

**HEARING TO RECEIVE TESTIMONY ON THE  
DEPARTMENT OF THE AIR FORCE IN RE-  
VIEW OF THE DEFENSE AUTHORIZATION  
REQUEST FOR FISCAL YEAR 2013 AND THE  
FUTURE YEARS DEFENSE PROGRAM**

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**TUESDAY, MARCH 20, 2012**

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

The committee met, pursuant to notice, at 9:35 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Akaka, Nelson, Webb, Hagan, Begich, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Chambliss, Wicker, Brown, Portman, Ayotte, Graham, and Vitter.

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

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Peter K. Levine, general counsel; and Michael J. Noblet, professional staff member.

Minority staff members present: Ann E. Sauer, minority staff director; Daniel A. Lerner, professional staff member; Lucian L. Niemeyer, professional staff member; Christopher J. Paul, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, Minority Counsel.

Staff assistants present: Mariah K. McNamara, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Nick Ikeda, assistant to Senator Akaka; Ryan Ehly, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Lenwood Landrum, assistant to Senator Sessions; Clyde Taylor IV, assistant to Senator Chambliss; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brent Bombach, assistant to Senator Portman; Brad Bowman, assistant to Senator Ayotte; and Charles Brittingham, assistant to Senator Vitter.

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

Chairman LEVIN. Good morning, everybody. I want to welcome our witnesses, Secretary Donley and General Schwartz, back to the committee this morning to testify on the plans and programs of the

U.S. Air Force in our review of the fiscal year 2013 annual budget and overseas contingency operations request.

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

The Defense Department's most recent defense strategic guidance issued in January refocuses the U.S. military on the Asia Pacific. We will be interested to see how the refocusing has been reflected in the Air Force budget and plans. Last year we saw how Air Force personnel and equipment could support national goals on short notice in Libya. Among those forces, we had: first, tankers supporting coalition air operations; second, strike aircraft providing strikes against important ground targets; third, manned aircraft and unmanned aerial vehicles providing intelligence, surveillance, and reconnaissance support. Air Force assets also played a significant role in aiding the Japanese tsunami relief effort. A number of ongoing critical issues confront the Air Force. We know the Air Force is providing forces to the Central Command war efforts in a number of traditional roles, but it's also providing airmen in support of land component tasks. We look forward to hearing this morning about how the Air Force is supporting these current operations while preparing its forces to deal with future demands.

This committee has sought to ensure that our combatant commanders have what they need to succeed in those conflicts, including advanced technologies for intelligence, surveillance, and reconnaissance. I would note that in particular the new budget will continue the expansion of air operations, or ISR support, within theater. The committee appreciates the fact that General Schwartz has been taking extra steps to accelerate that fielding by altering Air Force approaches to pilot training and accelerating production of Predator and Reaper UAVs.

The committee has also encouraged the Air Force to look at ways to buy space systems that reduce cost and technical risks in very complicated systems. The Air Force has developed and fielded one spacecraft in the Operationally Responsive Space, or the ORS program, that was developed in less than 3 years, for a fraction of the cost of normal imagery. In that regard, I have questions as to why the Air Force is proposing to cancel that program.

Another acquisition challenge facing the Department is the stretching out of production lines, which delays modernization programs and increases unit costs. Foremost among these is the Joint Strike Fighter (JSF) program, the JSF program. Given the continuing troubles and delays with the system design and demonstration phase of the JSF program, the Air Force will be extending the service lives for existing fighters, including the F-16 and F-15 fighter fleet.

One acquisition program that appears to be moving forward as planned is the strategic tanker modernization program. The Department of the Air Force announced a winner of the tanker competition in late February last year. We find it concerning that the contractor has already announced that the contract for engineering and manufacturing development of the tanker will likely go to the

ceiling price. We look forward to receiving more details on the Air Force's plans for executing that program.

Under all of these major acquisition concerns is an acquisition management issue. Secretary Donley, we look forward to hearing from you about your continuing efforts to bolster the quantity and the quality of the Air Force acquisition corps and how this effort is progressing and if it has been impacted by recent hiring and salary freezes.

In addition, the Weapons Systems Acquisition Reform Act of 2009 has required the Defense Department to make significant changes in its regulations and procedures governing the acquisition system and we look forward to hearing how the Department of the Air Force is proceeding to implement the provisions of the Weapons Systems Acquisition Reform Act.

Now, the major Air Force budget issue this year is likely to be Air Force plans to downsize the current force and to make significant changes in almost every area of the force structure. A very troubling aspect of the budget proposal is that within these force structure changes the cuts in manpower and aircraft are falling disproportionately on the Air National Guard.

The Air Force is proposing to make major shifts in both strategic and tactical airlift programs, many of which hit the Air National Guard hard, and here are some examples. The Air Force wants to retire the remaining 27 CA aircraft, which are all in the Guard and Reserves, and to lower the minimum number of strategic aircraft to 275 aircraft, down from the 301 level that we adopted just last year. The Air Force also wants to retire 65 older C-130 aircraft, mostly in the Guard and Reserves, leaving 318 aircraft to support tactical operations, roughly a 17 percent force reduction. Finally, the Air Guard wants to eliminate the planned 38-aircraft program for the C-27s, all of which were going to the Guard, and rely instead on the remaining C-130 fleet to provide direct support for Army operations.

And in the fighter forces, the Air Force is planning a cut of almost one-third in the A-10 force, with that cut weighted heavily toward the Air National Guard. I have serious doubts and many questions about the wisdom of doing that and the disproportionate impact of these proposed cuts on the Air National Guard.

The Air Force is planning to increase the size of active duty A-10 training squadrons at a time when the overall force will be shrinking by almost one-third. That makes no sense to me. The Air Force asserts that the cut to the A-10 force falls more heavily on the Air National Guard forces because the Air Force will need to keep more of the force in the Active component because of forward deployments and dwell time considerations. However, as general purpose ground forces are withdrawn from Afghanistan there will be less and less demand for forward-deploying A-10 forces to provide close air support. And the Guard has shown their extreme capability and ability to deploy A-10 forces to provide that close air support, including in Afghanistan.

In airlift, we have similar questions. The Air Force budget would reduce strategic airlift forces, with no apparent plan for how such forces could be reconstituted if needed in the future. Now look at the C-27s. The Air Force had established a requirement, validated

by the Joint Requirements Oversight Council, for 38 C-27 aircraft to provide direct support to Army ground forces. Again, all of those aircraft were going to the Guard.

Nobody forced the Air Force to join with what was a joint program with the Army and then take sole ownership of it. No one forced the Air Force to testify that they needed to pursue the C-27 because the C-130s could not meet requirements when the committee questioned why the Air Force couldn't rely on the C-130 fleet and instead had to start the C-27 program. Now the Air Force says that the C-130 is perfectly fine for meeting the direct support mission.

In the area of intelligence, surveillance, and reconnaissance—in the area of intelligence, surveillance, and reconnaissance, the Air Force is proposing a couple of major changes: terminating the Global Hawk Block 30 program and retiring all Block 30 aircraft already in the force; and shifting all 37 operational MC-12 intelligence, surveillance, and reconnaissance aircraft to the Air National Guard.

The Air Force rationale behind the shift of all MC-12s to the Air National Guard is that with the withdrawal of general purpose ground forces from Afghanistan the demand for the MC-12 ISR mission will be reduced so much that the Air National Guard will be able to support the ISR demand without breaking guidelines for dwell time.

Now, that position ignores the facts that, unlike the A-10, Special Operations Forces are relying heavily on the MC-12 to support their activities and, unlike general purpose ground forces, Special Operations Forces are not leaving Afghanistan or other areas of the region where they are currently operating any time soon.

Just last June, Under Secretary Carter certified that, as part of a Nunn-McCurdy breach in the Global Hawk program, that the Global Hawk Block 30 program was both essential to national security and there was no other alternative that would provide acceptable capability to meet the joint military requirement at less cost. If that were true, how could the situation change so rapidly that the Air Force now wants to drop the program?

So we will look forward to exploring these and other issues with our witnesses this morning. We again thank them for their attendance and their service, and I call upon Senator McCain.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Mr. Chairman, thank you. I join you in welcoming our witnesses to discuss the President's budget request for fiscal year 2013 for the Department of the Air Force. We all appreciate the outstanding service and sacrifice of all the men and women who are serving in the U.S. Air Force today.

Secretary Donley, I understand that the Department of Defense may be preparing to implement force structure changes in 2012 that could restrict Congress' ability to consider and act on related proposals in the fiscal 2013 budget request. Chairman Levin and I have sent a letter to the Secretary of Defense, which I ask to be made part of the record, that requests the Department take no action that would be difficult or impossible to reverse if Congress dis-

approves a related proposal in the fiscal year 2013 request. I request that you also refrain from taking such actions.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator MCCAIN. Given the proposed reduction of nearly 10,000 airmen over the next five years, I ask that our witnesses address the capability and readiness risk the Air Force is prepared to accept as a result of these manpower reductions and your plans to lessen any negative impacts on affected airmen and their families.

I've been pleased with the stewardship of our witnesses of the Air Force's acquisition portfolio. I have questions regarding your largest procurement programs. On the KC-46A aerial refueling tanker, we continue to closely monitor the aerial refueling tanker program to assure that it achieves intended results on cost, schedule, and performance. I think you conducted a very sound competition on this program last year and are executing a viable acquisition strategy. But integration of military software and hardware with a commercial derivative aircraft continues to be a significant risk. Our witnesses should address how the Air Force is addressing this aspect of the program.

The F-35 Joint Strike Fighter program. As we all know, I've been frustrated by the fundamental disconnect between how many aircraft the Department signs up to buy and the program's slow progress in developmental testing. This has created excessive concurrency between testing and production that has resulted in incredibly costly, excessive design changes and retrofits in production. I hope that your decisions now to flatten out production, allowing the program to get heavy learning before committing to hire production rates, will work out.

The Air Force budget included \$16 billion to modernize its inter-theater airlift fleet of C-17s and C-5s. In addition, the Air Force plans to retire 27 older C-5As. Last year, at the Air Force's request, Congress approved the retirement of 14 C-5As, in part because the Department had 44 more C-17s than needed. These C-17s were earmarked by the Appropriations Committee without authorization and at a cost to the taxpayer of over \$13 billion. I would request that the witnesses comment on the right number and mix of large cargo aircraft based on the mobility capabilities requirements study for 2016 and a cost-benefit analysis.

The Government Accountability Office recently found: "Space launch acquisition processes from NASA and DOD are not formally coordinated, duplicate one another, and may not fully leverage the government's investment because the government is not acting as a single buyer. The GAO also expressed concern recently regarding the adequacy of analysis supporting the Air Force's proposed block buy strategy for the Expendable Evolved Launch Vehicle program.

I recently wrote to Secretary Panetta requesting that he look at 16 areas of duplication in the DOD budget, including space launch. I look forward to hearing our witnesses' views on the costs of space launch and how they are facilitating competition to ensure continued affordable access to space.

Finally, on readiness, at about this time last year we first learned that the Department estimated that the cost of owning and operating Joint Strike Fighters could amount to as much as \$1 tril-

lion over the program's life. I understand that the Department is trying to drive this cost down. However, this whole issue highlights the larger problem of whether the acquisition process is ensuring that new aircraft, weapons, and other systems are sufficiently reliable and don't become too expensive to operate.

I'd like to conclude with a comment on sequestration. Secretary of Defense Panetta has repeatedly stated that defense sequestration, required under the Budget Control Act, would be "catastrophic." I'd like for our witnesses to provide us with their assessment of just how severe across-the-board cuts would be to the United States Air Force.

I thank the witnesses and I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Mr. Secretary.

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

Mr. DONLEY. Chairman Levin, Senator McCain, members of the committee: It is a pleasure to be here today representing more than 690,000 Active Duty, Guard, Reserve, and civilian airmen. I'm also honored to be here with my teammate, the dean of the Joint Chiefs of Staff and one of America's finest public servants, General Nortie Schwartz. We are joined today by the Director of the Air National Guard, Lieutenant General Bud Wyatt, and the Chief of the Air Force Reserve, Lieutenant General Charles Stenner.

For fiscal year 2013, the U.S. Air Force requests \$110.1 billion in our baseline budget and \$11.5 billion in the overseas contingency operations supplemental appropriation to support our work. This budget request represents the culmination of many hard decisions taken to align our fiscal year 2013 budget submission with the new strategic guidance and with the cuts required by the Budget Control Act over the next 10 years.

Finding the proper balance between force structure, readiness, and modernization has been our guiding principle. In short, we determined that the Air Force's best course of action is to trade size for quality. We will become smaller in order to protect a high quality and ready force, one that will continue to modernize and grow more capable in the future.

The capabilities resident in the Air Force mission set are fundamental to the priorities outlined in the new strategic guidance and in assessing how to adjust Air Force programs and budgets in the future we've taken care to protect the distinctive capabilities we bring to the table: control of air, space, and cyber space; global intelligence, surveillance, and reconnaissance; rapid global mobility, and global strike, all enabled by effective command and control.

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

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

ations forces capabilities, largely protect space programs, and protect our cyber capabilities.

But as we get smaller, it is not possible to protect everything. Our proposed force structure changes include the reduction of 286 aircraft over the Future Years Defense Plan, including 123 fighters, 133 mobility aircraft, and 30 ISR platforms.

Many of these changes correspond to adjustments in the overall size of the Armed Forces, especially the Army and Marine Corps ground forces, which is the case for the proposed reduction in A-10s. Our smaller force structure has also led us to favor divesting smaller niche fleets, such as the C-27J, and emphasizing multi-role capabilities that will provide operational flexibility across the spectrum of conflict, demonstrated by our C-130s and by our choices in fighter force structure, which include a smaller A-10 fleet and plans for the F-16 service life extension.

We also emphasize common configurations, which can be seen in adjustments to C-5 and C-17 mobility fleets and in our ongoing efforts to seek common configuration within the F-22 and F-15C fleets.

Because force structure changes have a ripple effect on manpower needs, our budget proposal calls for a reduction of 9,900 Air Force military personnel. By component, this amounts to reductions of 3,900 active duty, 5,100 Air National Guard, and 900 Air Force Reserve personnel. Fighter, mobility, and other force structure changes have been strategy-driven based on changed requirements and consistent with that strategy, especially where the Air National Guard units have been affected, we have proposed to re-mission units where feasible. We've carefully balanced our Active and Reserve component changes to make sure we can meet the demanding operational tempos, including both surge and rotational requirements, that are part of the current and projected strategic environment.

As our force gets smaller, all of our components get smaller together and will become even more closely integrated. We remain fully committed to our total force capability and have proposed several initiatives to strengthen integration of effort, including increasing the number of active Reserve component associations from 100 to 115.

Our intention is to protect readiness at any force level because if we're going to be smaller we have to be prepared. To that end, we put funds in critical areas, such as flying hours and weapons systems sustainment. We also support the Air National Guard readiness reset, which balances manpower across the States from lower demand units to new, high demand intelligence, surveillance, and reconnaissance missions, and increases readiness in 39 units. We are committed to ensuring that our military forces do not go hollow and readiness bears close watching as we move forward.

Mr. Chairman, modernization is our most significant concern, especially as our fleets age and new technologies drive new investment needs. In this year's budget proposal, we slow modernization as we protect programs that are critical to future capabilities. We also restructure or terminate some major programs to protect key priorities. Protected modernization priorities include: the long-range strike bomber, the KC-46 refueling tanker, and key space

programs, such as the Space-Based Infrared and Advanced Extremely High Frequency Satellites, Follow-On Global Positioning System work, and advanced ISR.

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

Among the programs slated for termination are: the Global Hawk, RQ-4 Block 30 aircraft, because, among other reasons, we could not justify the cost to improve the Block 30's sensors to achieve capability that already exists in the U-2; and the Defense Weather Satellite System, a termination initiated by Congress, one we can accept for now because the program is early to need.

As noted earlier, we decided to divest the C-27J, but we have a good alternative to this aircraft with the multi-role capable C-130, which has demonstrated its ability to provide the direct support mission in Iraq and Afghanistan. We remain committed to providing this support to the Army.

In other cases, we eliminated programs that were judged to be non-essential in the current budget environment, such as the Light Mobility Aircraft and the Light Attack and Armed Reconnaissance Aircraft.

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

In keeping with our enduring obligation to take care of our people, we will keep faith with airmen and their families. Doing right by our service members is key to our ability to recruit and retain a high quality force. Nevertheless, the impact of increasing personnel costs continues to be a serious concern. Therefore, we support the military compensation program reforms in the President's budget, which include a modest pay raise, proposals to control health care cost growth, and calls for a commission to recommend reforms in retired pay. We must continue to seek and develop reforms to ensure the long-term sustainability of the benefits our men and women in uniform have earned.

Identifying \$487 billion in defense cuts to comply with the current requirements of the Budget Control Act has been difficult. Our Air Force will get smaller, but we are confident that we can build and sustain a quality force that is ready for the contingencies ahead and that will improve in capability over time. However, further cuts through sequestration or other means will put at risk our ability to execute the new strategy. To get this far, we have made tough decisions to align, structure, and balance our forces in a way that can meet the new strategic guidance. If substantially more reductions are imposed on DOD, we will have to revisit the new strategy. We cannot afford the risk of a hollow force.



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

Mr. Chairman, we remain grateful for the continued support and service of this committee and we look forward to discussing our proposed budget. Thank you.

[The prepared statement of Mr. Donley follows:]

Chairman LEVIN. Thank you, Mr. Secretary.

General Schwartz.

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

General SCHWARTZ. Thank you. Mr. Secretary, Mr. Chairman, Senator McCain, members of the committee: I'm privileged to be here today with Secretary Donley once again representing the men and women of the U.S. Air Force. I begin by noting, as the Chairman did earlier, that a year and one day ago America's airmen commenced operations to help enforce the United Nations-sanctioned no-fly zone over Libya. Throughout the month of March 2011 and beyond, our airmen, along with their joint teammates, impressively conducted concurrent major operations ranging more than 5,500 miles apart and spanning the entire spectrum of operations, from ongoing combat operations in Iraq and Afghanistan, to surge operations in Japan to provide humanitarian disaster relief, to a third major front, a predominantly air-focused campaign in North Africa.

These simultaneous operations were most assured not trivial. Indeed, they were to become yet another dramatic example of the professionalism and skill of America's airmen and their capacity to act and to shift focus on short notice, leveraging air power's unparalleled versatility and tailorability, all critical attributes that are emphasized by the new defense strategy guidance.

As we prepare for the future, we know that maintaining a ready force that exhibits these and other important attributes will remain vital to addressing potential similar scenarios and will continue to be extremely important to our Nation's broader success in the future security environment.

But in light of fiscal circumstances both presently and for the foreseeable future, helping to ensure America's success requires carefully calibrated choices by America's Air Force and our armed forces. This budget request therefore supports our airmen in our continuing efforts to structure the force for maximized versatility and minimized risk, in a sustainable tempo for all components across the full spectrum of operations.

Due to evolving geopolitical trends and anticipated security requirements, the new defense strategic guidance emphasizes Air Force capabilities as fundamental to its major priorities, such as defeating and deterring aggression, projecting power in anti-access

and area denial environments, conducting space and cyber operations, and operating, maintaining, and securing two of the three legs of the Nation's nuclear deterrent.

As we balance our military forces toward a more air and maritime posture, our broader strategic partnership between the Nation's air and sea services, as articulated in the air-sea battle concept, will be ever more important to our National interests. We must maintain the ability to project power in areas where burgeoning capabilities could increasingly threaten our access and freedom to operate, threats such as ballistic and cruise missiles, advanced submarines and fighters, electronic warfare systems, mines, and advanced air defense systems.

As innovative airmen, we remain committed to working with our Navy, Marine Corps, and Army teammates to develop highly integrated and tightly coordinated schemes of maneuver and to conceive cross-domain approaches to full-spectrum challenges. To achieve our goals, we continue to support joint strategies in all of the air-sea battle's dimensions—institutional, conceptual, as well as material—enabling enhanced teaming of advanced air and naval assets, including important subsurface assets, to gain and exploit access, deter adversary preemption, and dissuade coercion of our partners—all contributing to increasing regional stability.

As Secretary Donley mentioned, the wide array of Air Force capabilities which remain vital to our Nation's diplomatic, economic, and military interests fall into four general categories of enduring and core contributions: air and space control, global intelligence, surveillance, and reconnaissance, rapid global mobility, and global strike, plus the Air Force's high-volume command and control of air, space, and cyber systems, integrating and harmonizing our four core contributions across multiple operating domains.

As part of the defense strategic guidance, we are structuring our force to be agile and responsive across these four areas even as we accept risks with a smaller force. And while still maintaining quality, we will divest nearly 230 fighter, mobility, and ISR aircraft in fiscal year 2013, toward a total of 286 aircraft retirements and a projected savings of \$8.7 billion over the Future Years Defense Plan.

These savings can be applied to our modernization strategy, as Secretary Donley discussed, as well as to all important operations and sustainment accounts. We have no illusions about the road ahead being easy, but we do have confidence in our ability to execute and manage a \$487 billion cut in defense spending over the years. I must echo, however, Secretary Donley's concern that across-the-board cuts driven by sequestration would dramatically change the complexion of our thoroughly deliberated defense strategy. We effectively would be sent back to the drawing board because indiscriminate salami-slicing of the budget would nullify our carefully considered and responsible reductions that preserve our readiness and effectiveness notwithstanding fiscal constraints and a smaller force.

Finally, please allow me to make one comment concerning military compensation. I appeal to the committee to carefully consider those initiatives in our budget proposal that begin to tackle escalating personnel costs—compensation, health care, and retirement.

Among all the other challenges facing us, the reality of fewer members of the armed forces costing increasingly more to recruit, train, and retain for promising careers is I think the monumental defense issue of our time. Our inability to address this issue properly will place other areas of the budget, including force structure and modernization, under yet more pressure, forcing out needed military capability at a time when we are already right-sized for the likely missions ahead.

Mr. Chairman, Senator McCain, members of the committee: The Air Force remains committed to providing global vigilance, reach, and power for America's needs today and for our aspirations and the challenges that the Nation will face tomorrow. We look forward to your questions, sir. Thank you.

Chairman LEVIN. Thank you very much, General.

I understand now the votes have been delayed until 4 o'clock this afternoon.

We'll start with 7-minute round.

First, to both of you: The Department of Defense created a new defense strategy to guide creation of the fiscal year 2013 defense budget request. Did you both have an opportunity to provide input in the development of that strategy and in your view does the budget request support the strategy and do you support the budget request? Secretary?

Mr. DONLEY. Yes, sir. The Chief and I both had opportunities to participate in all the Department's deliberations, which includes deliberations with the President on the strategic guidance, and we believe we are supporting that in our proposed budget proposal.

Chairman LEVIN. Thank you.

General?

General SCHWARTZ. I would agree with that, sir.

Chairman LEVIN. Thank you.

Now, the Air Force is proposing some major force structure reductions. The Air Force chose to apply these reductions more heavily to the Air National Guard. The Air Force plan would cut the end strength for Active-Duty Forces by 1.2 percent while the Air National Guard would be cut four times as much, 4.8 percent, four times as much percentagewise.

Now, I've got some real problems with these proposed force reductions. For instance, the Air Force asserts that the cut to the A-10 force falls more heavily on the Air National Guard forces because the Air Force will need to keep more of the force in the Active component due to forward deployments and dwell time considerations. Well, here's the problem with that. First, the Guard's A-10s have more than shown their ability to support wartime operations, including in Afghanistan.

Second, at the same time that you proposed these major cuts in the overall force and in the Guard particularly, you're going to be increasing the number of A-10 aircraft in active duty training squadrons, and you also have some new defense strategic guidance. And despite that guidance, the Air Force is reducing its forward-stationed fighter presence in Europe by only one squadron, and that would leave five to six fighter squadrons in Europe. These are F-15s and F-16s.

Now, the Council of Governors has made a proposal to you to restore some end strength and force structure to the Guard. My first question is whether or not the views of the governors are taken into account and are you considering those views as you made these deliberations and as you continue, presumably, to deliberate? I guess the specific question is, if you have discussed this matter with the governors, are you still in discussions with the governors? First question.

Mr. DONLEY. Yes, Mr. Chairman, we are.

Chairman LEVIN. And are you willing to reconsider your proposed reductions in the Guard and the structure of the Guard if those discussions lead to that result?

Mr. DONLEY. Well, I need to defer to the Secretary of Defense, who offered this opportunity to the Council of Governors about, I think about 2 to 3 weeks ago now. We have met with the Council of Governors or their representatives several times in the last couple of weeks and I would say those discussions are ongoing at this point.

We have not yet had an opportunity to brief the DOD leadership on the status of our work. We expect to do that later this week.

Chairman LEVIN. So those discussions are ongoing?

Mr. DONLEY. Yes, sir.

Chairman LEVIN. And are you willing to reconsider the proposed reductions after the conclusion of those discussions? Is it possible, in other words, that those discussions will lead to some changes in your proposal?

Mr. DONLEY. It's possible, sir. This is a decision for the Secretary of Defense, again, who opened up this opportunity to the Council of Governors and he will have to assess the progress and the value of whatever proposition is laid before him.

Chairman LEVIN. Will you get back to us prior to markup on the defense bill, which is about a month and a half, on this matter?

Mr. DONLEY. We will.

Chairman LEVIN. On the question of the strategic—well, let me just ask you one more question about where the structure—how the structure, the cuts in the structure were made. Did you have recommendations from the National Guard as to which Air National Guard bases would lose A-10s? Did you get recommendations from the Guard?

Mr. DONLEY. Yes.

Chairman LEVIN. Did you follow those recommendations?

Mr. DONLEY. Yes.

Chairman LEVIN. Now let me go to the question of strategic airlift. General Schwartz, the Air Force plans would reduce strategic airlift forces from a level of 301 aircraft to 275 aircraft by retiring the remaining C-5A aircraft. It's not clear to me that the Air Force has any plan for how such forces could be reconstituted if needed in the future and by having that responsiveness comply with the direction in the new DOD strategic guidance, which requires that responsiveness.

How do you say—how could you say that the Air Force plan is responding to the Secretary's strategic guidance when you don't apparently yet have such a plan?

General SCHWARTZ. Sir, the analysis indicated that, given the revised defense strategic guidance and the size of the ground forces, that the requirement for mobility in one of the metrics that we use routinely, in million ton-miles per day, was 29.4 million ton-miles per day. At 275 strategic airlifters, that is 223 C-17s and 52 modified, re-engined C-5s, now designated C-5Ms, produces between 30.4 and 30.6 million ton-miles per day.

That is less than the 32.7 million ton-miles from the mobility capability requirements study 2016, which was done 3 years ago, and there is an ongoing effort to renew and to perform a new study for the airlift fleet. But the analysis that we and the Department did reflected that 275 strategic airlifters was sufficient to perform the missions anticipated.

Chairman LEVIN. My time is up. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses. As I understand it, Secretary Donley, the three major programs that the Air Force is looking forward to is the tanker program, the F-35, and the long-range strike aircraft. With sequestration in its present anticipated form if it were not changed, what would be the impact on those three major Air Force programs for the future?

Mr. DONLEY. Well, Senator, if sequestration were to kick in the Department would be required to take a 10 percent reduction in each of the accounts in the Air Force. If personnel were held neutral, if we protected personnel accounts, then those reductions would go up to 13 percent. So in the procurement accounts, for example, this would affect all of our major programs. It would affect the MQ-19 program, the KC-46 program, Joint Strike Fighter. All these programs that have been continuing for a couple of years, some of which are on fixed price contracts, would be impacted by these across-the-board reductions.

Senator MCCAIN. Would you do us a favor and perhaps in writing give us a detailed, not minutely detailed, but certainly an assessment of the impact on Air Force to provide or be provided the necessary weapons systems to defend the country? We'd appreciate that. This issue is going to come to a head at some point sooner or later.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator MCCAIN. On the refueling tanker, is integration still a significant risk and are you confident that the program will remain on cost and on time?

Mr. DONLEY. Currently we are confident that the program will remain on schedule. I think it will also remain on cost, but to the extent that it does not this is a risk to the contractor, because we have a fixed price development and procurement contract in place for this, for this aircraft. So most of the risk is on the contractor if there are additional costs—if there are cost overruns above the ceiling.

Senator MCCAIN. Mr. Secretary and General Schwartz, as you know, it's now been judged that a major mistake was made in the F-35 Joint Strike Fighter program of "concurrency" and now there's a new way of addressing it called a developmental approach that will let the program decide how many production aircraft the

Department actually signs up for with how well the program actually does in development and testing; is that correct?

Mr. DONLEY. I think that describes generally the status of the program where it's at, sir.

Senator MCCAIN. Did you know at the time of this concurrency that it was going to fail?

Mr. DONLEY. Sir, I think——

Senator MCCAIN. I think it's been described by the acquisition czar in the Pentagon as "acquisition malpractice."

Mr. DONLEY. This is the largest defense program that we have and it is extremely important that it succeed. I think all of us who stepped into the program in the last couple of years recognized that it needed to be restructured and that we were entering this period where the concurrency was extreme between the completion of development and beginning of procurement.

Chairman LEVIN. So you really had no idea that this whole concurrency thing was doomed, idea was doomed to failure, as some of us here did?

Mr. DONLEY. Certainly I had not been involved in the program when it was initiated.

Chairman LEVIN. I see, it didn't happen on your watch. I can't tell you how many times I've heard that as a member of this committee. Now——

General SCHWARTZ. Senator, may I add something, please?

Senator MCCAIN. Yes.

General SCHWARTZ. Sir, I think the reality is that there was a sense in the broader community, perhaps not here on the committee, but certainly in the aerospace industry, that with all the advanced computers and advanced design capacity and so on, that you could design and produce an airplane that would perform coming up on first flight. This was true in the military side. It was also true in the commercial side. 787 is a case in point. So I think we all have learned that the notion of perfect design is a dream.

Senator MCCAIN. I won't pursue this except to say that, what is your confidence that, now that the F-35 will not experience further cost overruns, and are you going to have to procure other aircraft in order to make up for the shortfall or delays in providing these aircraft in an operational status?

Mr. DONLEY. A couple of angles to that, sir. With respect to the status of the current program, we have slowed the program to get through this concurrency period with the least risk——

Senator MCCAIN. Does that mean you're going to have to acquire additional other aircraft to make up for that shortfall?

Mr. DONLEY. Again, two angles. One is that we've told the contractor and the program office that there is no more money to put against contract overruns or problems in this program. So to the extent that there continues to be cost growth or challenges, undiscovered issues in front of us as SDD completes, it's going to be paid for by tails. We'll have to take down the number of aircraft that we have planned in procurement to pay for that work, because no more money is going to be migrating into this program.

The second part of the answer to your question is——

Senator MCCAIN. The ultimate result in reducing numbers of aircraft increases cost per aircraft.

Mr. DONLEY. It does, and those aircraft would have to be bought later. Assuming we're going to buy those aircraft, they would be bought later in the procurement profile, or not bought at all.

The second part, just if I may touch quickly, the results of this program have caused us to undertake a service life extension program for the F-16s.

Senator MCCAIN. But no additional purchases?

Mr. DONLEY. No additional purchases.

Senator MCCAIN. I thank you, and I hope that the refueling tanker will be a much greater success than the F-35 was.

On the issue—Mr. Chairman, if you would give me indulgence—you believe that there needs to be another BRAC, I understand. Could you briefly, General Schwartz, tell us why you think there needs to be another BRAC, as we've already had significant base closures in the past 10 to 15 years?

General SCHWARTZ. Sir, the reality is that since BRAC 2005 the Air Force has retired almost 500 aircraft from the inventory, and the induction of that is that that created additional capacity. And it's our belief that only through a BRAC-like process where we definitively assess and determine where excess capacity exists can we get to a position where we reduce that capacity and then invest in those things that remain and are most important to us.

The bottom line is that BRAC 2005 did not close major Air Force installations. It largely realigned installations. We have since had reductions and that needs to be addressed.

Senator MCCAIN. There's no doubt in your mind that we need to close additional Air Force installations?

General SCHWARTZ. I think that if we do not do that, sir, we will place the force again under more pressure to put spending into excess capacity when it should go into readiness and modernization.

Senator MCCAIN. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator AKAKA.

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

I want to welcome the Secretary and General Schwartz and to thank you so much for the leadership you have for the Air Force and their families. We're really grateful for that. General Schwartz, I'd also like to add my congratulations on your retirement later this year and wish you and your family well. I also thank the men and women of the Air Force, the Active, Guard, Reserve, civilians, as well as their families, for their service to our country.

Secretary Donley, while the administration proposes to make a significant strategic commitment to the Asia Pacific region, it also faces significant service-wide cuts, as has been discussed, to force structure and terminations or delays even in a number of weapons system programs. Mr. Secretary, can you talk about the potential risks and challenges facing the Air Force with the coupling of the new strategy and the proposed force reductions?

Mr. DONLEY. Well, sir, I touched on a couple of these in my opening remarks, but I would like to come back to them. First is readiness. We have made a strategic-level decision to continue to trade size, that is to become a smaller Air Force, in order to protect its current readiness and to make sure that it can as a smaller force

still modernize going forward, so we still have resources set aside for important investments like tanker, bomber, Joint Strike Fighter, as just a few examples.

We need to make sure that our forces are postured, Active, Guard, and Reserve, so that we are ready for the challenges of the current and future security environment that we're looking toward in the next decade. We face significant challenges in this international security environment and the Air Force can be called on on a very short period of time, as the chief and as the chairman mentioned in the Libya example, where we had only a few days to put together a coalition team to put aircraft over Libya, Libyan air space, as part of a NATO operation.

So we need to be prepared. We do not have along opportunity to run up and slowly develop readiness over a period of time. We can be called on on just very short notice.

The second thing is that, as I mentioned, our overhanging concern in the Air Force is modernization. Our force structure is aged, our aircraft are aged, and beyond where they should be. The average age of the fighters is 22 years. The average age of the airlifters is 35 years, and of the tankers it's north of 45 years, and the bombers are in the same kind of situation.

So we have an extreme requirement for modernization that it will be very difficult to meet in this budget environment. But we must protect those core capabilities for the future so the Air Force continues to get better over time.

Senator AKAKA. Thank you, Secretary.

General Schwartz, as you know, sexual assault continues to be a serious issue within our military. I know that the leadership within the Services is working hard to address the problem. In order to help prevention efforts, I believe it is very important to teach our newest recruits that this is absolutely unacceptable. My question to you: What is the Air Force doing in basic training, ROTC, the Air Force Academy, to educate airmen on this very serious matter?

General SCHWARTZ. Sir, at all accession sources we have a course and a program of instruction which emphasizes, in my shorthand, that we don't beat up on our wives, we don't beat up on our kids, and we don't assault our teammates, our fellow airmen. That is the simple mandate.

To enforce that, we have implemented changes that I think improve our likelihood of properly investigating cases and properly prosecuting them. We have 14 OSI agents who are—that's the Office of Special Investigation—who are dedicated to sexual assault cases. They understand the nuances of these investigations and the techniques that are associated that differ from other kinds of investigation. And likewise, we have 18 prosecutors, who are not dedicated, but who have special experience and skills to take on major difficult cases like this.

The bottom line, sir, is that we're working the culture piece certainly at accession and throughout the career life cycle. We emphasize this through leadership, intervention, and enforcement.

Chairman LEVIN. Thank you.

General Schwartz, China's recent modernization efforts include an aircraft carrier, a stealth fighter, and advanced space programs,



to name a few. General, at the unclassified level which of their modernization efforts concerns you the most?

General SCHWARTZ. I would say there are areas in not so much hardware, but in integration of electronic warfare techniques, of cyber capabilities, and so on, with more traditional tools of the trade. They are becoming more sophisticated in this respect and that is the thing that I am paying the most attention to.

Senator AKAKA. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman. Mr. Chairman, I also share your concerns to the disproportionate cuts to the Air Guard. Before I begin, I'd like to say that, while I have no doubt the leadership at NGB knew the cuts were coming, there were also a lot of folks in my State that were blindsided by these cuts and were really not provided any opportunity to provide input. The same with the Reserves, and that deeply concerns me.

I'm trying to wrestle with a lot of what's going on, not only in Massachusetts, but throughout the country. For example, at Westover—I was there again yesterday, and the maintenance crews out there are incredible. They have a 73—for the last 36 months, they have a mission capable rate of 73 percent. In the last 12 months they have a 78 percent mission capable rate, compared to 40 percent for most Active Duty components, give or take.

So yet they're looking—you are looking in the proposal to cut half their fleet, even though you're going from—you're cutting eight C-5Bs and turning them into C-5Ms, but you're basically dismantling, proposing dismantling, crews that have twice as high a mission capable rate than the Active Duty components. I don't get it. Can either one of you explain that?

General SCHWARTZ. Sir, the logic behind this is that the C-5M will be an inherently more reliable and more—have higher utilization than its predecessor, the C-5 A or B.

Senator BROWN. How can that be when they have a 78 percent mission capable rate? It's already twice as high, so how do you justify that?

General SCHWARTZ. Those additional crews are going to maximize the availability of that airplane, of the eight aircraft that remain at Westover. We're increasing the crew ratios because we recognize that we will be able to get better utilization out of the C-5M than we did with its predecessor versions of the C-5.

Senator BROWN. Once again, sir, their turnaround time is about 16 days, compared to 30, 40 days in the active component. Then you have 78 percent mission capable rate, which is pretty much almost twice as much as on the Active component. Yet you're taking half the fleet. And even if you say the M5s, the C-5Ms, are going to be a more capable aircraft, they're already getting that capability out of the aircraft that they're losing. So isn't there more value for the dollar not only on the aircraft savings, but keeping crews that are in place forever doing a great job by all respects? Not to say anything about the economic impact to Massachusetts in particular. Once again, I don't quite see the logic there. You say logic. I don't see it.

Anything to add on that?

General SCHWARTZ. I would just indicate again that to achieve the additional crew ratios that we think are necessary with a 16-airplane fleet would drive the numbers of personnel well above those currently possessed at Westover. So the game plan here was to use those members of the organization already present against the fewer aircraft because of the increased crew ratios and redistribute the remaining M models to another Guard unit which has similar capability in order to maximize its potential as well.

Senator BROWN. Interesting. I'd like to explore that a little bit more, maybe off-line, because I'm not quite sure why we don't take and put an Active component at Westover, like they did in Wyoming, if you're looking at getting more flight capabilities out of there and taking crews that are basically 78, twice as much, twice as good, quite frankly, as the Active components.

What's going to happen to those crew members that are there and the team and camaraderie, and really providing mission capable planes that are actually going from the line to the active, just going right overseas? What's going to happen to those folks?

General SCHWARTZ. The team will remain largely intact at Westover, with somewhat fewer aircraft, sir. I would just indicate, as the Secretary mentioned earlier, we agree with you. We favor active associations.

Senator BROWN. Okay. Well, maybe we can talk off-line about doing that.

General SCHWARTZ. Very well, sir.

Senator BROWN. Is it true that Russians—there's Russian aircraft, cargo planes, delivering American goods to American soldiers in Afghanistan? Is that accurate? Am I getting good information?

General SCHWARTZ. There is contract lift from a number of entities that supports the military mission in Afghanistan.

Senator BROWN. Including Russians?

General SCHWARTZ. Including—actually, I'm not sure it's Russian. It might be—

Senator BROWN. It's Russian. So why wouldn't we use our own aircraft if we have, apparently, the capability to do so? Why wouldn't we be providing our own aircraft to do that, I'm presuming at a cost savings to us?

General SCHWARTZ. The reality is is that it's not necessarily cheaper to operate organic aircraft on a routine basis relative to what's available from commercial, from the commercial sector.

Senator BROWN. And I know that it was already referenced, the Council of Governors have voiced specific concerns. Mr. Secretary, you said, well, it's up to Secretary Panetta. Well, he's going to basically rely on your recommendations. From what I'm hearing through the Council of Governors is that really there's just been lip service given to their very real and legitimate proposals.

I know that there's supposed to be—on March 23rd you're going to discuss the matter internally with Pentagon officials. Is that accurate?

Mr. DONLEY. That's correct.

Senator BROWN. Like the chairman and Senator McCain, I'd like to have an understanding as to if in fact you're not going to take any of their recommendations, why. I have said and it's been proven that we have—the Guard and Reserve units, you get a better

value for the dollar. We're looking at cost savings. The fact that you can get that in the Guard and Reserves is something I think we really need to take into consideration.

The chairman also brought up the Global Hawk, the Block 30. It's said in a DOD report that the U-2 would cost \$220 million per year, more per year, than the Global Hawk Block 30. So can you state for the record, General Schwartz, what's changed since that report came out and whether the Air Force is considering giving the Global Hawk 30 aircraft to NATO, special forces, or the Navy, as opposed to putting them in storage where they'll just collect dust? Has there been any consideration on that?

General SCHWARTZ. Two things, sir. A major change was a Joint Requirements Oversight Council adjustment of the required number of orbits for the high altitude surveillance, which I would like to address the specific number with you off-line. Decreasing that requirement enabled the U-2 to cover the requirement with the fact that it has 33 airframes available, even though it doesn't have the legs or the persistence of the Global Hawk. That was a key factor.

Another factor was the reality that the airplane is not less expensive to operate as the U-2. It was not maturing as quickly as we had hoped and, importantly, that the sensor package on the Global Hawk needed significant improvements to match the capability on the U-2.

So the bottom line was we opted, under the pressures of the budget, to rely on the proven U-2. With respect to the use of the aircraft, we'll have 18 airplanes, 6 of which will go into non-recoverable storage. The other 12 will go into recoverable storage and it is possible there will be other uses of them either domestically or with partners.

Chairman LEVIN. Thank you very much, Senator Brown.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General Schwartz, for your service and for being here today.

As we all know, progress is currently being made toward constructing a new command headquarters for STRATCOM with military construction funds requested by the President, authorized and appropriated by Congress, in fiscal year 2012. Because of the nature of it, the size of it, it'll have to be phased funding over the next several years.

In a hearing before this committee last month, General Dempsey made a statement regarding emerging threats as it relates to regional conflict in the future. He said, along with service chiefs and combatant commanders, that you all believe that the homeland will no longer be a sanctuary in 2017 and therefore commands like CYBERCOM, STRATCOM, may become more important in that environment.

Can you two—can the two of you speak to why we need a new headquarters at STRATCOM to take on the new commands and to be an effective fighting force for the years ahead?

General SCHWARTZ. Sir, I guess I would just summarize by saying that we're operating a command that has multiple responsibilities in cyber, in space, and the highest technologies we have, in

a platform that's 50 years old, and it's not well suited to the demands of today's missions. So the commitment is to provide a facility that is appropriate to the mission and not gold-plate it, but to do what's needed.

As you're aware, there's \$160 million roughly in the fiscal year 2013 proposal to continue that effort for STRATCOM.

Senator NELSON. Thank you. And to oversimplify, but to put in layman terms, it's pretty hard to fight cyber space, cyber and space commands, with dropcords. Modernization is absolutely essential for the technology as well as perhaps just the structure. Is that accurate?

General SCHWARTZ. I would agree with that, sir.

Senator NELSON. Even no matter how long the dropcord is, right?

I'm following up on the thoughts about BRAC. Obviously, it's easier to—and you're finding out this morning that it's easier to talk about cutting than it is to actually propose and defend cuts. But as we look at BRAC, are we spending enough time looking at our overseas military operations or are we focused here at home?

It seems to me that our presence abroad in many respects continues to grow, as in the Pacific Asia command, at a time when we're talking about more regional and more agile forces to be able to deal with the emerging threats. Could you relate to that?

General SCHWARTZ. Yes, sir. Clearly there are opportunities for base infrastructure reductions overseas, and that is almost as complicated a process as BRAC would be domestically because of interaction with allies and so on and so forth. But it is clear that there are opportunities, as the chairman mentioned earlier, in a number of areas, and we would pursue those on parallel tracks. That would certainly be my proposal.

Senator NELSON. Well, as it regards to, let's say, Asia Pacific, our new national strategy calls for an increase in our presence. The three large developed democracies in the region, Japan, South Korea, and Australia, collectively have an economy that is 25 percent larger than China's and incalculably larger than North Korea's. As a percentage of GDP, however, they spend less than half of what the United States does on defense.

But a larger presence in that, if it's necessary in that region to deter or repel aggression from these threats—can you comment on what we would be doing to try to get a larger contribution from those that will most directly benefit from our presence in the region?

General SCHWARTZ. I think it's important to recognize that, in particular with our South Korean allies and our Japanese allies, over many decades they in fact have underwritten our presence to a substantial degree through allocations of resources for bases in Japan and Korea. And our partner in Australia, that is a team that fights above their weight.

So, sir, I think you will not see recommendations to diminish our presence in the Asia Pacific for good reasons, including the mandate from the defense strategic guidance.

Senator NELSON. But we also, in addition to having them as allies, need to have them as financial partners. Can we work toward having their percentage of partnership costs increase?

General SCHWARTZ. I think that is a worthy objective and our interaction with the Japanese, for example they're seriously considering acquisition of the F-35, is an example of the Air Force to air force partnership and a manifestation of that partnership over many decades. Certainly we should support that, support the Republic of Korea air force, and likewise the Aussies and Singapore and others operate systems that are interoperable with ours and magnify our respective capabilities.

Senator NELSON. Well, and I don't mean to imply that they're unwilling to help to a greater degree. But sometimes you have to make the ask or you don't get the offer.

I also agree with the comments from my colleagues about reducing the size of our Guard and Reserve units at a time—and I'm referring back now to some comments by General Fogleman, former Chief of Staff of the Air Force, when he wrote an article suggesting that to reduce the personnel costs of DOD, maintain a smaller standing Army—he mentioned Army, but I suspect that it applies to the Air Force as well—and shift a lot of the responsibility to the Guard and Reserves. I noticed that my colleague Senator Brown made a comment about comparison between effectiveness of Guard versus Active Duty components.

I hope that you'll take a very, very close look at this, whether it's the Council of Governors or just in general, to be sure that we're moving in the right direction. There's no real room for margin of error here if we make the decision, because the reduction will occur and then reestablishing the presence of the Guard and Reserve will be very difficult.

General SCHWARTZ. Sir, there is no difference between the Guard, Reserve, and the active duty. You cannot tell the difference between an airman in the field on what component they come from. So this is not an issue of who's more superb than another.

The fundamental question here is with smaller air forces how do you manage the activity level across the entire portfolio in ways that don't produce adverse effects, on the active duty side activity levels that in a better economy might cause people to move on, or on the Reserve and the Guard side activity levels that might make employers less hospitable to the support that they provide to our Guard and Reserve airmen.

Senator NELSON. Well, I know it's delicate, but is it a fact then that the total force is easier to operate on an integrated basis during, let's say, high operations tempo?

General SCHWARTZ. A total force clearly gives us more depth and more breadth and more experience, as Senator Brown suggested, particularly in the Guard and Reserve. The key thing is to get the balance right, and that depends on what do we think the activity level is likely to be and what is—how much force structure do we have left?

My only appeal, Senator, to the committee would be that if our proposals or those amended proposals as a result of the Council of Governors' recommendations are not sustained and we get force structure back from this committee or others, that the appropriations come along with that force structure, because the fastest way I know to go hollow is to get force structure back without the resources to support them.

Senator NELSON. That's a point well made.

Thanks to both of you.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, General Schwartz. Thank you, Secretary Donley, for your service to our country.

Secretary Donley, can you help me with the audit issue? Secretary Panetta has said that he wants the Department of Defense to be audit-ready by 2014. As I understand it, the Air Force may have the most difficulty in meeting this goal. With some of the tough choices you're asking us to make, having good financial data and making sure that our Department of Defense is auditable I think has to be a top priority for us.

So can you help me? What are the challenges that the Air Force faces on meeting the 2014 deadline and can we expect that you will meet the deadline?

Mr. DONLEY. You are correct, Senator, that I think the Air Force probably has one of the tougher challenges among the services in getting to this, getting to this deadline. This is not a deadline for complete auditability of all our financial statements, but a statement of budgetary resources, which is a discrete piece, but nonetheless very important.

We're going to have to work hard to get there. We have put additional auditing resources on this work and we're also contracting out to auditing financial firms to help us work through this, to make sure that we test ourselves along the way and are prepared as best we can be.

We've already had clean opinions on both budget authority and the funds balance with Treasury down to the major command level, and our next steps are to take that down to the base level in fiscal year 2012 and to also assert readiness on spare engines and missile motors this year. So we have a fairly detailed plan for how to get there, but it's going to take a lot of focus and a lot of concentrated work to execute that as planned.

Senator AYOTTE. Do you both agree that this is important for us to do? Is this an important exercise?

Mr. DONLEY. We do. We do. I think there are some aspects of the work, as Secretary Hale has testified, that are more important than others, and he has focused the Department on those aspects of our work that are the most important, not only to the taxpayers, of course, and to our stewardship of resources, but also to our management, internal management of resources, our ability to get greater efficiencies out of the things that we are doing internal to the services.

Senator AYOTTE. Very good. I appreciate it.

I had introduced an amendment to the NDAA that passed unanimously—it didn't end up getting adopted in the House—to basically say to the Department of Defense to meet the 2014 deadline that the Secretary has set for it. So this is I think very, very important, and I appreciate that both of you are looking at this as very helpful to the Air Force and also to making future financial decisions and management decisions for the Air Force. So thank you very much for your commitment to that.

General SCHWARTZ. Ma'am, if I could just say one thing quickly.  
 Senator AYOTTE. Sure.

General SCHWARTZ. At our last four-star meeting the four-stars got the guidance that this is their business; this is not business for the suits. This is business for the uniforms, and that's part of our effort to make 2014.

Senator AYOTTE. Very good. Thank you, General. I appreciate that.

Let me ask you, General Schwartz. The F-35 Joint Strike Fighter, are the Chinese and Russians developing a fifth generation fighter?

General SCHWARTZ. They are working on it, yes, ma'am.

Senator AYOTTE. And you know I'm a huge fan of the A-10 because I was married to an A-10 pilot, still am married to an A-10 pilot. And our soldiers and Marines love the A-10 and F-16s. But can you tell us, what is the difference in terms of capability between these legacy aircraft and the fifth generation fighter? Why is it so important to us?

I know that the program has had difficulties, but as I understand there isn't an alternative and we need this fifth generation fighter.

General SCHWARTZ. The bottom line is that the operating environments that we will be required to operate in have become more contested, both by radar threats, by infrared threats, and even to some extent perhaps cyber threats. So the issue is you need an airplane, a design that allows you to survive in this more hostile environment.

That is the principal aspect of generation 5. Number one is stealth, that is low observability in a radar environment, but also highly integrated avionics that allow the pilot and the system to perceive a target, engage a target, and disengage rapidly, more rapidly than did the legacy platform—all for survivability.

Senator AYOTTE. What would the life cycle sustainment cost of the legacy fighters we just talked about that the F-35 is replacing be if the Air Force did not procure the F-35, because there's obviously significant legacy costs there that we're trying to address?

General SCHWARTZ. Yes, ma'am. I think, as a case in point, we're re-winging the A-10s that you referred to before. That is an effort that's ongoing and will continue with the 242 A-10s that remain in our inventory after the proposed reduction if you approve it.

Likewise on the F-16, there are cockpit improvements for avionics, as well as structure on the F-16. The service life extension will do that. So no airplane ages without the need for investment. This is true in big airplanes and small airplanes, particularly high performance aircraft, though, where the margin of error is reduced. So that's the key aspect and why we answered to Senator McCain that we're not interested in buying generation 4.5 as substitutes, because it doesn't make sense to us, ma'am, that we would spend money on airplanes that are not as capable but would last as long as the generation 5 counterparts.

Senator AYOTTE. Thank you.

The KC-46A. This is obviously very, very important, the next generation tanker. You know, our tankers have been around for—what's the—how long has the KC-135 been around?

Mr. DONLEY. Average age of the KC-135s is 49 years.

Senator AYOTTE. 49 years, that's right. I have to say, actually older than this Senator. So I appreciate the KC-46A program, and I know that you're going to be going to the basing criteria soon. As I understand it, if you looked at the KC-135 right now it's based roughly 60 percent Guard and Reserve and 40 percent active duty. So it is my hope—I know we've talked about this in the past; I talked about it with General Johns—that we have concurrent basing for the active duty and the Guard, because, let's face it, we wouldn't have been able to do what we need to do in Iraq and Afghanistan without our Guard.

As you know, I'm very proud of our 157th Air Refueling Unit, because we have the highest utilization rate in the Air National Guard for the KC-135 and also we have very strategic refueling tracks. So it's my hope, as I reiterated before, that as you issue this basing criteria that it will be concurrent, that it'll be objective and transparent, because that's the way, of course, we want everything to be around here, and will look also to the experience of our Guard and Reserves, tremendous experience. I think that so many of our pilots in the Guard and Reserve have flown in the active duty also before they've served and have an amazing amount of experience, which I think will help us with this new tanker if we base it concurrently.

So I appreciate your efforts in that and look forward to seeing the criteria as it comes forward.

Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Secretary Donley and General Schwartz, I just wanted to emphasize, like I'm sure everybody has, your service to our country, and we do thank you for that.

General Schwartz, with the reduction of 9,900 airmen it's going to require a lot of diligence and exacting management of personnel to ensure that you have the right skills and the experiences in the right place at the right time. As the force perhaps becomes smaller, what type of force-shaping tools are you implementing to ensure that you do have the right people with the right specialties and that you retain and grow the skills that you need in adequate numbers?

I just wanted to sort of focus on how many pilots you have now, what's the outlook for three to five years in the future, and then in particular with unmanned aircraft being used more, do you see a shift in focus from piloted aircraft to unmanned systems? And Secretary Donley, feel free to weigh in.

General SCHWARTZ. Yes, ma'am. There's a whole range of tools that we use, most of which are voluntary, some of which are involuntary, which we are very reluctant to employ for obvious reasons. We have bonuses and incentives that—the bonuses primarily apply to enlisted career fields that are in high demand and short supply. The incentives relate to officer career fields like the pilots, where there is an aviation incentive program to maintain the pilot cadres in all of the services. And that is important and certainly will be more important as the economy recovers and there's greater demand for these kinds of skills in the private sector.



With respect to the balance between manned and remotely piloted aviation, clearly the glidepath is to more remotely piloted capacity in our Air Force. We're currently training more remotely piloted aircraft pilots than we are bomber or fighter pilots, I mean, just to give you a sense of how the scales have tipped here. That will continue—

Senator HAGAN. Percent and numbers? Do you have any specifics on that?

General SCHWARTZ. If I may, ma'am, if I can give that to you for the record. I don't have the exact numbers right off the top of my head. I should, but I don't today.

[The information referred to follows:]

[COMMITTEE INSERT]

General SCHWARTZ. But I would say that the remotely piloted aircraft pilots share in that incentive pay, and it's appropriate that they do. The idea here is not to balkanize one group of aviators from another, but rather to recognize that they're all contributing to the mission in different ways through different means and so on. So what we have tried to do is to normalize the remotely piloted aircraft community, demonstrate their value both to the Air Force and to the joint team, and retain them for the important missions that they do.

Senator HAGAN. How about from the standpoint of other areas where there may be a shift in focus or emphasis that requires more of one skill set than another? I don't know if it's in the maintenance, and areas like that.

General SCHWARTZ. Sure. I mean, cyber is a rising area.

Senator HAGAN. I was definitely going to ask on cyber.

General SCHWARTZ. And clearly there are multiple opportunities for anyone with this skill set. So yes, we need to attract those people into our Air Force and keep them as they build experience. And they can make much more money on the outside, there's no question. But the rewards of military service and so on I think can help us balance that out, given the very important missions that cyber professionals perform in our Air Force.

I would just mention one thing quickly. Here's an area where the Guard and Reserve construct is even more valid, you know, is especially valid; let me put it that way. There are areas of the country which are sort of cyber-intensive—the Northwest, in Washington State, certainly the Valley in California, Austin, Texas, and so on. And we have attempted to establish Guard or Reserve units in those locales in order to give cyber professionals in industry the opportunity to serve as well and bring that expertise to bear.

Senator HAGAN. I think you left out North Carolina in that, in that description.

General SCHWARTZ. Bad on me, ma'am.

Senator HAGAN. But what we're talking about now is STEM education, science, technology, engineering, and math, and that's an area that we as a country have got to focus on in order to be competitive in the business world and in the military world while we're in the 21st century. And specifically, what is the Air Force doing to recruit and retain highly trained and qualified STEM professionals, and at the same time what is the Air Force doing to re-

cruit, train, and retain the cyber airmen and encourage innovation in the cyber security operations?

Mr. DONLEY. A couple of issues there, Senator, but I'll try to hit on a couple of them. First of all, we have put a great deal of emphasis on rebuilding our acquisition workforce in the last couple of years. So we've brought more than 8,000 personnel into the acquisition workforce, focused on cost estimating, on systems engineering, highly technical capabilities that support our weapons system managers and program managers. So this work has been ongoing.

We continue to have dialogue internally about how to strengthen recruiting and officer development in the STEM career fields especially, how to shape our ROTC programs, how to shape the curriculum at the Air Force Academy, to emphasize this work.

We also appreciate the support of others. There is a program that is sponsored by the Air Force Association known as Cyber Patriot, which has recruited youngsters into cyber competition at the high school level, has grown leaps and bounds over the past several years as youngsters come into these clubs and competitions and become aware of the importance of this work to our National security. This is future seed corn for the United States, not just for the military, but for our Nation at large. So many dimensions to this, but we appreciate very much the importance of developing, maintaining, and retaining that STEM expertise going forward.

Senator HAGAN. I see that my time is out. I'd like to follow up with you on the specific programs and learn more about it and do some follow-up on that. So thank you very much.

Chairman LEVIN. Thank you very much, Senator Hagan. I would join Senator Hagan, by the way, General, in suggesting that the number of States on your list of those being potentially impacted by cyber attacks should be greatly expanded. I'll leave it at that.

Well, Senator Wicker, you almost made it, but not quite. No, no, no. We have to follow the rules around here.

Senator Portman is next.

Senator PORTMAN. Thank you, Mr. Chairman. I appreciate it, and I appreciated your comments earlier, as well as Senator McCain's, about some of the challenges we face with the sequestration.

Gentlemen, I know there's been a lot of discussion about it today, but the bottom line is, if you could tell me whether you think already in terms of your supply chain and your various contractors that, if you see adjustments being made already in light of the fact that on January 1, 2013, the sequestration under current law would take place?

Mr. DONLEY. Certainly, Senator, sequestration is of concern to us, and it is of even more concern, I think, to the contracting community, which wants to better understand what the impacts would be as we are potentially compelled to just step in and cut funding in major accounts, including programs for which they have, if you will, a financial cash flow that they are working to pay their employees.

So this is the concern of the industry, I think. They would prefer to get as far in front of these issues as they can. They would like to plan better for this, and so the uncertainty overhanging the Department and the defense industrial base is significant here.

Senator PORTMAN. Well, this is what I'm hearing from the private sector and certainly hearing from you. We had similar testimony from the Army chief of staff and the secretary of the Army last week. So the conclusion, of course, is that we need to move quickly on this, not wait until the end of the year, in fact do something before the end of the summer, if we are going to avoid some of this dislocation.

General, you and I have talked about the C-27 before and I noted in the chairman's opening remarks he also addressed it as to why you changed your minds since you came to us and told us how great this program was and how it performed a mission that the C-130 could not. In fact, he also said that "the Guard has shown their incredible value to the Air Force," which I agree, and he talked about why this joint program was something that seemed to make so much sense at the time.

As you know, I have strong views on this. I think this is the right thing for the taxpayer to continue the program, because I think these planes will operate less expensively, and we'll talk about that in a minute. I think it's certainly the right thing for our military. They perform an incredible mission. We had General Odierno sitting in the seat where you are a week ago telling us about how he visited the 179th from Mansfield, Ohio, in theater in Afghanistan and the great work they're doing with the Army and how the Army really loves to have the ability to have you, through your Air National Guard, embedded with them and providing that service.

I would like to start with just a general question: What's the cost to operate a C-27, which is the smaller, for those of you who aren't following this closely, air cargo plane, as compared to your alternative if you are to phase out this program that's just getting started, which would be to go to C-130s? What are the costs to operate?

General SCHWARTZ. The latest numbers we have is about \$9,000 per flying hour for the C-27, a little bit higher for the C-130J and about \$10,400 for the C-130H.

Senator PORTMAN. Okay. Well, those are new numbers to me. I don't know what you're including in there, but the numbers you've given us before are 2,100 to 2,700 for the C-27, which is the smaller, more efficient aircraft, and the C-130 was 5,100 to 7,100 per hour. And of course, the CH-47, which is your other alternative, \$11,000 per hour. So I don't know where those numbers come from.

Let me just give you the opportunity to correct me and maybe say why those numbers have suddenly leapt up.

General SCHWARTZ. The 2100 number is the number that's used for accounting purposes when the airplane is used in a direct support mode, what we call special assignment airlift. This is a list of costs that do not reflect necessarily the actual flying hour costs. So what I gave you was what is the current best assessment of actual flying hour costs, the point being that, yes, the C-27 is somewhat cheaper to operate on a per-hour basis than the C-130 because it has two versus four engines.

But a key factor here is that the maintenance for the C-130 is organic and the maintenance for the C-27 is contractor logistics support, and there's a considerable difference in relative expense there that goes into the flying hour calculation.

Senator PORTMAN. Well, I am finding out new information as we talk. This has been incredibly confusing for me, because I am trying to get to the facts, as I know you are. We had a private conversation about this and none of these data points on 9,000 bucks an hour were there then. I assume that you're talking about some of the maintenance costs, as opposed to organic costs, additional costs. I would say that other information we have indicates that there are a lot of organic costs because the C-130 parts and maintenance and so on is often interchangeably.

I think the real issue here is overall life cycle costs. As you know, the committee report for last year's defense authorization directed that there be a cost analysis for future C-27 buys. My understanding is we weren't going to be seeing that report from you, and instead we've gotten one or two Power Point slides with the analysis. What I've seen trickle out of the Air Force over the past six weeks is confusing, to say the least. The data's been inadequate, inconsistent. It's left us all with more questions than answers.

I have in front of me here three different Air Force documents with life cycle costs ranging from 111 million bucks per aircraft, and a couple weeks later to \$308 million per aircraft, presented to my staff, then a few days later \$270 million. And I understand your analysis shop recently came out with a comment saying that the 111 million was not part of a "formalized, authorized, signed document." And then it appears CAPE was directed not to be constrained by some of the assumptions, and we have life cycle costs dropping down to \$166 million per aircraft, back below the C-130 costs.

So frankly, it's been a dizzying six weeks going through these various numbers, and unfortunately it leaves me with the feeling that you're trying to get this analysis to match a budget decision that was made by the Air Force and, frankly, not based on some very important information that we're getting again from the Army and others about the performance side of it.

So we'd love to see more than a Power Point slide. We'd love to see some consistent analysis. I will tell you also that when you look at the data in terms of the payloads that are being carried, as you know much better than I do, these C-130s often do not have a large payload. When you need a part, say a helicopter part, and you've got to move it, having a smaller airplane makes a whole lot more sense, when you only have one pallet or two or a small number of special operators.

According to the Operation Enduring Freedom data the committee has received from the Department regarding the C-27J, 65 percent of the time C-27s have been tasked to move only one pallet of cargo. The remaining 35 percent, they've been tasked to move only two or three pallets of cargo.

I guess I would ask, in your opinion would it be more efficient to move one, two, or three pallets of cargo with a C-130H or with a C-310J, and if not why not?

Mr. DONLEY. Sir, with respect to the numbers, we'll be happy to get back with you and discuss in whatever level of depth you would like to how those numbers are derived. As you appreciate, it's all about the assumptions. It's all about the assumptions. So I wouldn't have any more to add to your pile today on that subject.

But I would ask you to think about the strategic-level discussion that we had in the Air Force about how big the tactical airlift fleet is going to be going forward and how many fleets we're going to manage, how many fleets are we going to manage. I think we made the right strategic choice here. We're about to embark on a C-27 capability which would be, I think, nice to have and does satisfy a very narrow piece of the direct support mission that we provide as support for the Army.

But as you look at fleet management overall, the better strategic choice in our view was to go with the C-130 because it is more flexible across the broader range of tactical airlift requirements. And as we go forward, it didn't make sense to us to commit to building a very small C-27 fleet that was going to be on contractor logistics support forever and to try to build and sustain that going forward in the context of a smaller tactical airlift fleet.

So this was the strategic level choice that we made here.

Senator PORTMAN. Mr. Secretary, my time has expired, but could you give me an answer to the question about moving one, two, or three pallets? Is it more cost effective to do it with a C-27 or a C-130?

General SCHWARTZ. Clearly more cost effective to move one pallet on a C-27 if it's within range.

Senator PORTMAN. So if 65 percent of the time, based on what you've given us in terms of data, that's what the task has been and the other 35 percent of the time it's to move two or three pallets, it would seem to me that we'd need to look at this cost accounting in terms of the loads being carried.

Mr. Secretary, I'd love to get into more detail. The Power Points have gone up, down, all around, and to understand what your assumptions are would be very helpful to me.

I appreciate both of your service so much and I just think we have a fundamental disagreement here on this issue, and I'd hope that you'd be willing to look at some data that we can provide that maybe changes some of the assumptions and therefore some of the ultimate costs.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Portman.

Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. Welcome, General.

We've had a discussion on this topic before, but my greatest concern is the strategy that the Air Force is using for your restructuring. Specifically, nearly half of the Air Force personnel cuts come from the Guard, but they only cost taxpayers a third less to maintain them compared to active duty. Some of the other cuts in the other services, they did not take them from Guard and Reserve; they took them from active duty. And even when the Joint Chiefs of Staff did a report, they found that Guard and Reserve provide capabilities at a lower cost and that they could be able to rely—and would be more flexible than just relying on full service members.

I'm also concerned about New York being a State that's receiving one of the largest percentages of cuts. We are bearing 19 percent of the overall Air National Guard cuts. I find that to be—I question

that decision, largely because of the capabilities that New York has to offer. Not only do we excel at homeland security and cyber missions and unmanned vehicle missions, but we also are positioned with a northern border, an eastern seaboard, and New York City is arguably the number one terror target in the Nation. So a large military presence is warranted.

It's also welcomed. New York has great respect for our military men and women and their families. We welcome their presence with open arms. We also have 100 percent staffing with our Guard units and we have no environmental issues that would concern the military for all of our different bases.

So my concern is is that the strategy for cuts are disproportionately affecting the Guard and Reserve, are not taking advantage of known benefits and strengths. So I just wanted to ask whether you will reconsider this strategy in light of some of these concerns.

Second, I know Chairman Levin talked about the work that the Council of Governors have done and they have an alternative proposal that will cut close to three-quarters of a billion dollars in savings beyond your proposal. In light of that as well, is there any room for reconsideration of your overall strategy about how to handle these cuts?

Mr. DONLEY. Senator, I would just repeat that the discussions that the Secretary had set in motion a couple of weeks ago with the Council of Governors continue and we have not yet reached a conclusion, and we will get back to the committee as soon as that work is done.

I would like just to return—I know that you've raised a number of issues here, but just to make sure that at the highest strategic level the rationale was that the Department had concluded that we had excess tactical lift capabilities, and that is why C-130s have been put on the table. And as we went through that assessment, the majority of this capability is already in the Guard and Reserve, I think. So the focus of our discussions internally has been how to balance the Active and the Reserve component force structure, as the Chief has articulated, to make sure that we do not break the active force or the Guard or Reserve as we consider total force management across this particular fleet, and each fleet assessed on its own.

Senator GILLIBRAND. Specifically with regard to two areas that are receiving significant cuts, Rome Labs and Niagara. Now, the Air Force cyber science and technology funding is going down in fiscal year 2013 and 2014, and that's a very curious decision from my perspective, particularly in light of Secretary Panetta's earlier testimony, particularly also in light of the questions that Senator Akaka asked concerning China being our largest threat would be electronic warfare and cyber warfare, cyber attack.

So first, why do you—why is that cut being pursued? And I would consider this to be one of our highest priorities for long-term national security, and I think investing now to make sure we have the brightest minds, the talent and resources necessary to build for future threats would be a preferable approach.

Mr. DONLEY. Just a couple of points. Certainly the civilian manpower adjustments that the Air Force has been compelled to make over the last couple of years has affected a number of installations,

and especially those that are heavy users of civilian personnel, if you will. So that is certainly part of the equation.

With respect to cyber funding, I would also note for the committee's broader interest here that this is—while this is a very critical area for our national security going forward, the numbers within our cyber spending and our cyber manpower are moving around quite a bit. So there's not a lot of dollar growth on the cyber side, in part because we are gaining IT efficiencies as we move down the road. So we are programming reductions in spending for IT because we believe and have experience that we can do this work more efficiently. So you do not see a steep ramp of growth in spending for IT. In fact, you see a little decline. And we are still working through the manpower implications of that as well.

Senator GILLIBRAND. With regard to Rome Labs specifically, it's going to be cut 18.5 percent. Now, I think you're aware that Rome Labs has a very successful collaboration with universities and companies in terms of developing the most cutting-edge technology. It's a very technology-rich environment. In that 18.5 percent cut, the programs that are suffering the most are those that support command and control, planning, and communications, and with STRATCOM being one of the main consumers of this work.

Is someone else going to fill this need, and if not how do you justify losing that capability?

Mr. DONLEY. Senator, I'd like to get back to you on the record with a more complete answer on the internal dynamics of Rome.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator GILLIBRAND. Fine.

With regard to Niagara—my time has been consumed, so I will just leave you. We've discussed Niagara in depth and obviously it was to serve as a cost-sharing model. And so I would like you to relook at that issue and consider whether adding missions or adding other, expanding collaborations with Homeland Security would be something feasible.

Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Gillibrand.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman.

General Schwartz, Senator McCain mentioned BRAC and you said we're going to need to close additional installations. Senator Hagan had a conversation with you about the requirements for pilots. How do you see the requirement going forward for the next five, ten years with regard to undergraduate pilot training?

General SCHWARTZ. We'll maintain the 1100 per year output for as far as I can see, sir.

Senator WICKER. Okay. We train those at basically three bases right now, and then there's a fourth hybrid base. And you don't see—you don't see BRAC addressing that particular issue, do you?

General SCHWARTZ. Sir, I can't speculate on that, but we do not see reducing capacity of the pilot production.

Senator WICKER. So that wouldn't be your recommendation, okay.

Now, Secretary Donley, we had a conversation earlier about the tanker and, very frankly, the leadership of this committee, Republican and Democrat, mentioned the tanker. The winner of the contract came forward with an astoundingly low bid. You've been asked about that today. And I want you to clarify something you said, because I think you said that if there are cost overruns the overruns would be borne mostly by the manufacturer. What did you mean by the "mostly" and what part would the taxpayer bear?

Mr. DONLEY. The program has—I don't have the numbers off the top of my head. The program has a target cost and it has a ceiling, and the bids that came in that were evaluated and based on the source selection of last year were evaluated at the ceiling, the higher of those two levels. This is a fixed price contract, so any costs above the ceiling belong to the contractor.

Senator WICKER. Okay, but I do believe the record will show that you said "mostly." Was that just a slip of the tongue?

Mr. DONLEY. Above the ceiling, it's on the contractor.

Senator WICKER. Above the ceiling, it's on the contractor. Well, let me just say, we're going to be looking at this very closely. There was a very low bid. I think you'll find that we, the Congress, means for it to be honored and we don't want to see any slippage there.

With regard to the C-27Js, Senator Portman just said that he has a fundamental disagreement with the Air Force on this issue and we want to see more facts. I want to join him on that and observe, based on the testimony and the questions today, that there appears to be a fundamental bipartisan disagreement between a large number of members of this committee and the Air Force position.

I think it was mentioned already that last week, in response to my question, General Odierno—I asked him, did the Air Force consult the Army? Was the Army included in this decision? Basically, his answer was that the Army was brought into the conversation after the decision was made. I quote from General Odierno: "I would say we had a discussion about it as a joint group together once the decision was made."

There are some real problems with this decision and let me just observe that without asking you to comment.

Also, with regard to the Global Hawk, I want to join myself with the comments of the chairman. We need to be—and also with Senator Brown. We need to be able to rely on what this committee is told and we shouldn't expect such a reversal in a short period of time.

The number one unmet requirement of combatant commanders is the need for persistent intelligence, surveillance, and reconnaissance. Mr. Secretary, just seven months ago Deputy Secretary Carter certified in writing to Congress that the Global Hawk was essential to national security, there was no other acceptable capability to meet the requirement, and that the Global Hawk was \$220 million less expensive per year to operate than the U-2.

Now essentially we're told that the requirements have changed, the assumptions have changed, the data is different. Seven months later, we're told: Never mind on what the Deputy Secretary for Acquisition came and said in a certified statement.



What was the—Mr. Secretary, is there a business case analysis in writing that is available to us that supports the termination of this \$4 billion aircraft?

Mr. DONLEY. Senator, I think I'm confident that we can provide you the analysis that ties to the changed requirement. As the Chief suggested earlier, some of this is classified and needs to be discussed off-line. But there were changes in the requirement that allowed us to reconsider. When the certification came over on Global Hawk Nunn-McCurdy breach previously, the certification to which you referred, the question then was what other capability could—is there anything else that could provide the capability that the Global Hawk provides to meet that requirement? So it was a higher requirement, it was focused on the persistence of the Global Hawk capability, and the analysis at that time said it would require additional dollars, it would be more expensive to have the U-2 provide that persistence at that level of activity.

But when the level of activity changed, the requirement changed, we concluded that the U-2, given its existing fleet, would be able to meet that requirement. Then the issue was in the cost comparison, what would it take to have any other aircraft operate as well as the U-2 with that requirement? At that point the comparison between the sensors became evident and the need for Global Hawk Block 30 to have an improved sensor adds cost to that program through the end of this decade. When you look at the costs of the two programs down on paper, it's cheaper for us to continue with the U-2 program. It has a life through—the airframe still has life through about 2040 and it needed minor upgrades to the weapons system, which we are undertaking.

But taking all that into consideration, it's cheaper and we can get that mission done with the U-2 going forward.

Senator WICKER. Well, we'll have a further conversation on that.

Briefly, Mr. Secretary, let me just—let me just mention, you're proposing to take ten C-310Js from Keesler, move them to Dobbs. We have provided considerable capability at Keesler for the C-130Js. The taxpayers have expended a considerable amount of money to accommodate the C-130J airframes and their air crew at Keesler, including state-of-the-art simulators.

You're not going to be asking us to do some MILCON at other bases to replace this state-of-the-art MILCON that we have already available for these C-130s at Keesler, are you?

Mr. DONLEY. Senator, typically when aircraft move, a different type aircraft moves from one location to the next, there are sometimes MILCON. We will have no major MILCON activities associated with this. There will be some minor what are referred to as add, alter, adjustments to existing facilities.

Senator WICKER. Well, if implemented this move would leave Keesler without a flying mission, and the taxpayers have expended considerable dollars for the C-130Js, and I'm very concerned about this proposal.

Thank you for your indulgence, Mr. Chairman.

Thank you, gentlemen, for your service.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I join my colleagues in thanking you for your service and note that the description that you gave earlier of trading, I think you put it, size or number or quantity for quality is a dilemma faced by many of your colleagues in the Department of Defense. Certainly we are sympathetic to not only the goal, but the difficulty of achieving it, and really thank you for your tremendous leadership in this time of austerity and needing to do more with less.

I would like to focus first of all on the Joint Strike Fighter and the delay in procurement schedule. I know you've talked about it a bit. But overall, doesn't the stretch-out or delay increase potentially the cost of procurement per plane?

Mr. DONLEY. It probably does. Those details are being worked now and there is an updated systems acquisition report, a SAR report, which will come to the Congress later this spring.

Senator BLUMENTHAL. Do you anticipate it will be this spring that we'll learn more about those costs?

Mr. DONLEY. Yes, sir.

Senator BLUMENTHAL. Can you give us a rough estimate or description of what the impacts may be of this stretch-out or delay?

Mr. DONLEY. Well, it adds time to the program and that usually means cost. So in simple terms that's what it is. But it is also important to recognize that part of the reason for this stretch-out is that we are consciously avoiding larger costs that we would have to incur sooner in the program if we had to take aircraft off the production line and send them right back in to be refitted or upgraded to the latest configuration. So we're trying to minimize the number of aircraft that we have to do that with by slowing this ramp.

Senator BLUMENTHAL. Thank you.

Like others who've asked you for additional information on the C-27J, I'm very concerned about the impact on our active force and our National Guard. I wonder whether there is any consideration being given to modifying the decision on that program?

Mr. DONLEY. Senator, as I mentioned, the Secretary of Defense had opened the window to provide the Council of Governors an opportunity to make suggestions, and that discussion with the Council of Governors continues. I haven't had a chance yet to brief the Secretary of Defense or the DOD leadership. That will occur later this week. We'll get back to the committee when that is done.

But I would also note, if I might, that in recognizing the impact of the C-27 changes across the Guard and specifically the units that might be impacted, where we could we took mitigating action to bring in follow-on missions—MC-12 missions, remotely piloted aircraft, mission control units. So where we've been able to, we have put in mitigating issues behind the C-27.

General SCHWARTZ. I would only elaborate by saying that putting the C-27 back is a \$1.4 billion proposition.

Senator BLUMENTHAL. Well, General Schwartz, since the Secretary mentioned it, would you comment on the MC-12 role in homeland security and crisis response and its potential mission in those areas of responsibility?

General SCHWARTZ. It is a very good platform which involves both electrooptical and infrared capability as well as signals capability on the same platform and a capacity to support ground forces

simultaneously with gathering of intelligence. Clearly, we have 37 airplanes presently. Five more are in the process of delivering. 30 of those are deployed. Seven have remained stateside for training purposes. And the reputation that it has gained is that this is a platform that needs to remain in the enduring force structure, and it will.

It clearly has applicability to domestic missions, properly executed, whether that be support to counterdrug missions in the South and Southwest area or other kinds of law enforcement sort of applications, again properly executed. So the MC-12 is a high utility platform, and the reason it started in the active duty was because of—we did it in seven months. We fielded the capability in seven months time and built the crew force and all that went along with it.

Once we hit a steady state, it is a suitable mission and an enduring one for the National Guard, sir.

Senator BLUMENTHAL. So you would see it continuing?

General SCHWARTZ. Without a doubt.

Senator BLUMENTHAL. Finally before my time expires, I wonder if you could talk, General Schwartz, about the Pave Hawk helicopter and what the status of that program is?

General SCHWARTZ. We just recently released a draft RFP for the Combat Rescue Helicopter replacement. That acquisition process is under way, and here again this is an area of our Air Force that has very significant joint team support, for obvious reasons, and it is a core Air Force mission that we're going to sustain.

So the program is under way. It is in the budget in the '13 recommendation and it is not something that we want to back away from, sir.

Senator BLUMENTHAL. So you would see a continued commitment to it?

General SCHWARTZ. Certainly would.

Senator BLUMENTHAL. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you both for coming. As you can tell from the questions here today, all of us, a lot of us, have different concerns about how you meet the budget requirements placed upon you. Maybe we should be thinking about are these requirements too severe, given the threats that we face and all the good programs are at risk.

So, General Schwartz, you're right, we can't have it both ways. We can't rearrange the budget for you, send it back to you, your priorities, and say, now go do all we want, if we don't increase the money.

But, having said that, I think the Global Hawk and the U-2 discussion is really a fascinating one for me. This is 2012 and we're talking about how a manned aircraft can do a better job than a drone through now and 2040. I just don't get that when it comes to this kind of mission. It doesn't make common sense to me, and what I'm worried about is what happened to the Global Hawk in terms of cost? I mean, it's gone up just exponentially over what was

proposed. Is that because we keep changing the requirements or because of problems with the contract?

General SCHWARTZ. Senator Graham, two things. First of all, it's important to appreciate we're not getting out of the Global Hawk business. We're going to retain the Block 40 Global Hawk capability for ground moving target indicator, as well as the communications platform for Block 20. So we're focused on the Block 30.

A couple things. I think that reliability of the Global Hawk was an issue. Subsystems in the Global Hawk aircraft were problematic. The generators, for example, are a case in point, which the contractor has corrected, but it took time to do so, and resources.

I think that——

Senator GRAHAM. Did they competitively bid for this program?

General SCHWARTZ. They did.

Senator GRAHAM. Well, shouldn't we have a hearing one day, Mr. Chairman, about how a system competitively bid could be so overrun with costs and find out where the problem lies? Is it the Air Force changing the requirements or is it the contractor not being able to fulfil his promise?

General SCHWARTZ. You will recall, Senator, that the original birth of this system was as a tech demonstrator.

Senator GRAHAM. Right.

General SCHWARTZ. So it had an unusual birthing process, to be sure.

Senator GRAHAM. Because we had a need, right?

General SCHWARTZ. This was a technology effort that proved out, and we're going to make use of the Global Hawk capability. NATO will with the AGS, the Germans will with the Block 30 equivalent platform.

Senator GRAHAM. I guess what I'm saying is that we're shelving some of the Block 30 Global Hawks along with the idea it doesn't work as well as the U-2. I just find that hard to believe. The U-2 is a great platform and great crews and maintainers, but I just can't believe that a manned aircraft can do all the things that these drones are capable of doing for the next 25 or 30 years.

General SCHWARTZ. In the long run, Senator Graham, I would agree with you.

Senator GRAHAM. Well, let's see if we can——

General SCHWARTZ. I'm not dealing with the long run.

Senator GRAHAM. I know, I know. But somebody needs to be, and maybe that's what we're all up here for, is to try to find out the long run and not create budget crises that really make short-term decisions that are not long-term smart. So I'd like to use the Global Hawk-U-2 debate as a case study in why programs cost more than they should, why they take longer, and where are we as a Nation with a vision?

I just envision more drones, less manned aircraft when it comes to surveillance, because the cost of losing a pilot in a war is a lot different than it is losing a drone.

So now let's move on to the Air Guard. You've gotten a lot of questions about how we're going to meet our budget goals on the personnel side. I guess the problem I have, like a lot of us up here, is that on the Air Guard side we're losing 5,100 people from the fiscal year 2012 enactment and 3,900 on the active duty side.

There's 328,900 active duty airmen, there's 7,500 active duty reservists in the Air Force Reserves, and 101,600 Air National Guard. They get hit disproportionately harder than anybody else by a factor of three or four. Why is that?

Mr. DONLEY. Senator, we have outlined the process that we went through based on changes in the strategy and adjustments in force structure that came from that, reductions in fighter force structure, reductions in mobility force structure. We then made decisions about which platforms to take additional risk in, and then we went from there to look at the Active Duty-Reserve component ratio in each of those platforms to make sure that we could—

Senator GRAHAM. Is the basic premise—

Mr. DONLEY.—sustain a ready force.

Senator GRAHAM.—that if you have less fighters you ought to take them out of the Air Guard and put them in the active force?

General SCHWARTZ. The logic, Senator, has to do with the anticipated tempo in each of the components. What we did was we said we did not want to operate the active duty on a routine basis below a one to two deploy to dwell, 6 months deployed, 1 year home, and not less than one to four, ideally one to five, for the Guard and Reserve, given those are our management redlines.

We looked at the available force structure and the expected activity level and worked the mix in order not to cross those thresholds.

Senator GRAHAM. Well, I guess my concern is that the lessons learned from the last 10 years is you can't go to war without the Guard and Reserve. You all know that. And it's not a slam on anybody. Our Active Air Force is the best in the world by a factor of many, and the Guard and Reserve does have capability and experience.

This idea of using Guard units with active associates is a good idea, but only so far. I'm not trying to create a cheaper Air Force in the National Guard, Air Guard. I'm not trying to create more Air Guard wings where you have 80 associates from the Air Force making that Air Guard unit about two-thirds cheaper to maintain, equally deployable. That's a good concept, but only so far.

I just think what you're hearing from the committee here is that we're losing a lot of capability in a part of our military force that's just cheaper to maintain, and these are pretty experienced folks and they've gone to war, they've done a good job, and they get home and a lot of their missions are going away. And that talent pool that we're losing I think has to be factored in there.

So I hope you can work something out with the governors. My last—and I would urge you to do that.

My last inquiry is about Iran. How large is the Iranian air force?

General SCHWARTZ. It's a modest air force. I don't have specific numbers. I can give that to you for the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator GRAHAM. When you rate air forces in the world, it is an older, more modest air force; is that correct?

How large is their navy?

General SCHWARTZ. I'm not an expert in that area, sir.

Senator GRAHAM. Is it fair to say from the Air Force side if you were asked to take the Iranian air force down, that it is well within our capabilities?

General SCHWARTZ. One on one, there would be no doubt about that. But it's not just airplanes against airplanes. This is, as you are very well aware, this is a more complex undertaking.

Senator GRAHAM. They have rockets, they have missiles.

General SCHWARTZ. They certainly do.

Senator GRAHAM. But my question is about their air force. Their air force would not fly long and it would not fly far; do you agree with that, in a fight with the United States?

General SCHWARTZ. If that was the mission, that would be the outcome.

Chairman LEVIN. Thank you, Senator Graham.

Senator BEGICH.

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

Thank you both for being here. I appreciate it.

Let me—General Schwartz, we've had a lot of good discussions. First I want to thank you for coming up to Alaska regarding Eielson and trying to understand and help the people of Alaska understand what the intent of the Air Force is and the process of the Air Force.

But here's my struggle, and I continue to struggle. First, in your analysis the savings that occur or the analysis that says here's how much savings will occur are put into the budget and then it's analyzed for us to all look at. But as we both know, you're just now sending up the on-site team—I think it's going to be second or third week of April—to actually do the full analysis.

Here's my struggle: that we know, based on your statements, there are savings that need to be achieved in the budget. We understand that, both to the Secretary and the General. But the problem is you're now starting to do the full analysis to understand what the savings are. I understand you did tabletop, but, you know, what goes on in the Pentagon and what's real are sometimes very different on the ground.

So I'm trying to understand how you get to these savings, and I guess the question I have is, first, do you have—and we received a letter recently with some information. But do you have a detailed analysis that you utilize to determine the savings that would be achieved by the Air Force, both to the Secretary or to General Schwartz, in this regard of Eielson? Why I'm going to use Eielson, because my worry is there's 40-some other States that are being affected with other types of reductions, and if you're now just going through this process of really fully doing the on-the-ground analysis, how are we to make a decision when markup is occurring in short order here?

Who wants to answer that? I don't know which.

Mr. DONLEY. Senator, certainly we have programmed and budgeted for operations at Eielson, as we do for other bases and units. And we understand generally the costs of operations for the infrastructure, for the personnel, for the aircraft. And that is programmed. So if we make force structure adjustments that move or reduce, we have a pretty good handle on what the personnel, flying

hour, force structure, operational impacts are, and those numbers are used as the basis for our decisions.

Senator BEGICH. Let me follow up on that. In the report that I saw, you're going to achieve savings in the base support of Eielson beginning in 2015. But you're starting the process now, and so I guess I want to ask two parts. We've heard some numbers in regards to personnel, and I want to dice this a little bit because I'm concerned the process you're going to—this is the exact same debate we had when BRAC occurred several years ago, this exact same debate.

But we're not going through a BRAC process now. What you're going through is a realignment. Exactly the same debate. So my concern now is is this a process that's going to go around the loop.

Why I want you to dice the personnel issue, you have uniformed personnel and you have civilian personnel. Can you tell me now what you anticipate the civilian reduction will be for Eielson? Whoever wants to answer this.

General SCHWARTZ. The total reduction of personnel is about 660, based on reconfiguring Eielson to a support base rather than it's current full-up configuration. And I don't recall specifically the split between military and civilian, and we'll provide that for the record, Senator.

[The information referred to follows:]

[COMMITTEE INSERT]

Senator BEGICH. Let me pause you there, General. This is a question we've asked in our meeting down in the Visitors Center. We've had it out in Alaska. We've asked in writing. This is the fourth request. And why I ask this is because it's critical on the civilian piece, because under BRAC there are special requirements when you start touching civilian employees and the quantity, under the law.

So the question I would have is, that number is critical and for that not to be supplied to us is problematic as we are going through this markup.

General SCHWARTZ. And that's why it was a 2015 target, sir, and the result of which will be confirmed by the site survey that occurs next month.

Senator BEGICH. I know, but here's the challenge, General. We're starting the process. I went through this with missile defense. They always talk about the year we're in. The decisions we make here at the markup have long-term impacts to the military deployment of services. It doesn't matter whether it's Air Force, Army, whatever. So for us to be in a narrow window is unacceptable.

In other words, you should be able to say to me in 2013 here's what it's going to be, 2014 it's going to be this, 2015 it's going to be this, 2016 it's going to be this, because in order for you to make this decision that you brought to us I'm assuming someone in the Pentagon had these discussions. So it shouldn't be new information. It should be readily available like that, because you're making—anything you do in the DOD is long-term. Everything we do here, even though it seems like it's a 1-year pain in the neck at times because of the short-term process, it creates long-term implications.

So that's what I want to know, because if you're saying to me in this narrow window, yes, nothing touched in 2013 civilian, that's an unacceptable excuse, because what we do here will affect civilian employees in 2015, in 2016, 2017. I'm not even sure because I don't know that. But that's what you stated.

So you get my point there?

General SCHWARTZ. I do, sir.

Senator BEGICH. Secretary, do you understand what I'm referring to?

Mr. DONLEY. I do, and we'll do the best we can to get you the numbers available on the time line you need.

Senator BEGICH. I'm looking—not the best. I'm expecting an answer because we have to make these decisions, and it's very difficult. You know, I'm a huge supporter of the military, but when I hear that the decision has been made on what it will save and now we have teams going up there to determine it, if I was any other Senator I'd be asking the exact same question from their own home States, because if the analysis is now being started for our State are we just the anomaly? Are we the unique State? My bet is no. I'm assuming it's happening in other States.

So I expect that.

The other thing, I know a month ago our team was up there. We still have requests that are still due that we still have not received. So I would hope that you would get that to us. It's critical.

Then the last thing, if I can just tag on one item on the tankers, just a question because I want clarification on this. That is, you called it—I can't remember the phrase you used, but you have ceiling and you have bid. Or are they the same?

Mr. DONLEY. They're not. It's target and ceiling are the terms.

Senator BEGICH. What do you budget for?

Mr. DONLEY. The ceiling.

Senator BEGICH. So in your budgets—I'm just going to use a hypothetical—if a tanker is a dollar ceiling and it was bid at 50 cents, you really budget for the dollar, correct?

Mr. DONLEY. I believe we're covered for that.

Senator BEGICH. Believe or yes? Confirm that? Because you see the difference?

Mr. DONLEY. I do. I do, I understand. I understand.

Senator BEGICH. Okay, and I'll leave it at that, because I think that's what one member was trying to get to.

Thank you, Mr. Chairman, for allowing me to extend a little bit there.

Chairman LEVIN. Thank you very much, Senator Begich.

Senator VITTER.

Senator VITTER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary and General, for all of your service.

I wanted to start by asking about the A-10s. The Air Force is proposing disbanding A-10 aircraft at the 917 Fighter Group at Barksdale Air Force Base and the Louisiana National Guard's 259th Air Traffic Control Squadron at England Air Park. Now, they have been used extensively in joint training, specifically at the Joint Readiness Training Center at Fort Polk in the Green Flag East Exercises. 70 percent of all those exercises involve those A-



10s, and that training is absolutely essential, the best training available for the sorts of conflicts we have been in.

I'm concerned that the Air Force decision to cut that is being made in a narrow smokestack while the use is joint and that's not fully being appreciated or factored into the decision. Can you tell me what, specifically what consultation with the Army or with the Louisiana National Guard went on before that Air Force decision was made?

Mr. DONLEY. Sir, back to the strategy-driven changes here, the adjustments in the strategic guidance impacted the second major contingency and directed us not to plan for extended operations, for stability operations, on an ongoing basis. That's what affected the force structure requirements for the second contingency most.

Having come off of recent fighter force structure adjustments to the F-16 force and to the F-15 force, that strategic guidance focused on taking additional risk in the A-10 force structure. So that is how we got to additional reductions in the A-10. Then we worked through, as the Chief and I have described, the more detailed analysis of inside the A-10 force structure the Active and Reserve component mix, making sure that we had the right balance so that we could meet the requirements of the strategy, we could meet surge requirements, and we could maintain ongoing expeditionary operations if required to do so, make sure we didn't break the Active Force—

Senator VITTER. And in all that strategic context, what was the consultation ahead of the decision with the Army regarding this specific decision, and the Louisiana National Guard?

General SCHWARTZ. The Army was certainly part and parcel of this conversation throughout. They were at the table when these decisions were taken. I'm not saying they liked them, but they understood them.

Again, General McKinley was also at the table and was aware of this, and we interacted with him. I can't say for certain whether the TAG from Louisiana was informed.

Senator VITTER. With regard to this JRTC training at Fort Polk, will anything replace those A-10s?

General SCHWARTZ. Just like at the National Training Center out in California, we'll support the training demand there as we do in California.

Senator VITTER. Now, the nearest at least A-10s are a ways away. Was there a cost analysis done of what that involves compared to what we're doing now?

General SCHWARTZ. Senator, again we need to sort of remember that A-10 isn't the only airplane that can do close air support or do fast FAC, as we call it. The F-16 is certainly capable of doing that, the F-15E is. We have bigger planes, including the B-1, doing close air support, as you're aware. So the bottom line is here that, while history sort of encourages us to think in traditional terms, there is more variety out there to support the training and the close air support mission than just the A-10.

Senator VITTER. Well, take the A-10 out of my last question. What will replace that aspect of training at JRTC and what's the cost analysis of that? Was that done prior to the decision?

Mr. DONLEY. I don't recall whether there was a cost analysis of what replaces it. But back to the Chief's point, there are a number of assets available to support the JRTC. So it would depend on what the demand signal is for an exercise in terms of how the Air Force would support it, where those assets might come from to do that work.

I would also add, in addition to the platforms the Chief has mentioned, the remotely piloted aircraft that we have added have brought air-to-ground capability that is being used extensively as well.

Senator VITTER. Okay. On Global Strike Command, as you know very well, that was stood up in December 2009 to improve the safety and security and effectiveness of nuclear-capable assets, particularly following the 2007 nuclear weapons incident. Is there any discussion whatsoever now about reversing that decision and going to the pre-Global Strike Command model?

Mr. DONLEY. No.

Senator VITTER. Final focus, B-52 funding. B-52s continue to be very significant in so many ways. One of the proposed cuts that impacts them is the Connect program, which provides—would provide digital communication and mission retasking capability. Give us a sense of why you think that's justified and what capability the B-52s will be left with absent that upgrade?

General SCHWARTZ. The B-52s will have an older, but sustainable, communications system both for tactical and strategic com. This was an affordability issue for us and that was the primary motivation, that we could perform the mission with the legacy system and that's what we decided to stay with.

Senator VITTER. Just in layman's terms, one big difference would be that the planes have to sort of come back and land to be retasked in terms of a mission, compared to what the Connect capability would have been?

General SCHWARTZ. There is still an airborne retasking capability, not as versatile, not as broadband, but there's still an airborne retasking capability.

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

Chairman LEVIN. Thank you very much, Senator Vitter.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Thank you both for your service.

Secretary Donley, I recently had—I recently read a disturbing article that the Afghan air force officials may have been using aircraft to transport narcotics and illegal weapons. This report, combined with the actions of an Afghan air force colonel who, as you know, killed eight of our Air Force officers, shows a troubling state of affairs for the Afghan air force. I understand that you don't have responsibility for the training of the Afghan air force.

Also, I would like to know if we have established the Afghan air force with our money, American money, which I would assume we did? And what types of missions are they flying and do these missions justify the investment we're making? Just an overall assessment from you of the Afghan air force in light of all of these troubling events?

Mr. DONLEY. Some of these events, Senator, have been indeed troubling. But we remain committed to our continuing effort to help the Afghans develop an indigenous air force. They are flying a G-222 aircraft, which is the equivalent of—it's a C-27-like aircraft. They've had several delivered. They continue to try to work up the operational capability, improve the reliability of that system. They fly MI-17 helicopters, MI-35 helicopters as well.

I would say that they have made important contributions at the national level. They've supported Afghan elections by moving ballots around the country to support the electoral process, and they've also provided leadership lift when that has been required. So especially in the remoter parts of this very rugged country, the contributions that they bring are important and we need to continue supporting that element.

Senator MANCHIN. We are paying? We're basically footing the whole bill?

Mr. DONLEY. Afghan national security funds are doing that. There are NATO funds involved. So we're doing this with partners.

Senator MANCHIN. We're not training them? If we're putting all that money in, why would we not be training?

Mr. DONLEY. We are training.

Senator MANCHIN. Oh, we are training.

Mr. DONLEY. We are training. And we are responsible for the security of our airmen who are performing that mission.

Senator MANCHIN. I think you would have to understand why some of us are so upset, when we're cutting, we're cutting our own Air Force by over 200 aircraft by 2013, while we're building up the Afghan air force. It's hard. It's hard for those of us in West Virginia to understand that logic.

General SCHWARTZ. Senator, I think the bottom line is if we want the Afghan National Army to provide for security so that the partners there can rely on that, that they need an air element in order to support the ground forces. One case in point is a recent event where they performed their first casualty evacuation event. The helo went out, recovered injured Afghan Army troops, and returned them to level 3 care.

Imagine the psychology of this, where the Afghan army begins to understand that if they're wounded it isn't over for them and they won't be left on the battlefield to bleed out. These are the kinds of things that the Afghan air force can do on behalf of the army that will reinforce their capacity to perform the defense mission.

Senator MANCHIN. Will they be able to maintain that without our consistent help and constant help in perpetuity?

General SCHWARTZ. Sir, I can't say about perpetuity—

Senator MANCHIN. You know, basically. You've assessed them and the quality of people that they are and what their mind set is.

General SCHWARTZ. Clearly we will need to have a continuing training mission—

Senator MANCHIN. That's my problem.

General SCHWARTZ.—over the years. But it will not be a combat mission.

Senator MANCHIN. I just believe we should be out of there, period.

Thank you.

Chairman LEVIN. Thank you, Senator Manchin.

Senator WEBB.

Senator WEBB. Thank you, Mr. Chairman.

Secretary Donley, General Schwartz, I have to say this has been quite a lively hearing. I think from both of your histories you know what happens when rice bowls are at risk. It's been very interesting to watch this.

I also would like to say, having spent time in the Pentagon, I don't think anybody, any of our compatriots up here or anybody, should walk away from this hearing believing that these issues aren't thoroughly argued and scrubbed inside the Pentagon. I think probably the toughest job would be at a higher level in the Pentagon, as on any given day you're working on three budgets. As you both well know, you're implementing one, you're arguing one over here, and you're developing one.

It takes an enormous amount of time, and I just recall this period when we had Gramm-Rudman—and Secretary Donley, you were in public service at the time, too, when Gramm-Rudman came in there in 1987–1988, when we had to take 10 percent out of a budget that had already been scrubbed by OMB. Very, very tough. I understand the attempts at fairness here that you're trying to put on the table. I just want to say that for the record.

There's been a lot of discussion about BRAC. I have been one who has supported something, for lack of a better term, an overseas BRAC. With respect to Pacific Asia, this is not a proposal at this point that would reduce in any way our presence or our effectiveness over there, and of course we're attempting to take on that. It's more an objective of gaining an efficient restructuring without reducing our overall capabilities and without messaging in a negative way what our strategic objectives are in that part of the world.

In that regard, I have some questions that I've raised in other forums about the capacity in which a number of the Air Force installations are operating in that part of the world.

General, what would you say the percentage capacity would be of permanently assigned Air Force units at Anderson Afghan Base?

General SCHWARTZ. Sir, there are—except for base support, in terms of aviation there are no permanently assigned aviation units at Anderson.

Senator WEBB. Do you have one, a rotating unit that is permanently considered to be—

General SCHWARTZ. I mean, transitions. But we have a bomber presence, a continuous bomber presence at Guam, and we have a periodic fighter presence there as well. There's transient—

Senator WEBB. But in terms of, let's just say, rotational—a permanently assigned rotational force, as a comparison a Marine battalion?

General SCHWARTZ. It's a squadron equivalent.

Senator WEBB. You have a squadron equivalent, which would be how many aircraft?

General SCHWARTZ. It's six to eight bombers, for example.

Senator WEBB. On any given day, you would assume that there would be six to eight at Anderson?

General SCHWARTZ. Or basing from Anderson going elsewhere, correct, sir.

Senator WEBB. How about Yokota?

General SCHWARTZ. Yokota has a squadron of 18 C-130s as the flying operation.

Senator WEBB. How about Misawa?

General SCHWARTZ. Misawa has two squadrons of F-16s. I think it's 54 aircraft, sir.

Senator WEBB. What would that be in terms of—those bases—and if you're not comfortable doing this off the cuff, I'd appreciate having this within the next ten days or so, because I'm going out there. Here's what I'm looking for: Anderson, Yokota, Misawa, Kadena, the number of notionally assigned. I understand what you're saying when you say it's not permanent units, but rotational units that you could expect; and what percentage capacity that would be on these installations, number of aircraft, and maybe even a historical referent.

I think when I was working out there in 1973-74 we saw the ultimate extreme in terms of capacity because they were running B-52s daily into Southeast Asia from Guam and it was really at max load.

General SCHWARTZ. Sir, we'll provide that to you before travel. The only thing that I would caution on, and we'll do so in writing as well, is that that the major bases, in particular Anderson and Kadena, are expansion locations in contingencies. That needs to be considered as well. With your permission, we'll provide that data—

Senator WEBB. I understand that. Any way you want to present that's fine.

I understand also we all understand if there really were a broadly based contingency situation in that part of the world there'd be a lot of other assets that would be put into play, a lot of other facilities that would be put into play as well. But I'd appreciate that. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Webb.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Gentlemen, first of all, thanks for your service. Thanks for always being willing to talk about the various issues that we—I'm talking about you and I—have in common and that we have discussed over the years. You have always responded to our inquiries.

I was going to raise an issue relative to Global Hawk, which is a key asset to the intelligence community. I understand there have been several questions asked about that, so I'm not going to go into it. But just know that I am very concerned about the cancellation of a program that provides such a great asset to the community, and at the same time as one that's been certified by the Department through Secretary Carter to be virtually irreplaceable. So with that, I want to move on to something else.

Mr. Secretary, one of the issues that we worked on very closely was the reorganization of Air Force Materiel Command. I appreciate your willingness to accommodate many of the concerns that Senators had with respect to that, that reorganization. While I do not feel completely comfortable with everything the reorganization will do, I believe we have the procedures and reporting requirements in place to identify and correct problems should they arise.

My main concern with the reorganization is the effect that it may have on sustainment of weapons systems, given that the sustainment program management and depot maintenance activities, which were formerly combined in a single chain of command, will now be separated into two separate chains of command. Now, can you just for the record explain why you think this new construct that separates sustainment program management and depot maintenance functions will help or at least not hurt the Air Force's ability to sustain weapons systems?

Mr. DONLEY. Sir, our intent in this restructure was to support, better support the commander of Air Force Materiel Command in his oversight of the procurement and the sustainment of weapons systems, and to strengthen the acquisition chain of command that helps support those systems, all the way from the system sustainment and the air logistics complexes all the way up through the major—through the program offices, and to develop a stronger acquisition chain to do that, and in the process reduce his direct reports from 12 to 5, and in that process help us to meet required reductions in overall size of our civilian strength in the Air Force.

So that was the rationale for the proposals that we had put on the table and have discussed with you.

Senator CHAMBLISS. Well, as you know, there are some reporting requirements in there and we look forward to monitoring this realignment as we go through it and continuing the dialogue with you and General Schwartz with respect to the issue, and fully expect that if it's not working that you're going to be willing to look at whatever changes might be necessary.

General SCHWARTZ. Absolutely, Senator. This is—we're not backing into this. Changes like this require tweaking. I'm sure there will be tweaking and we'll be ready to act when that's required.

Senator CHAMBLISS. General Schwartz, you indicated in earlier testimony before this committee that the Air Force's ground moving target indicator analysis of alternatives would be used beginning in fiscal year 2013 to guide Air Force investment in ISR weapons systems, such as Joint Stars. Can you give us an update on the AOA status and when we can see those results?

General SCHWARTZ. Sir, the AOA was approved by the Air Force and provided to the OSD CAPE for their sufficiency review on the 25th of January. That review is still under way and once they bless it, why, it'll clearly come forward to Congress.

The substance of that 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 is that there is, notwithstanding the AOA, sir, the reality is that there's not enough space to undertake a new start business class ISR platform. We simply don't have the resources.

So we will continue with the combination of the JSTARS GMTI capability with the companion Block 40 Global Hawk.

Senator CHAMBLISS. So there's still no change in the opinion of the Air Force about the GMTI mission and its criticality to the warfighters?

General SCHWARTZ. No, sir, there isn't. If there wasn't the resource crunch that we have, this would certainly be on our minds. But there are two areas in our Air Force that need attention that

we don't have the resources for. One is GMTI, as you addressed, and also the trainer mission is also a concern. And we simply don't have enough space to initiate a new start.

Senator CHAMBLISS. You mentioned that things have changed since 2005, the last round of BRAC, and that another round of BRAC is necessary, and particularly because you're flying fewer airplanes in the Air Force today than what you were flying even back in 2005. Can you define that a little bit further with respect to what types of facilities need to be looked at closer than others, i.e., what types of bases are we looking at? Fighter bases, transport bases?

General SCHWARTZ. I'd say yes to both probably. I think here's part of the issue. Not only do we have fewer, fewer aircraft on concrete throughout the country and overseas; there is also a fundamental question of right-sizing our squadrons for maximum efficiency. The reality is that larger squadrons are more efficient because of less support equipment required, because of overlap and so on.

So this is another part of the question, is what are we going to do, for example, with F-35s? Will the F-35 active duty squadrons be 24, 30, or maybe even 36 aircraft? We haven't come to that decision yet because we don't have those airplanes. But when we do make that decision, that will have an effect on the infrastructure required to support it all.

My view is that we need to have good assessments of capacity and we need to do that because if we don't we're going to be expending resources in areas less important to us than others like readiness and modernization.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Secretary Donley, General Schwartz, thanks very much for your testimony. I appreciate the directness of the testimony, the honesty of your assessment of the Air Force at this time. Some of the language in your posture statement really jumps out, that, notwithstanding all that we've asked you to do in recent years, the aircraft inventory and end strength has declined and, well, strength has come down by thousands of airmen—here's the quote: "leaving us next year with the smallest force since our inception in 1947."

That's a really powerful statement and one that we have to heed. Again, your testimony convinces me that the budget that has been submitted to us really does take unacceptable risks with our National security. Again, a lot of it is compelled by Congress through the Budget Control Act, but we have the ability and I'm viewing these hearings as the exercise of our responsibility to review that, this budget, in that context and do whatever we can through authorization and appropriations committees to make sure that we reduce the level of risk from unacceptable to acceptable and do whatever is necessary, including raising taxes, to make sure that we can afford that.

I do want to say in passing that I was here when Senator Ayotte referred to one of the aircraft as older than she is. It strikes me that this should create the Ayotte rule, that no aircraft in the U.S.

Air Force now is older than she is now. If you get close to the age of the chairman and me, our Air Force is really in trouble. But we don't think there's any danger of that.

Let me ask you one current sort of topical question and then a larger question. The topical question is about Syria. As you know, there's ongoing repression, in my opinion slaughter, by the Assad government of its people. The world—the President has condemned it and asked Assad to step down. The opposition forces there have now asked the world community for military assistance, including the possibility of using air power. I understand that no decision has been made, certainly not by our Commander in Chief, at this point.

But I just wanted to ask you this question. In some ways it's like the one that Senator Graham asked about Iran, which is whether you believe it's within our ability to neutralize the Syrian Government regime's air defenses and achieve air superiority over Syrian territory?

General SCHWARTZ. It is doable.

Senator LIEBERMAN. Right.

General SCHWARTZ. But it would not be easy. This is not an unsophisticated adversary.

Senator LIEBERMAN. Why don't you talk about that a little bit?

General SCHWARTZ. Well, I'd prefer, sir, frankly, to do this in another forum. But—but this is not a week's effort. Let me put it that way.

Senator LIEBERMAN. Right. But again, you have no doubt that the U.S. Air Force could do it?

General SCHWARTZ. I believe that's the case, and certainly if we had our major partners with us that would be beneficial as well.

Senator LIEBERMAN. I agree. I think the expectation is that if ever this did happen—and this is very theoretical at this point, or at least tentative—that the United States wouldn't go it alone. I certainly wouldn't want us to go it alone. I hope some of our major partners and some of our allies in the Gulf, who have increasingly sophisticated air capacity, would join with us as well, and I think there's some interest in that.

The second question is broader, General Schwartz. I read with great interest the article that you wrote on air-sea battle with Admiral Greenert. I thought it was a great idea that the two of you came together. I very much appreciated your insights on how you see the development and implementation of this concept, which I personally think is crucial to ensuring our military advantage against growing anti-access and area denial challenges, particularly in the Western Pacific and the Persian Gulf.

So I wanted to ask you at this hearing on your budget—and Secretary, I'm happy to urge you to join in—if you would highlight the areas of the proposed budget for fiscal year 2013 that you think are most important to supporting the concept of air-sea battle? Why don't you just at the beginning give us a short form of what the concept of air-sea battle is and then talk to us about what's in this budget to support it?

General SCHWARTZ. Sir, the notion is that for the two services that operate routinely in the global commons and have a rapid response expeditionary capability, that if we did our work together, if we teamed properly, that we could leverage each other's capa-



bility in ways that we hadn't really thought through well enough before. I mean, we have partnered, but it was irregularly. It was sort of the one-off, and the issue was how to normalize that level of collaboration, part one; how to, at the operational level, look at the way we provide mutual support, either in the air or even across domains.

For example, there are two stealth platforms in the Department of Defense, the B-2 and the submarines. And by the way, we support John Greenert's effort to pursue the *Virginia*-class efforts, because that is important to the air-sea battle portfolio.

But finally, the third thing is at the material level. How do we coordinate how we do things in ways that use common data links? How do we use Global Hawk together, both Block 40 and BAMS in this instance? So at many levels, at the tactical level, at the operational concept level, at the materiel level, there are areas here where we as an Air Force and Navy can make our presence felt, that we can assure freedom of action, not without effort, but assure freedom of action and access to better collaboration and teaming of the capabilities we currently possess.

What's important to us in this area? Electronic warfare clearly. Long-range strike bomber is a case in point, and the family of systems more broadly.

Senator LIEBERMAN. And you got some money for research, development, RDT&E, for the long-range bomber in the budget.

General SCHWARTZ. Absolutely, yes, sir, that's correct.

And the kinds of data link efforts that we have under way again to magnify individual assets to make them, network them in a way that's far more compelling.

Senator LIEBERMAN. Secretary, do you want to add anything to that?

Mr. DONLEY. Just a couple of things. Obviously, the Chief mentioned the joint collection and passing of ISR data is of certainly a common interest. Missile defense is another area of common interest. Our mutual work on the F-35, the advanced air-to-air capabilities that will be developed to support that platform, the advanced air-to-ground capabilities, and also, as the Chief mentioned, the deep strike capability.

So these are all areas where we share material, operational, and theater level interests in the joint fight.

Senator LIEBERMAN. And these are supported in the budget before us.

Thank you both. That was an excellent short description of the air-sea battle concept, and I really applaud you for working with the CNO on developing this concept. It's not only cost effective, but obviously it'll maximize our capabilities against enemies.

General SCHWARTZ. For the record, sir, I'd like to compliment Gary Roughead, with whom this began, and John Greenert, who continues it.

Senator LIEBERMAN. Good. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Lieberman.

Just two quick questions. One is the Operationally Responsive—it's called the Operationally Responsive Space program, the ORS

program, which as I understand it was a program which was coming in below cost. Why was that program cancelled?

Mr. DONLEY. Sir, our strategic-level decision with respect to the ORS program is that we likely have an unsustainable model going forward. The purpose of this program was to help us develop the operational concepts and the capabilities, the technical capabilities, to gain rapid access to space, to do rapid integration of payloads and launchers, and to demonstrate the capability to provide rapid response and augmentation to combatant commanders should they lose space-based capabilities or need augmentation.

However, ORS was taxed in its ability to meet competing demands with limited resources, to provide resilient capabilities for military SATCOM capabilities, for ISR, and for missile warning, and all these areas of the space domain, all these different mission sets. We simply did not and probably could not put the resources forward necessary to support a robust ORS program from that one platform, if you will.

At the strategic level, working with the Deputy Secretary and other members of the DOD team, we came to the conclusion that it would be a better approach to develop resiliency in our space programs through the individual architectures for missile warning, through the architecture for military SATCOM, and to figure out cost-effective ways to build in resiliency through hosted payloads, use of international partnerships, and other capabilities that we could add to the organic U.S. space capabilities.

We do think there's value here, but this needed a major restructuring, and there is statutory language that would need to be adjusted for us to change course, and that's what we have proposed.

Chairman LEVIN. Mr. Secretary, let me just wind up with a question about—or a comment about the force structure changes that are in the budget request that we've all, or most of us, have discussed this morning. The letter which I wrote with Senator McCain to the Secretary of Defense has been already put in the record, formally requesting that the Department take no actions to implement decisions in this regard that anticipate Congressional approval of what may turn out to be contentious proposals before the committees have had an opportunity to produce bills reflecting their responses to the fiscal year 2013 budget request.

So from that request, but also I think from comments that you've made before the appropriators, am I correct in believing that you're not going to be making the force structure changes that were proposed in the fiscal year 2013 budget request until the congressional defense committees have had a chance to mark up that fiscal year 2013 budget request?

Mr. DONLEY. That's correct, Mr. Chairman.

Chairman LEVIN. Thank you. With that assurance, I think a lot of us will feel more comfortable as we proceed here, and we greatly appreciate your testimony this morning. We've covered a lot of ground, and I think all of us are very appreciative of the service that you two perform for us.

So we thank you, and we'll stand adjourned.

[Whereupon, at 12:40 p.m., the committee adjourned.]