking, we will deliver on this.

Chairman LEVIN. Thank you both.

It has been a very good hearing, and we appreciate everything you do for the Nation and for the men and women that you serve with. And your families, we thank them especially.

And we will stand adjourned.

[Whereupon, at 12:04 p.m., the committee adjourned.]