

**DEPARTMENT OF DEFENSE AUTHORIZATION
OF APPROPRIATIONS FOR FISCAL YEAR
2015 AND THE FUTURE YEARS DEFENSE
PROGRAM**

THURSDAY, APRIL 10, 2014

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

**THE POSTURE OF THE DEPARTMENT OF THE AIR
FORCE**

The committee met, pursuant to notice, at 9:36 a.m. in room SD-106, Dirksen Senate Office Building, Senator Bill Nelson, presiding.

Committee members present: Senators Levin, Nelson, McCaskill, Hagan, Donnelly, Kaine, King, Inhofe, McCain, Chambliss, Wicker, Ayotte, Fischer, Blunt, and Lee.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan S. Epstein, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, general counsel; Jason W. Maroney, counsel; and Mariah K. McNamara, special assistant to the staff director.

Minority staff members present: John A. Bonsell, minority staff director; Daniel C. Adams, minority associate counsel; John D. Cewe, professional staff member; Samantha L. Clark, minority associate counsel; Allen M. Edwards, professional staff member; Anthony J. Lazarski, professional staff member; and Daniel A. Lerner, professional staff member.

Staff assistants present: Daniel J. Harder and Alexandra M. Hathaway.

Committee members' assistants present: Cathy Haverstock and Susan Perez Quinn, assistants to Senator Nelson; Jason D. Rauch, assistant to Senator McCaskill; Justin Clayton, assistant to Senator Hagan; Paul C. Hutton IV, assistant to Senator Manchin; Patrick T. Day and William Scheffer, assistants to Senator Shaheen; Rachel H. Lipsey, assistant to Senator Donnelly; Karen E. Courington, assistant to Senator Kaine; Chad M. Metzler and Stephen M. Smith, assistants to Senator King; Brandon H. Bell, assistant to Senator Chambliss; Joseph G. Lai, assistant to Senator Wicker; Bradley L. Bowman, assistant to Senator Ayotte; Peter W. Schirtzinger, assistant to Senator Fischer; Craig R. Abele, assistant

to Senator Graham; Charles W. Prosch, assistant to Senator Blunt; and Peter H. Blair and Robert C. Moore, assistants to Senator Lee.

OPENING STATEMENT OF SENATOR BILL NELSON

Senator Nelson [presiding]: Good morning. The committee meets this morning to discuss the plans and programs of the U.S. Air Force in our review of fiscal year 2015 and the Future Years Defense Program.

Senator Levin will be here in about an hour and he has very graciously asked me to stand in for him.

We welcome Secretary James and General Welsh. This will be Secretary James' first posture hearing as Secretary and we welcome you, Madam Secretary. We are grateful to each of you for your service to the Nation and for the very professional service of the men and women under your command, and we pay tribute especially to the families because of the obviously vital role that the families play in the success of the men and women in our armed forces.

In the last 13 years, Air Force personnel and equipment have played a key role in support of our National security goals in Iraq, Afghanistan, elsewhere, all around the globe. We've relied heavily on Air Force strike aircraft to take on important ground targets, Air Force manned and unmanned aerial vehicles to provide intelligence, surveillance, reconnaissance, and support from that, and Air Force tankers and cargo aircraft to support the coalition air operations. Please extend, on behalf of this committee, our gratitude to the men and women of the Air Force.

The witnesses this morning face huge challenges as they strive to balance the need to support ongoing operations and sustain readiness with the need to modernize and keep the technological edge in the three domains of air, space, and cyber space that are so critical. These challenges have been made particularly difficult by the spending caps imposed in the Budget Control Act, caps that were modestly relieved for 2015.

However, these caps are scheduled to resume again in 2016 and then beyond. These caps already seriously challenge our ability to meet our National security needs and have already forced all of the military departments to make painful tradeoffs and, unless modified for years after fiscal year 2015, they're going to threaten our long-term national security interests.

The Air Force is proposing significant force structure changes to ensure that it will have the right size and mix of assets and capabilities to meet strategic needs in the manner consistent with a tight budget. The Air Force proposal includes major shifts in both strategic and tactical aircraft, with reductions shared among the Active-Duty Force, the Air National Guard, and the Air Force Reserve.

Some examples. The Air Force is planning to retire the entire A-10 fighter force. This is an effort to avoid the cost of maintaining the whole logistics pipeline for the aircraft fleet, trying to be more efficient. But members of this committee have concerns about the proposal. We need to understand the Air Force plan. Is it effective? Is it efficient?

Another example. The Air Force wants to retire 46 older C-130 aircraft, mostly in the Guard and the Reserve, leaving 300 aircraft to support tactical operations, a 14 percent reduction. This would more than eliminate the 32 aircraft increase in the C-130 Senator MCCASKILL in the force that was required by section 1059 of the National Defense Authorization Act for 2013, which was to provide direct support airlift capability for the Army.

Another example. The Air Force has reversed its position and now wants to retire the entire U-2 fleet and keep the Global Hawk Block 30 remotely piloted aircraft fleet that the Air Force tried to retire for the last two years.

Final example. The Air Force wants to reduce the number of Predator and Reaper combat air patrols. The previous goal was 65 CAPs, the new goal 55 CAPs. And the Air Force wants to reduce significantly in certain high demand, low density forces such as AWACS, JSTARS, and Compass Call fleets.

So I will insert the rest of the statement in the record. I want to turn to the ranking member, Senator Inhofe.

[The prepared statement of Senator Nelson follows:]

[COMMITTEE INSERT]

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

I would observe and I sincerely believe that this is the most difficult time certainly in the years that I have served in the House and the Senate, not just for the Air Force but for all of our Services. I can't think of two people I'd rather have at the helm of the U.S. Air Force than our two witnesses today.

This is the last of our service posture hearings for the fiscal year 2015 budget and soon this committee will be starting to draft the National Defense Authorization Act, what I consider to be the most important bill that comes along each year. I think we're going to do a little better, quicker job than we did last year.

The U.S. interests are being challenged across the globe in ways that I haven't seen in all my years of serving in this body. Yet the threats to our National security are growing. The readiness and capability of our military are being degraded by drastic budget cuts. We're all agreement with that.

Just 2 weeks ago, Secretary Hagel said: "American dominance on the seas, in the skies, and in space can no longer be taken for granted." You know, Mr. Chairman, when I say that around Oklahoma they don't believe this could happen; that this is still America. That's quite a statement, that American dominance on the seas, in the skies, and in space can no longer be taken for granted.

Put in the context of this hearing, the ability of our Air Force to provide air dominance is at risk, which puts America at risk. While I appreciate the Air Force prioritizing funding for the F-35, the KC-46, the Long-Range Strike Bomber, budget cuts are driving force structure decisions that increase risk at an unacceptable level. These cuts include—and I would read these, but it's already been done by our chairman.

I am interested in hearing from our witnesses about the current status of these Long-Range Bombers, F-35, and the KC-46 and how they plan to increase readiness levels. There are concerns

about the aerospace industrial base. That has to be a concern. A lot of times we depend on buyers outside this country to keep the industrial base going. I think we're going to be in that position once again. We're concerned about the morale of the airmen and the modernization and sustainment of our nuclear forces.

Finally, on BRAC, this is one area where I do disagree with statements that have been made in previous committees on having another BRAC round. One of the things that is certain in a BRAC round is the first two, three, four years it costs money, and there's never been a time when we can less afford to cost money that should be going to readiness, and for that reason I would be opposing that.

So I thank you, Mr. Chairman, and look forward to hearing from our witnesses.

Senator NELSON. We will insert your full statement in the record, and if you would summarize it, Secretary James.

**STATEMENT OF HON. DEBORAH LEE JAMES, SECRETARY OF
THE AIR FORCE**

General WELSH. Thank you so much, Mr. Chairman, Senator Inhofe, and other members of the committee. General Welsh and I very much appreciate the opportunity to come before you today. I will say on a personal level, it is a huge honor and a privilege for me to be the 23rd Secretary of the Air Force and to be in a position to represent the more than 690,000 Active Duty, National Guard, Reserve, and civilian airmen, plus all of their families. Thank you so much for mentioning the families, very, very, important.

I just surpassed my one hundredth day in office, so call it three and a half months, and, boy, has it been busy for me. I've now been to 18 bases in 13 States, plus I just returned a couple of weeks ago from a trip to the theater of operations, including several stops to visit with our airmen in Afghanistan.

Whenever I visit a location, really three things always pop right up at me. First of all, I see leaders at every level who are taking on tough issues and doing their utmost to solve them. Number two, I see superb, and I mean superb, total force teamwork everywhere I go, from the highest of the high to the lowest of the low, right on the flight line. Third, I see amazing and innovative airmen who are enthusiastic about service to our country. They're doing a fabulous job. And that has been particularly helpful to me, to see these folks on the front line doing their jobs day in and day out and inquiring with them directly just how the various decisions that we make here in Washington will be impacting on their lives. Without question the number one thing on their minds: Is our force downsizing and will they or will they not be able to remain in our Air Force?

Mr. Chairman, we're in extremely challenging times both from a security standpoint, security environment standpoint, as well as the fiscal environment, and all of this coupled together really did cause us, as you said at the outset, to have to make some very, very tough choices. But of course we have to start with the strategy, right. So we have a strategy of today, which is to, number one, defend the homeland; number two, build security globally by pro-

jecting U.S. influence and deterring aggression; and number three, if necessary, standing ready to fight and win decisively against any adversary.

Now, there's a strategy also for tomorrow. We can't lose sight of tomorrow. And this requires us to invest in the right technologies and the right platforms so that we can be prepared to operate in a very volatile and unpredictable world and, just as Senator Inhofe said, a world in which we cannot take for granted that we will continue to command the skies and the space.

So your Air Force is crucial in that strategy, both from the standpoint of today as well as from the standpoint of tomorrow. But of course, the trouble that we're all dealing with is that the likely budget scenarios won't make ends meet. So our fiscal year 2015 budget does hit the targets of the Bipartisan Budget Act, but it also contains for us in the Air Force an additional \$7 billion in the Opportunity Growth and Security Initiative. That's our piece of the overall \$26 billion initiative, which if approved would help us with additional readiness and high priority investment programs.

That's the fiscal year 2015 story. For 2016 through 2019, we're asking for higher levels in the President's budget than the sequestration level budgets currently in law. We're doing this because we feel that those sequestration budget levels in 2016 and beyond simply would compromise our National security too much.

So the overall budget picture we're presenting to you today, as you said, is hard choices, nothing but hard choices, and assumption of what we think are the most prudent risks. Believe me, Mr. Chairman, there just wasn't any low-hanging fruit to help this time around.

Now, I'd like to quickly give you my three priorities as Secretary of the Air Force and then weave in some of these hard budget decisions that we made along the way. The priorities for me are: number one, taking care of our people; number two, balancing today's readiness with tomorrow's readiness. That means of course our modernization for the programs of tomorrow. And number three, we need to ensure the world's best Air Force is the most capable, but at the best price to the taxpayers, and that means make every dollar count.

So taking care of people. For me, everything comes down to people ultimately. It's always about people. And of course, we will have fewer people as we go forward. We will be a smaller Air Force in all of our components. Taking care of people means recruiting the right people, retaining the best people, making sure that we develop them, having the right balance between our Active, our Guard, our Reserve. By the way, our plan going forward does rely more heavily on our Guard and Reserve. It was collaborative in the way we put it together. We had Active, Guard, and Reserve at the table throughout, including some of our adjutants general who helped put this plan together.

It also means that we need to shape the force. At the moment we have too many of certain types of people, too few of others. So as we downsize we also need to shape so that we get in sync for the future.

It means diversity of thought at the decisionmaking table. It means important family programs need to be protected. It means

dignity and respect for all, continuing to work on sexual assault and stamping it out and making sure that everybody is on top of our core values and leading with those core values, integrity, service, and excellence.

It also means fair compensation. Although, as you know, Mr. Chairman, we are proposing that we slow the growth in compensation, this slowing of the growth and getting smaller are two of those very hard decisions that we had to make that no one is totally happy with, but we felt that we had to make them so that we could free up money for readiness and modernization for tomorrow.

Which leads me to my second priority and that's achieving that balance between today and tomorrow. Our fiscal year 2015 budget requests money to fully fund flying hours and other high priority readiness issues. Our readiness has taken a hit over time. Today it is not where it should be and it's not where we're satisfied. So if our proposal is approved, we will see gradual improvements in full-spectrum readiness over time. It won't all get solved in one year, but over time, if approved, this will put us on the right path, particularly to be able to operate in a contested environment, an environment where they may be shooting at us and jamming us and taking other measures to interfere.

At the same time, we have to invest now so that we won't get beat 10 or 15 years in the future by the adversaries that we will face in the future perhaps. For this reason, we're committed to our top three programs, which have already been mentioned, as well as our ICBM's and our bombers, which is two-thirds of our nuclear triad.

In our 5-year plan we also begin to replace the aging platforms that are involved with combat rescue, the Combat Rescue Helicopter Program, and new technologies like jet engine technologies that promise reduced fuel consumption, lower maintenance, and helps to ensure a robust industrial base.

To pay for all of this, here come some of the hard choices again. We had to propose important cuts where we believe we are appropriately balancing our risk. You already mentioned the A-10, which is a wonderful aircraft, but there are other aircraft that can cover that very sacred close air support mission. So we will cover that mission in the future using these other aircraft.

You mentioned the U-2. We have decided to retire the U-2, keep the Global Hawk, which is a newer platform, but over time the sustainment costs have come down on that. So we feel that over time that can be less expensive and get the job done, though we have to make some investments to get it there.

There are a number of these others. I won't go into detail because I suspect we'll go into them a great deal in the Q and A. But none of these were easy. We would love to have just about all of them back in our budget if we could. But we simply couldn't.

That leads me to my third priority and that's make every dollar count. This is value to the taxpayer, best capability at the lowest cost. This to me means we've got to keep these acquisition programs on budget and on schedule. No more of these terrible cost overruns like we've seen in the past. That's a goal of mine personally.

I want to deliver auditability as a fundamental principle of good stewardship going forward. We're going to be trimming overhead. The SECDEF told us 20 percent reduction of headquarters over five years. We're going to do it in one year and we're looking to do better than 20 percent. And I do have to join with Secretary of Defense Hagel and ask that you consider another round of BRAC in 2017.

All of what I just said is under the higher levels of the President's budget over five years. If we have to return to those sequestration levels, we've thought that through as well and it gets tougher and tougher. So if we return to sequester level budgeting in fiscal year 2016, in addition to everything I just said we would also have to retire up to 80 more aircraft, including the KC-10 tanker fleet. We would have to defer some important sensor upgrades that we want to do to the Global Hawk which would bring it up to parity with the U-2. We'd have to slow the purchases of F-35's. We'd have to do fewer Predator and Reaper CAP's. We would not be able to do that next generation jet engine program I told you about. And we would likely also have to reevaluate the Combat Rescue Helicopter, as well as take other actions as well.

So bottom line, Mr. Chairman, is the sequestration level funding is not a good deal for the country and we ask for your support to stick with us and please consider those higher levels.

I'd like to wrap now by telling you my vision for the Air Force ten years from now. I see an Air Force that will be smaller, but will be very capable. It will be innovative and it will be ready. It will be a good value for the taxpayers and it will be recognized as such. We'll be able to respond overseas when we're asked to step up to the plate to any mission and we'll also be on the ready here at home when disaster strikes. We'll be more reliant, not less but more, on our Guard and Reserve, because it makes good sense from the mission standpoint and for the taxpayers' value.

Most importantly, we will be powered by the best airmen on the planet, who live our core values of integrity, service, and excellence, and cultivate a culture of dignity and respect for all.

I want to thank the members of this committee for all that you do for us and for our Nation, and would yield to General Welsh.

[The prepared joint statement of Ms. James and General Welsh follows:]

Senator NELSON. Thank you, Madam Secretary.
General Welsh.

**STATEMENT OF GEN. MARK A. WELSH III, USAF, CHIEF OF
STAFF OF THE AIR FORCE**

General WELSH. Thank you, Senator Nelson, Ranking Member Inhofe, members of the committee. It's always an honor to appear before you. Thank you for the chance.

Ladies and gentlemen, your Air Force is the finest in the world and we need to keep it that way. We built this budget to ensure that Air Force combat power remains unequaled, but that does not mean it will remain unaffected. Every major decision reflected in our fiscal year 2015 budget proposal hurts. Each of them reduces capability that our combatant commanders would love to have and believe they need. There are no more easy cuts and we simply can't

ignore the fact that the law as currently written returns us to sequestered funding levels in fiscal year 2016.

To prepare for that, the Air Force must cut people and force structure now to create a balanced force that we can afford to train and operate in 2016 and beyond. We started our budget planning by making two very significant assumptions. First was that the Air Force must be capable of winning a full-spectrum fight against a well armed, well trained enemy; and second, ready today versus modern tomorrow cannot be an either-or decision. We must be both.

We also knew the overwhelming majority of reductions in our budget would have to come from readiness, force structure, and modernization, and we tried to create the best balance possible between readiness, capability, and capacity across our five core mission areas, because we needed to reduce our planned spending in other areas by billions of dollars a year. Trimming around the edges just isn't going to get it done.

So we were forced to take a look at cutting fleets of aircraft as a way to create the significant savings that are required. We have five mission areas with air or space craft that could be reduced. In the air superiority mission area, we already had reductions in our proposal, but eliminating an entire fleet would leave us unable to provide air superiority for a full theater of operations, and no other service can do that.

We looked at our space fleet, but no combatant commander is interested in impacting the precise navigation and timing, communications, missile warning, or space situational awareness and other special capabilities that those assets provide. ISR is the number one shortfall our combatant commanders identify year after year after year. They would never support even more cuts than we already had in our plan in that mission area.

We have several fleets in the global mobility mission area. I spoke with Chief of Staff of the Army Ray Odierno to ask what he thought about reductions in the airlift fleet. His view was that a smaller Army would need to be more flexible, more responsive, and able to move quicker. He did not think further reduction of airlift assets beyond our current plan was a good idea. I agree.

We looked at our air refueling fleets and considered divesting the KC-10 as an option. But analysis showed us that mission impact was just too significant. As the boss said, however, if we do return to sequestered funding levels in 2016 this option will have to be back on the table.

We looked at KC-135s as well, but we would have to cut many more KC-135s than KC-10s to achieve the same level of savings. And with that many KC-135s out of the fleet, we simply can't do the mission.

In the strike mission area, cutting the A-10 fleet would save us \$3.7 billion and another \$500 million in cost avoidance for upgrades that wouldn't be required. To achieve the same savings would require a much higher number of either F-16s or F-15Es. But we also looked at those options. We ran a very detailed operational analysis comparing divestiture of the A-10 fleet to divestiture of the B-1 fleet to reducing the F-16 fleet, to deferring procurement of a number of F-35s until outside the FYDP, or to de-

creasing readiness by standing down a number of fighter squadrons, as we did in fiscal year 2013.

We used the standard DOD planning scenarios, and the results showed that from an operational perspective cutting the A-10 fleet was clearly the lowest risk option. And while no one is happy about recommending divestiture of this great old friend, it's the right military decision, and representative of the extremely difficult choices that we're being forced to make. Even if an additional \$4 billion became available, I believe the combatant commanders would all tell you that they'd rather have us fund more ISR and airborne command and control capability than retain the A-10 fleet.

The funding levels we can reasonably expect over the next ten years dictate that for America to have a capable, credible, and viable Air Force in the mid-2020s, we must get smaller now. We must modernize parts of our force, but we can't modernize as much as we planned, and we must maintain the proper balance across our five mission areas.

Thank you for your continued support of our Air Force and my personal thanks for your unending support of our airmen and their families. The Secretary and I look forward to your questions.

Senator NELSON. Thank you, General.

In an expression of collegiality, I'm going to call on our ranking member first. Senator Inhofe.

Senator Graham.

Senator FISCHER. Thank you, Mr. Chairman.

The most important question would be to General Welsh: Would you like to recognize who that pretty little girl in blue is behind you?

General WELSH. Senator, I'd be honored to. This is my wife of 36 years, Betty. She rocks.

Senator INHOFE. Great. Thank you very much.

Again, during the SASC hearing earlier this year on worldwide threats, the Director of the National Intelligence Clapper testified and he quoted the following: that over his last 50 years in intelligence he has not experienced a time when we've been beset by more crises and threats around the globe.

The Air Force has reduced the size of its combat squadrons since September 11 from 75 to 55. It is projecting to reduce the number to 48 by the end of fiscal year 2019. The fiscal year 2015 budget alone puts the number of fighter aircraft below the 1900 requirement determined by the Air Force to meet our national military requirements, and that smaller force has an average age of over 30 years.

Now, based on the briefings that we have received in this committee, I would just ask the two of you: How much more risk can we accept right now?

Ms. JAMES. I'll speak first, give you my opinion, Senator. I think we are at the point where we can accept no more risk. I think this is the bottom. It should not go any deeper than that. As you point out, should all three things happen at once in the national military strategy, meaning the two contingencies plus defense of the Homeland all going on at once, we are below the level that we need in

terms of the level that we need in terms of fighters. Of course, if not everything goes wrong at once we'll be able to handle it.

Senator INHOFE. Do you generally agree with that, General?

General WELSH. Senator, I would just say that if you look at our standing requirement versus the actual projected organizational size of our Air Force today and for sure by fiscal year 2019, every fleet we have is low density, high demand by definition. The requirement is greater than what we own.

Senator INHOFE. And I agree with that, and I'd like to just get that on the record, because when we talk about readiness we're talking about risk. When we're talking about risk, we're talking about lives. Then the American people understand how serious this is.

Several of us, I think including some of you, didn't think that the decision to stand down 31 squadrons last year was the right thing to do. My feeling was when you put the cost in there to recover—I understand only 50 percent of those are now recovered, but in terms of maintenance, in terms of pilot training—is that good economics, to stand down those squadrons?

General WELSH. Senator, I do not believe it is. It's going to take us 10 years or so to recover readiness in the Air Force to where you would like it to be for the Nation.

Senator INHOFE. And I agree with that. I think it's worth bringing out now. I do have some questions for the record, but I'm saving the longest question for last because—and I'd ask for someone to turn these charts around—because of all the controversial things we're dealing with in terms of our assets. The A-10 is the one that has received the most attention. You did address this, of course, very accurately in your comments.

I think that the Air Force request divests the entire 283-aircraft A-10 fleet. It is something that has probably attracted more attention from more people. What I'd like to do, using these charts, which you are very familiar with, kind of explain with the following questions: What alternatives were you looking at against retiring the A-10? Why were they not chosen? Now, we list four requirements up there on this chart that you're very familiar with.

Second, the Air Force—has the Air Force discussed the retirement of the A-10 with the other Services, especially the Army? I'm sure that you and General Odierno have talked about this. Maybe you could share those comments or those experiences with us.

What other aircraft of the Air Force and other services can execute the close air combat, search and rescue, airborne forward air controller missions? What other ones can perform this same mission? How do they stand against each other? I know that Senator Ayotte's going to have more specific questions about this, but if you could just kind of address this chart and explain it to us that might be helpful.

General WELSH. Senator, this chart is from the analysis I mentioned in my opening comments that was done. We compared with an operational analysis against the DOD standard warfighting profiles that our requirements are measured against. Each of these is an independent option, so we ran multiple runs of our analytical models, one divesting the A-10 fleet, one divesting the B-1 fleet, one just taking squadrons that we will retain, but having them not

current, not flying them at all. We divested 350 F-16s as an option to create the same amount of savings as we could with the A-10. Senator MCCASKILL. . Then we deferred 40 F-35s outside the FYDP and ran that as a model in its own right.

So those are the things that we analyzed against the problem we have in meeting our warfighting requirements that the combatant commanders present us. When we did that analysis, all this chart represents is that from an operational perspective clearly the least operational risk came from the divesting of the A-10 fleet.

One of the things that I think that effort highlighted for me—I followed the debate closely. The great thing about this is we have a lot of people passionate about what they do, about the airplane they fly, about the mission we perform, and that's a wonderful thing. I don't see anything wrong with the debate.

But I am concerned that we're talking about some of the wrong things, because this isn't about whether or not the A-10 is a great aircraft or whether it saves lives on the battlefield. It is a great aircraft and it does save lives. So does the F-16, which in fact has flown more CAS sorties than the A-10 all by itself over the last eight or nine years. So does the F-15E, the B-1, the AC-130, the B-52. They're all great and they've all saved lives on a battlefield.

Senator INHOFE. Yes, General Welsh, and I understand that. I'm just saying this has risen to the point where it seems to be the most controversial of these cuts, and I wanted to give you a chance to explain it.

The other part of my question was, have you talked to the other Services, and I said particularly the Army.

General WELSH. Yes, sir. We brief all the services in the course of our budget process. What General Odierno specifically has said to me is that he hates to see the A-10 go, as do I, but that he trusts us to do close air support for the Army. That's what the Air Force provides them.

Senator INHOFE. Thank you, General Welsh.

Thank you, Mr. Chairman.

Senator NELSON. Thank you, Senator Inhofe.

Madam Secretary, the Department's budget includes numerous personnel-related proposals intended to slow the growth of personnel costs. For example, a one percent pay raise for most military personnel, lower than the current projected 1.8 percent that would take effect under current law. Another example: A one-year pay freeze for general and flag officers. Another one: A slight reduction in the growth of housing allowance over time, such that it would cover 95 percent of housing expenses rather than 100 percent. Another: A phased reduction by \$1 billion of the annual direct subsidy provided to military commissaries, down from the current subsidy of \$1.4 billion. Another: Increased enrollment fees and pharmacy copays and a consolidation of TRICARE.

Now, DOD has testified that the savings achieved by these proposals, estimated to be at \$2.1 billion and \$31 billion over the FYDP, would be used to invest in modernization and readiness. So I'll ask either one of you: Do you agree with these proposals and why do you think they're needed?

Ms. JAMES. Mr. Chairman, I do agree with these proposals. These are among the difficult choices, because I think we all want

to do the absolute utmost for our people. But all of these proposals amount to a slowing of the growth in military compensation at a time where we're coming off of a decade where military compensation has risen quite a bit. I believe it's 40 percent over the last dozen years or so. Also it's a time of still unprecedented high quality in recruiting and retention.

I mentioned in my opening comments that the number one thing on our airmen's minds as I have traveled around has been the downsizing, and there's of course this great desire to remain in the Air Force. So we are actively working to try to attract as many as possible in certain categories through voluntary incentives to leave our Air Force and use involuntary only when necessary.

But my point is at a time like this we can afford to slow the growth in compensation, so I do support it.

Senator NELSON. General, aren't these proposals going to have a negative impact on recruiting and retention?

General WELSH. Senator, I can't answer that question until we've done it. There's no indication right now that we have, as we discuss these things, that there's going to be a retention problem or a recruiting problem. We haven't had a recruiting problem in almost 20 years in the Air Force.

The impact operationally is that for us these savings would save a little over \$3 billion across the FYDP. As a comparison, divesting of the U-2 fleet is saving us a little over \$2 billion. If we can retain capability that our warfighters really desire and need by making these cuts, I think there's a number of airmen who will listen to this discussion and understand that this will be helpful.

All we're trying to do is take a growth curve in pay and entitlements that has been spectacular because of the

help of the United States Congress—you've been wonderfully good to us for the last 12 to 15 years in this area—and the growth rate is not sustainable. I think we all know that. All we're trying to do is get it to a sustainable curve.

It's a very emotional topic, I understand that.

Senator NELSON. Were the Air Force senior enlisted personnel consulted on this, and did they agree with these proposals? They were or were not?

General WELSH. Yes, sir, the Chief Master Sergeant of the Air Force consulted with our Enlisted Board of Directors, composed of the command chief master sergeants of every major command in the Air Force, throughout the entire process, and all the joint senior enlisted leaders were in the tank sessions where we discussed this with the Chairman.

Senator NELSON. Did they agree?

General WELSH. Yes, sir, they did.

Senator NELSON. Let me ask you about JSTARS. Your budget indicates that you want to start a plan to buy a version of a business jet, modified to carry some of the new radar that would have synthetic aperture radar, and also a ground moving target indicator capability. You also indicate in your budget that you believe that you could have two such aircraft delivered in fiscal year 2019, with an initial operating capability in '21, and full operational in '25.

You also plan to rely on the Global Hawk Block 40 with its multi-platform radar technology, the MPRTIP. That is, unless fur-

ther sequestration causes you to retire the entire Global Hawk Block 40 fleet.

So a couple of years ago General Schwartz sitting here said the following, quote: “The substance of the AOA indicated that a blend of Global Hawk Block 40 and a business class ISR platform was the least cost, highest performing alternative. The reality, however, is that there is, notwithstanding the AOA, the reality is that there is not enough space to undertake a new start business class ISR platform. We simply don’t have the resources.” End of quote from General Schwartz.

So, General, how is it that the Air Force didn’t have the resources back then in 2012 and now in 2014, after several rounds of budget cuts, how is it that the Air Force has enough money to start a new JSTARS replacement?

General WELSH. Senator, you would have to ask General Schwartz for the justification of what he put into his analysis. But his statements were before sequestration became the law. As we look out ten years now with that law in place, we have the option of not modernizing at all in this arena, which is unacceptable to our combatant commanders—it will leave us with a fleet of aircraft that is not viable ten years from now—or we can look within our own resources and figure out a way to recapitalize, which is what we’ve done.

That’s why these choices are so hard. We’re not waiting for magic money to appear. We are going to trade—both in this area and in the E-3 fleet, our proposal is to modernize from our own top line, because we don’t see any other way to do it, and if we don’t do it ten years from now we’ll be in a conflict with a completely unusable platform.

Senator NELSON. So you’re going to have to break all records and field a JSTARS replacement by ’21?

General WELSH. Yes, sir, we are.

Senator NELSON. Good luck.

Senator AYOTTE.

Senator AYOTTE. Thank you, Mr. Chairman. I want to thank both of our witnesses for being here and for your service to our country.

I wanted to ask both you, Secretary James and General Welsh, whoever you think is the most appropriate, to answer this question. Just so we understand for the record, is this an accurate description of the Air Force’s proposed A-10 divestment: All active duty A-10 units would be divested in 2015 and 2016, plus the Boise Air National Guard unit in 2015?

General WELSH. Yes, ma’am.

Senator AYOTTE. And all remaining A-10 Air National Guard and Air Force Reserve units divested in fiscal year 2017 to 2019? So in other words, the entire A-10 fleet divested by 2019?

General WELSH. Yes, ma’am.

Senator AYOTTE. As we’ve talked about in the past, the F-35A is not going to be, even by best estimates, fully operational until 2021, is that correct?

General WELSH. Yes, ma’am, that’s correct.

Senator AYOTTE. Thank you.

This is not the first time that the Air Force has tried to divest the A-10, is it?

General WELSH. No, ma'am, it's not.

Senator AYOTTE. In fact, I believe back in 1993 or around that time there was an effort to divest the A-10. In fact, at that time that effort was stopped because there was serious concern that the Air Force—and this is from a GAO report—had not adequately emphasized the close air support mission. I'm very glad that it was not divested then because, as we know, the close air support mission is a very, if not, when you think about our men and women on the ground, preeminent, mission in terms of their support.

I was recently in Afghanistan and I was really struck by the number of people on the ground, men and women in uniform, our special forces operators, our Army soldiers, who unsolicited came up and asked me to convey and to make sure that people understood how important they believe that the A-10 was to them on the ground. In fact, I had a special operator tell me about an event that had happened the night before with an A-10 that he believed saved he and his position that he was in and people that we were with.

I think that's one of the reasons why, I know—I believe in answer to Senator Inhofe's questions, you said that you had spoken to General Odierno about the divestment of the A-10; is that true?

General WELSH. Yes, ma'am, we have spoken.

Senator AYOTTE. Well, one of the things that he has said in the hearings leading up to the posture hearings for the Army when he's been asked about the A-10, I think is something that is of deep concern. One of it is that General Odierno has said that the Army would actually have to work with the Air Force to develop the tactics, techniques, and procedures the Army needs to provide close air support across the wide variety of potential scenarios that we're going to have to operate.

One of those scenarios, of course, is in the close contact scenario of, for example, 75 feet off the ground, where General Odierno believes that the troops seeing the presence of the A-10, but also the ability of the A-10 to go at a slower pace, that he believes that these TTP's still need to be developed. He said: "We know that the A-10 works in those scenarios today." In fact, as you've agreed with me in the past that this is the best close air support platform, he has told us that.

So one of the concerns that I have is that the Chief of Staff of the Army is basically saying we'll have to come up with new solutions if we move away from the A-10. You would agree with me, when we talk about close air support missions not all close air support missions are the same? Some are conducted at higher levels, at the 10,000-foot level, with precision bombing, and some are conducted at much lower mission, closer to the troops.

So this was the mission that General Odierno expressed direct concern to this committee about not yet having the TTP's in place. To me this is a deep consideration as we look at the A-10.

Now, I wanted to ask you—the Air Force has told us that other aircraft have conducted 80 percent of the CAS missions in Iraq and Afghanistan. I would like to ask you about that statistic. According to information that my office received that came from U.S. Air Force's Central Command, the 80 percent statistic includes aircraft

that fly CAS missions, but never attack targets on the ground, and does not take into account how many passes are used. So if that's true, a B-1 flying at thousands of feet, that never drops a bomb, is counted the same as an A-10 that flies 75 feet above the enemy position and conducts 15 gun passes within 50 meters of friendly ground forces—and this is actually a scenario that happened in Afghanistan last year that saved 60 of our troops—General Welsh, can you tell me whether that 80 percent statistic that the Air Force has cited counts the CAS missions that never attack targets on the ground?

General WELSH. Yes, ma'am, it does. It also includes A-10 missions that never attack targets on the ground.

There aren't many A-10 missions that fly at 75 feet and do 15 gun passes, Senator. We have pilots in the F-16s who have hit the ground trying to strafe inside caves and died. We have a major sitting two rows behind me who serves as my aide de camp who saved a lot of lives at COP Keating in a huge fight, who's an F-15E pilot.

Our F-16s have been doing close air support with full tactics, techniques, and procedures with the Army since the late 1970s. The F-15Es have been doing it for the last ten years. I don't know why anybody would tell you we need to develop tactics. That's not true.

Senator AYOTTE. Well, this is General Odierno. This isn't just anyone. He's the Chief of Staff of the Army, who testified before the committee that he believes that there need to be TTPs developed for the close air support mission if the A-10 is developed—is divested, I'm sorry.

General WELSH. I'm just telling you they are in place. We've been using them for the last eight years in Afghanistan and Iraq. We don't need new TTP's.

Senator AYOTTE. Well, General, I think this is something that we should have this conflict address, because this was testimony that General Odierno gave before this committee. When he was asked about the A-10, which I think he made clear that they prefer the A-10, those who are on the ground.

I want to make clear that I in no way diminish the mission of the F-16s. But I think you and I would both agree that the F-16s certainly have to take a faster pass than the A-10s, and that the A-10s, they have a focus on the close air support mission, not that the F-16 can't have a part of that mission. But I in no way am diminishing the F-16s.

But General Odierno has made clear before this committee that they prefer the A-10, that it is the best close air support airframe. Just having been on the ground recently in Afghanistan and heard from our men and women in uniform—and it's not like I was going out asking their opinion about the A-10—I was very struck by what they came up to me and said unsolicited about their view of the A-10 and how important they felt that the A-10 was to have on the ground, what they're doing every day, and what they're facing.

So I think this is a very important consideration for this committee, particularly since we're not going to have the F-35A on line until 2021.

Thank you, General.

Chairman Levin [presiding]: Thank you very much, Senator Ayotte.

General WELSH. Chairman, is there any chance I might make a comment? This is such an important issue, I want to make sure that it's clear.

Chairman LEVIN. Please.

General WELSH. The issue really isn't about the A-10 or even close air support. It's about all the things we provide as an air component to a ground commander. For the last 12-1/2 years we've been doing CAS. That's what's visible. Air forces have to be able to do more than just a close air support fight. We must be prepared to fight a full-spectrum fight against a well-trained foe, and if you do that where you save big lives on a battlefield as an air commander for the ground commander is by eliminating the Nation your fighting's will to continue to fight, by eliminating their logistical infrastructure, their command and control capabilities, their resupply capabilities, by providing air superiority so your ground and maritime forces are free to maneuver and are free from air attack, which we have never had to deal with because we're good at this.

The other thing you have to do is eliminate the enemy's reinforcement capability. You have to eliminate their second echelon forces so they can't ever commit them against our ground forces. That's the places you save big lives on a big battlefield.

Then of course you have to do close air support. We have a lot of other airplanes that do close air support that can do those other important things. The A-10 is not used in that way. That doesn't mean it's not a great platform. It doesn't mean it's not a critical mission. But kind of the comment I have heard that somehow the Air Force is walking away from close air support, I just admit frustrates me. We have battlefield airmen in our Air Force who live, train, fight, and die shoulder to shoulder with soldiers and Marines on the battlefield.

I have a son who's a Marine infantry officer. That lady there is not letting me make close air support a secondary consideration if anybody in the Air Force tries to.

CAS is not an afterthought for us. It never has been. It's a mission. It's not an aircraft; it's our mission, and we'll continue to do it better than anyone on Earth. And those great A-10 pilots who do it so well will transition to the other fighters I've mentioned and they'll ensure we do it better than anybody else.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman, and thank you all for being here today.

General Welsh, in March I had the opportunity to go to the 139th Airlift Wing of the Missouri National Guard in St. Joseph. As you know, they fly C-130s and really do a critical training mission for other members of the Guard and, frankly, for our allies. One of the reasons that is a cost-effective base for the National Guard and for our Nation's military is because of the training that they're providing, and getting revenue for, to many pilots from across the world.

I think you probably know the problem. They don't have a J. And if they don't get a 130J, then those countries are no longer going to come to get trained at St. Joseph. Then all of a sudden we've got a different problem in terms of that infrastructure that is so vital to the rest of the Guard across the country.

I'll never forget when I was in Afghanistan and I got in a C-130 to go up north. I was up in the cockpit area with the pilots and we were talking about where I was from, and they were two National Guardsmen from Maryland. They said: Oh, we just came from Rosecrans, we just trained there on this aircraft, and were so complementary of the training they had received.

So I really want to ask you. You can't update everybody and expect the Guard to be what it needs to be if they don't get the updated J model. Is it possible that you can figure out a way to get at least one J model to St. Joseph fairly quickly, so they can not be in a real problem in terms of their training mission?

General WELSH. Senator, of course we can look at the plan for St. Joseph. But I'll tell you this. What we're doing right now is we're building the long-term C-130 modernization plan for all the components. By the end of this FYDP, by 2019, we will actually have four locations where there are J models in the Active Force and four locations where we have J models in the Reserve components, three in the Guard and one in the Reserve.

So we actually have the plan in place. We don't have that many J models coming off the production line over the next 4 or 5 years to dramatically alter the numbers going into place yet in the Reserve component. It's clearly got to be part of the plan.

We're putting the whole plan together. We would love to get that done and come brief you and everyone else interested in it.

Senator MCCASKILL. That would be great. I just know that because of the training mission there for our allies, I would hope that they would be at or near the top of the list in terms of receiving a J model.

Secretary James, I am scratching my head about the lack of competition on the commercial launch program. In December you announced plans to compete up to 14 additional launches by 2017, but at the same time you committed to 35 to the one entity that is doing this now, frankly, without competition. That worries me. It worries GAO. It worries all of us.

I am a big believer that competition is our best friend in keeping costs down. I need some explanation and some reassurance from you that you are committed to competition in this area and what you intend to do to make sure that there is more competition going forward, rather than just one in 2015. That worries me that we could do one in 2016 and one in 2017, which really means there will be no competition, because obviously that's not sustainable for anybody else, to not have an opportunity to get into the playing field.

Ms. JAMES. Senator, I am absolutely committed to competition. This particular contract you're speaking of actually was signed before I arrived in the Pentagon, but let me give you the background, because I have asked a lot of questions about it as well.

In the world if these satellite launches, in the world if the EELV program, there are what I will call heavy, heavier launches, and

there are lighter launches. There's different techniques and capabilities required to get different things into space depending on whether they fall into this heavier category or lighter category. There are no entrants coming on scene and we are working to get them qualified, first to compete for the lighter launches—if all goes well, we expect that will be done this year, in 2014—and subsequently to be able to compete as well for the heavier launches. If all goes well, according to the program, that should be by 2017.

So by that point everything will be open for competition. But as you point out, at the moment we've got the one entity that is doing all of it and will be doing all of it for some time, at least through 2014 when the new entrants hopefully are qualified.

So why did they sign this contract back in December? The answer that I believe to be true is they had a deal. The deal was \$1.2 billion less than the should-cost of the government, so it seemed like it was a very good buy for the taxpayer to lock in, I think it's 36, not 35, if I'm not mistaken, of what are called core. These tend to be for the heavier launches.

As you point out, there are these other launches, the lighter ones, and we are going to be having eight of these over the next several years. Seven out of those eight ought to be competitive, and I'm kind of working it to see if we can't get the eighth of the eight competitive.

Senator MCCASKILL. That would be terrific. I know it's great if we save money, but I guarantee you they're still making money off of it, which they should. Nothing wrong with that. The real way to get the value for the government is for there to be somebody competing against them for price.

Ms. JAMES. I think the very threat of that competition helped to bring that cost down.

Senator MCCASKILL. I think that's probably true.

Finally, I wanted to compliment the Air Force on your efforts with the Special Victims Counsel. It's my understanding that you have seen a 32 percent increase in reporting of sexual assaults and a 39 percent increase in unrestricted reporting, and that is unbelievably a good sign, because obviously that means these victims are getting that support at the crucial moment, which is empowering them to feel like that they are not going to continue to need to hover in the shadows, that they can come forward and they can hold the perpetrators accountable. I know that is because of these special victim's counsels.

I think you have really been a role model for the other services on this. You stood up first and you have done it in a way that has ensured the victim counsel's independence, and I know that yesterday you received an award from the Department of Justice for this program. So I wanted to take a minute. If you have any comment about what you need going forward, and especially if you would just comment about reassuring special victim's counsel that they should not take the ruling in the Sinclair case the wrong way, because that victim advocate was doing what she was supposed to do for that victim. This was not undue command influence. That was a tortured decision by that judge.

I want to make sure that there aren't victim's counsels out there that are all of a sudden getting the wrong message that they

shouldn't—when the prosecutor wants to drop a case and the victim's counsel sends a letter to the command saying it shouldn't be dropped, that's exactly what they should be doing. I want to make sure that you guys have sent that message to your folks.

Ms. JAMES. I'll begin and then maybe General Welsh can also add his comments—

Chairman LEVIN. Before you begin, Secretary, let me interrupt. A vote has started. We're going to try, try, to work right through this vote. So some of you may want to run over, vote, and come back. We will continue in any event.

Ms. JAMES. I also want to say—I certainly can't take credit for it. You can and the Air Force can. This is a great program. This is a great program. We will be increasing it a bit, but we think our numbers are about right, maybe a little bit more of an increment.

A couple other tidbits of information. Very, very high level of satisfaction with victims who have used victims counsels. So that of course will breed I think greater usage in the future.

Everywhere I go, by the way, all my travels, I always meet privately with SARC's, the victim's counsel, if they're available and so forth. What I hear anecdotally is absolutely sort of on target with what this overall data suggests. So we're totally in favor of it and going to stand behind it for the future.

General WELSH. Senator, I would just add that the special victim's counsel represents the victim and only the victim. That's where their allegiance lies. That's what we expect, that's what we train them, that's what we expect from them. If we see anything else, in fact, we'll step in.

I would also just mention that, while we're proud of this program and we think it's one of the few game-changing things we've been able to find, we're still looking for all the others. This is a never-ending campaign. We've got a lot of work to do.

Senator McCASKILL. Thank you very much.

Chairman LEVIN. Thank you very much, General Welsh.

Secretary James, you're really right. Senator McCaskill is the one who should be looked to for credit for this program. She really has been an extraordinary leader in pushing this program, and it really goes to the—if there's an easy solution, no, there isn't. But there is a solution and a big part of it is this victim's counsel which she has led the effort to create.

But thank you. She is right, the Air Force has been the role model on this in terms of implementing it. So we want to thank you for that.

Senator WICKER.

Senator WICKER. Thank you, and thank you to both of our witnesses.

Welcome, Secretary James, to your first posture hearing. I know you are working with my office to get down to Keesler Air Force Base and we look forward to scheduling that soon and hosting you on the Gulf Coast of Mississippi.

Madam Secretary and General Welsh, I want to talk about C-130J's. I remain convinced that some elements of the total force plan, such as the proposal to relocate C-130J aircraft from Keesler to Little Rock, may adversely impact our intra-theater airlift capability at a time when our services are evolving, and I believe the

Air Force must make force structure decisions based on long-term global force requirements, as well as concrete and defensible data.

Accordingly, I'm concerned that the transfer of C-130J's from Keesler may not, in fact do not, actually produce promised financial savings. Under the President's proposal, a new airlift group would be established at Little Rock. This group would be comprised of the ten C-130J's that are currently at Keesler. It seems to me that establishing a new group at Little Rock would require the costly relocation of military and civilian full-time employees. I do not believe, I do not believe the numbers add up to savings, and I want to explore that with the two of you during the next several days as you provide written answers to the following questions.

Number one: What are the specific differences in costs to perform the C-130J flying mission at Keesler versus Little Rock?

Number two: Is it correct that the Air Force's proposal would move maintenance and wing management personnel from Keesler to Little Rock, where we would have to switch C-130 models and stand up another wing to support them?

Number three: Will it be more cost-efficient to maintain the two C-310J squadrons at Keesler Air Force Base? Will the new 913th Airlift Group require the movement or hiring of additional military and civilian employees?

Number four, how does the Air Force save money by moving a squadron from Keesler, which has an existing maintenance capacity, existing wing management structure, and brand new ground infrastructure, to a base that will have four wings located on it?

And number five, how does the Air Force save money by moving C-130J's from a base with two C-130J squadrons, including a C-130J simulator, to a base that has only an Air Force Reserve detachment that trains on legacy Air Guard C-130H's?

Those are my five specific questions. But also, while you're looking at that, let me get back to one of my first questions and point out that AFRC expects—they state that they're going to save 616 manpower positions by consolidating their ten-PAA C-130J unit with AMC's 19 AW at Little Rock, vice retaining the ten C-130J's at Pope under the 440th Airlift Wing. The manpower savings generate approximately \$116 million across the FYDP and are realized by deactivating the 440th Airlift Wing at Pope and downsizing AFRC's Little Rock fleet.

Here's my point here. The data seems to talk about a move from Pope to Little Rock which is not actually taking place. The aircraft never went to Pope. The aircraft are at Keesler. So my question is this: Isn't it a fact that most or even all of the manpower positions are based on savings in overhead positions that would exist from a Pope to Little Rock move, but that in fact do not exist for a Keesler to Little Rock move?

Now, I've taken most of my time with asking these questions for the record, because I want specific answers and I want to explore with you two whether the savings are actually there. But in the time remaining, I would welcome your verbal comments. General, why don't we begin with you, sir.

General WELSH. Senator, as you know because of the material we've already sent you, this has been looked at as an enterprise move by both Air Mobility Command and by Air Force Reserve

Command. That is where the total savings come from both in people and money. The benefit to us is that it allows us to get rid of about 47 C-130H's over time, to get down to what we believe is the required number of tactical airlifters as defined by the Mobility and Capabilities Assessment 18.

To do that, the synergy of putting things together at Little Rock for both training and to put three combat-coded squadrons in one place, Active, Guard, and Reserve, there is some real benefit to that in terms of being able to train people and in terms of being able to consolidate instructors to minimize excess support equipment, infrastructure, etcetera. That's the effort.

All the numbers are tied, though, to an enterprise move as you suggest. They're not all based on just a Keesler to Pope move. So we'll get you your detailed answers to these questions. We'd love to have this discussion, and for any questions you have we'll get our mobility experts from Air Mobility Command and the reps from Air Force Reserve Command to come discuss this with you.

Senator WICKER. Okay, thank you.

Secretary James, do you want to add anything to that?

Ms. JAMES. Senator, I would tell you in our budget and in our Air Force today we're on sort of the absolute what we either need for a requirement or in some cases we're under requirement. If you go through different aircraft and different types of programs, we're either at the requirement or under.

With respect to C-130s, my understanding is at the moment we have too many C-130s—I'm giving you the big picture story—too many C-130s in the aggregate. So we have more than what we need against the requirement for tactical airlift. So the big picture is bringing down those overall numbers of C-130s nationwide.

As to what goes where and why, this is—I'd prefer the Chief to answer that because I'm not as familiar with that.

Senator WICKER. Very good. So, General Welsh, you're going to get back to me with specific answers on the record to these questions, and then we will visit.

General WELSH. Yes.

Thank you very much, and thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Wicker.

Now I'm going to have to run and vote, I believe. So we're going to recess until one of my colleagues gets back here, which should be any minute. But if you have to take care of other business for a few minutes, don't worry about that and just get back here, I'd say, within five minutes in any event.

[Recess from 10:43 a.m. to 10:50 a.m.]

Senator Donnelly [presiding]: Thank you very much. Thank you for continuing to be patient with us through these votes. I will tell you that this year I did not expect to be chairing a hearing at any point in the Armed Services Committee, but here we are.

Thank you, General Welsh, for your service. Secretary James, congratulations on your appointment. You have our best wishes and we are pulling very strongly for your success because your success means our country's success.

In regards to preliminary data to Military Times and others regarding suicides and mental health, I've spoken twice with General Odierno about the Army's work to implement annual enhanced be-

havioral health screenings for all active duty service members in the periodic health exams, regardless of deployment status. Does the Air Force similarly conduct annual behavioral health screenings for our airmen, and what do these screenings entail?

General WELSH. Senator, we do with some career fields. We don't call it the same thing, but for example all of our special operators, our EOD technicians, our security forces members who operate outside the wire, we do have a special program to monitor them as they return from deployments and see how—and follow their progress.

Air Force Special Operations Command has built a program that I think is spectacular as part of the SOCOM effort in this arena to not only track the behavior, assess their health, but also to track improvement over time and use it as an indicator of whether or not they can be used in the mission until they've recovered.

Air Force-wide, we do not have a comprehensive annual behavioral health analysis program.

Senator DONNELLY. Is there a—do you have a difference in the screening, in the screening between airmen who are in deployment cycle and those who have not or have never deployed overseas?

General WELSH. Sir, we do, and we've actually studied this. In the Air Force there is no correlation between suicide rate, for example, and whether you have deployed or not.

Senator DONNELLY. Okay. In regards to your initiative in suicide prevention or trying to assist in mental health challenges that folks have, what initiatives have you found that have been the most helpful in trying to deal with these issues?

General WELSH. Senator, I think the ones that we've just talked about, this was all of our commanders here recently and discussed it with all of our wing commanders at a conference back in December. I think all of them would tell you that the things that make the most difference are face to face exchanges with people, not a study, not a new Air Force program. It's knowing your people better. It's staying connected with them, understanding what makes them tick, understanding the things in their body language and their behavior as you would with your best friend, for example.

Senator DONNELLY. Sure.

General WELSH. Those are the things that have been most successful. Our actual suicide prevention and resiliency program has been very successful. It's gotten a lot of rave reviews and awards over the last three to four years. I'm very proud of the program, as are the people who run it.

The problem we've got with this terrible illness that results in this kind of behavior, as you know, is it can spike on you unexpectedly. We are in the middle of a spike like that right now. We have had 32 suicides—the latest one was last night—inside the total Air Force this calendar year. So our rate per 100,000 is up to about 18 point something. Last year it was down around 14.

In fact, I started drafting a letter that I did the first review of last night, to send to every commander in the Air Force, kind of reemphasizing this program and requiring them to put out details to their people of what's going on over the next 30 days and have these face to face discussions.

Senator DONNELLY. Well, Secretary James and General, we would like to continue to work on this with you, because when I was over in Israel recently we met with the IDF forces, their leaders, in regards to this issue. Much of what they're doing is, instead of top-down, it is bottom-up. Their officer closest to the individual is who does a lot of the providing of information, that this person's suffering or this person is challenged right now.

Obviously, as you said, it's not only deployment; it is people who are at home as well. It's personal relationships, it is financial challenges that folks face. For some of them, they don't want to—they're afraid of what it might do to their career. So we want to make sure we're working closely with mental health facilities in nearby bases and places that they can go to and feel that their privacy will be protected.

We would appreciate the chance to continue to work with you on this as it has become such a challenge for us.

Ms. JAMES. Yes, and if I could just jump in with maybe a couple of final points. As the Chief said, we are undergoing a spike and the question is why. We certainly have both asked this question. Is it the time of year? Do these things happen periodically? There doesn't seem to be a reason to say for it, but we're not finished asking the questions and we want to try to get to the bottom of it.

Maybe the mental health assessment idea that you just put forth, which is being done elsewhere in the military, that's something that we ought to at least consider to beef up our program. It's something to at least think about. As the Chief said, we do have a very good program, but you can't argue with the statistics and at the moment our statistics are up and that's worrying.

Senator DONNELLY. General, in regards to A-10s, there are A-10s in Fort Wayne, Indiana, and they are being replaced by F-16s in approximately 2019. I was just wondering how the Air Force determined the timeline for those conversions and which bases would go first and what factors are taken into account in determining when to transition each unit?

General WELSH. Senator, we wanted to bring F-16s that were being made available as F-35's were fielded and not lose that capability and retain as much as we could by moving it into the Reserve component. So that was the timing of the F-16s being available. We adjusted the A-10 departures for the units that the F-16s would go into based on that.

The decision on which units would actually get the F-16s or some other airplane to backfill the A-10 mission was actually reached in consultation with the Director of the Air National Guard and the National Guard Bureau, working with the State TAGs.

Senator DONNELLY. Just one other thing I want to touch on quickly. As we look at the F-35 and we look at the costs that have been involved, as you look down into the future do you expect that the JSF fleet may need to be reduced to remain financially sustainable?

Ms. JAMES. Never say never. It's possible. It's possible, and I think we've got a study that is due out to report in, what, June or July timeframe, that's going to relook at the requirements and so forth.

General WELSH. I think right now the most important thing for the F-35 cost over time, whether it's production cost, purchase cost, or sustainment cost, is that we keep a production ramp going and we keep flying them. We're learning an awful lot about how to operationalize maintenance on this airplane together with the company, with the joint program office, with the Marine Corps and the Navy, as we do more and more sorties at Eglin, Yuma, Edwards, etcetera.

We're up to 3500 actual flight sorties now on the F-35. So we're not having to use projected data any more. We can see what it costs. We know which parts are failing, we know which tasks are tougher to do and the cost that goes into that. So we are starting to get a better and better picture of what this will cost to maintain over time.

Every Service Chief—Marine Corps, Navy, and Air Force—is focused on this. We just had a maintenance summit at Eglin Air Force Base. The company attended. And I get routine updates now about every 2 weeks from the head of Lockheed Martin Aeronautics on the initiatives they've taken away from that to start reducing maintenance activity and cost. We'll stay on this every single day.

Senator DONNELLY. Thank you. Thanks, both of you.

Thank you, Mr. Chairman.

Chairman LEVIN [presiding]. Thank you, Senator Donnelly.

Senator McCain.

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

General Welsh, it's somewhat amusing to hear you defend the F-35 again, the first trillion dollar weapons system in history, plagued by incredible inefficiency and waste, and is a shocking story of the really serious problems we have with acquisition in America. Yesterday we had a hearing that there could be another four to six-month delay. You didn't mention that, I guess, because of software problems.

The Air Force ignored the fundamental principal of fly before you buy and this program has turned into a national and defense scandal.

By the way, I happened to see a thing in Defense News that said "Lieutenant General Charles Davis said he's frustrated by a system that allows politicians to block military brass recommendations." We recommended that there were serious and terrible problems with the F-35 10 years ago, General, and it was ignored by these same people. I don't need to be told by an Air Force general about cost savings and the need—what we need to defend this Nation. The role of this committee is to see that that is done. So I hope you will mention to General, Lieutenant General Charles Davis, that we are fulfilling our responsibilities and our role, and the F-35 is certainly an example of us perhaps not doing enough.

I want to talk to you about the EELV. According to a GAO report, it gained the distinction of being the program that is contributing to the most cost growth within the entire major defense acquisition portfolio as a percentage of the whole. The Air Force has cited full and open competition as being the key component to getting the costs down. But your proposal, the defense proposal, is to cut in half the number of EELV launches subject to competition.

How does that match up? How do you say that competition is the key to reducing these costs and yet cut in half the number of launches?

General WELSH. Senator, we didn't cut the number of competitive launches. We delayed them. The contract that we have with ULA guarantees them 36 booster cores of the 50 that we expect to buy between 2013 and 2017 and launch by 2019. That contract and the mechanism of that contract, we believe the threat of competition in that contract, actually has saved us \$4.4 billion in this program since our projections in 2012.

Senator MCCAIN. So let me get this straight. It saved you \$4 billion, but the GAO says it is the most cost growth—it has experienced the most cost growth within the entire defense acquisition portfolio. Something's wrong with that story, General.

Ms. JAMES. If I could maybe jump in, Senator McCain, the GAO report is comparing two separate baselines. The one that they are referencing with this huge cost growth actually includes 10 years and many additional launches. So it's a little bit a comparison between apples and oranges. Your overall point, though—

Senator MCCAIN. Okay, then over 10 years they've had the most cost growth.

Ms. JAMES. No, no. Futuristic 10 years, I mean to say.

But your overall point is right, over years it has had big cost growth. But competition, which we are committed to and we're bringing on as quickly as possible, will help bring that down.

Senator MCCAIN. But your proposal to Congress is to cut the launches in half or, "delay" half of the launches. How do you justify that?

Ms. JAMES. The launches in question were delayed because the GPS satellites currently in orbit are lasting longer than anticipated. Therefore we don't need to launch the replacements as early as originally anticipated.

Senator MCCAIN. You're cutting in half the number of launches that are subject to competition, Madam Secretary. Why would you want to do that?

Ms. JAMES. The competition schedule is to have hopefully new entrants qualified by the end of this year to do—

Senator MCCAIN. There are already people who have proven with launches that they can do it efficiently and at lower cost.

Ms. JAMES. It turns out, as I have learned, there is heavier launches and lighter launches, and they are not fully qualified to do the heaviers yet. They have to get qualified in both categories and we're doing it as quickly as possible under an agreement, as I understand it, that the new entrants as well as the government have agreed to.

Senator MCCAIN. Well, I'm also interested in a breakdown of the savings estimates and in what specific areas the Air Force achieved or is expecting savings, because if you are able to do that it's a dramatic turnaround from what the GAO has ascertained.

Before December 2013 when the Air Force agreed to the 36-rocket block buy with the prime contractor, the Air Force was aware of the facts that are the basis of the first two reasons it cites today. Wasn't that it? Wasn't that the case?

Ms. JAMES. This contract in question, number one, was signed before I got there. But as I asked questions about it, and I have since I arrived in the Pentagon, that 36-core buy, the reason why they did it, it locked in for the heavier launches, which only at the moment ULA is qualified to do, it locked in a price which was significantly below the should-cost of the government.

Senator MCCAIN. You're saying that none of the competitors are capable of the heavier launch? Is that what you're saying?

Ms. JAMES. That's my understanding, that's correct. They have not qualified through the process yet.

Senator MCCAIN. General Welsh, General Bogdan yesterday said that delays in the F-35's critical software may be the most significant threat to the program's ability to support on time the military services' initial operating capabilities. Do you share his concerns about the delays in software development?

General WELSH. Senator, software development for this program has been a concern from day one.

Senator MCCAIN. Yes, that is true. My question is do you share his concerns about the future capability of the software?

General WELSH. Sir, his specific concern is about after the IOC version that the Air Force has, the next level of software development. The 3I software which we will need for IOC at the end of 2016, I do not share—I do not have a concern about that and neither does General Bogdan. His concern is for the 3F version, which is what we require for full operational capability by '21. He's concerned that it could be four to six months late to deliver, which would delay our operational tests.

He also stated that he believed there are things we can do between now and then to accelerate that time line, and we will support the effort to do that.

Senator MCCAIN. There's a lot of things we could have done for the last 10 to 15 years as well, General, and we didn't. And we came to—and people like you came to Congress and gave us information that turned out to be totally incorrect. Maybe it was optimistic, maybe it was using false information. But we are now looking at the first trillion dollar weapons system in history and we're talking about replacing a very inexpensive A-10 with the most expensive weapon system in history that in my view does not have any increase in capability.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator King.

Senator KING. Thank you, Mr. Chairman.

General Welsh, I'm going to get back to the 35 in a minute. But one of the proposals is to retire the U-2 and use the Global Hawk as a replacement. My understanding is that there are some missions and functions that the U-2 can provide us that the Global Hawk can't or at least can't at the present time. Are we losing any important capability? Could you discuss that decision with us, please?

General WELSH. Senator, there are things that the U-2 can do today that the Global Hawk can't do. There are some sensors it can carry that the Global Hawk cannot carry, and it will require a new adaptor being built for the airplane for just under \$500 million to

be able to carry those sensors. One of note is the optical bar camera that's used to do treaty verification in places like the Middle East.

There are—because the Global Hawk operates at a lower altitude than the U-2, the sensor ranges, even when the final sensors are in place, will not be quite as long. So you won't have the same range of look with the sensors. Today's sensors that operate off the Global Hawk, some of the sensors are not as definitive in the products they provide as the U-2. The combatant commanders prefer the U-2 sensor image for the things today.

The decision on the U-2 versus Global Hawk this year is based on the fact that over time we believe strongly that the Global Hawk will be more cost effective as we go forward in the next 25, 30 years.

Senator KING. I don't doubt that. The question is when do you make the changeover and how much will it save us if we make it two or three years from now as opposed to now when the Global Hawk—after the Global Hawk capabilities are improved?

General WELSH. Yes, sir. Well, if the Air Force was voting and had the money, we'd keep them both, because there's a demand for that level of support by the combatant commanders. We made the trade because we don't have enough money to do both. It's the balance we've been talking about today. Every decision is hard here, sir.

But we will be giving something up in the short term while we modify the U-2 and, with your help, hopefully we can do that over time—excuse me, modify the Global Hawk to improve its sensor capabilities and give it more ability to operate in weather.

Senator KING. Well, I'd appreciate it, perhaps in a different forum or for the record, if you could give us a more detailed analysis of what we're giving up versus what we're gaining, so we can understand the risk analysis and the implications, if you could.

General WELSH. Senator, we'd love to do that.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator KING. To get back to the Joint Strike Fighter, I'm a great believer in after-action assessments. What do we learn from this experience and how do we keep from repeating it again? And are you actively trying to seek lessons learned? Bad experiences are always the best teacher.

General WELSH. Senator, I think Chris Bogdan of the program office, which is a joint program office, of course, not an Air Force program office, has been working hard, as have his predecessors, I believe, to capture these lessons learned. He can give you chapter and verse on acquisition lessons learned from the beginning of the program.

One of the big questions is do you try and produce a joint program in an area that has this many products you're trying to deliver. Three different versions of the same thing with different sets of requirements has made this very complicated.

You can also talk about concurrency versus nonconcurrency, the fly before you buy issue that Senator McCain raised. I also think as we capture those lessons we need to look at the rebaseline that occurred in 2011 and look at what has worked from 2011 until

today and why has it worked, because for the last three, almost three years now, we have been firmly on track with this program. The company has met guidelines. Price curves are falling along projected lines. We know what the airplane costs. We're operating the airplane. It's moving along well.

I'm very confident and where the F-35 is today. There are lots of lessons we have to learn from the past, but I think we need to capture what changed in 2011 and why has it worked well for the last three years as part of this effort.

Senator KING. Thank you.

Madam Secretary, you mentioned a phrase—I think I wrote it down right—"we will be more reliant on the Guard and Reserve." Could you expand that somewhat? I know we had a big force structure hearing here with the Army the other day with regard to the relationship. Do you see a change in proportion between active duty and Guard and Reserve in the Air Force? Is that feasible in the Air Force?

Ms. JAMES. It is, Senator. In fact, the fiscal year 2015 through 2019—you know, we think in terms of our 5-year plans. You are very focused on the fiscal year 2015 budget, but we look at it in terms of the 5-year plan. It already is there. It's already relying more on the National Guard and Reserve. So if you do it by the numbers, if you do it by the airframe, more has been shifted.

Again, I'm a newcomer on the scene, so in December I learned exactly how General Welsh and the rest of the team had put this plan together, and they did it, number one, in a highly collaborative way. So it was General Welsh and General Grass and the head of the Guard and the head of the Air Force Reserve, together with some of the adjutants general, who sat down together and did a very detailed analysis mission by mission, going through the Air Force.

It's not completely done yet. We're continuing to analyze. But the results that we've already got got plugged into the budget and those are the results before you. So we're bringing down the active-duty force much more than the National Guard and Reserve. Again, no matter how you cut it, we're relying more on them in the future, which, as I said, makes good sense not only from a mission standpoint, but also from a value to the taxpayer standpoint.

Senator KING. Thank you.

I should mention to both of you that we had a hearing, the Subcommittee on Personnel, where we had the enlisted. We had a question earlier about did the enlisted people support the personnel changes, the commissary, the 1 percent. I made them all answer and they all said, yes, we do support this. And they were very clear understanding that it's a zero sum game and if we don't make these changes then we're going to have to make reductions in readiness. And they felt in the long run that investments in readiness were more important to the troops than these adjustments in compensation. Is that your understanding, General?

General WELSH. Senator, I believe that's exactly their feel. More than anything else, the service chiefs, the service senior enlisted leaders owe our people the confidence that they will go and do the very difficult jobs that we ask them to do, in very difficult and dangerous places, and come home safe. That's readiness.

Senator KING. These were the chief, the chief petty officer and the master sergeants of the four Services.

Finally—I'm just about out of time—General Welsh, I'm very concerned about cyber vulnerability, particularly with the Air Force, because it's all about communications. You're not all in one place at one time. Do you feel that you're adequately prepared? Are you working with Cyber Command? Are you in good shape in terms of cyber vulnerability?

Do you test? Do you try—do you have some really bright people trying to figure out how to make life difficult, to practice?

General WELSH. Senator, I think everybody is vulnerable, and we all need to be concerned. But yes, the Air Force is fully connected—Air Force Space Command is where we have focused our cyber efforts so far. We also have airmen who work for the Cyber Command. We have airmen who work for NSA under their Title 50 authorities. We are very closely connected in that arena, and I'm actually comfortable with where we are today because it's taken us a while to get here. But we have to accelerate in this area and just create capability across our Air Force that we've never had before.

Senator KING. I hope you will have some very bright people who are playing the role of the enemy and trying to find the holes, because I believe the next Pearl Harbor is going to be cyber.

General WELSH. Senator, we actually even play that in our red flag exercises now. Every major exercise we have includes play in the cyber domain, to include red team activity.

Senator KING. Thank you very much. Thank you both.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator King.

Senator FISCHER.

Senator FISCHER. Thank you, Mr. Chairman.

First of all, I'd like to acknowledge the administration's release on Tuesday of the new START force structure. I know it was a long and difficult process that your staff worked on, so I thank you and all of those in the Department for your effort on this.

I was pleased to see that the ICBM silos are kept in a warm status consistent with the Congressional preference expressed in the defense authorization bill from last year. Secretary James, one question I have is, will the empty silos be distributed across the ICBM force or do you think a whole squadron is going to be removed from that?

Ms. JAMES. To be determined, but my guess is it will be distributed across the force.

Senator FISCHER. When will that be decided for certain, do you know?

Ms. JAMES. I think over the next several months is what we're anticipating.

General WELSH. The recommendation to the Secretary is going to be that we distribute them across the force. We've come to the recommendation position. The Secretary just hasn't seen it yet.

Senator FISCHER. I know that you're well aware of it, but last year's defense authorization bill expressed that Congress's view was that the cuts should be distributed across the ICBM wings. So I hope you keep that—

Ms. JAMES. I'll go with what he just said, Senator.

Senator FISCHER. Always good. Thank you.

General Welsh, thank you for clarifying that for me. I appreciate it.

Secretary James, it's also my understanding that the Department no longer plans to conduct the environmental study—

Ms. JAMES. That's correct.

Senator FISCHER.—on the ICBM silos? Thank you.

Secretary, I know that you've been investigating the recent incidents within the ICBM force and I do appreciate your attention to this matter. What steps do you think are necessary if we're going to improve the morale of these airmen?

Ms. JAMES. I think we need a holistic approach, Senator, to this community. I've sort of believed that from the start. Part of it, action has been taken, and there's more action to follow. So I think everybody is aware that they are already—they've announced changes to the testing and training regime of the ICBM forces. I at least felt, and I think we were all in agreement, that the way it was being done was breeding sort of unhealthiness and too much focus on scoring 100 percent on certain tests.

So they're going to fundamentally redo the training. That's one important thing. Over the next five, six weeks, we're going to be looking at things such as incentives, accolades, and other types of issues that would directly benefit the people in the ICBM force, so that's another thing.

We're also looking at leadership development within this community and how we're growing these young leaders and what path they have for the future. So there's a number of things. Of course, you're aware that there will be accountability for the people who have been involved as well, as well as for the leaders.

Senator FISCHER. Thank you.

General, did you have anything to add to that?

General WELSH. No, ma'am. The Secretary's been out front leading this effort from the day we found out about it, and we are following in lockstep.

Senator FISCHER. Do you have follow-up right on base? Do you have commissions there? Do you see leadership coming together and working right on the bases? Or is this coming top-down?

General WELSH. Both, Senator. The force improvement program that the commander of Air Force Global Strike Command commissioned actually was formed of teams from the wings themselves, people in every functional area, at every rank level. They were advised by experts in everything from human behavior to training to testing to other things. They put together a series of several hundred recommendations that we are now tracking down in several different categories.

They're monitoring it locally. We're being briefed routinely at the Air Staff level. General Jack Weinstein, the commander of 20th Air Force, is kind of the overall executor of this, and he's reporting weekly to the commander of Air Force Global Strike Command.

Senator FISCHER. Great. Thank you.

Madam Secretary, I know that the Air Force has prioritized things like the F-35, the new bomber and the new tanker. Will you be able to protect these programs if we're going to be returning to sequestration levels in 2016? What's your outlook there?

Ms. JAMES. We certainly will make every effort to do so. If we return to sequestration in fiscal year 2016, however, whether it's the same quantities or not very much remains to be seen. I don't think we can protect them in an absolute fashion, but we do feel very strongly that they are our future, they're our top three programs. So vis a vis others, we will have to protect them strongly, yes.

Senator FISCHER. Are you making any concrete planning procedures right now in dealing with looking ahead if we are going to return to those levels? Or are these just thoughts that are happening at your level?

Ms. JAMES. We do have concrete plans, and in fact in all of the backup budget documents that are before you and your teams we've basically laid it out two different ways to a fairly good level of detail. So we've laid out how we would propose to proceed under the President's budget, which is of course higher level, 2016 through 2019, and we've also laid it out how we would deal with it if we had to return to sequestration.

Senator FISCHER. Thank you. I understand that you are making those tough choices, and the budget request, when they look at the funding for construction and facilities sustainment, do you think that that level of funding is going to continue in the foreseeable future? How are you addressing that for facilities?

Ms. JAMES. Facilities budgets have been very nearly under siege, I would say. So they have taken hits in the past. They are not today where we would like them to be. If we go to sequestration, I suspect they will be even lower. So it's part of readiness, by the way. So people think, well, it's just a building, so what? Well, it's important for readiness. It's important for people to do their jobs in a variety of ways.

So we would like to see the higher levels because that means higher levels for facilities as well as many other important programs.

Senator FISCHER. When you're looking at facilities, what kind of process do you use to prioritize updating, modernization, construction?

General WELSH. Senator, we have an Air Force-wide program that starts at the base level, goes up through the major commands for review and prioritization. The major commands have authority to use some portion of the budget based on their priorities, and then the remainder comes to the Air Force. We manage the overall prioritization at the Air Force level.

In fact, right now one of the things we're looking at is the possibility of forming a new installation support center where we would do this prioritization under the direction of the commander of Air Force Materiel Command, supporting all the other major command commanders, to try and save people and cost in the processes.

Senator FISCHER. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Fischer.

Senator HAGAN. Oh, Senator Hagan is not here. Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman, and thanks to the witnesses.

I don't want to plow ground that's already been plowed before I arrived at the hearing, but I'll just state that during the course of the year I've had good interaction with our Air Force personnel at Langley in Virginia and also personnel stationed abroad in travel either for this committee or the Foreign Relations Committee. It was my pleasure to work as a member of the Budget Committee with my colleagues to try to find a two-year budget that reduced the impact of sequester on the armed services in 2014 and 2015, and I think we have a significant task before us in the 2016 and out years.

We were making you deal with uncertainty, which was a horrible thing. Given the uncertainty you already deal with in the security challenges across the globe, to add budgetary uncertainty on top of that was something that Congress shouldn't have done. We have now provided some certainty, but I hope we can dig into the years 2016 and out and have a budget that's driven by our strategy rather than to continue to have to try to adjust and carve and cut our strategy to fit a budget that in my view is not one that appropriately provides for the defense of the Nation.

I wanted to ask a question about one item that is close to home in Virginia, and that's the Air Force Office of Science and Research. This is a facility that's located in Arlington, that is an important facility for the Air Force. In Arlington it operates in significant synergy with other science and research offices. The National Science Foundation, DARPA, and the Office of Naval Research are right there in the area, and other science and technology operations like the Defense Geospatial Intelligence Agency at Fort Belvoir are also partners in close proximity.

I know there is kind of a plan that crops up on occasion—I don't think this is the first time—to look at relocating that Air Force office to Wright Patterson Air Force Base in Ohio. I've been in discussion with folks who work there, the scientists and researchers who love where they work and love where they live, and they are not excited about the prospect of moving.

I wonder if you could just talk about the status of that evaluation kind of from a timing standpoint and what would be reasons why a facility that's doing a good job where it is, with a high-quality workforce, should be put on the block for potentially moving?

Ms. JAMES. The evaluation is completed and it's staying put.

Senator KAINE. I do not want to snatch victory from the jaws of defeat, Mr. Chairman, and I will stop my questioning there.

Chairman LEVIN. We're all delighted.

Senator KAINE. Thank you very much.

Chairman LEVIN. Senator Lee is next.

Senator LEE. Thank you very much, Mr. Chairman, and thank you to Secretary James and General Welsh for being here today.

General Welsh, I especially appreciate our conversations over the last few years regarding the F-35. The State of Utah is very pleased, couldn't be more pleased, with the fact that Hill Air Force Base was ultimately selected to host the first operational F-35's, and I appreciate your hard work in moving that decision forward.

Secretary James, you talked a little in your testimony earlier this morning about preventing cost increases, the need to do that and the need to prevent delays in these three major procurement pro-

grams that we've talked about. Can you elaborate on your plans to do that just a little bit, give us some insight into how that might work?

Ms. JAMES. What I intend to do personally is I intend to conduct regular program reviews on these programs and meet with the program managers, as well as industry, as well as go out and see what's happening in the field. This is what I did in industry and this is what I'm hoping to bring to the table now that I'm in government.

It's relentlessly, essentially, keeping to the program and keeping accountability on the program. That's what it's all about, and I do have confidence, particularly with the three big programs, that the people that we have in charge of those programs are well qualified and they've got their eye on the ball, not only of the technical capability, but also their eye on the ball of the cost containment. So I do feel confident in that. But it requires persistent focus and persistent leadership.

Senator LEE. Thank you.

Then I'll just ask both of you or if either or both of you care to respond: In the face of a decreased budget that the Air Force has to work with, do you think that the work being done at the Air Force depots to maintain and modernize our current weapons systems is likely to become more critical to our military readiness? And what thoughts do you have generally about how our maintenance and modernization work can be used in a way that increases our readiness while saving us money?

Ms. JAMES. As far as I know and believe, but I'm anxious to come and visit some of our depots, they're already critical to our readiness story. So yes, they will remain so and probably become even more so in the future. So that's point one.

Point two is I think there has been a lot of progress, particularly at the depots, to get costs better under control—new ways of doing business, new procedures, new processes. I think that sort of an approach, sort of stepping back and taking a fresh look at how we do things in asking ourselves, can we do it differently and more cost effectively, needs to be a hallmark for the rest of the Air Force as we look at processes and procedures.

Senator LEE. General Welsh, do you agree with that or have anything to add to it?

General WELSH. No, Senator, I agree completely with the Secretary. They've never not been critical. We've just made it tough for them to do their job. So I think what, to borrow Senator McCain's phrase, what people like me need to do is make sure that the innovations that our depots show routinely, the workforce we have there, feels valued, proud, respected. We hurt the last year with furloughs and the government shutdown, as you know. So we've got to try very hard not to go in that direction again.

Senator LEE. What would be the impact on the Air Force if the Air Force were unable to retire the equipment that it's identified in the President's budget?

Ms. JAMES. If we're not permitted to retire the equipment or make these other changes in force structure that we're talking about, the problem is you'll have a higher level of force structure and probably, we fear, pay for it out of the O and M readiness ac-

counts. When you have higher force structure and not enough money to pay for it, the training and the proper maintenance and so forth, what that then gets you to is unready forces or so-called hollow forces. And that is the number one thing we want to guard against.

Senator LEE. That could compound our already significant problems.

Ms. JAMES. Absolutely. That's the way we feel about it.

Senator LEE. Secretary James, in our Personnel Subcommittee hearing a couple of weeks ago I questioned Secretary Jessica Wright about an incident in March at the Air Force Academy involving a cadet who was asked to take down a Bible verse that had been quoted on the whiteboard just right outside of his hallway. I asked some follow-up questions in writing and received the response on that. The response relied heavily on Air Force Instruction 112.11, which states that:

"Leaders at all levels must balance constitutional protections for an individual's free exercise of religion or other personal beliefs and the constitutional prohibition against government establishment of religion. For example, they must avoid the actual or apparent use of their position to promote their personal religious beliefs to their subordinates or extend preferential treatment for any religion." Close quote.

So this was the instruction that was cited by the Air Force to justify the command actions taken at the Academy, given that the cadet in question was, as I understand it, as it was explained to us, a cadet leader.

Can you help me understand why it is that there's a different standard that would apply to the freedom of religious expression for leaders within the Air Force, whether it be the Academy or elsewhere, than for airmen who are not in leadership positions?

Ms. JAMES. Before I come to that, if I may tell you, I think the policy itself, when you read the policy on paper, it seems to make good sense and it's this balance situation. But I think what we're perhaps learning is that in practice when you get down to the people who are the real people, either at the Academy or on the flight line and so forth, sometimes there are these grey areas where situations are confusing and then what to do and are we doing the right thing or not.

So the bottom line that I want you to know is that the Chief later this month is going to be gathering all of the chaplains from the major commands, as well as general counsel, as well as the Manpower and Reserve Affairs, and we're all going to go off site and we're going to talk about this policy, and we're going to put it up against the recent laws that have been passed, against the new DOD instruction, look at what the other Services are doing, and try to see are there ways that we can clarify this policy, because sometimes where the rubber meets the road it's a little hard to know what to do.

But as you say, what we're trying to do is hit that balance, so that there is dignity and respect for all, for all religions, including those who have no religion. But it's proving sometimes difficult in the field to implement. At least we have some examples of this.

Senator LEE. I appreciate that a lot, Madam Secretary, and I'd love to follow up with you after that happens. I think that's important, that that review occur, especially considering the fact that the Air Force policy in question, the one that I quoted, it has some significant ambiguities in it to start with. It's made more ambiguous still by the use of words like "apparently," that could be read quite easily to suggest that almost any expression of religious beliefs, at least by someone in a leadership position, as innocuous as someone saying "I like this scripture from the Book of Galatians," which is all this cadet had done, that that could somehow run afoul of this policy.

That policy, to the extent that it's interpreted that way, I think runs afoul of Section 532 of the fiscal year 2014 NDAA, which says: "Unless it could have an adverse impact on military readiness, unit cohesion, and good order and discipline, the armed forces shall accommodate individual expressions of belief."

So I think that weights the scale much more heavily on the side of freedom of religion and freedom of religious expression than the Air Force policy appears to accommodate. So I'd encourage you strongly to take that into account.

Thank you very much to both of you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Lee. Would you keep us all informed on progress with those discussions? There's a lot of sensitivity in all directions, from all directions, on this issue.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

To both the Secretary and General Welsh, thank you very much for everything you do and for your service, and welcome.

I am deeply concerned about a proposal from the Air Force that's in discussion now that would remove all of the C-130s stationed at Pope Army Air Field at Fort Bragg. These actions would leave no airlift at the home of the Airborne, and it's something that I definitely oppose. This is a rushed proposal that would attempt to push through a drastic decision before Congress, before we have the opportunity to review it through the full authorization and appropriation process.

I recognize the Air Force, like the rest of DOD, is facing significant fiscal challenges. We understand that. But I question the completeness of the cost analysis that I've seen. I'm troubled by the lack, the real true lack, of consultation with the Army units that would be directly affected by this proposal. And I worry that the Air Force is considering force structure changes based upon considerations other than the greatest military value.

General Welsh, I wanted to ask about the cost analysis. I'm concerned, as I said, about the completeness of this that's been provided so far. The Air Force has stated that shifting the 33 percent of the Airborne training that the 440th currently provides to off-station units will result in no additional cost, even though the average cost of one flying hour for a C-130H is over \$4,000. A comparable unit to the 440th providing support from over 750 miles away would cost an additional \$20,000 per mission.

Now I understand the Air Force is saying that, even though the individual missions will cost more when the 440th supports units

at Fort Bragg, the cost to the Air Force will not increase because this support comes from allocating flying training hours, which the units will not exceed.

Here's my problem with this argument. Allocated flying training hours are a finite amount of funding, especially in our fiscally constrained environment. The Airborne training is prioritized and, while I'm confident that the 82nd Airborne's training will be a high priority of the global response force, if missions to support Fort Bragg will end up costing more it's going to reduce the amount of flying training hours available to support the other Army units, and it would then require increased funding or the readiness of other units would in fact suffer.

Has the Air Force looked broadly enough at the cost of removing the planes from Pope and inactivating the 440th?

General WELSH. Senator, I believe we have. But if we can't convince you with the data, then we better relook at the data. I don't know what you've actually been given already. This, as you know—

Senator HAGAN. Not nearly enough.

General WELSH. We'll get you what you need, ma'am. But this was put together as a much broader than Pope proposal. It's an enterprise look at the C-130 enterprise by Air Mobility Command and Air Force Reserve Command. There were issues that involved everything from recruiting for the Reserve unit at Pope to ways to consolidate a fleet and get rid of more C-130H's overall to bring that cost down.

So the costs were much broader than General Selva was looking at than just the cost of training the 82nd. But if you don't have the data you need to understand this, we need to get it to you and have this discussion.

Senator HAGAN. Well, I'm really concerned about the lack of input from the units that would be affected by these proposed changes. How many of the 82nd Airborne jumpmasters were consulted before proposing to remove all of the C-130s from Pope?

General WELSH. I doubt if any of them were consulted, but—

Senator HAGAN. How about battalion and brigade commanders?

General WELSH. Ma'am, that's not who we would talk to. The United States Army was consulted and we briefed this recommendation to them before the budget was finalized.

Senator HAGAN. Was the commanding general of the 82nd Airborne consulted?

General WELSH. I do not know if the Army talked to him or not, ma'am.

Senator HAGAN. My understanding is that none of the affected Army units at Fort Bragg were consulted.

General WELSH. You'd have to talk to the Department of the Army about that, Senator. We don't consult directly with the units in the field.

Senator HAGAN. Well, the Army is dependent—the 82nd Airborne is dependent on the Air Force for their airborne operations, and it really is the best example of joint operations. So I think it's very important that the Air Force at least consider inputs from all stakeholders in these very important decisions. That's why I think the Air Force may be looking too narrowly at just the cost. You've got to take into account other factors, such as the effect on the

readiness of the 82nd Airborne, on the special operations forces that are all right there at Fort Bragg, and then all the other units at Fort Bragg. So that's my main concern.

Obviously, I oppose moving the C-130Js from Pope out of it. But I am troubled also that in an Air Force proposal you would still transfer away the C-130Hs. The H models at Pope were only being transferred in the fiscal year 2013 force structure plan if the 440 was going to receive the upgraded J model. The 2005 BRAD final report stated that at Pope, "The synergistic multi-service relationship will continue between Army airborne and the Air Force airlift forces, with the creation of an Active Duty-Reserve associate unit which provides greater military value and offers unique opportunities for jointness."

Then in 2012 the Air Force proposed the retirement on a number of the C-130s, and Congress pushed back on that proposal. But it's important to note none of those cuts at that time were coming from Pope.

So the question is to me there are clear signals about the importance of collocating these C-130s with the airborne forces at Fort Bragg. It's like if the J models didn't come to Pope, why would you transfer the H models away? What analysis has the Air Force performed to suggest that the H reductions should come from Pope rather than other locations?

General WELSH. Senator, we need to come show you that. We'll get representatives from Air Mobility Command and from the Reserve Command to come walk through that with you or your staff, your choice.

But this was part of a very detailed enterprise look that they took. This comes back to a refrain that I'm really sorry to have to keep repeating, but everything hurts in this budget. There isn't enough money to keep all the C-130Hs and the new C-130Js. We are going to get smaller in every mission area.

Senator HAGAN. Well, I think the cost analysis is what we're looking for—

General WELSH. Yes, ma'am.

Senator HAGAN.—the reasoning, and the discussion and consultation with the 82nd Airborne unit that is located at Fort Bragg. And to think that you're taking all the airlift away from Pope Army Air Field, with the collocation there at Fort Bragg and our special operations forces, I think a lot more discussion needs to take place other than the cost analysis that I haven't seen, that you're talking about, in this one specific area.

General WELSH. Ma'am, I'm confident that there has been discussion between the operations group, the Air Force operations group, which will remain at Fort Bragg to manage the training support for the 82nd, and the 82nd Airborne Division. I'm confident that's happened. We don't deal with budget requests and coordination from Headquarters Air Force to Army individual units, at the request of the United States Army. So we go to their headquarters and assume that they will do that.

But we'll make sure we get you what you need.

Senator HAGAN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Hagan.

Senator Inhofe.

Senator INHOFE. Yes, just a couple of follow-up questions, Mr. Chairman. One thing that hasn't been mentioned that you and I have talked about is the Air Force requesting the funding to recapitalize the Joint NATO Intelligence, I think from Molesworth to Crichton. Can you kind of tell us why this project is important, General?

General WELSH. Senator, I'll try to. There are some great benefits to this program from an intelligence perspective. First is that it allows U.S. European Command and U.S. Africa Command, who are supported by this joint analysis center, to keep their intelligence analysis capability on the same continent, which seems like a silly thing to say, but it's really important to be in the same time zone for coordination of activity.

The second thing it does is it allows them to keep an integrated intelligence coordination organization between European Command, Africa Command, and NATO. A lot of the colonial powers that know a lot more about Africa than we do are actually connected to U.S. European Command. This allows their analysts to be connected to U.S. Africa Command for their support. It also lets us be interoperable and interchange and share more intelligence with NATO.

The other part of this that's spectacular is that the business case model is fantastic. We close three installations to have one. We recapitalize, we pay this back in four years, and then we save \$78 million a year after that. And we run the old analysis center concurrently as we build the new one, so it's a turnkey operation. We don't lose capability. I think everything about this one is good.

Senator INHOFE. Okay. Well, that's good and that's a good explanation. I do appreciate that.

Let me just share with both of you that I've been privileged; for the eight years in the House, a total of 24 years, I think, I've never missed one of either the Paris Air Show or the Farnborough Air Show after that. We've always been so proud of our country and our pilots that show up there and have demonstrations. We walk around, or at least I do, and I look at all the competition that's out there, the Eurofighter, the Rafael, all these, the Typhoon, the Gripen, the ones that are being developed.

Now, those are not, as I understand it, going to be stealthy. When I look and I see what the Chinese are doing and the Japanese, I might be wrong and you can correct me if I am, but aren't they in about the same position of development, the Pak and then I guess the J—whatever that's called the Chinese have—as we are on the F-35?

General WELSH. Senator, I don't think the J-20 or the PAK-FA will be as capable as the F-35. I do believe they will be more capable than our legacy aircraft are, which is why we need the F-35.

Senator INHOFE. Yes. No, I'm with you. I don't want them—I don't want an equal fight there. I want to have something that's better.

What bothers me—and I'd like to ask you, Madam Secretary, if you would join me in encouraging the administration, the military, to have a presence at the next show that comes up, because in my recollection over the last 24 years this is the first year, last year was the first year, we had no presence at all, no military and all

that. I think we've got to be a player in the world and that sends the wrong signal, I think, if we don't show up.

Do you have any thoughts on that?

Ms. JAMES. I'm not fully up to speed on what presence is planned, with one key exception. I plan to be there, so that's at least a little bit of a presence. But please allow me to look into what kind of aircraft and other officials.

Senator INHOFE. Well, I understand we're going to have an F-35, but it's going to be—yes, it's going to be the U.K. They're taking it.

So yes, I will allow that, and I look forward to visiting with you about it, and hopefully we can have a better showing this next time.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Let me finish this round. Perhaps, even though Senator Shaheen's on her way, I'll ask my first round questions.

Let me ask you both, Secretary James and General Welsh. The National Commission on the Structure of the Air Force has estimated some significant savings, as you know, by shifting its component mix more to the active duty and the Reserve Forces. Can you get to us promptly a summary and a briefing of the analysis which you have not quite completed, but wherever you're at? Get us what's available as promptly as you can, with a summary and a briefing next week or so, so we can consider your analysis to the extent it's available when we have our hearing on the commission's report later this month?

Ms. JAMES. Yes, we will do that.

Chairman LEVIN. And will you also let us know at that time what the process is that you're going to be using to respond to or react to the report of that national commission, unless you know that process now. You could share it with us now. In other words, when that report comes out what's going to be your process in terms of reviewing it?

Ms. JAMES. Of course, the report came out a couple months ago now and we have been thoroughly reviewing it as we have been going forward.

Chairman LEVIN. I misspoke. What is the process you're using, rather than what will be the process.

Ms. JAMES. We have a group within the Pentagon now, which we're keeping in perpetuity, called the Total Force Continuum Office. This is an active, Guard, and Reserve full time. They are actively, with us as the leaders, reviewing these proposals in detail.

Chairman LEVIN. When will that be completed?

Ms. JAMES. We expect to complete a lot before the hearing, that's for sure. But the more follow-on analysis for can we put more of the structure into the National Guard and Reserve, we project that will be ready for the next budget submission.

Chairman LEVIN. So if you can give us that interim briefing next week, then.

Ms. JAMES. Yes.

Chairman LEVIN. Back to the A-10s. Has there been air to ground testing and has there been close air support testing of the 35A at all?

General WELSH. We've just begun release testing for weapons. We've dropped one weapon out of the airplane so far. The software version we need for initial operational capability that we should get in 2015 is when we'll be able to start doing more weapons delivery as you would see in a limited CAS profile.

Now, when the F-35 becomes, reaches its initial operating capability, we don't anticipate we will be using that in the close air support role. We'd be using the F-16 primarily, with the F-15E and the B-1 in support if the environment allowed it.

Chairman LEVIN. So what would you say, just a small percentage of your testing? You've only had one bomb dropped, I guess.

General WELSH. I believe we've only dropped a weapon out of one airplane so far. I may be wrong.

Chairman LEVIN. That would be—

General WELSH. But that was within the last month, so we haven't done a lot.

Chairman LEVIN. So that would be—

General WELSH. Just releasability testing. It's not targeting anything. It's just making sure the system works.

Chairman LEVIN. On the Global Hawk, I guess you have changed the position on the Global Hawk versus the U-2. My question has to do with, how much will it cost to enable the Global Hawk to achieve equivalent capability to the U-2?

General WELSH. Sir, it's roughly \$1.6 billion total, and it would include an initial 400 and some, I want to say around \$450 million, for an adaptable mount that we can put the sensors that the U-2 carries onto the Global Hawk. The other thing we have to do over time is create a de-icing system for the airplane. We have to develop new sensor capability to make it compatible with the products currently delivered to the combatant commanders by the Global Hawk, and that's going to take us a good amount of time, probably 10 to 12 years, to complete the entire process.

So we're counting on the lower cost up front per flying hour over time, lower sustainability costs, and the increased processing capabilities of the airplane. There are things you can do with it as a computer that you can't do with the U-2. But it's going to take a while and it's going to take some investment, sir, to get there.

Chairman LEVIN. Now, one of the costs I understand is that while the Global Hawk is operating other aircraft need ought fly along with it; is that correct, have some positive contact with it?

General WELSH. I'm not aware of that requirement, sir. I'm not sure what that refers to.

Chairman LEVIN. Well, if you could check that out, see whether other aircraft have to be in positive contact with the Global Hawk while it's flying. If that's true, could you then tell us whether the cost of that is included in the comparison of the U-2 and the Global Hawk, if that's true?

General WELSH. Yes, sir, we will.

Chairman LEVIN. That's all I have. Senator Shaheen.

Senator HAGAN. Thank you, Mr. Chairman.

Chairman LEVIN. Oh, I'm sorry. I apologize. I should go to Senator Chambliss.

I didn't see you arrive. Senator Chambliss.

Senator CHAMBLISS. After Jeanne.

Senator SHAHEEN. After you.

Senator CHAMBLISS. Okay. Thank you, Mr. Chairman.

First of all, let me say to both of you, these are difficult times we are in. We understand that. We appreciate the efforts that you make to try to do the best you can with the resources that we have given you. So we fully understand that part of the problem that you're having to deal with or 99 percent of it comes from this side of the dais. But we still want to make sure that we're spending our money in the right way.

I'd be remiss if I didn't say to both of you, thanks for your recent visits to Moody. A pretty special place down there, and any time we have the Secretary and the Chief come down within a short period of time like the two of you did, it just is a huge boost to morale, particularly with the decisions that have been made just before you got there. You were very well received.

General Welsh, let's talk a little more about JSTARS. Everybody that's come before this committee has testified that they are not receiving today the GMTI support that they need, and yet the budget calls for a 40 percent reduction in the JSTARS fleet, presumably to fund the acquisition of a replacement platform. We're talking about a major reduction here, obviously.

So I want you to walk me through again the plan for phasing in this reduction and standing up the replacement platform, please, sir?

General WELSH. Senator, as you know, the intent here is to make sure that we have an airborne sensor with command and control capability on board in 2023 and beyond. That's the point here, is that we have got to figure out how to keep this very valuable capability that all of our combatant commanders want. They don't want to give up any of it today, but we know of no other way to make sure they have it ten years from now other than to give some up and recapitalize within our own resources. We don't have another option.

So the game plan is to give up one airplane in 2015, I believe is the start—I'll doublecheck that—1 in 15, and then 5 more in 2016. The intent would be to then follow through on the recommendations from our analysis of alternatives that have been completed to look at a business jet model, a smaller, more cost-efficient aircraft. Miniaturization of sensors has allowed us to do a lot more processing on an airframe of that size. We believe it can do the same dynamic targeting mission and ISR mission that JSTARS currently does along with the airborne command and control.

We believe that this is just the kind of a turnover of that capability within the wing at Robins. We just keep doing the mission there. And as we build new capability, we fold it into the unit and we transition in place.

We think that's the right approach. We don't want to lose the capability in the unit, the credibility in the unit and the expertise, because it's a very specialized skill set. So it is a matter of giving up some readiness today to make sure that we have capability tomorrow.

Senator CHAMBLISS. And are you confident we're going to be able to have that replacement with an IOC date of 2021?

General WELSH. Sir, that's our best guess at this point in time. Until we get started on this, the acquisition strategy, etcetera, has not been developed.

Senator CHAMBLISS. What I'm hearing you say is we're going to retire planes in 2015 and 2016 and we're willing to give up because of these budget constraints some of our ISR capability within that time frame, irrespective of what our needs might be there, and look towards 2021 when we'll start building back that capability to get to where we are now. Is that what I'm hearing you say?

General WELSH. Yes, sir, what you're hearing me say is that within the Air Force budget that's the only way we can figure out how to do this to make sure that the capability doesn't go away completely ten years from now.

Senator CHAMBLISS. A-10 obviously is a major issue. It's the only weapon system really you talked about in any specifics in your opening comments, so I know how important it is to you. I hear what you're saying, that it's not the capability of the airplane, but it's what you can afford with the dollars you've got.

But here's a question, though, that really in order to satisfy this panel up here as we move into markup I think clearly needs to be answered. The A-10 as I understand it has some other—has some assets that are entirely different from ground support that can be given by the F-15 and the F-16. Great airplanes, no question about it. But the A-10s got more bullets, it can fly at lower altitude and provide a different type of cover from what a 16 or a 15 may give, even though what they give may be adequate under the circumstances, as I'm hearing what you say. And I'm not disagreeing with you.

But the A-10 is a peculiar weapon system that has been extremely valuable over the last decade to fight the fight that we've been fighting. Did you consider as you made this decision not phasing out all of the A-10s over the next 2 to 3 years versus phasing out some of them, also phasing out some pretty antiquated F-16s that we've got out there, and looking towards filling that gap with all of these airplanes with F-35's as we look into 2020, I guess, and beyond?

So can you walk me through that, General, and tell me what the thought process was relative to just eliminating A-10s with no backfill there and utilizing F-16s and F-15's totally, versus phasing out some of both?

General WELSH. Senator, we did. I'll just give you one example. We looked at the possibility of keeping the A-10s that we had already done a wing replacement on. If we did that, we would have saved about a billion dollars a year. We needed to find—then we would still be looking for \$3 billion from some other mission capability.

The operational analysis we did was really the key to this. When we looked at all the options, the benefits of getting rid of a fleet, in this case the A-10 fleet, with its logistical infrastructure, the supply tail, all that, is what gave us the savings we needed to balance the books.

It's interesting to me that part of the discussion we're having is very similar to the discussion that was going on 40 years ago today in the United States Air Force as we did the competitive flyoff be-

tween the A-7 and the A-10 on what should be the next close air support platform for the Air Force, and a very impassioned, dedicated, hardworking and talented A-7 force was saying: The A-10 will never be able to do the close air support mission.

The mission will continue. We'll figure out how to do it better than it's ever been done before with the platforms we have. And at some point in time I believe the Air Force will have another close air support platform, a dedicated one. But it won't be in the near term with the funding levels that we are looking at right now, sir. I just don't see that being possible.

Senator CHAMBLISS. Well, I would just close by saying that it's already been alluded to earlier that we've had the conversation over the last couple years of the retirement of the Global Hawk, particularly—I've forgotten now whether it's Block 30 or Block 40 that I inquired of your predecessor about, that my understanding was the Air Force plan was to take a brand new Global Hawk off the line and take it immediately to mothballs, which just was a dumb decision to everybody sitting around here.

It kind of pleases me in one way that we're now reversing that decision. But it is an indication that the Air Force has changed their minds on some of these platforms. I just hope we don't come back here next year, General, and you say, whoops, we made this decision on the A-10 and now we've decided that's not the right decision. But I respect you and know that you are having the tough decisions to make and know this is not one of the more pleasant decisions you're having to make.

But we're going to continue to dialogue with both of you as we go through this. Thanks to both of you for your service.

Chairman LEVIN. Thank you very much, Senator Chambliss.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you, Secretary James and General Welsh, for being here this morning and for everything you do for our country.

I was very encouraged, General Welsh, to see in your testimony that the KC-46A continues to be one of the Air Force's top priorities. Obviously, as somebody who represents New Hampshire and the Pease Air National Guard Base, home of the 157th Air Refueling Wing, we are very pleased to see that that remains a priority and very pleased and proud of Pease that they will be, we hope, hosting one of—one of the first bases to receive those tankers.

Secretary James, I understand you're going to be coming up to Pease, and so we look forward to being able to show you firsthand just the great work of the 157th and the Pease—the Air National Guard from New Hampshire who's based at Pease.

I am concerned, however, about what our lack of action to address sequestration may be doing to exacerbate the budget challenges that you face. In a Defense News article last November, the Deputy Air Force Secretary for Acquisition Mr. LaPlante was quoted as saying that during the government shutdown the KC-46 program was within 24 hours of breaching its contract. I assume that if sequestration continues, if we have further budget uncertainties, that breaching contracts is a potential challenge that we might experience and that that would drive up costs.

I wonder if either of you could talk about the impact that our unpredictable budget cycle and sequestration is having as we're trying to look at ensuring that the contracts that you've entered into can continue and that we don't breach those contracts and drive up costs.

Ms. JAMES. Totally agree, Senator, that sequestration was sort of a bad deal, the uncertainty of it, the actions that the military was forced to take. I wasn't even here at that time. I was in industry, and it was bad for industry, too. It was bad for everybody all around.

So we're very grateful to have this bit of certainty now in fiscal year 2014. We have a number that we've targeted in fiscal year 2015, and that's good.

Our budget proposal, as you know, for 2016 through 2019, the President's budget is at a higher level, and we've thought through and a lot of our testimony has been how we would spend that money. We feel like that's kind of the bare minimum. However, we've also thought through what we would have to do in the event sequestration-level budgets return and there's a lot of additional hurt that would occur.

So as you point out, breaking contracts and things of this nature, this is very dire. If we went back to sequestration, we would have to relook a lot of things, to include that. There would be program stretch-outs. There might be more—there would be more cancellations. So we certainly advocate and hope that we would not return to sequestration.

The other thing that's very worrisome is that sequestration would once again hit our readiness in a very bad way. You're aware of standing down of flying units and how our readiness suffered. We have got to get on a sustainable path to grow that readiness in the future. So again, sequestration, we ask you please, let's not return to that level.

Senator SHAHEEN. Well, certainly I hope that we will see some action in the Senate and in Congress to address sequestration in the coming budget years. As I said, very much appreciate your commitment to the KC-46A and keeping it on the priority list.

I wonder, though. We had a Readiness Subcommittee hearing a couple of weeks ago about IT costs to the military as a whole and defense. Obviously, one of the places where there's been some real concern has been in the effort of the Air Force to finish the Expeditionary Combat Support System, which as I understand has now cost the Air Force about \$1.1 billion and taken eight years, and yet we don't really have a system that is operational.

I know that there's another IT system in process, the Defense Enterprise Accounting and Management System, which I gather is having a little better luck in terms of being able to be operational. But it still has significant cost overruns.

So what are the lessons learned from these operations and how do we keep those kinds of cost overruns and putting in place systems that don't actually work from happening again?

Ms. JAMES. The ECSS actually has been cancelled.

Senator SHAHEEN. Right.

Ms. JAMES. And much as you said, Senator, it was a lot of money over quite a few years and precious little, if anything, to show. I

think there was some residual positive impact, but not nearly enough for the amount of money spent. So, looking back on that and trying to do a case study, it was—I'll just say, it was a mess. We didn't understand the data as it was, the so-called "as-is status." We didn't understand quite where we were trying to take the data, to "to-be status." We had the wrong kind of contract vehicle. It's pretty much we have a very, I think, good case study of what went wrong.

So what we're doing for the future—and I take this personally—is, just as I am conducting regular program reviews on Joint Strike Fighter, on KC-46, on the big acquisition platform programs, I'm also doing it on the IT programs. And we are religiously applying those lessons learned from the ECSS situation to the programs as we go forward, to try to make sure this sort of thing doesn't happen again.

Senator SHAHEEN. Okay. So given where the DEAMS program is and the fact that its cost has quintupled really, from \$419 million to \$2.1 billion, is it going to be fully deployed at that \$2.1 billion level? And are there ways in which we can keep further costs from adding to the bottom line of that system?

Ms. JAMES. I will have to go back and doublecheck the figures that you just stated. I'm not quite sure about these figures. But I will say this on DEAMS. DEAMS, like some of the other programs we've talked about this morning, has had sort of a long, storied history, but then it's had recent history. The recent history is trending in the right direction, that things are starting to turn around, that costs are beginning to come under control, that we've figured out where we're trying to go in a much more precise way.

So I'm encouraged about the future. But of course, there's never going to be the ability to go back and redo the past. So we will forever have that bumper sticker that, whatever we said way back then would be the cost, it's forever going to be more than that. But my job as I see it is from this point forward and making sure that we stay on top of these programs.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Shaheen.

I just have one additional question and then I'll call on colleagues to see if they have any additional questions. This has to do with the number of Predator and Reaper CAP's, combat air patrols. In this budget there's a new goal of 55 sustainable CAP's. Secretary Gates had announced that there was going to be 65 CAPs. Information that your staff provides us says—makes the distinction between a 65-CAP goal, said to be a surge goal, and a 55 CAP, which is called sustainable.

Can you tell us what the difference is between a sustainable 55 CAP and a surge 65 CAP, other than 10?

General WELSH. Chairman, the surge is what we can do if we took training lines, training crews, all the capability we have resident in the U.S., to support forward deployed remotely piloted aircraft. We could surge that for some period of time. It would eat into our training pipelines. It would not be something you'd want to maintain over time.

The steady state is what we could actually deploy and operate around the world with the force we have in place to do so, and it's a total force effort. We have Guard and Reserve and active duty units doing this.

Chairman LEVIN. Is this a budget-driven reduction or change?

General WELSH. The drop from 65 to 55? Actually, Chairman, it's not. This goes back to how we recapitalize the ISR enterprise as an airman. The combatant commanders, other than the commander of ISAF in Afghanistan, don't really need 65 orbits of things like Predators and Reapers. That's not what they want for an ISR theater laydown of forces. So as we come out of Afghanistan we think it's very important to figure out how much of that do we continue to need for counterterrorism operations and who should be conducting those inside the U.S. military. We think we need to look at that in terms of when you go to U.S. Pacific Command and ask Admiral Locklear what does he want, he wants broader area ISR with the ability to narrow down in some places, to do this focused look that you get from a Predator or Reaper.

So we believe we need to recapitalize by trading some of that capability we currently have into new capability that will allow us to do different types of collection, in different types of threat environments, so not all permissive, but some nonpermissive capabilities as well. That's what we're trying to do. So bringing the plan down from 65 to 55 actually lets us start in that direction.

Chairman LEVIN. Senator King?

Senator KING. No.

Chairman LEVIN. We thank you both. Senator Chambliss said it well, that you're doing a really good job with what's been provided. There will be differences, obviously, that Congress will have with your recommendation. That's what both of us are here for, to use our best judgment. But we know that there are some real constraints here, and hopefully we're going to be able to do something about sequestration. I hope most of us have not given up on trying to reverse, repeal, reduce the continuing impact of sequestration starting in—continuing this year, for that matter, but when it really comes back in a roaring way in 2016.

We do thank you, and we will stand adjourned.

[Whereupon, at 12:11 p.m., the committee adjourned.]