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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2016

WEDNESDAY, FEBRUARY 25, 2015

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:33 a.m. in room SD–192, Dirksen Senate Office Building, Hon. Thad Cochran (chairman) presiding.

Present: Senators Cochran, Shelby, Collins, Murkowski, Blunt, Daines, Moran, Durbin, Leahy, Tester, Udall, and Schatz.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. DEBORAH LEE JAMES, SECRETARY

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. The committee will please come to order.

We welcome everybody to our Subcommittee on Defense Appropriations hearing for the fiscal year 2016 Air Force budget request.

We are very pleased to especially welcome the Secretary of the Air Force, the Honorable Deborah Lee James; the Air Force Chief of Staff, General Mark Welsh III. We appreciate your service, and we thank you for the critical role you are providing in helping to lead the defense of our country, protecting our national security interests.

The President's fiscal year 2016 budget requests $122 billion in base funding for the Air Force. This is $13 billion more than the current funding level. The request also includes nearly $11 billion to support ongoing overseas contingency operations. We look forward to hearing your reaction to the President's budget (PB) request.

The committee recognizes the importance of the Air Force, and we thank you for your service in these critical and important positions of leadership. The Air Force's priorities of being able to fight and win a war on terror is appreciated and admired, and we are pleased to support those goals. We want to be sure that we take care of our airmen and their families and be prepared for tomorrow's challenges. We recognize the difficulties that recapitalizing an air force can present, an air force fleet that has an average age of 27 years. It is our role to find the correct balance between the competing priorities and interests during these interesting times.

In our State of Mississippi, we are very proud to host training facilities that have been there for a long time and have contributed not only to our national security but have strengthened the local economies. Air Force families have been a part of our State for a long time. We are very proud of that. We host bases where Active Duty, Reserve, and Air Guard operate and train for a wide range of jobs and activities, from pilots to supporting cyber warfare requirements.

We appreciate all of you serving in the roles you have and commend you for the good work and outstanding leadership you provide.

We look forward to working with you through the members of this panel and our staff members to review the 2016 appropriations bill specifically that will enable and authorize the United States Air Force to successfully defend our Nation's security interests and protect our interests around the world.

I am very pleased to thank our distinguished ranking member, Senator Durbin, for being here and his leadership on this committee. I would be glad now to yield to him for any opening remarks that he would care to make.

STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Thanks, Mr. Chairman. I appreciate it very much, and I am pleased to be joining you in welcoming Secretary James and General Welsh to our hearing to review the Air Force's budget request for fiscal year 2016.

Mr. Chairman, I have found, as I have met with the leaders of national defense, that there is one recurring theme and that is they are concerned over the possibility of sequestration. Time and again, they have told us that if we revert to this world of sequestration, we will do it at the expense of America's defense and our readiness, and we will literally waste precious acquisition dollars with inefficient management of procurement programs. I share that concern, and I wanted to salute our new colleague on the committee, Senator Schatz, who has introduced the Sequestration Relief Act of 2015, which I am cosponsoring.

I ask consent that the remainder of my statement be placed in the record so that the witnesses can have a chance to testify.

Senator COCHRAN. Without objection, it is so ordered.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, I am pleased to join you in welcoming Secretary James and General Welsh to our hearing to review the Air Force's budget request for fiscal year 2016.

We look forward to your assessment of a number of critical areas in the department's budget and the rationale behind your balancing act of short-term and long-term objectives. Some of these areas include:

—the health of our total force, where we must continue to make best use of our Air National Guard and civilian workforce as cost-effective alternatives wherever possible;

—your continued stewardship of major acquisitions programs to guard against waste;

—progress toward introducing competition into space launch in order to bend the curve on unacceptably high costs and reducing the national security risk of relying on Russian engines; and

—your investments to advance science and technology research so that the Nation's Air Force may continue to maintain air dominance for the foreseeable future.

Secretary James, General Welsh, you have also been vocal about your concerns with sequestration, particularly the ways it could once again harm readiness and waste acquisition dollars through unavoidably inefficient management of procurement programs.

I share your concern and have recently, in partnership with Senator Schatz, introduced the Sequestration Relief Act of 2015.

The Sequestration Relief Act would set higher defense—and non-defense—spending limits to allow the Federal Government to make necessary investments in our Nation's security, prosperity, and health.

It is important that Congress alleviates some of the budgetary pressures that you have felt as Air Force leaders. But Congress must also relieve similar pressure on our domestic programs, many of which are important priorities for Air Force families. These include medical research, reduction in crime, investments in American infrastructure, and education.

Studies have also shown that obesity, health problems, poor educational attainment, and criminal histories are dramatically shrinking the pool from which the military can recruit. Short-changing domestic programs that address these problems may end up harming our national security in the long term. I hope Secretary James and General Welsh can speak to the importance of having healthy, well-educated young Americans who can make this country better, whether they serve in uniform, in high-tech jobs, or in our communities.

Secretary James, General Welsh, we look forward to hearing your testimony today.

Senator COCHRAN. Madam Secretary, General, we are pleased to welcome you to the committee, and if there are other Senators who would like to make a statement or put a statement in the record, we would be happy to have you do that at this time.

Senator COLLINS. Put it in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SUSAN M. COLLINS

Thank you, Chairman Cochran and Ranking Member Durbin, for holding this hearing to review the Department of the Air Force's fiscal year 2016 budget submission. This subcommittee has a number of important decisions to make, and I am hopeful that we can work together to produce a bipartisan funding bill this year.

Secretary James and General Welsh, thank you for appearing here today and please accept my thanks for your service to our country.

General Welsh, I especially want to thank you and your wife for visiting the Maine Air National Guard's 101st Air Refueling Wing in Bangor, Maine, last week. I am sure you saw why we are so proud of the job our "MAINEiacs" do 24 hours a day, 7 days a week, and why the 101st can play a vital role in our fight against ISIL.

Two issues concern me with respect to the Air Force budget proposal. First, even without sequestration, the Air Force is at such a worrying state of readiness that it will not recover to being fully ready to perform full spectrum operations for 8 years (2023). This is unacceptable, and I would like to know what additional resources, whether through OCO or the base budget, are needed to reduce this timeline.

The second issue of importance to me is the Air Force's preparedness to defend comprehensively against cyber-attacks. All the planes and bombs and satellites in the world will be ineffective against an adversary if they are crippled by a cyber-attack.

Whether it is satellites, the thousands of lines of software code that keep our aircraft in the air, or the critical infrastructure that supports the operations of Air Force bases around the world, I would like to know whether our senior Air Force leaders can assure us that the Air Force has identified and addressed these vulnerabilities so that the completion of the Air Force's part of the mission is assured.

Thank you. I look forward to your testimony this morning.

Senator COCHRAN. Madam Secretary, welcome.

SUMMARY STATEMENT OF HON. DEBORAH LEE JAMES

Secretary JAMES. Thank you so much, Mr. Chairman and Vice Chairman Durbin, other members of the committee. We are very pleased to be here this morning. And I am especially pleased to be sitting next to this gentleman who is just a phenomenal airman and a leader of our Air Force, General Mark Welsh.

Mr. Chairman, we do have a prepared statement which we would ask be included in the record, and then, if I may, I would just like to summarize some of our key points.

Senator COCHRAN. Without objection, that statement will be made a part of the record.

Secretary JAMES. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF HON. DEBORAH LEE JAMES AND GENERAL MARK A. WELSH, III

INTRODUCTION

The United States Air Force is the most globally engaged air force on the planet. American Airmen are in constant defense of our national interests, whether dropping bombs, commanding satellites in space, delivering humanitarian relief, or protecting the homeland with an array of air, space, and cyberspace capabilities our forefathers could never have imagined. Airmen collaborate and train with allies—expanding and strengthening our collective capabilities—and guarantee the global freedom of movement and access that Americans have come to expect. Alongside its Sister Services, America's Air Force delivers our Nation the power, influence, agility, and global reach no other country currently possesses . . . no matter the effort, no matter the odds. Our Airmen are warfighters and they bring airpower to bear on behalf of America every day.

But 24 years of continual combat operations, coupled with constrained and unstable budgets, has taken its toll. America needs a force ready for a spectrum of operations more global and complex than ever before. Instead, a relentless operations tempo, with fewer resources to fund, coordinate, and execute training and exercises, has left a force proficient in only those portions of the mission necessary for current operations. This is not the Air Force America expects . . . but today, it is the Air Force America owns.

Today's Air Force is the smallest and oldest it has ever been, even while the demand for airpower continues to climb. There is no excess; there is no "bench" . . . everything is committed. When called into action, today's Air Force cannot respond in one corner of the Earth without diluting its presence elsewhere. The blanket of American airpower covering the globe has thinned; in places, it is nearly threadbare. As we have cut our capacity, we have found our capability equally diminished—the two qualities are inextricably linked.

The Nation deserves an Air Force that can outmatch its most dangerous enemies at their peak of power—the most demanding warfighting scenario, not just the "low-end fight." The President's Budget (PB) takes a critical step toward recovering that Air Force, but make no mistake: even at PB levels, the Air Force remains stressed to do what the Nation asks of us. To truly reverse the erosion of American airpower requires sustained commitment, stability, and the decision-space to invest each taxpayer dollar where it can best deliver the most combat power.

Without bold leadership today—difficult decisions and a commitment to air, space, and cyberspace investment—America's airpower advantage is increasingly at risk.

A GLOBALLY ENGAGED FORCE

At the Nation's call, American Airmen leap to defend her interests. They respond at all hours, on any day, anywhere in the world, and they do it whether the requirement has been planned for or not. After all, enemies (and disasters) rarely strike when expected.

On the eve of 2014, the Nation—and the Air Force—planned for a relatively quiet year. We expected to draw down combat forces in Afghanistan, and have an opportunity to reset and reconstitute our forces.

Instead, the Ukraine and a resurgent Russia happened. Ebola happened. The Islamic State happened. Airmen flew 19,959 offensive sorties, releasing 8,249 weap-

ons[1] in support of U.S. Central Command alone. Air Force tankers offloaded 172 million gallons of fuel to Joint and coalition air forces, and Airmen flew 79,445 airlift missions in operations on every continent.[2] We kept watch over our enemies, collecting and analyzing over 18 million images and 1.6 million hours of full motion video . . . and we evacuated 6,075 wounded Soldiers, Sailors, Airmen, Marines, and civilians from the battle space. Instead of slowing down, our force sped up.

The Air Force was equally busy at home, providing capability most Americans never have to think about. Airmen launched nine national security space missions—bolstering GPS, weather, and Space Situational Awareness capabilities to benefit military and civilian users alike. They engaged with allies to build America's space partnerships; and worked to qualify potential new launch providers to increase competition, reduce costs, and assure American access to space in the future. And Airmen began the long, critical work of revitalizing two of the three legs of our Nation's nuclear triad, gathering over 300 recommendations from the field on how to improve Air Force nuclear culture . . . and then implemented those ideas, to the tune of $50 million in fiscal year 2014 and a planned $154 million in fiscal year 2015.

Airmen provide access, overwatch, protection, and staying power for American and coalition forces the world over. They degrade adversary capabilities, and re-affirm every day that America can project power anywhere in the world, at the time and place of our choosing. That power—that presence, at home and abroad—is among the strongest deterrents confronting the Nation's would-be enemies . . . and protecting our National interests.

CAPACITY AND CAPABILITY: A DUAL PROBLEM

Americans have invested in airpower for well over 60 years to ensure the fight is never fair. But today—after many years of continual operations and a few fiscal upheavals—the Nation is at a crossroads, with a fundamental disconnect between its airpower expectations and its airpower capability.

There was a time when the Air Force could trade some capacity in order to retain capability. But we have reached the point where the two are inextricable; lose any more capacity, and the capability will cease to exist.

The Service's intelligence, surveillance, and reconnaissance (ISR) force is a sobering example of this critical nexus. In today's warfighting environment there is nearly infinite appetite for Air Force ISR[3]—we simply do not have the capacity to fulfill it. To meet as much of the demand as possible, Airmen work 10- to 12-hour shifts on a "7-on, 1-off" pattern, flying over 900 hours a year—a rate that can accumulate a career's worth of flying hours in a single assignment. These are combat shifts, physically, mentally, and emotionally taxing . . . and to get it done, they are sometimes diverted from training that allows them to improve, advance, and build a professional military career. When such Airmen are faced with the decision to separate or continue to serve, it is difficult to convince them that staying is in their best interests. We are losing them at a rate faster than we can replace them.

At some point, no level of effort will cover the capacity gap created by continual worldwide operations and dwindling, uncertain budgets. The capability itself will fail.

The fleet offers another case in point. Today's Air Force is both the smallest and oldest it has ever been. Since Operation DESERT STORM in 1991, the Air Force cut its total aircraft inventory from 8,600 to 5,452. During that same time period, we cut Active, Guard, Reserve, and civilian Airmen from 946,000 to little more than 662,000 (just 313,000 on active duty). The average age of Air Force aircraft is 27 years, with many fleets substantially older.

The newest B–52 bomber is 53 years old. In at least one Air Force family, three generations of Airmen have piloted the Stratofortress, in combat engagements from Vietnam to ENDURING FREEDOM (see boxed text).

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[1] These include Close Air Support, Escort, and Interdiction sorties. Data from AFCENT Airpower Summary.

[2] Tanker Airlift Control Center Office of Public Affairs.

[3] A return to sequestration would result in 50 percent of the high-altitude ISR missions being flown today no longer being available. Commanders would lose 30 percent of their ability to collect intelligence and targeting data against moving vehicles on the battlefield.

THREE GENERATIONS OF B–52 AIRMEN

Captain Daniel Welch graduated from the Air Force Academy in 2008, and began flying the B–52 in March of 2010. His father, Lieutenant Colonel Don Welch, was assigned to Guam in the early 1980's, a B–52 flight crew member during the Cold War. And Daniel's grandfather, Colonel Don Sprague, flew "the mighty B–52" in combat missions in Vietnam, earning the Distinguished Flying Cross for his service.

The B–52 that Daniel's grandfather flew was designed in the 1950s for its strategic strike capability, deterring direct aggression from our enemies. It was capable and it was credible. Under current recapitalization plans, the Air Force will try to keep this venerable airplane flying until at least 2040 . . . that is enough years to let a fourth generation of the Sprague-Welch family grow, graduate, and fly the B–52 as well. But how capable, and by extension how credible, will a 90-year-old bomber be in the world 25 years from today?

The Nation broadly invested in capacity to cover the globe decades ago . . . but if we do not have capacity with the right capability to meet today's needs, what is perceived as credible capability is merely an illusion.

By automobile standards, 12 fleets of Air Force aircraft are authorized antique license plates in the state of Virginia. The Air Force can (and does) continue to patch these older platforms up and fly them in combat. But after extending their service life time and time again, each airframe reaches the point where it cannot be "patched up" anymore. It must be replaced or it fails.

With aging aircraft and stressed fleets, today's capacity, as small as it is, is something of an illusion. The numbers are there—barely—but the capability to command global influence is tenuous. What was, in earlier times, a blanket of airpower covering the globe, has been worn to mere threads.

POLICY AND PURSE STRINGS

The world continues to change at an unprecedented pace and operational requirements continue unabated. The demands for global engagement is challenging under any circumstance . . . but when combined with an uncertain budget environment, it drives the Air Force—indeed, all Services—to make incredibly difficult choices, pitting vital requirement against vital requirement.

When budgets contract and budgetary policy is continually postponed, or written in a way that limits Service solutions to budget problems, decision-space shrinks, and already difficult budget choices become nearly impossible.

In fiscal year 2012, when the Air Force originally forecast its requirements to meet the Defense Strategic Guidance, the Service planned an fiscal year 2016 topline of $134 billion. Today—as enacted in fiscal year 2015, and so requested in the fiscal year 2016 PB—that topline has decreased to $122 billion. In aggregate, the loss across those 5 years is $64 billion (see chart I below).

[The chart follows:]

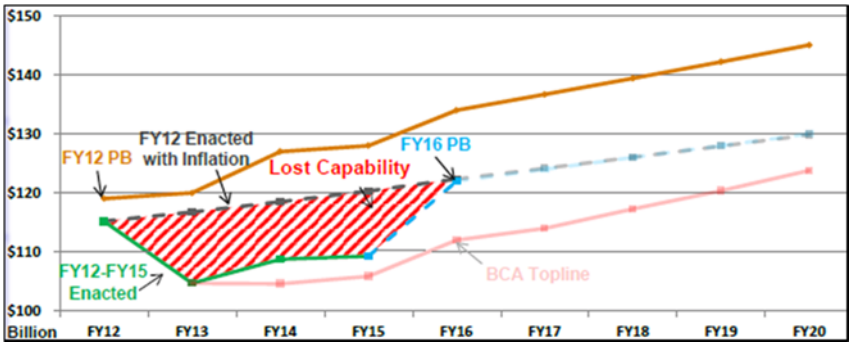

CHART I: LOST CAPABILITY

To put this into perspective, if the Air Force shut off all utilities—turned off the lights, the heating and air conditioning, the water supply—at all our major installations for 12 years[4] . . . or if it quit flying for 20 months—did not burn any jet fuel at all for nearly 2 years . . . it would save only $12 billion. Enough to buy back 1 year of sequestered funds. Money matters; the lost capability is real; and the impact is going to be significant.

In addition, both budget uncertainty and legislative programming restrictions have left the Air Force with very limited decision-space over the past 3 years. Tightly constrained on aircraft divestiture and denied Base Realignment and Closure, leaves the Service with only a few accounts to yield savings from quickly and cleanly, without violating "must pay" requirements: readiness, people, and modernization. From these, the Air Force worked hard to identify the least catastrophic choices it could.

The Air Force took risk in infrastructure. Our investment in maintenance and repair—including restoration, modernization, sustainment, and new construction to recapitalize Air Force facilities and infrastructure—is just 1.9 percent of the Service's plant replacement value. Private industry standard is between 6 and 8 percent investment.[5]

Unable to cut airframes we believe we need to divest or to reduce excess base capacity; the Service has cut personnel—taking risk in human capital. Since 2001, even as the Nation fought in Afghanistan and Iraq, Air Force uniformed end-strength dropped by 44,000 Airmen.[6] We simply cannot get any smaller or we risk being too small to succeed.

We have also been forced to cut into some of the programs that keep Airmen and airpower a step ahead of the enemy at all times. In 2013, for example, an entire Weapons School class—which produces the world's best tactical and operational airpower experts—was cancelled.

Risk and tough choices are part of every business. The problem, for the Air Force, is that failure is never an option. Airmen will fix it, patch it, make do, and work until they drop to cover shortfalls. But asking it of them, year in and year out, risks unbearable strain on a force heavily engaged around the globe.

DOING WHAT WE CAN

Recognizing that budget uncertainty—and a need for fiscal restraint—may be here to stay, the Air Force has extended its institutional gaze out 30 years to synchronize budget and acquisition decisions with strategy. To guide this effort, in 2014 the Service published America's Air Force: A Call to the Future,[7] a ground-breaking new strategic framework. This framework calls for strategic agility to confront the rapidly-changing global environment, and—in conjunction with the upcoming Air Force Strategic Master Plan—will provide guideposts and long-range resourcing vectors with which to make the difficult tradeoffs required in years to come.

In the more immediate-term, the Air Force has realized value through its "Every Dollar Counts" (EDC) campaign. At the heart of EDC is the Secretary of the Air Force's challenge to every Airman to take ownership of the processes they touch and to look for better ways to do business. EDC initiatives run the gamut, from soliciting grassroots savings ideas to overhauling Air Force acquisition practices. Efforts within the campaign have reduced energy costs by approximately $1 billion, and identified another $1.3 billion in potential savings through Better Buying Power practices and the Air Force's partner initiative, Bending the Cost Curve. We project another $35.4 million in savings proposed by Airmen, and have found opportunities to save $190 million over the next 5 years by analyzing War Readiness Engine requirements. The savings are already planned for reinvestment in readiness, as well as to modernize equipment and infrastructure.

Budgetary constraints also spurred the Air Force to re-evaluate the way it does business with its installations' host communities, and seek alternatives to the status quo. The Air Force Community Partnerships Initiative makes unprecedented use of public-public and public-private (P4) partnerships, leveraging the existing resources and capabilities of installations, state and local communities, and commercial entities to achieve mutual value and benefit for all. There are now 47 installations in

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[4] This number reflects the cost of utilities only at U.S. Air Force installations—it does not reflect installations investments writ large (and thus does not portray in any way the savings which could be associated with base realignment and closure).

[5] . . . and National Research Council studies indicate that an investment between two and 4 percent of PRV is warranted to avoid risk of accelerated deterioration and infrastructure failure.

[6] Fiscal year 2011–2014 Active, Guard, and Reserve.

[7] http://airman.dodlive.mil/files/2014/07/AF__30__Year__Strategy__2.pdf.

the Air Force Partnership Program who identified more than 1,000 initiatives across the spectrum of installation services and mission support . . . and many of these initiatives are developing further with potential application Air Force-wide.

Additionally, the Air Force unequivocally relies on three strong components—Active, Guard, and Reserve—to sustain the force required to meet strategic uncertainty, fiscal constraint, and rapidly evolving threats head-on. The Air Force is absolutely committed to leveraging the distinct and complementary characteristics of its Total Force more effectively . . . and to do that, Airmen must be postured to operate cohesively and seamlessly as one team. Over the last year, dialogue with stakeholders provided valuable perspective—and mutual understanding—about the necessary size and shape of the future Air Force. The Service spent 2014 thoroughly analyzing 80 percent of its mission areas and platforms, taking a close look at component balance. Over the course of the next year, the Air Force will continue evaluating the remaining 20 percent of the mission areas . . . and continue ongoing work to break down organizational, policy, and cultural barriers to seamless operations.

The Air Force is a committed steward of America's resources, saving—or avoiding costs—to the tune of billions of dollars through the ingenuity of Airmen. Yet even those billions fall far short of making up the losses of the past 3 years. We need a stable funding profile, and support for the tough fiscal decisions required, if we are to meet the complex global challenges of the coming years.

AN INVESTMENT IN GLOBAL INFLUENCE

America is an airpower nation; we have enjoyed unrivaled success in the air for the past 70 years. But future success is not a birthright, and air and space superiority is not an entitlement. It must be earned. Without it, American influence diminishes and the U.S. military will be forced to radically change how it goes to war. Americans will be put in danger, and our leaders' options will be markedly limited. Our adversaries know this and are taking steps to tip the balance in their favor.

We cannot let this happen. We must invest in the force required today and invest in the force we will need tomorrow.

The fiscal year 2016 PB request is the result of difficult, purposeful, strategy-based resourcing decisions made to meet obligations set in the Defense Strategic Guidance. It aligns with Department of Defense and Air Force 30-year strategies; continues to regain ground in our ability to wage full-spectrum operations; maximizes the contributions of the Total Force; reinforces investments in nuclear deterrence and space control operations; emphasizes global, long-range and non-permissive capabilities; and focuses on unique capabilities the Air Force provides to the Joint fight. It funds our greatest asset—Airmen—by halting the active duty manpower drawdown and reinvesting pay and compensation savings in Airmen's quality-of-life programs. And it preserves the Air Force's top three acquisition priorities: F–35; KC–46; and the long-range strike bomber.

The fiscal year 2016 PB request also reflects changes in the global landscape, buying back combat capabilities in areas where the Air Force accepted risk in the fiscal year 2015 PB—the E–8, JSTARS, and F–15C. U–2 and E–3 AWACS divestment is re-phased to fiscal year 2019, so we can continue to operate those platforms and meet combatant commanders' most urgent needs. And we've increased funding for the nuclear enterprise, space, cyber, ISR, and command and control improvements, investing in the Nation's strategic deterrence and high demand airpower assets.

This budget cannot stand alone—it must serve as a point of departure for future years' stable, committed investment in global airpower for America. A return to sequestration-level funding will devastate readiness and modernization; it will force the Air Force to depart from a long-term, strategic planning framework in favor of one that triages only those things absolutely required in the short-term. It will reverse incremental progress made over the past 2 years in the recovery from fiscal year 2013's sequestration-level funding and will make it impossible to meet current operational requirements or execute the Defense Strategic Guidance. Under a sequestration-level budget, we will be forced to recommend divesting critical airpower capabilities—like the KC–10 and U–2 fleets. Overdue investments in the nuclear enterprise will be reduced and technologies vital to future capability and the American industrial base—like the promising Adaptive Engine Program—will be halted.

CONCLUSION

The United States Air Force is the world's best. American Airmen are warfighters. The air, space, and cyberspace capabilities they bring to bear strike fear in the hearts of our enemies. If you are a threat, the Air Force can see you; it can reach you; and it can strike you. We must keep it that way.

As Airmen continue to support and defend America's interests around the globe—engaging in active combat and operational missions worldwide—the Nation must acknowledge the serious disconnect between the Air Force it expects, the Air Force it has today, and the Air Force it is funding for the future. Today's Air Force is the smallest and oldest it has ever been . . . and a high operational tempo, paired with a constrained and uncertain budget environment, only accelerates this trend. The Nation must invest in new technologies, in training, infrastructure, and personnel, if it intends to continue operating as a global superpower.

The fiscal year 2016 PB request preserves the minimum requirement to meet current strategy. But even at the PB level, the Air Force remains stressed and shortfalls exist. Reversion to sequestration-level funding will carry great risk for American Airmen, and for America itself.

The fiscal year 2016 President's budget request is an investment in a force we hope the Nation will never have to use. But if the turbulent—and largely unexpected—global developments of 2014 prove anything, they prove this: America's Air Force must be ready to engage anytime, anywhere, and across the full spectrum of warfare. America expects it, combatant commanders require it, and our Airmen deserve it.

Secretary JAMES. When I testified before all of you last year and I was a brand new Secretary of the Air Force, I outlined my three priorities, and they have not changed over the course of this past year. The three priorities are: number one, taking care of people; number two, striking the right balance between the readiness of today and modernizing—that means our readiness for tomorrow; and number three, making every dollar count. That is to say, we get that the taxpayer dollar is precious and we cannot afford to waste a single dollar of it. So make every dollar count is one of the top three priorities.

Now, speaking personally for just a moment, what has changed for me over the last year is that now I have had, under my belt, quite a bit of traveling that I have done to see our Air Force in action. I visited 60 bases in 28 States and territories, as well as I have been overseas to 12 different foreign countries in the past year. And throughout each of these visits, I have listened very hard to our airmen, to our leaders on the ground, as well as to the rank and file airmen all around the country and all around the world. And I will tell you the number one message that they have told me is that the downsizing that we have been going through in the United States Air Force has been extremely difficult for them, especially the uncertainty surrounding that downsizing.

Today, as a matter of fact, we are the smallest Air Force that we have ever been since our inception in the year 1947, and this is at a time when the demand for our Air Force services is absolutely going through the roof. So OPSTEMPO (operations tempo) is extremely high.

Just as you said, Mr. Chairman, we are also the oldest Air Force that we have been since our inception in terms of the age of our platforms. So on average, our aircraft are 27 years old, and there are many fleets, of course, which are substantially older than that. And at this time, more than half of our combat air forces are not sufficiently ready for a high-end fight—a high-end fight meaning one where people are deliberately trying to interfere with you, shoot you down, and so forth. So we are concerned about half of our combat air forces not being sufficiently ready.

Yet, as we sit here this morning, nonetheless our people are pulling it together and they are providing two-thirds of our nuclear deterrent. They are performing very important ISR (intelligence, sur-

veillance, and reconnaissance) and strike missions in Iraq and Syria in the fight against ISIL (Islamic State of Iraq and the Levant). They are flying mobility missions in the Pacific and reassuring our European allies, as well as doing a variety of other missions to guard our homeland.

So all of these missions are critical to our Nation's defense. Our airmen are performing them admirably, but with that said, it is a force under strain. We are a force under strain. We are working to meet the combatant commanders' most urgent needs, but a budget trajectory that results in sequestration will not allow us to sustain this pace. We will either break or we will not be able to execute the Defense Strategic Guidance if we are returned to sequestration.

Now, we have said many times over the past year that sequestration would damage our national security. So rather than living with those sequestration levels, we are coming in, as you noted, Mr. Chairman, with a budget figure for fiscal year 2016 which is substantially closer to what we need to run the Air Force. And for the Air Force, as you mentioned, this is billions of dollars more than what sequestration would give us, but it represents the difference between the Air Force that our combatant commanders need to get their jobs done around the world and the one that our Nation expects vice the type of an Air Force that we would be forced to live with under sequestration, which means we cannot meet the defense strategy.

Even with this higher figure, Mr. Chairman, under our President's budget proposal, we still had to make some tough choices, and I will get into those in a moment or two.

AIR FORCE PRIORITIES

Now, let us go to the priorities. Taking care of people is, as I said, my number one priority. And I have become convinced that the downsizing must stop. As a matter of fact, I believe—and so does General Welsh—we need to upsize modestly. So what we are looking for is a total force end strength that is Active, Guard, and Reserve of 492,000, and that is about a 6,600 increase, some for the Active Duty, some for the Guard, and some for the Reserve. Again, this is what we need to execute our defense strategy. It would also help alleviate some of the operational strain, the constant deployments that we have been facing. It would bolster our nuclear enterprise where we have directed additional resources to go in that direction. It would increase the number of cyber teams that we are trying to build in our Air Force, and it would shore up certain career fields where we are currently undermanned. And the one that comes to mind on that is maintenance. So all of these things that 6,600 end strength would allow us to do.

By the way, for the Guard and Reserve, this budget will allow us to buy back F–15Cs for our Air Guard units and will make them active associations. We will reestablish a classic association with the Global Hawk at Beale Air Force Base, California. We will be able to increase the use of our Guard and Reserve in our space missions, and we will also grow the Reserves in cyber.

As you know, we owe you a report on the National Commission on the Future Structure of the Air Force by March 4. So you will

get the full laydown of all that we are doing to increase integration, the continuum of service, and utilization of our Guard and Reserve.

A few more things on people: We are expanding services in the important area of sexual assault prevention and response, support for child care, fitness centers. We are keeping our educational benefits strong for our airmen. There are infrastructure projects to benefit them, and a 1.3-percent pay raise for both our military and our civilian airmen.

Now, turning to readiness for a moment, that is the second priority, get the readiness and modernization balance correctly. So we need to rectify the readiness problems that I told you about earlier, and it is going to take time to do that, but we need to get going with it now just as we have been building back the last year or so. So we are going to fully fund flying hours to the maximum executable level, invest in weapons sustainment, and ensure some of our combat exercises like Red and Green Flag, that they remain strong.

General Welsh in particular—we both, but particularly General Welsh consulted closely with our combatant commanders as we built this budget, and in view of the additional dollars that we received, as well as the fact that the world circumstances have changed, we are going to be meeting the combatant commanders' most urgent needs in this budget, including support for 60 steady state ISR patrols, extending the life of the U–2 and the AWACS (Airborne Warning and Control System) programs as a couple of examples. So what they want is ISR.

We are also supporting important space programs, including additional funding for the nuclear enterprise, some of which I have already mentioned.

Now, when it comes to modernization, number one for us is the nuclear, as I said. So we are developing the Minuteman 3 ICBM (intercontinental ballistic missile) follow-on, accelerating the long-range standoff weapon, as well as a number of other investments, plus the importance of space, including investments in space situational awareness and GPS (Global Positioning System) anti-jamming capability.

You are aware we have three major programs: the Joint Strike Fighter, the KC–46, the long-range strike bomber. They all will remain on track under our budget.

And that leads me now to my third priority, which is making every dollar count. As I said, that is very important one, and we are doing a number of efforts in this direction. We are driving toward auditability of our books and we are getting there. We are taking a 20-percent headquarters reduction. This includes civilian positions, contractor positions, and other reductions to get us there from here and we are doing it aggressively. We are also soliciting innovative and cost-saving ideas from our airmen, and then we are implementing at least some of those to gain us savings. And of course, energy is a big picture in terms of how we hope to make savings as well.

So there is a lot of good in this budget, but here comes the part that still was difficult decisions. We are, once again, proposing to retire the A–10 aircraft over time, slowing the growth in military compensation, and we are asking, once again, for an authority to do an additional round of base closures. And we realize none of this

is popular and it is all hard, but if sequestration comes back, believe me, the choices will be all the more dire. As I said, we will not be able to do the defense strategy, and other very important systems would perhaps have to be shelved, for example, the KC–10 refueler fleet. We would have to cut total force flying hours, weapons systems sustainment. A number of readiness areas would suffer. Our F–35 procurement would have to be reduced by about 14, and our program that I just told you about for ISR, which is the number one thing our combatant commanders want more of—that would have to go down as well. So you see sequestration threatens everything, and I am just sure we can do better and I hope that we will.

So in conclusion, Mr. Chairman, I can confidently tell you and the other members, as well as the American people who may be listening today, that your United States Air Force is unquestionably the best on the planet, but we are strained. And we are the best on the planet because our men and women who execute the mission each and every day are doing the very best job possible, but we must not take this for granted. We cannot let our edge slip away. Sequestration—I say again, it must be lifted permanently, and I ask you, please, it must be lifted for the entirety of Government and I would say particularly on behalf of my colleagues that we work with very closely at the State Department and DHS (Department of Homeland Security)—these are very, very close partners for us in our overall national security and homeland security profile.

I look forward to your questions but would now yield to General Welsh.

Senator COCHRAN. Thank you, Madam Secretary, for your statement. We appreciate your good efforts to present the overview of the budget request to the committee.

I think at this time we will yield to and recognize General Welsh for any comments he would like to make.

STATEMENT OF GENERAL MARK A. WELSH, III, CHIEF OF STAFF

General WELSH. Thank you, Mr. Chairman, Vice Chairman Durbin, members of the committee. It is always an honor to be here with you. Thank you for taking your time to do this.

It is also great to be here with the boss. She has proven to be a very passionate advocate for our Air Force, for its airmen, and their families, and all of us appreciate that.

My pride in our Air Force and the airmen who give it life has not changed since last time I saw you. A lot of other things have with the world and with the Air Force. The boss mentioned this getting smaller portion. Let me just give you one illustration because I think it might help you understand the issues that we are facing.

When we deployed to Operation Desert Storm in 1990, we had 188 fighter squadrons in our Air Force. This budget will take us to 49. The bottom line of that is that there is just no bench left. There is no excess capacity. Forty-nine equals our requirement for responding to a major conflict within 120 days. Now, we had 511,000 people in 1990 when we went to that first Gulf War. We have 200,000 fewer airmen today. We have been on a relatively

precipitous decline in the last 25 years. And the bench is gone. And so today more than ever, we need a fully capable, fully ready force. We just cannot continue to cut force structure in order to pay the cost of readiness and modernization or we will risk becoming too small to succeed.

We also have a broader readiness issue than the one the Secretary mentioned, the short near-term unit and individual readiness problem. The broader problem is a lack of investment in infrastructure over time that produces combat capability. Things like training ranges, test ranges, simulation infrastructure, space launch facilities, nuclear infrastructure, even educational and training infrastructure have all been intentionally underfunded for the last 15 years in order to focus spending on individual and unit readiness. That bill is now due. And this budget request begins the persistent, long-term investment that will recover this mission-critical infrastructure.

I would also like to tell you that smaller Air Force is younger and fresher than it has ever been, but that would not be true either. Our smaller aircraft fleet is also older than it has ever been. You heard about the average age, but let me give you a couple of specifics. If we had flown the venerable World War II B–17 Flying Fortress in bombing missions over Baghdad in the first Gulf War, it would have been younger than the B–52, the KC–135, and the U–2 are today. And the idea of using the B–17 in the first Gulf War seems ludicrous to us now, but that is the age of our fleets. We have 12 fleets of aircraft that qualify for antique license plates here in the State of Virginia. We have four fleets of aircraft that could join AARP today.

We have to modernize our Air Force, and we want to work with the Congress to do so. And I know that you want to help us figure out how to do that. It will not be easy, and it will require accepting prudent risks in some operational mission areas for some period of time in order to get this done. But the option of not modernizing really is not an option at all. Air forces that fall behind the technology curve fail, and joint forces without the full breadth of air space and cyber capabilities that modern air power brings will lose.

Speaking of winning and losing, if we remain at BCA (Budget Control Act) funding levels, the Air Force will no longer be able to meet the operational requirements of the Defense Strategic Guidance. Our short-term readiness recovery will stall. Our long-term infrastructure investment that we are trying to start will remain a dream. We will be forced to recommend the dramatic fleet reductions that the Secretary mentioned, and our modernization programs will be delayed again, allowing our adversaries to further close the capability gap. The casualties will be Air Force readiness and capability well into the future.

So we need your help to be ready for today's fight and still able to win in 2025 and beyond. I think our airmen deserve it. Our joint team needs it, and I believe our Nation still expects it.

Finally, I would like to add my personal thanks to every member of this committee for your unwavering support of the Air Force, for our airmen, and for our families. You have made a huge difference to our service over time. Thank you for that.

And we welcome your questions.

Senator COCHRAN. Thank you very much, General. We appreciate your cooperation with our committee.

I have questions that are broad, general overview questions relating to the budget and also some parochial interests that we have in my State of Mississippi.

We have a number of Senators who have joined us for this hearing today, and I am going to proceed in order of seniority, alternating between the Democratic side and the Republican side, and recognize other Senators for any questions they may have to make to put to our distinguished panel. We thank you very much for your cooperation with our committee.

Senator Durbin.

Senator DURBIN. Mr. Chairman, thank you very much.

I had an opportunity to meet with Secretary James and General Welsh prior to this hearing, and one of the issues that was raised by Secretary James was raised again this morning and that was the strength of the Air Force, the number of people serving in that branch of our service. And I asked a question which I promised to follow up on today about one aspect of those who are serving the Air Force mission.

I served on the Simpson-Bowles Commission, and we used to ask witnesses from the Department of Defense (DOD) a very simple question. How many contractors does the DOD pay for? They could not answer the question.

A few years ago on this subcommittee, then-Comptroller Bob Hale agreed with my assertion that the average contractor employee costs two to three times more than the average civilian employee doing similar work.

In the context of shrinking budgets, there are obviously savings that could be made here, but if you cannot measure it, you cannot manage it and you cannot save it. So in 2008, Congress required DOD to start counting contractors and to keep an inventory of contracted services. In 2011, Congress required DOD to use that data in decisionmaking.

In November 2014, the GAO (Government Accountability Office) reviewed DOD's relatively new system to inventory contractors and contract services. They found a mixed track record, plenty of holes. DOD has yet to establish one single status system for this process. So, different reports from different systems and services just do not make much sense. It found that the Air Force did not verify the accuracy of the data that they submitted, and the Army has omitted 25 percent of the required information. GAO also found that DOD has lax oversight when it comes to these contractors.

Here is the bottom line, Madam Secretary, obviously. If we are worried about expanding the number of men and women serving in our Air Force in uniform and in civilian capacity, we have to ask some basic questions about those who are serving through contract. Taxpayers are paying for them as well. How many contractors has the Air Force cut in the last 5 years? How many contract positions have you converted to civilian slots, given the cost effectiveness as we have been told? In light of the GAO report, how is the Air Force improving its compliance with the inventory system and using it to reduce dependence on contractors?

Secretary JAMES. Senator Durbin, let me try to at least answer some of those questions.

First of all, I want to acknowledge right up front that I think you are right, that we do not have a good enough handle on all of these things, but we are trying to do better. And this is part of what I called my third priority, which is make every dollar count and become efficient in all of these different ways.

HEADQUARTERS REVIEW—STAFF AUGMENTATION TYPES OF CONTRACTS

So as part of "make every dollar count," let me also say—and this is relatively new—we in the Air Force are doing something that we are calling "contracts court." So that is to say, particularly starting at the headquarters level, we are insisting that each of our headquarters elements review each of their contracts that they believe they need to continue going forward—and this is particularly true of the staff augmentation types of contracts—and come up and justify at a higher level why they really need to continue that. So we are ratcheting it up and making the justifications come up to a much higher level to try to weed out "Can we do without some of these support contracts"? So that is one thing I wanted to report which is relatively new.

Now, in terms of some recent progress—and again, I am saying "progress"—it is not good enough, but we have reduced our service contract workforce by about $7 billion in obligations and 30,000 contractor FTE's over a several year period. So again, I am not saying that is good enough, but it is progress in the right direction.

Lastly, I will say that back to when I was in Government in the 1990s, the reverse used to be the sort of idea, meaning contracting out back in the 1990s was viewed as a much less expensive way to go. That was sort of the conventional wisdom, I would say.

Senator DURBIN. In the world of snowflake memos.

Secretary JAMES. And we had quite a conversion rate at that point. And some of the decrement in our uniformed I think also was of the belief that we could contract more things out. It was one of the factors that has led to what has become a 20-year downsizing.

Now, the pendulum, of course, has been swinging back and we are bringing more of that work into the civilian as well as into the Active, Guard, and Reserve workforce. But my point is the number of contractors has grown over time because that was the conventional wisdom at the time, and now we are going through a bit of self-correction.

Finally, I just want to say I do not want to appear that I am anti-contractor because Lord knows they are doing some phenomenal work for us, and we cannot get a lot of our mission areas done without them. So we are very dependent upon our industry partners in a good way.

But with that said, we are trying to scrub every last one, and I will tell you we are making progress. It is not good enough. We got to keep on it.

Senator DURBIN. Nor do I want to appear to be anti-contractor. There are some things that only they can do and they can do better, and we want to make sure we are safe and use contractors

where they are important. But that explains to some extent why your initial observation about the lack of personnel in the Air Force reflects a decision made 20 years ago played out through contractors, and now we have to make a new assessment.

I also mentioned to you—and I will not dwell on it—my time is up. I think what you have suggested also calls for a greater role by the Air Guard and Reserve to serve important missions which they have proved over and over again they are capable of.

Thank you very much.

Secretary JAMES. Thank you.

Senator COCHRAN. I said I was going to recognize Senators in the order in which they arrived. And I have Collins and Shelby here, but I am not sure which one got here first. Senator Collins.

Senator COLLINS. I know enough to defer to Senator Shelby on this issue regardless of who got here first.

Senator COCHRAN. Senator Shelby.

Senator SHELBY. I thank both of you.

General Welsh, I will direct this to you. Section 1608 of the 2015 National Defense Authorization Act (NDAA) sets 2019 as the cutoff date for using Russian rocket engines for national security launches unless those engines were acquired or under contract before February 1, 2014. It is my understanding that the Office of the Secretary of Defense legal counsel has suggested that it may extend interpretation of section 1608 to include, under the NDAA restrictions, a 29-engine subcontract that was executed on November 14, 2012, way before the cutoff date. I hope this is not going to be the interpretation because I think it would change the intent of Congress, and I think it will unnecessarily cost taxpayers hundreds of millions of dollars and may ultimately harm future national security space launches and competition.

It appears to me that if this is true, that the legal misinterpretation of section 1608 would create a capability gap for certain launches and eliminates real competition for terminating the use of the Atlas V launch vehicle. What is your take on this? Would the Air Force provide for national security launches in light of those most recent NDAA restrictions and the lack of certified alternative launch providers? What is your take on this?

ROCKET ENGINES FOR NATIONAL SECURITY SPACE LAUNCHES

General WELSH. Senator, I would love to share with you my deep understanding of the law, if I had any.

Senator SHELBY. You might be ahead of some others.

General WELSH. Sir, let me tell you as the executive agent for space in the Department of Defense, the lady sitting at my right has much more detail and will give you a much better response on this than I will. Can I defer to Secretary James on this one, please?

Senator SHELBY. Absolutely.

Secretary JAMES. Senator Shelby, the way I would put it is we have several sections of law which may not or may have had the same intent, but they are not necessarily together in terms of what they instruct us to do. So as you point out, we went to our legal authorities in the Department of Defense, and so far we have this interpretation that we are working with.

But the real point that I wanted to make to you is I think virtually everybody agrees that we would like to, as the United States of America, not be so reliant on a Russian engine going forward into the future. In other words, we want to get——

Senator SHELBY. I think we all feel that way.

Secretary JAMES. Right. That is what I am saying. I am prefacing by agreeing with that proposition.

But the question is how to do it and when will we be ready because we do not want to cut off our nose to spite our face.

Senator SHELBY. You do not want that gap there, do you?

Secretary JAMES. So a gap would be something that we would not wish to have. And so maybe some clarification in the law, some adjustment on that 2019 period because we are working, of course, to have a domestic engine launch capability—at least two because we want competition, of course. And we are trying to get there as quickly as possible. But all of the technical experts with whom I have consulted tell me this is not a 1- or 2- or 3-year deal. You are looking at maybe 6 years to 7 years to develop an engine and another year or two beyond that to be able to integrate. So this truly is rocket science. These are hard technical problems. And so to have that 2019 date there is pretty aggressive, and I am not sure we can make it. And again, I turn to my technical experts. That is what they tell us. So I would certainly welcome some clarification in what Congress wishes for us to do, but I would also like to get the technical experts in so that you all can hear what I am hearing because I am not sure 2019 is doable.

Senator SHELBY. Absolutely. I understand that. We will work together with you and maybe the chairman and the committee will address this.

You referred to competition, new entrants. We all like competition. We generally benefit from it. But you have had with the present joint venture on the launches—you have had great success. Have you not, General Welsh?

General WELSH. Yes, sir.

Senator SHELBY. You have had fewer mishaps than I have ever seen. You have a lot of experience. Is that correct?

General WELSH. Yes, sir.

Senator SHELBY. And when you send a satellite something dealing with national security intelligence and so forth into orbit, if it is not successful, you are talking about a lot of money lost. Are you not?

General WELSH. Yes, sir.

Senator SHELBY. And a lot of time and probably a gap in intelligence.

So how are you going to certify the competition and do it right to make sure there is a level playing field to make sure that whoever the new entrants are, that they can provide the quality that you have to have for national security? Do you want to address that, Madam Secretary?

Secretary JAMES. Please, yes, Senator.

So there is a process, which we call the certification process. It is written down. It is in a document. And it basically reflects years of lessons learned and process and procedure stemming from those lessons learned about what it takes to make a safe and successful

launch in space which, as I said, truly is rocket science. This is not easy to do. So new entrants go through this—what I am calling the certification process, and we believe that the closest new entrant, namely Space X, will be ready hopefully later on this year. So they are working their way through.

Now, "make every dollar count"—that is my number three priority. I am always looking to see can we streamline, can we do things differently, better, speed it up, but without sacrificing our mission assurance needs. And so I have asked for an independent review of what have we learned from having a year of this certification process under our belts. Can we speed things up? Can we do things differently? Because, remember, there are other companies who also are waiting and watching.

Senator SHELBY. Absolutely.

Secretary JAMES. And the more that we come we feel is best for us and for competition and for the national security needs.

Senator SHELBY. We do not like mishaps, but some of these so-called companies that are planning to compete—and we would like them to compete. They have had several mishaps compared to the joint venture between Lockheed and Boeing have not. Is that correct?

Senator COCHRAN. The Senator's time has expired.

Senator SHELBY. Yes. I would like for them to answer the question.

Senator COCHRAN. The witness will answer the question.

Secretary JAMES. So my knowledge of—again, Space X has not really been part of our EELV (Evolved Expendable Launch Vehicle) program yet. Right? They are trying to get certified to be part of that. But if you look back in time, they have had various mishaps, but every developmental program does. So, again, I am quite sure they are going to get there from here, and having some mishaps along the way in a developmental program or some misfires, if you will, is normal.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you very much, Senator.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

And I am glad to see Secretary James and General Welsh here. They are examples of the finest in our Department of Defense. And also I know many of the people sitting behind them, and I have a great deal of respect for all of them.

I know you work as hard as you can without breaking up the Air Force and at the same time achieve integration and so forth. I know you believe that the people in our Air Force deserve nothing but the best in leadership and you are giving them that.

I worry about exactly what you are able to do, though, and where the tradeoffs are as you face some of the budget restraints you now have before you. You have been working on the next generation of engines that promise to be better performing, far more efficient. You describe that in your testimony and I think here would agree with that.

But you have also identified the adaptive engine as a program that is going to be halted under a return to sequestration. I wonder

if you could both tell the committee a little bit of why this program is so vital and what we face if it is halted.

ADAPTIVE ENGINE PROGRAM

Secretary JAMES. If I could begin and then the Chief can jump in.

Senator LEAHY. Please.

Secretary JAMES. The adaptive engine program is, I think, important because it represents a possibility at least of a game-changer when it comes to efficiency in terms of our engines going forward. So that could be a game-changer from both a technological standpoint, as well as an efficiency, money-saving standpoint. And it is showing some early promising results as far as I have been briefed. So I think it would be a great shame.

But you are right, Senator. It would fall by the wayside if we return to sequestration, as would the KC–10 fleet and the Global Hawk block 40 and the U–2 and seven of our AWACS. And the list keeps going on and on and on. So that is why I would renew my plea to lift sequestration.

Senator LEAHY. And, General Welsh, how do you feel about that?

General WELSH. Senator, the advanced engine technology program is a game-changer. I think the technology will prove itself. I think the people participating in the program can build an engine, and once they have, we should be looking at how to insert that engine technology into every fleet of airplanes that we fly over time. Twenty-five percent savings with the amount of JP–8 that we burn every year is immense. And so this is technology that will return costs over time. This is a program that I would just hate to see terminated, but at BCA levels, we are now comparing it to operational requirements. And so that is kind of the tightrope we are walking these days. It is an ugly tightrope. But this is clearly a great program. It is clearly a very exciting technology, and I hope we can stay the course.

Senator LEAHY. Am I being overly optimistic? If we had this in here, when this committee, whoever might be on it sitting here 10 years from now, the Air Force might be able to say, "Here is our savings in fuel, here is our improvement in performance," if we have the engine.

General WELSH. Senator, I do not think we will have created the full savings within the next 10 years because to do that, it is going to require buying new engines and inserting them into fleets of airplanes. But we will have begun to see the savings by 10 years from now if this technology proves itself.

Senator LEAHY. In 15 and 20 years, significant.

General WELSH. And more every decade after that, yes, sir.

Senator LEAHY. Thank you.

F–35A PROGRAM

Now, as I mentioned to you before, I am proud the F–35A is going to be coming to Vermont in 2020. I think our Guard has demonstrated the kind of pilots we have and the kind of maintenance we have for it. But I know there have been concerns about the F–35 achieving its operating capacity. It has had cost overruns, program delays.

Can you tell me: What is the status of it today? What are we looking at as we go into the future?

General WELSH. Senator, I am actually very optimistic about the F–35 program today. As you mentioned, there are problems in the past. They are undeniable and they are well documented.

Since I came into this job in the late summer of 2012, my first move in this job was to sit down with the program officer of the F–35 and asked them to show me the program rebaseline that had occurred in 2011. And General Bogdan walked me through that along with my F–35 team in the Air Force.

We have essentially tracked every milestone since that time. The price has come down, the cost curves they showed me back in 2012. The company team that has been put together to oversee this program I think is an exceptional one. I think we have a great partnership with them, and I think the airplane is now a real thing. This is no longer a PowerPoint slide. We have flown thousands of F–35 sorties now. They are on the ramps in multiple bases. We are starting training of our first operational pilots. And so we are well into this program being a real thing.

A year from now, a year and a half from now, we will declare initial operational capability for the F–35, and I see nothing that stands in the way that is known today that would stop us from declaring that initial operational capability. So I feel pretty good about where the program is.

Senator LEAHY. And you agree with that, Madam Secretary?

Secretary JAMES. I do. And I would just add in that I agree with the Chief that we were projecting in, as you know, 2016 between I think it is August and December to reach that IOC (initial operational capability). So there are always certain risks, but I too feel quite good about it that we are going to make it. Software can be a tricky matter, and that always is a bit of a concern. And then we have had the need for experienced maintenance people to be able to shift over to the F–35. We think we have got that reasonably under control now. So we are moving out.

And like the Chief, I conduct monthly program reviews of the F–35 because I too want to make sure that we do not repeat to the days of old when we were not meeting budget and not meeting the schedule. We want to keep this on track.

Senator LEAHY. Thank you.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Before I begin my questions, I want to thank General Welsh and his wife for coming to Maine last week to visit our Air National Guard base and the refueling wing that is there. It meant a tremendous deal to the men and women who are serving there. And I think you can see why we in Maine are so proud of the MAINEiacs and the 24/7 job that they perform. So thank you for coming.

I want to follow up on Senator Leahy's question about the F–35, Madam Secretary. I totally share your belief that sequestration needs to go away permanently, and it would have devastating impacts if it does not. You would have to buy fewer aircraft. That has

consequences not only for our national security but also—and this is often not talked about—for the value that the taxpayers are going to get. If sequestration were to come back in 2016, what impact would it have on the unit cost of the F–35?

Secretary JAMES. I can tell you with certainty it would go up because we would have to buy fewer, and when you buy fewer, the cost goes up for everyone. And the other thing that worries me is what message does that send to the partners in this program across the world. In other words, if they see us buying less and then they start to also buy less, that drives the unit cost up even more. So we project we would be buying 14 fewer F–35s in fiscal year 2016 if sequestration returns. And again, we do not want to. We want sequestration lifted.

Senator COLLINS. And I think that is such an important point, as General Welsh talked about the fact that this program now is on track, it is doing well. And if sequestration is not removed, the unit cost is going to go right back up, and our partners around the world are going to be far less willing to join in buying this aircraft, which right now has the beneficial impact of lowering the cost for us. Is that accurate?

Secretary JAMES. That is accurate, yes.

Senator COLLINS. Thank you.

AIR FORCE READINESS

General Welsh, even without sequestration, I am very concerned about the state of readiness of the Air Force, particularly as it is being called upon to perform missions against ISIL. It seems that we expect air power to be available instantly and able to do the job. And I am particularly concerned to learn that under the current budget projections that the Air Force will not be fully ready to perform full-spectrum operations for 8 years. Is that still accurate under this budget? And if so, what do we need to do to reduce that timetable?

General WELSH. Senator, it is true, and the 8 years is an estimation depending on how well we are able to invest in those mission-critical infrastructure things I mentioned before. We have two things that we are concerned about. The first is individual and unit readiness. And the Balanced Budget Act that we got for 2014 and 2015 from the Congress allowed us to get at that individual and unit readiness. So it has actually improved, although while the specific number is classified, I will tell you the overall combat capability of our combat-coded squadrons in the Air Force is still below 50 percent. So fewer than 50 percent of them are fully combat capable. But it is rising.

At the Budget Control Act levels of funding, that decline will be stunted. It will not be a precipitous drop-off because we will prioritize funding for readiness. But we will not be able to continue the recovery of individual and unit readiness that we had started over the last 2 years.

The bigger problem that leads to the 8-year to 10-year window that we are talking about is that we have to invest in those things like training ranges that we have significantly reduced funding in the last 15 years, black and white world test infrastructure, nuclear infrastructure that produces combat capability, simulation in-

frastructure that we took money out of flying hours because we were going to perform more in the simulator. Then we did not invest that corresponding funding into simulators. We have got to rebuild that infrastructure, and it is going to take some time. That is what the 8- to 10-year window is talking about.

Senator COLLINS. Thank you. And we have an ideal site for one of those simulators in Bangor.

Thank you, Mr. Chairman.

Senator COCHRAN. Senator Schatz.

Senator SCHATZ. Thank you, Chairman Cochran and Vice Chairman Durbin.

Secretary James and General Welsh, I appreciate you being here today.

From the Hawaii perspective, I understand how important the Air Force is to the joint force, and I welcome the opportunity to discuss priorities for Hawaii and for the Nation.

I want to talk a little bit about energy. It is critical for the Air Force's mission. Without assured access to fuel, you cannot fly your aircraft or power generators at forward-operating bases. That is why a varied energy research portfolio that balances investment in aircraft efficiency and alternative electricity generation is so important.

In Hawaii, we are doing some exciting things with hydrogen fuel to support Air Force installations, and I think it is the kind of technology that could mean reducing the need for fuel in theater.

Do you agree, Secretary James, that a varied energy research portfolio should include investments in alternative energy?

ENERGY RESEARCH

Secretary JAMES. I do, Senator. And talking about a wartime environment for just a moment, if there are a couple of lessons learned that we have learned over the 12–13 years of war, it is the need to constantly resupply energy, particularly the more traditional forms of energy, to our forward-operating troops. It is a difficult proposition and it puts lives at risk because, of course, those resupply lines can become a target. So the more we can look into renewable energy and other such areas, I think the better. So we do need, we do need a varied portfolio. At the moment, I believe we have about 300 renewable projects at 100 different sites across our Air Force. So we are working on this, and I would really welcome, the next time I have the opportunity to get out to Hawaii, to look at the project that you are speaking about.

Senator SCHATZ. Thank you very much.

This question is for General Welsh. The Air Force can do more to capitalize on the talents of the National Guard and Reserve, particularly when it comes to cybersecurity. Instead of losing experienced airmen, the Hawaii Air National Guard has worked to train, validate, and transition a combat communications squadron into a new National Guard Cyber Warrior unit that would strengthen the Air Force's cyber capabilities in the Pacific without increasing end strength.

CYBERSECURITY/CYBER UNIT BASING

I know the Air Force is still coordinating with U.S. Cyber Command, the National Guard Bureau, and others on a congressionally directed study before it bases its cyber warrior units. Could you please describe what the basing criteria is going to be that the Air Force is considering as it evaluates assigning these cyber units?

General WELSH. Senator, I will be happy to. We will get you the detailed listing from the Air National Guard who are actually conducting this assessment. But in general terms, we have three of the cyber mission teams that we are forming as part of the 39 to support the national mission teams and the cyber support teams for U.S. Cyber Command. Three of those will be completely executed by the Air National Guard. There will be a total of about 18 Guard units that contribute people for a 24/7/365 operation. And so as they look at where to bed down those 18 units, they are considering things like industry and academic environment in the region. In other words, do you have expertise who can be recruited into the Guard who work in the IT industry, the education industry who are experts in this arena so we can take advantage of places like Washington State, areas of the Northeast where there is a great IT infrastructure nearby? We have already stood up some units in those places. Maryland has been a hotbed for this around and near NSA, for example, a lot of high-tech that supports NSA that also provides great recruits for the Air Guard. They look at some of the more mundane things like facilities available to include secure facilities and what it would cost if there were not facilities available. They look at recruiting and retention capabilities in each region.

And so the Air Guard is running this assessment now, and I know that TAG (the Adjutant General) should have this information that is coordinated through the National Guard Bureau. But we can get you the detailed list of what they are looking at and get that to you. I just do not know every item that is on it.

[The information follows:]

The ANG is evaluating the beddown of future ANG cyber units through a variety of lenses.

—Existing Department of Defense or Air National Guard Facility Total: 10,400 square feet, including SCIF 5,500 square feet (No MILCON due to timing constraints)
—Recruiting Pools (Military & Civilian)
—Population Densities
—Advanced Technical Training & Degrees
—Academia
—Tech Industry
—Force Protection
—National Laboratories
—Cyber Trained Air National Guard Personnel

Senator SCHATZ. Thank you.

I am particularly concerned about the Pacific Command's vulnerability to cyber attack because, unlike perhaps some other places, PACOM and the Department of Defense's installations and bases throughout the State of Hawaii are basically on the Hawaii grid. There is no islanding of any of the grids. Whatever kind of utility service, whatever vulnerability we have on the private sector side is the Department of Defense's vulnerability.

KC–135 RELOCATION

I am almost out of time, but I wanted to flag for you one issue which has to do with the stance towards the Asia-Pacific rebalance. And I know that you are making difficult budget decisions, but we have 12 KC–135 refueling tankers and the current budget proposal has four of those KC–135s relocating to the mainland United States. And that to me is inconsistent with——

Senator COCHRAN. The time of the Senator has expired.

Senator SCHATZ. So if you could please get back to me on those issues.

[The information follows:]

The Air Force conducted cost benefit analysis of transferring the four Joint Base Pearl Harbor Hickam KC–135s prior to including the movement in the fiscal year 2015 President's budget request. The 2015 National Defense Authorization Act directed report is in coordination and outlines the factors, risks, and savings associated with the decision. Furthermore, the analysis indicated the change in force structure at Joint Base Pearl-Harbor Hickam has no operational impact on providing air refueling capability in the Asia-Pacific theatre. A net decrease in availability of one Pacific Air Force-based tanker per day does not necessarily equate to a loss of air refueling capability. U.S. Transportation Command will remain fully capable of delivering air refueling capability to the region as necessary.

Senator SCHATZ. Thank you, Chairman.

Senator COCHRAN. Thank you.

Senator Blunt.

Senator BLUNT. Thank you, Chairman.

Secretary James and General Welsh both, I was really pleased to see the proposed investment in MILCON and the new stealth and nuclear work facility at Whiteman Air Force Base, continuing to encourage your efforts in that direction and glad to see them.

General Welsh, on the deployment of the C–130s to go to one of our other installations in our State—I know you are well aware of the C–130 training that goes on at St. Joseph, Missouri at the Rosecrans Base, which now includes, I think, 18 people from 18 different countries. And this year we may add South Korea and Turkey to that list of people we bring there to learn to use that aircraft more effectively.

I would like you to respond a little bit, your sense of the fielding and deployment for the C–130s, particularly the new J models. This is something I put in our bill last year asking you to look at that, and a response to that would be helpful.

C–130 FIELDING AND DEPLOYMENT

General WELSH. Senator, the Air Mobility Command has been leading the effort along with the TAGs from each of the States that have C–130 units in those States, Air Force Reserve Command, and the National Guard Bureau to look at the allocation plan for C–130s, everything from bed-down to modernization. As you know, we did a study back in 2012 that said we actually have more capacity than we need to do our job. And so starting in the fiscal year 2013 budget, we looked at how do we draw down from the 358 we currently have to about 300 to 308, which is what the study said we should move to.

Those plans have been stalled a little bit while we make sure we get the allocation plan right. The most recent direction from the Congress was in last year's NDAA, the 2015 NDAA, which directed

us to submit a report that describes that allocation plan, the modernization approach, et cetera. That report is finished. It is in initial reviews in the Air Staff. I commented on it last week to my staff, returned it to the headquarters Air Force staff. We now need to get the final draft put together. It will come back through me within the next couple of weeks to the Secretary so she can review it and make final decisions. And that will then be forwarded to the Congress. So the report should be here within the next month in its final form, and all the details will be there.

So I hate to get ahead of the Secretary's decision process on this, but this is all part of that review and we will either validate or adjust the allocation plans that were in both the 2014 and the 2015 PB.

Senator BLUNT. Well, I look forward to seeing that review.

Secretary James, do you want to make a comment on this topic generally of how we are going to field the planes we do wind up with?

Secretary JAMES. My only comment, Senator, would maybe be just going back to the basic why are we doing any of this. And that is—it was several years ago, I believe, there was a large study conducted within the Department of Defense, and that study indicated that we had too many of intra-theater airlift aircraft, namely the C–130. So it is a question of how can we bring the numbers down, keep the newer ones in the inventory, gradually perhaps retire the older ones, and then these various shifts that are going on. So that is the complexity of it. But beyond that, I do not really have a comment because I have not seen the report yet. I am awaiting General Welsh's recommendations.

Senator BLUNT. Well, I asked for the report last year which sounds like it is about to be forthcoming, and I look forward to talking to both of you about it when you get the report.

And the other thing: I will just make this case one more time. If we are going to train our pilots to use this aircraft, we certainly need the newer models available, at least one of them, at what is a principal training facility. And I hope we continue to head in that direction.

A–10 AIRCRAFT

Secretary James, on the A–10, you are more familiar than anybody on both sides of that debate. But I continue to hear from people who are responsible for troops on the ground that there is nothing in their view that is going to replace the A–10. The replacement aircraft would be in your view—and what is your response to General Odierno and others who say the A–10 is the best combat support aircraft for people on the ground available right now?

Secretary JAMES. All of the information and data that I have seen about the conduct of the last, again, 12–13 years of war, something like this, that we have been in in Iraq and Afghanistan tells me that the A–10 has done a magnificent job, but so has the F–16 and the F–15E. And the B–1 bomber has been a contributor, and there have been a number of aircraft that have contributed to the totality of close air support. So to me close air support is not a plane. It is a mission and it is a sacred mission and we got it. So I just want to assure you of that.

ALTERNATIVE APPROACHES TO THE A–10

In terms of the proposal to retire the A–10, again we do it with the greatest of reluctance. It is a budgetary matter. If we had dollars above the PB level, then things open up and become more possible. But again, we have what we have, and we are very worried it is going to get even worse if we have to return to sequestration. So it is a budgetary matter.

But I will also say this that every aircraft eventually gives way to the next generation. Eventually it gives way. And I know General Welsh and I have been discussing is there an alternative approach to address the A–10 and is there another way to go about this and so forth. And we have got some ideas. At the appropriate time, maybe we could sit down and discuss these ideas at greater length.

But again, it is a budgetary matter, and in terms of the mission of close air support and our support for the troops on the ground, we got it, and we have got other aircraft that absolutely will carry forth with that mission.

[The information follows:]

The Air Force is evaluating close air support capabilities and is assessing potential future capability and capacity gaps. This information will then inform the requirements process. It would be premature to discuss those requirements until they are fully established. However, we look forward to sharing ideas and concepts with any interested parties in the Congress.

Senator COCHRAN. The time of the Senator has expired.

Senator Udall.

Senator UDALL. Thank you, Chairman Cochran.

And Secretary James and General Welsh, thank you for taking time to meet with us today and thank you for your service to our country.

As you know, New Mexico has a long and proud Air Force history, and as a new member of this subcommittee, I am particularly proud to speak on behalf of the airmen, civilians, and their families of our three Air Force bases in New Mexico.

Like you, I am concerned about the impacts of sequestration on our military readiness, and I have seen firsthand the strain being placed on our airmen and women after a decade of war.

It is important to me that we modernize our nuclear stockpile and our nuclear enterprise and do so in a cost-effective way. I have been working hard to strengthen the capabilities of our national labs and the military as they work together to ensure that our deterrent is safe, secure, and effective. There is no room for failure in this mission.

That being said, I am also encouraged and amazed by the work being done by the Air Force. I see it at the Air Force Research Lab at Kirtland Air Force Base where our airmen and civilians are working on cutting-edge technology. I see it at Cannon Air Force Base where the special operations mission has grown by leaps and bounds and is really making progress there, and at Holloman Air Force Base where the Air Force's F–16 pilots are being trained in the best airspace in the country. And there are numerous other examples I can cite both in New Mexico and outside.

As you know, Holloman Air Force Base is currently taking on an F–16 training mission. I believe that the F–16 mission will con-

tinue to be an important mission for the Air Force, but I am also looking towards the future and the potential for the F–35. And you have heard several Senators ask about the F–35. And I am looking forward to the F–35 basing at Holloman down the road. This budget supports increased production for the F–35. Do these production levels allow the Air Force to continue to move toward future domestic basing of the F–35, and will Holloman Air Force Base remain a candidate for such basing in the future?

F–35 BASING

General WELSH. Senator, absolutely. Eventually the F–35 buy would allow for replacing every F–16 unit we have with an F–35 squadron.

The next two iterations of basing decisions actually will occur for units that will bed down in fiscal year 2022 and 2023, and those will both be Air National Guard units. And so that is the next iteration of the basing decisions after the one currently ongoing for the first Pacific bed down location where Eielson Air Force Base, Alaska has been identified as the preferred base, and there are a couple of reasonable alternatives. And that final decision is based on the EIS (Environmental Impact Statement) results that are currently ongoing.

But it will be a couple of years until we look at the next bed-down because of production rates and already decided basing decisions. But the next two will be Air Guard. The year after that in 2024, we will be looking at another active unit bed-down.

Senator UDALL. Thank you very much for that answer.

As you know, the cleanup of the oil spill at Kirtland Air Force Base is a top priority I know for you and for me. Can you tell me how this budget supports Air Force environmental cleanup efforts at Kirtland, and can we have your commitment that this will remain a priority in the next fiscal year and in future budgets?

KIRTLAND AIR FORCE BASE OIL SPILL CLEANUP

Secretary JAMES. So you certainly have my commitment that it will remain a priority. And I for one do not have sort of budgetary figures, but please know we are putting the right people resources, and we will also put the right money resources. And I would have to yield to General Welsh if he happens to know the money or we can get it for the record.

General WELSH. Yes, ma'am. I do not know the detail of the money, sir, but I do know the intention is clearly to fund this until completion. You know well, I think, that the team has been working this very well with the State, with the local communities, and there is a complete commitment to do exactly what the Air Force needs to do to resolve the situation.

We will get the exact numbers that are in the budget. I just do not know.

[The information follows:]

The Air Force has $29.2 million budgeted for cleanup at the Kirtland AFB bulk fuel facility in fiscal year 2015, and $11.85 million included in the fiscal year 2016 budget. The fiscal year 2015 and fiscal year 2016 costs include robust interim measures and further delineation of the plume that will allow us to make informed decisions on final cleanup measures and funding in future years, to which the Air Force is fully committed.

Senator UDALL. And I know, General Welsh and Secretary James, you have a top person in Washington that is on top of this, and she is visiting New Mexico on a frequent basis, staying in touch with the communities. There is a lot of local concern there because, as you know, it is a big plume down in the water, and people are very worried in their neighborhoods. And I know that you are putting a top priority on this and being very aggressive. Thank you very much for that.

Thank you, Chairman Cochran.

Senator COCHRAN. Thank you, Senator. The Senator's time has expired.

Senator Moran.

Senator MORAN. Mr. Chairman, thank you very much.

Madam Secretary and General, thank you for the opportunity to have a conversation with you today, and I appreciate the conversations we have had in the past.

Let me highlight cybersecurity again. My understanding is the Air Force intends to increase the number of personnel involved in cybersecurity by 200 in fiscal year 2016 to counter a worldwide threat. And I want to highlight what I hope will be a good analogy, which is there is an Air National Guard unit in Wichita—General, I think you are familiar with it—with significant and I would say unique capabilities. Similarly, there is an active duty unit at Nellis. General, the activities at Nellis is something that the Air Force will continue to support, believe is important, and have no plans to downsize. Would that be an accurate statement?

CYBER SUPPORT TEAMS

General WELSH. Yes, sir. Nellis will become a focal point for us in how we actually execute our five core Air Force missions in, through, or from the cyber domain, which is the growth area for us in the future, not just supporting the national effort with the cyber teams that we are currently fielding.

Senator MORAN. And then could you take that a step further and talk about the importance of what goes on at McConnell with the Guard unit, the idea of downsizing, reducing the number of personnel? If it is important at Nellis in the Active Component, the Guard unit that does very similar activities is of equal importance. Is that accurate as well?

General WELSH. Yes, sir. I think what the Guard is in the process of doing, as we were discussing a moment ago with Senator Schatz, is looking at how does the Guard actually support both the national mission teams, the cyber support teams, the people who support U.S. Cyber Command and their activities on behalf of the national tasking and combatant command tasking. That is one part of the Guard's allocation problem.

The second is how are they going to support this broader Air Force effort as we jump into it. And that is where I think units like the one at McConnell Air Force Base, Kansas will be most valuable, quite frankly.

Senator MORAN. Well, and I would like to highlight and hope that you would agree with me that part of the problem in any downsizing is you lose significant capabilities, training. Those individuals who are in, in this case, the Guard will find other positions

and it is difficult to replace those folks. The personnel who are so well trained who have experience and capabilities in this arena are people that we desperately need to keep in either Active Duty or in the Guard. Is that a fair statement?

General WELSH. Yes, Senator, I think it is clearly a fair statement. I do not know what the Guard's current status of this assessment is or their view of the unit at McConnell. I would have to ask the Guard that question. But in general terms, you are exactly right.

And I will tell you this. The Secretary mentioned that we just cannot keep drawing down the Active Duty force anymore or we will not be able to do what we are asked to do today. We should be looking at expanding mission capability in the Guard and Reserve, and this is one of those areas that just makes sense to put there.

Senator MORAN. I appreciate that answer.

KC–46 TANKER

Madam Secretary, the KC–46 tanker has significance in this country and long time coming. Tell me about your budget and its consequences for the KC–46, and if we have additional sequestration, how does the KC–46 fit into the Air Force's plans?

Secretary JAMES. So our budget at the President's budget level fully supports the KC–46, and even should we have to go to sequestration, we would wish to protect that program as well. We have what we consider to be a very favorable contract there, and we do not want to change any bit of that contract because if we do, it raises the possibility of opening that contract back up, which means the terms could change and it could cost us more money. So it is on track at the President's budget level, and we want to keep it on track even should sequestration happen.

Senator MORAN. And therefore, I would say that if the Budget Control Act funding levels actually come into play, that we would be assured that the levels necessary to construct and maintain what is taking place to support the KC–46, the contract for its construction would not be affected?

General WELSH. Senator, the only impact will be the loss of one dormitory at one of the bed-down bases. All the mission-critical MILCON is either already on contract, about to go on contract, or in the 2016 President's budget request. We are on track to get the first airplane at McConnell in 2016.

FORBES RUNWAY CONSTRUCTION AND AIR TRAFFIC CONTROL TOWER REPLACEMENT

Senator MORAN. Somewhat related to this tanker issue—at some point in time, I would raise this issue and maybe we can have this conversation as my time is expiring. But at Forbes, runway construction is an important topic, and at McConnell, the air traffic control tower has been damaged in a storm. It needs to be replaced. It is in the process, but I would like to hear you say that those things remain important, particularly as the tanker arrives at McConnell.

Thank you. I guess I would like a response.

General WELSH. Senator, I will check on this. I do not know anything about those specific projects, but I will get back to you on those two.

[The information follows:]

At Forbes, there are two runways, the main runway and a crosswind runway. In 2013, the Air National Guard (ANG) partnered with the Federal Aviation Administration (FAA) and the airport authority to fund rehabilitation of the crosswind runway. The project is under construction. The main runway also needs reconstruction/replacement of failing pavement.

FAA has determined they will only fund a portion of the main runway length/width for the "civilian" requirements. The ANG KC–135 mission requires longer/wider runway than the civilian mission, so the ANG will need to provide a share of the funds for the main runway replacement. The ANG will work with the FAA to align funds in the appropriate construction year with FAA funds. If the FAA gets fiscal year 2016 funding for their share, the ANG will make every effort to align ANG funds to fiscal year 2016 to match.

On April 14, 2012, McConnell AFB air traffic control tower and the surrounding community experienced wind damage due to a tornado. The U.S. Army Corps of Engineers performed a structural engineering evaluation of the control tower and recommended repairs. Based on these recommendations, $150,000 in repairs and modifications were made to the control tower structural steel. A replacement air traffic control tower for McConnell AFB is currently identified for fiscal year 2017.

Senator MORAN. Thank you, sir.

Thank you, Mr. Chairman.

Senator COCHRAN. The time of the Senator has expired. Thank you.

Senator Tester.

Senator TESTER. Thank you, Mr. Chairman, and I want to thank both of you for being here. A special thank you to Secretary James for the attention you have shown Malmstrom over the last year. I very much appreciate that.

RED HORSE CONSOLIDATION

As you well know, the Air Force began drawing down 155 airmen out of the 819 Red Horse Squadron at Malmstrom, and you are considering a consolidation of Malmstrom with Guam either at Guam or at Malmstrom. When can we expect a final decision?

Secretary JAMES. I would anticipate the spring of this year, so spring of 2015.

Senator TESTER. So we are talking a couple months?

Secretary JAMES. A couple months, 2–3 months.

Senator TESTER. Can you explain the cost or operational considerations behind the decision?

Secretary JAMES. It will be, I will say, similar to our typical basing decisions. So there will be things like site surveys, and it will be military necessity. It will be the cost. It will be the various things——

Senator TESTER. So you will take into account potential cost savings plus the gap in service that this will create in this country, particularly west of the Mississippi and Northwest.

Secretary JAMES. Yes. I anticipate this is going to be a very tough one.

819TH RED HORSE MOVEMENT TO GUAM IMPACT TO 219TH RED HORSE

Senator TESTER. Okay. We have got another unit that works with the Red Horse in the Guard called the 219th, and it is a Guard Red Horse unit across town at the Air National Guard. Can

you tell me what impact moving the 819 to Guam would have on the 219th up in Great Falls, the associated Guard unit with them?

Secretary JAMES. Right. So can I get back to you? Because I would be guessing if I said it here.

[The information follows:]

If the 819th RED HORSE Squadron (RHS) relocates, the Air Force will diligently work with the National Guard Bureau to ensure the effectiveness of the 219 RHS at Malmstrom Air Force Base. Manageable impacts to 219 RHS manpower and facilities are anticipated. Air Force preliminarily anticipates a need for four technician positions to manage and maintain remaining vehicles and equipment. To provide adequate space for 219 RHS personnel, equipment storage and parking, 819 RHS would transfer 47,600 square feet of facility space and 13,000 square yards of yard space.

Senator TESTER. Yes. My concern is it would eliminate their ability to do their work because I would imagine the equipment would go, if you are going to talk about cost savings.

The 130s at the Air Guard. First of all, thank you. They just underwent the conversion. This is a mission that I think works not only for the Guard but it works very well for the Governor of the State of Montana.

There are some issues, though. Avionics upgrade in the 130s. Could you tell me what the timeline is for upgrading the 130–H's for upgrading those avionics?

C–130 AVIONICS MODERNIZATION PROGRAM

Secretary JAMES. This is the so-called AMP (Avionics Modernization Program) program.

Senator TESTER. Yes.

Secretary JAMES. So let me tell you what I know, and then the Chief will jump in.

So overall, the issue is the original program, C–130 AMP, is quite expensive, and because of the budget constraints, instead what we are trying to do is focus on a similar but I will say less expensive program which focuses on safety and getting the C–130s compliant with both FAA (Federal Aviation Administration) and ICAO (International Civil Aviation Organization) standards—that is the international standards—by, I want to say, the early 2020s. So that is the focus that we are operating under.

Senator TESTER. Go ahead, General Welsh.

General WELSH. Senator, you know the long history of AMP to AMP lite to CNS/ATM (Communications, Navigation, Surveillance/Air Traffic Management).

Senator TESTER. Yes.

General WELSH. We are now in a program. The program name is VAAP (Viability and Airspace Access Program), two increments, 1 and 2. But the bottom line is just the compliancy program is VAAP–1, the first side of this. The second part of this, VAAP–2, is actually a modernization program that would be AMP-ish but not the full AMP program. 2020 is when we have to have these things compliant with the international and national airspace rules.

Senator TESTER. And 2020 for the FAA.

General WELSH. But prior to 2021. FAA and ICAO, international airspace—the TAGs—I spoke with all of them yesterday. They are fully in agreement with us and signed a letter at the end of the

last cycle that we need to move forward with putting compliancy into these airplanes as the first step.

Senator TESTER. So the question is—I got it. I got what you are trying to do. Are we going to meet the FAA's 2020 guideline?

General WELSH. We think we will get done by 2021 to 2022.

Senator TESTER. But what does that do with the FAA guidelines, though? Because they go into effect in 2020.

General WELSH. Senator, it is a physics problem now. We just cannot get there from here. You cannot do the modifications on 166 airplanes fast enough to get it done by then.

Senator TESTER. Okay. So what does that mean? Those planes are grounded?

General WELSH. We can ask the FAA for a waiver. They have granted them in the past, and I believe they will grant them this time. But they will not do it for large numbers of airplanes. So if we show them a program that is on track that we will complete—let us even say worst case and say 2022—we believe we will get the waiver to operate both nationally and internationally. The problem with AMP is it would take us to 2025 or beyond. We do not believe they will grant a waiver for that period.

Senator TESTER. Do you have the determination of the order of the aircraft that are going to be brought up to snuff?

AIR MOBILITY PLAN FOR VIABILITY AND AIRSPACE ACCESS PROGRAM, INCREMENTS 1 AND 2

General WELSH. Air Mobility Command is working the entire plan. Yes, sir.

Senator TESTER. Could we get a copy of that plan?

General WELSH. I will go give you what they have as of right now.

Senator TESTER. They ought to have the plan done by right now truthfully. Should they not? I mean, we are talking 4 or 5 years.

General WELSH. Senator, we have had four plans that have all been changed because we have not been allowed to change from the original AMP program.

Senator TESTER. Okay. I got you. Well, I would love to see who they are modernizing and when.

[The information follows:]

The Air Force continues to work towards the safety, compliance and modernization of our legacy C–130 fleet. Because of the cost and time required to conduct the modernization of the legacy C–130 fleet, we believe, and the Department of Defense has certified, that we need to fund the airspace compliance modifications first. The Air Force intends to follow the fiscal year 2015 National Defense Authorization Act guidance and we want to work with the Congress and our Total Force partners to develop an affordable C–130 modernization program.

Senator TESTER. I have got a bunch more questions for you.

General WELSH. Yes, sir. I will tell you this. Your TAG is in the discussion. They are part of this debate. They sat with the Air Mobility Command guys. They have been briefed on the entire program.

Senator TESTER. You understand my concern. I do not want to end up with a fleet that is sitting on the ground.

General WELSH. Oh, absolutely.

Senator COCHRAN. Thank you, Senator.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

General, Secretary, welcome.

As you know, in Alaska this week, the Army is conducting listening sessions in both Anchorage and Fairbanks to receive public input on the downsizing plans. I have stayed up late both evenings to participate by video conference and be part of that commentary.

One of the proposals, of course, is to deactivate the airborne brigade there at JBER, at Joint Base Elmendorf-Richardson. And I am not going to ask you about what Army may or may not do, but it seems to me that one of the things that should be considered in all of this is the efficiency and the quality of life at JBER. And it is my impression, as I have talked with many in the Air Force and Army, that JBER is not only one of the best bases in the Air Force, it is also a place where joint basing is actually working where we have seen the benefits of the efficiency.

ARMY GRAY EAGLE BASING

Can you give me, General Welsh, your impression of the value that JBER and the joint basing provide to the Army?

General WELSH. Senator, I can tell you the value it provides to the Air Force. You might have to ask Ray Odierno what it provides to the Army.

Senator MURKOWSKI. Well, but more important to the notion of joint basing because there are those that are detractors. They do not think it is working. My observation and again what I have heard from many is that joint basing really has worked at JBER. So I guess that would be my broader question to you.

General WELSH. Senator, not having been assigned to JBER but only visited several times, I would just tell you that the perception inside the uniformed services of joint basing depends on where you have been. And it is actually sometimes temporal. So with a certain set of leadership teams in place on both sides of the joint divide, things work great. The next team comes in and things start to be a problem again. I mean, there is a human element in this that is important to consider. I do not think joint basing is a right solution in every situation, but I think it clearly has been successful in places.

The last time I was at JBER, I thought it was going very well. There was a great leadership team in place. They were communicating very well. They were working projects and problems together. I was impressed.

Senator MURKOWSKI. Well, I am not going to argue with you about the leadership and what that builds. But again, I think we have seen some good, positive benefits coming out of JBER, and that is going to be one of the things that will be factored in as they wind up these listening sessions here.

Let me ask a couple more questions about F–35s. There have been many members that have asked about it. I appreciate your response to Senator Leahy about where we are with addressing the problems and your view that really nothing should stand in the way of the initial operating capacity. You sound pretty confident that the problems have been fixed.

F–35A OCONUS BASING

So the question here this morning is that it relates more specific to the F–35s that Air Force has selected Eielson shall receive as the sole, preferred location for the first of the two squadrons. We are willing to wait for the completion of the NEPA (National Environmental Policy Act) review and the issuance of the record of decision. What is the timetable here for commencement of the NEPA, and when might we expect the ROD (Record of Decision) to be issued?

General WELSH. Ma'am, I think the NEPA effort will begin here in the very near future. It is about a 1-year process. We anticipate that early in 2016 the results will all come back to the Secretary to make the final basing decision.

ARRIVAL DATE FOR F–35S AT EIELSON AIR FORCE BASE, AK

Senator MURKOWSKI. And then in terms of when we might actually anticipate seeing these two squadrons at Eielson, when do you figure that is?

General WELSH. Senator, I do not remember the actual arrival date of the first airplane. I want to say 2019. Let me find out. I will get back to you. I just do not remember.

Senator MURKOWSKI. That would be appreciated.

[The information follows:]

Eielson Air Force Base, AK was named in 2014 as the preferred alternative for the first F–35A beddown location in U.S. Pacific Command, and a final basing decision is expected in the spring of 2016. Pending a final basing decision, F–35A aircraft are projected to begin arriving at Eielson Air Force Base in the summer of 2019.

General WELSH. The only issue that would affect—by the way, we talked about IOC. What we did not talk about is the FOC (full operational capability) day, which is in 2021. And for the Air Chief, the real important date is 2021. It is when we get full operational capability of this aircraft. We are not supposed to have the full operational capability when it appears at the end of next year. It will have operational capability, but the things that are being discussed in the press and elsewhere are things that we have known it would not be able to do. It has been part of the plan the entire time. And so full development of that capability will come at full operational capability and then with follow-on software loads.

So the biggest hurdle to get over between now and then in 2021 that could affect basing beyond the training bases is this maintenance manpower issue. This is a real issue for us. We have got to figure out how to create trained maintainers from the experienced maintenance force in the rest of the Air Force to bed down F–35 units. We have got a short-term solution in place that we think will let us get to IOC, but we need the longer-term solution which is going to require finding maintenance manpower from other aircraft systems in the Air Force.

Senator MURKOWSKI. Understood.

Senator COCHRAN. The time of the Senator has expired.

Senator MURKOWSKI. And if there is any change with that 2019 date, if you could confirm with us, I would appreciate it.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

Senator Daines.

Senator DAINES. Thank you, Mr. Chairman.

Secretary James, it is great to have you here. I hear you saying you were out in Montana last week.

Secretary JAMES. I was.

Senator DAINES. It was good to have you out there. It was good to see you the last time you were out there as well.

I do echo Senator Tester's concerns. We look at the 819th, the Red Horse, and what that might mean, and our 219th in terms of economies of scale. And like you, Secretary James, I am a protector of the taxpayer dollars. But there are two missions there that working together actually provide some synergy and economies of scale. So I hope that is considered as you take a look at locations of that unit down the road.

I want to talk about the ICBM mission and thank you for all your help, Secretary James, as well as General Welsh. And that is the most important mission. In fact, my favorite commander coin, when I visit the base there, says: scaring the hell out of America's enemies since 1962. It is one of my favorite commander coins that I keep close about that important mission that airmen deliver up there at Malmstrom.

And I applaud the administration for requesting strong funding, the $75 million for modernizing the ICBM arsenal. Could you provide your perspective on why the nuclear triad and our ICBM's in particular remain critical to deterring potential aggressors as we look at what is going on in Russia, a potential nuclear Iran, and other threats?

NUCLEAR FORCE MODERNIZATION

Secretary JAMES. Well, to start off, you already said it, Senator, but I will repeat. I think it is crucial to maintain a flexible nuclear triad. In other words, I have never been in favor of going down to just one leg to two legs. I like all three because of the flexibility, the responsiveness, and so forth that it provides.

And as you point out, we are trying to double down our efforts now and make some needed changes. So this will not be a one-shot deal. It is not a 1-year thing. It needs to continue. And when I am talking about changes, I am talking about changes in the way we train and evaluate our people, changes in the incentives that we provide to our people. We are really trying to shift a culture, a culture away from what I will call one that had been quite micromanaged and very focused on test, test, test, evaluate, evaluate, evaluate to shift toward one which is one of continuous improvement. And again, all these take time. Modernization is part of that as well.

So my figures suggest that we have about $5.6 billion more in this 5-year plan—so that is 2016 through the 5-year plan—than what we told you, the Congress, a year ago. So this is just a reflection of how important we think it is. So we are going to keep at it.

Senator DAINES. Thank you, Secretary James.

I think what concerned many of us is back in June of 2013, the President was at the Brandenburg Gate and announced he would like to see further reductions in our nuclear fleet beyond the exist-

ing START treaties. And I think many of us believe a peace through strength strategy, particularly in this world that is increasingly more dangerous, is the right approach, and our ICBMs and our nuclear mission is something that keeps the peace in this world. So thank you.

I want to shift gears over to C–130s for a moment. And Senator Tester alluded to this as well.

The National Commission on the Structure of the Air Force talked about the need to try to swim in similar lanes as it relates to between the active and Reserve components of trying to get to more of a standardized position on the 130s. What is the Air Force's plan to modernize the avionics to ensure viability past 2020? You talked about that a little bit where you are going to replace the Guard C–130 fleet I guess to ensure we are on the same page.

General Welsh.

C–130 FLEET MODERNIZATION

General WELSH. Senator, let me start by telling you that 73 percent of our C–130 fleet is in the Guard and Reserve. We are not keeping a whole lot of them in the Active component. We have pushed more over the last couple years in the Guard and Reserve because they do the mission exceptionally well, and it is well suited to the Guard lifestyle, employer base, and ability to execute the mission.

The team that is putting together the long-term plan is doing it together. We have got to modernize the fleet over time, all of our fleets, including the C–130s.

There is a little bit of a misperception about how we got where we are. The evil Active Duty did not put all the old C–130s in the Guard. That is not how this started. The C–130H models that are in the Guard now replace the E models. The oldest aircraft in the inventory at the time the C–130H model came in were in the Guard and the Reserve. So we populated the Guard and Reserve first with the H model. So for a number of years, all the new C–130s were in the Reserve component, and the Active Duty had the older E models. When we got the C–130J, we then replaced the oldest C–130s first. So, most of those were in the Active component.

So now the goal is to continue this modernization cycle and bring the older aircraft up to speed. We have to do two things.

C–130 AVIONICS MODERNIZATION TO ENSURE VIABILITY BEYOND 2020

We have to get them qualified to fly both according to the FAA and ICAO, the International Civil Aviation Authority requirements. That is this first increment that we have to do by 2020 for the FAA and 2020 for the FAA and international folks.

The second iteration is take those same airplanes and upgrade the aircraft, new glass cockpits, better avionics systems, a couple of key systems that need refurbishment and replacement. The question is how much can we afford to pay for each one of those modifications over time in order to do the whole fleet. And we are trying to do the entire fleet, not just a couple of units here, there, or any one component.

Senator DAINES. And we will have all the 130s then on the same architecture structure, avionics, so forth at that point?

General WELSH. A single supply chain, single logistics trail as opposed to multiple going to the same squadrons.

Senator COCHRAN. The time of the Senator has expired.

Senator DAINES. If that plan—if you could make that available to us, I would appreciate it if you could do it.

General WELSH. Yes, sir.

[The information follows:]

The Air Force continues to work towards the safety, compliance and modernization of our legacy C–130 fleet. Because of the cost and time required to conduct the modernization of the legacy C–130 fleet, we believe, and Department of Defense has certified, that we need to fund the airspace compliance modifications first. The Air Force intends to follow the fiscal year 2015 National Defense Authorization Act guidance and we want to work with the Congress and our Total Force partners to develop an affordable C–130 modernization program.

Senator DAINES. Thank you very much.

Senator COCHRAN. Are there other Senators who seek recognition? Senator Shelby.

Senator SHELBY. I have a couple. Mr. Chairman, thanks for your indulgence. I have a couple questions. I will try to be brief.

Secretary James, in the fiscal year 2015 appropriations, Congress appropriated $220 million for a new rocket propulsion system to replace the RD–180. This year the President's budget—and we know that is just a proposal—requests $84 million for that purpose. And reports indicate, however, that the Air Force intends to spend $500 million over the next 5 years to develop the rocket engine replacement.

It is also my understanding that developing an RD–180 replacement engine and the associated launch vehicle and launch pad could cost anywhere from $1 billion to over $3 billion and take perhaps 7 to 10 years to develop.

What are your thoughts on the cost and the timeline of developing the RD–180 replacement engine?

RD–180 REPLACEMENT ENGINE

Secretary JAMES. It is longer not shorter because, as I mentioned earlier, this is rocket science. It is a hard problem.

Senator SHELBY. It is. And sometimes you cannot rush it, can you?

Secretary JAMES. Well, you got to do it right. So I will tell you the technical experts would agree with the rough timelines that you just laid out. It is 6 to 8 years is what I have been advised for a newly designed engine and then an additional 1 to 2 years on top of that to be able to integrate the engine into the launch vehicle. These are obviously projections. We could maybe do——

Senator SHELBY. How important is this development? How important for the future?

Secretary JAMES. Well, it is very important for the future.

Senator SHELBY. Very important.

Secretary JAMES. Yes. It is very important. And the cost estimates—again, these are similar to the cost estimates that I have seen. I have seen $2 billion, but that is certainly well within the range that you just discussed.

So I want you to know we are marching out to obligate and spend the money wisely that you all provided us last year, and as you point out, we are putting additional resources against this to take us down the path to be able to develop this domestic capability. And again, we want the competition just as you do.

Senator SHELBY. Absolutely.

Secretary James, I will move to a little parochial question at the end. The Air Mobility Command's fielding of the KC–46A has displaced—we talked about that a little—four KC–135 pilot simulators. Movement of one KC–135 simulator was announced in December. It is my understanding the announcements of the movements of the second and third simulators are expected soon.

KC–135 SIMULATORS

Secretary James, the 117th Aerial Tanker Refueling Wing happens to be located in Birmingham, Alabama. It is the only KC–135 total force associate unit that does not currently have a flight simulator. But given the Air Force's desire to relocate KC–135 simulators it is my understanding across the total force in order to maximize simulator utilization, it is my hope that the Air Force would strongly consider locating a simulator there with the 117th Aerial Tanker Refueling Wing.

Can you get back with me on that?

Secretary JAMES. Yes, we will. I was about to say I may be the executive agent for space, but I would like to yield to the executive agent for KC–135 simulators on that question. But we will get back to you.

General WELSH. Senator, as you know, your base is one of the ones that will and is being considered. We have three more simulators to allocate in this process. The first one has already been sent from McConnell AFB, Kansas to Altus AFB, Oklahoma to prepare for the KC–46—as the KC–135 training expands at Altus AFB. The other three will start March of this year, March of next year, and March 2017 is the timeline that we are on for reallocating. And I am absolutely certain that your base will be one of those considered.

Senator SHELBY. We are waiting on one. Thank you very much.

General WELSH. Yes, sir.

Senator SHELBY. Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

Are there further questions of the witness?

Senator DAINES. Just one more question, Mr. Chairman, if I could.

Senator COCHRAN. The Senator is recognized.

Senator DAINES. Thank you.

POWDER RIVER TRAINING COMPLEX

I want to just talk briefly just to engage you all on the Powder River training complex there in southeast Montana. We are working diligently right now with both the FAA and the Air Force here to make sure we have got a plan that works for everybody. I think its background is when the plan was first hatched, it was a pretty sleepy little corner of southeast Montana with a lot of mule deer, antelope, and so forth. Now, with the energy business, the Key-

stone Pipeline, once it is finally built, runs literally right through the complex through Baker, Montana, and there is an airport there. The inspection hours for pipelines are going from 500 hours last year to 2,500 hours. These are flight hours coming out of the Baker Airport.

So it is probably more of a comment/statement, that we could just engage on that—we will have a year down the road—to make sure we got a plan that addresses the mission that we need to protect the B–1s at Ellsworth but also to protect the public safety there in southeast Montana. It is a very different environment than it was, I think, when that plan first began and evolved back in 2008.

Secretary JAMES. Okay. We will certainly obviously continue the ongoing dialogue. And, Senator, I think you know this. The state of play now is that we have given our materials over to the FAA. They now are doing their piece of this work. And our 28th Bomb Wing representatives are meeting constantly with the folks out in Montana and the local officials and whatnot because, obviously, we want to get this worked out. As you said, it is a very important area for our large-scale bombing-oriented exercises. So this is important to us as well, and we want to continue the dialogue. So we will keep working with you on it.

Senator DAINES. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. Are there any other questions of the witness?

In closing, we would like to thank our witnesses today at the hearing for your testimony and assistance to us. We are grateful for your service and we look forward to continuing a dialogue throughout the fiscal year 2016 appropriations process.

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

QUESTIONS SUBMITTED TO HON. DEBORAH LEE JAMES

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

LAUNCH COMPETITION

Question. Please share with the Committee the specific changes that should be made to Section 1608. Please also provide the expected costs to the government of the need to shift from the Atlas V to the Delta IV Heavy for certain launches and explain why Section 1608 would result in a lack of true competition sought by the Air Force and the likely financial impact of such a loss.

Answer. The Department of Defense (DOD) believes that the language in section 1608, Prohibition on contracting with Russian suppliers of rocket engines for the evolved expendable launch vehicle program, contained in the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for fiscal year 2015 (Pub.L. 113–291) (section 1608), will have the unintended consequence of limiting competition in the Evolved Expendable Launch Vehicle (EELV) Program unless the statutory language is modified.

Section 1608(a) prohibits DOD from awarding or renewing a contract for space launch activities under the EELV Program if the contract is to be carried out with rocket engines that were designed or manufactured in the Russian Federation. Paragraph (c)(1)(B) of section 1608 allows for an exception to the prohibition if prior to February 1, 2014, the contractor had either fully paid for the rocket engines or had a legally binding commitment to fully pay for such rocket engines. As you know, the Air Force's current space launch provider, United Launch Alliance LLC (ULA) uses the Russian made RD–180 rocket engine in its Atlas V space vehicle. While

section 1608(a) would not apply to ULA's use of RD–180s on its current 5 year contract with the Air Force, which is specifically exempted from section 1608(a), the prohibition would apply to ULA's use of RD–180 rocket engines in any future competition for space launch services outside of this 5 year contract, unless DOD is able to certify to the congressional defense committees that the RD–180 rocket engine that ULA proposes to use on the contract falls within the section 1608 (c)(1)(B) exceptions. DOD is concerned, based on the facts known to date, that ULA has only a limited supply of rocket engines that meet the section 1608(c)(1)(B) criteria. If so, we expect that ULA's ability to compete for future EELV contracts using its Atlas V space vehicle would be impacted.

The DOD provided the Congress a proposal to amend Section 1608 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for fiscal year 2015 (Pub.L. 113–291). This proposal would amend the exception provision to permit a contractor to use a rocket engine designed or manufactured in the Russian Federation if prior to February 1, 2014, the contractor had fully paid for the rocket engine or had entered into a contract under which the Russian rocket engine would be procured. This amendment, would make available the additional engines ULA ordered on a 2012 contract which ULA has not yet fully paid their supplier for. Additionally, it recommends making national security interests as the only specific reason for a formal waiver.

When ULA is no longer able to propose the use of the Atlas V launch vehicle, it will have to propose using the more expensive Delta IV launch vehicle, which has a domestically produced rocket engine. However, ULA has recently publicly announced that it will phase out production of the Delta IV vehicle in fiscal year 2018. The Department is still assessing the impact of ULA not being able to propose either the use of Atlas V or Delta IV launch vehicles, so the precise financial impact of a loss in competition has not been calculated. The Air Force is considering as part of its financial impact analysis, the work already done in the RD–180 Availability Risk Mitigation Study (aka "Mitchell study").

STENNIS SPACE CENTER

Question. Secretary James, as the Air Force begins to develop a new rocket engine to carry national security payloads to space, could you describe the ability of our test infrastructure to support such development? In particular, what's being done to ensure the test stand infrastructure at Stennis Space Center is being upgraded to support the work?

Answer. The Air Force is working very closely with NASA's Stennis Space Center. We are investing over $25 million for test stand modifications at Stennis Space Center to demonstrate key technologies required for the development of a large liquid oxygen/hydrocarbon engine. As the Air Force moves forward, in partnership with industry, for a new launch capability to transition off the RD–180, the specific test capability required will depend on the solution(s) the Air Force competitively selects to invest in. The use of Federal Government test facilities, if any, will be determined at that time based on the selected solution(s).

QUESTIONS SUBMITTED BY SENATOR STEVE DAINES

ICBM SILO REFURBISHMENT

Question. With the implementation of New START intercontinental ballistic missile (ICBM) reductions being spread equally among each of the missile wings, will the Air Force be implementing a silo refurbishment plan similar to depot maintenance schedules for aircraft?

Answer. Yes, an ICBM programmed depot maintenance (PDM) program is in development in accordance with the Air Force's Aircraft and Missile Requirements (AMR) process. AMR is the Air Force process used to develop, validate and approve PDM requirements for all weapon systems. The ICBM PDM effort will leverage the 50 non-deployed launch facilities made available by New START directed reductions. Over a 5 year interval, the 50 non-deployed launch facilities will rotate through each missile complex until all launch facilities have completed the PDM cycle.

REPLACEMENT OF UH–1N HELICOPTERS

Question. What is the timeline to replace the UH–1N helicopters responsible for intercontinental ballistic missile (ICBM) security?

Answer. The Air Force is analyzing alternatives and developing courses of action to replace the UH–1N fleet, and has not yet approved an acquisition strategy or

fielding timeline. The Air Force intends to stand-up a program office in fiscal year 2016, conduct a milestone decision, and award a contract for replacement of the UH–1N in fiscal year 2017.

POWDER RIVER TRAINING COMPLEX

Question. For the Powder River Training Complex, how would the aircraft communications system work between a general aviation pilot, a B–1 pilot, Ellsworth Air Force Base, and air traffic control to ensure the safe and timely departure or arrival of an emergency or other aircraft given priority on an instrument flight plan? What are the risks associated with possible miscommunications, and what is the Air Force doing to prevent this?

Answer. In the record of decision on the Powder River Training Complex Environmental Impact Statement, the Air Force committed to creating a military aircraft recall system to extend Ellsworth Air Force Base's communication to military aircraft since the Federal Aviation Administration's (FAA) current communication capability does not allow for communications with aircraft at lower altitudes. One risk we are mitigating is that the Air Force communications recall system does not extend to civilian aircraft or the FAA's responsibility of air traffic control. Our plan is to be able to immediately recall military aircraft to a higher altitude where the aircraft will be able to communicate with the FAA controllers who, in turn, will be responsible for immediate separation of military aircraft from emergency aircraft or facilitate instrument arrivals/departures without undue delay. Other communications risks for air traffic control of aircraft remain the same as it is for all FAA operations within and immediately around the Powder River Training Complex.

QUESTION SUBMITTED BY SENATOR RICHARD J. DURBIN

WILMINGTON, IL, ENERGY DEMONSTRATION PROJECT

Question. I am aware of an Air Force waste to energy demonstration project being conducted in Wilmington, Illinois. It is my understanding the Air Force intends to continue the project utilizing other waste materials and move the project to Dayton, Ohio. If the intent is to continue the project, why is it necessary to move it? It seems more cost effective to continue the project in its current location and capitalize on other waste streams from other nearby military installations. Finally, I would like to be kept apprised of the outcome of any further tests, and the Air Force's intent to further integrate any waste to energy upgrades pursuant to a successful demonstration outcome.

Answer. The Air Force briefly explored the option of moving the waste-to-energy system in Wilmington, Illinois, from its current location to the University of Dayton Research Institute (UDRI) in Dayton, Ohio. The UDRI is opening a technical experience center that is designed to assess alternative technologies such as the system in Wilmington, Illinois, and would offer long-term evaluation of the system as well as use the system for educational purposes. However, in exploring this option, it became evident that it was more cost effective to leave the system at the current location. Additionally, moving the system would drive a delay in schedule that would be unacceptable.

The Air Force is in the process of allocating funds to extend the current demonstration and complete the final 1 year system evaluation using base-representative municipal solid waste and potentially waste from aircraft depots. Once the demonstration project is completed, the Air Force will provide your office with the results.

QUESTIONS SUBMITTED BY SENATOR TOM UDALL

OPERATIONALLY RESPONSIVE SPACE

Question. Madame Secretary and General Welsh, can I be assured that the Air Force is committed to continuing the work done by ORS into the future, and can you please talk briefly about why this is important to the Air Force's mission and the warfighter?

Answer. The Air Force is committed to continuing the work done by Operationally Responsive Space (ORS). We added $6.5 million in fiscal year 2016 to complete the ongoing ORS–4 and ORS–5 projects. Additionally, we've tasked Air Force Space Command to prepare an ORS resource plan to determine the appropriate funding levels for fiscal year 2017 and beyond. The Air Force recognizes the importance of the ORS office as it continues responding to urgent needs providing resilient, flexi-

ble, and responsive space capabilities to the warfighter; and continues developing enablers across the range of disciplines required to advance responsiveness of the space enterprise as a whole. We are also exploring using the ORS office to execute specific programs, but we have not made the final decision on which programs.

B61 SERVICE LIFE EXTENSION PROGRAM

Question. New Mexico plays an important role ensuring that our Nation's nuclear deterrent remains safe, secure, and effective. I have noticed that the Air Force has made it a priority to increase research and development for the long range strike bomber. Can you tell me how the Air Force plans to take on this huge program and will you be working with the national labs to ensure its specifications are compatible with current life extension programs, including the B61 LEP?

Will you work with this committee to provide the necessary classified briefings on this project to ensure there is appropriate oversight of this project?

Answer. Yes. The Air Force is prepared to work with the Senate Appropriations Subcommittee on Defense to ensure it has access to all information required to assist with appropriate oversight of the B61 Tailkit Assembly program.

Question. New Mexico plays an important role ensuring that our Nation's nuclear deterrent remains safe, secure, and effective. I have noticed that the Air Force has made it a priority to increase research and development for the long range strike bomber. Can you tell me how the Air Force plans to take on this huge program and will you be working with the national labs to ensure its specifications are compatible with current life extension programs, including the B61 LEP?

Can you please outline the Air Force's progress in developing the guided tail kit assembly for the B61 life extension project? Do you expect to finish this work on time, and what are the consequences to the overall B61 LEP if this funding line is not funded adequately?

Answer. The Air Force's B61–12 Tailkit Assembly (TKA) is proceeding on schedule to meet the Nuclear Weapon Council approved B61–12 first production unit requirement of no later than the second quarter of fiscal year 2020. If the TKA program is not funded to the President's Budget request now or in the future, it would directly impact the overall B61–12 life extension program (LEP) and disconnect the Air Force effort from the Department of Energy's B61–12 warhead LEP effort.

The National Nuclear Security Administration has identified the priority and timing to replace fielded B61 components. If the B61–12 first production unit date were to be delayed, continuity of the nuclear weapons stockpile could not be assured, requiring the Air Force and National Nuclear Security Administration, through the Nuclear Weapons Council, to prepare detailed, resourced risk mitigation plans that would require specific congressional authorization and appropriation.

3D PRINTING

Question. 3D printing continues to be developed by all the branches as a tool for decreasing lead times and costs for production. It is also my understanding that the Air Force Research Laboratory at Kirtland Air Force Base has been doing some research to evaluate the use of 3D printing of cathodes for various electronics.

My question is, do you think this technology will become more important for the Air Force in the future, and how can the Congress and the Air Force work together to ensure that technology transfer and partnerships help develop the growth of this new industry?

Answer. Additive manufacturing technologies and 3–D printing offer great potential to the Air Force and aerospace community. Key benefits include reduced lead time and cost for small production runs, mass customization, enabled complex geometry, and reduced weight via part consolidation and material substitution. In the future, these benefits could result in reduced sustainment burden and improved system availability, affordability, and energy efficiency. The aerospace community is actively evaluating a variety of implementation paths in tooling, prototypes, design iteration, and production parts. Air Force additive manufacturing opportunities include functionally-embedded structures and electronics, expanded geometric complexity, integrated power, and human system and cognition.

To fully realize the benefits of additive manufacturing, there are several technical challenges that are being addressed. These key challenges include consistent material quality and properties, undefined inspection protocols, standardized process controls, and post-processing requirements. Aspects of material, process and component qualification are required for nearly every implementation path. The Air Force has several in-house and external research activities focused on these challenges.

Partnering with industry to develop, transfer, and leverage additive manufacturing technologies will be important in growing this new industry for both defense

and commercial applications. The Air Force is actively engaged with several partnerships focused on accelerating the adoption of additive manufacturing and 3–D printing. Examples include: the National Additive Manufacturing Innovation Institute; the Flexible Hybrid Electronics Manufacturing Innovation Institute; the NanoBio Manufacturing Consortium; and various projects with the Metals Affordability Initiative, Small Business Innovative Research program, and the Rapid Innovation Program.

SEQUESTRATION AND ISR CAPABILITIES

Question. Your statement mentioned that the Air Force is lacking the capability it needs to fulfill all the intel, surveillance, and reconnaissance demands it is receiving. Along those lines, I am glad to see that the Air Force has increased its request for MQ–9s from 24 in fiscal year 2015 to 29 in fiscal year 2016. Your budget also states that if sequestration kicks in, that the total procurement would decrease to 20. If this happens, how would this impact the Air Force's ISR capabilities, as well as future basing at bases such as Holloman and Cannon?

Answer. Under sequestration, the MQ–9 program of record is reduced from 60 to 50 MQ–9 combat air patrols (CAPs), a 17 percent reduction in medium altitude intelligence, surveillance, and reconnaissance capabilities. Therefore, we would expect a slight decrease in the formal training production requirement at Holloman AFB, NM. However, Cannon AFB, NM, will still increase its operational remotely piloted aircraft capacity from 8 currently to 10, MQ–9 CAPs by fiscal year 2017.

HOLLOMAN AFB AND WHITE SANDS

Question. Holloman Air Force Base uses airspace at White Sands Missile Range. How would you and the commanders at Holloman Air Force Base characterize the efforts to coordinate airspace coordination between Holloman and White Sands, and what could be done to improve airspace coordination and scheduling to ensure that our F–16 pilots receive the best and most efficient training possible?

Answer. The Air Force would characterize the relationship between White Sands Missile Range (WSMR) and Holloman Air Force Base as good. In 2014, we formalized this relationship by signing a Memorandum of Agreement between the two organizations. The memorandum reinforces the Office of the Secretary of Defense's Major Range and Test Facility Base policy that test activities at White Sands Missile Range are a higher priority than the training activities at Holloman AFB, NM.

As far as what could be done to improve coordination and scheduling, aligning the Army's safety restrictions and risk mitigation measures with those of the Air Force would reduce airspace impacts on quality aircrew training (currently WSMR test risk mitigation measures used by the Army are much more restrictive than those used by the Air Force). Additionally, an evaluation of airspace use by an external agency that incorporates inputs from all WSMR users would highlight the areas that need to be addressed to maximize airspace utilization and flexibility for both the test and training missions. Holloman AFB has also reorganized the internal lateral and vertical dimensions of its training airspace and modified its airspace control procedures to improve overall efficiency and training effectiveness. To improve airspace coordination and scheduling procedures, we have been simultaneously working with our Army partners. As an example, we are considering using the coordination procedures employed at the Nevada Test and Training Range. Also, with Air Force training continuing to increase at Holloman AFB, we are currently conducting an analysis to determine if the current airspace is adequately configured and sized to support our future range and airspace needs.

FEDERAL IT REFORM

Question. Describe the role of the Air Force's Chief Information Officer (CIO) in the development and oversight of the IT budget for the Air Force. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The Air Force Chief Information Officer (SAF/CIO A6) has an important role in the development and oversight of the Air Force information technology (IT) budget. There are several key activities where the SAF/CIO A6 executes authority and oversight of IT investments and thus impacts budgetary outcomes. For example, the SAF/CIO A6 reviews business systems for compliance, in coordination with the Office of the Deputy Chief Management Officer (SAF/US(M)), which manages Defense Business Systems IT certification of organizational execution plans. This process increases CIO visibility into IT investment compliance status across the Air Force IT portfolio.

Through our Air Force IT Governance process, SAF/CIO A6 provides input into the Air Force's Program Guidance Memorandum. In addition, SAF/CIO A6 coordinates with Air Force Space Command to develop the Program Objective Memorandum and executes cyberspace and enterprise IT investments. This coordination enables programming and budgeting alignment of CIO policy and strategy with operational execution.

SAF/CIO A6 also participates in program management decisions and milestone reviews with the Assistant Secretary of the Air Force for Acquisition. This enables shaping of contracts for capabilities under development. Finally, SAF/CIO A6 is developing and implementing a deliberate budget and investment review and approval process, within existing corporate processes, to better integrate cyberspace requirements and investments across all mission areas, under direction from the Undersecretary of the Air Force and the Vice Chief of Staff of the Air Force.

Question. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance from that prescribed in the newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. The existing authorities, organizational structure, and reporting relationship of the Chief Information Officer are spelled out in Headquarters Air Force Mission Directive 1 and Headquarters Air Force Mission Directive 1–26 pursuant to 10 USC § 2223, 40 USC § 11315, and 44 USC § § 3506 and 3544.

The authorities spelled out in Headquarters Air Force Mission Directive 1–26 are in line with the newly enacted Federal Information Technology (IT) and Acquisition Reform Act of 2014. SAF/CIO A6 in partnership with Office of the Deputy Chief Management Officer and the Secretary of the Air Force for Acquisition inform and shape information technology investments through information technology governance. Through our on-going development of a capital planning and investment control process we continue to shape the Chief Information Officer's involvement in information technology investment oversight.

Question. What formal or informal mechanisms exist in the Air Force to ensure coordination and alignment within the CXO community (i.e., the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. In March 2012, the Secretary of the Air Force established a formal mechanism, the Information Technology Governance Executive Board (chaired by the Air Force Chief Information Officer) to establish Air Force business practices and capabilities to securely and effectively deliver information technology to mission and business users. Membership is comprised of all the Air Force entities with statutory responsibility and decisionmaking for information technology lifecycle management.

The senior leadership team includes the following:

—SAF/US(M)—Director, Business Transformation and Deputy Chief Management Officer
—SAF/AQ—Assistant Secretary of the Air Force for Acquisition
—SAF/FM—Assistant Secretary of the Air Force for Financial Management and Comptroller
—SAF/CIO A6—Assistant Secretary of the Air Force for Information Dominance & Chief Information Officer
—AF/A3—Deputy Chief of Staff for Operations
—AFSPC/CV—Vice Commander, Air Force Space Command
—PEO C4—Program Executive Officer for Command, Control, Communications and Information Networks

Questions. According to the Office Personnel Management, 46 percent of the more than 80,000 Federal IT Workers are 50 years of age or older, and more than 10 percent are 60 or older. Just 4 percent of the Federal IT workforce is under 30 years of age. Does the Air Force have such demographic imbalances? How is it addressing them?

Answer. The Air Force information technology (IT) civilian workforce representation is commensurate with their comparative Federal workforce, as shown below.

Air Force IT Workforce:

50 or older—55.7%
60 or older—13.8%
30 or under—4.2%

We recognize this age imbalance, and strive to continually evolve our workforce to ensure competitive advantage in the rapidly evolving information environment. Force renewal programs like Palace Acquire focus on hiring recent college graduates into upwardly mobile GS–7/9/11 positions. Our cyber force managers are focused on

managing the workforce to ensure long-term career progression for past, present and future employees in compliance with mission needs and Federal guidance (age discrimination in the Employment Act of 1967).

The National Defense Authorization Act of 2006 encourages continuance of service for our veterans in a civilian capacity (through veteran's preference). We have noted that a large percentage of those who benefit from these measures are typically around age 30, which serves to infuse the most under-represented area and improve the viability of our future workforce.

Question. How much of the Air Force's budget goes to Demonstration, Modernization, and Enhancement of IT systems as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last 5 years?

Answer. The development, modernization, and enhancement costs for major Air Force defense business systems are approximately $361 million in fiscal year 2015, $461 million in fiscal year 2014, and $282 million in fiscal year 2013. Previous year comparisons can be found in the table below:

Fiscal Year	Demonstration, Modernization and Enhancement	Support of Existing and ongoing programs
2015	$361 million	$501 million
2014	$461 million	$514 million
2013	$282 million	$559 million

We will continue to improve our operational assessments in our capital planning and investment control process to provide us with visibility into demonstration, modernization and enhancement spending in other mission areas.

Question. What are the 10 highest priority IT investment projects that are under development in the Air Force? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, 6-month timeframes?

Answer. The Air Force has a mature process to review and determine priority of information technology (IT) investment projects for defense business mission area. The Assistant Secretary of the Air Force for Information Dominance & Chief Information Officer (SAF/CIO A6) participates in the Director, Business Transformation and Deputy Chief Management Officer (SAF/US(M)) Enterprise Senior Working Group to review defense business systems IT projects. Included below is a list of priority IT investment projects based upon the value risk score card that assesses systems within the business mission area portfolio that are of high value based upon contribution to mission, business case justification, functional alignment, programmatic soundness.

Investment Acronym	Investment Long Title
JIE/JRSS	Joint Information Environment/Joint Regional Security Stacks (Cybersecurity)
AOC	Air Operations Center
NC3	Nuclear Command, Control, and Communications System
AFIPPS	Air Force Integrated Personnel and Pay System
NEXGEN	CE NexGen IT
CAS	Combat Ammunition System
ESCAPE	Enterprise Supply Chain Analysis Planning and Execution
MROi	Maintenance Repair and Overhaul initiative
PLMI	Product Lifecycle Management Initiative
DEAMS	Defense Enterprise Accounting & Management System

All IT investments listed above are applying an incremental approach delivering working functionality in smaller increments and completing initial deployment in shorter timeframes.

Question. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. The Assistant Secretary of the Air Force for Information Dominance & Chief Information Officer (SAF/CIO A6) in conjunction with the Assistant Secretary of the Air Force for Acquisitions (SAF/AQ) conducts operational assessments annually on Air Force systems. These operational assessments rate systems against established cost, schedule and performance goals along with alignment to mission

needs and strategies, value and duplication overlapping with other investments. The results provide senior leadership visibility into the status of IT investments on the Federal IT Dashboard.

The SAF/CIO A6 has also initiated an investment review process which will conduct an in depth review on IT initiatives. In coordination with SAF/AQ, major automated information systems are assessed several times in compliance with the Clinger-Cohen Act during their development lifecycle. These reviews further assess cost, schedule, performance and compliance of an IT investment leading to a SAF/CIO A6 approved Clinger-Cohen Act memorandum to the program. The Director, Business Transformation and Deputy Chief Management Officer (SAF/US(M)) annually reviews and pre-certifies IT investments in the business mission area. These annual reviews assess value and duplication among other SAF/CIO A6 compliance areas.

Question. What are the 10 oldest IT systems or infrastructures in the Air Force? How old are they? Would it be cost-effective to replace them with newer IT investments?

Answer. Following is a list of the 10 oldest information technology systems in the Air Force.

Investment Name	Acronym	Start Date
1. Integrated Logistics Systems-Supply	ILS-S	1964–06–01
2. Item Management Control System	IMCS	1968–02–12
3. Aircraft Structural Integrity Management Information System	ASIMIS	1971–07–01
4. Acquisition and Due In System	ADIS	1972–09–25
5. Reparability Forecast Model System	RFM	1977–08–01
6. Depot Maintenance Workload Planning and Control System	DMWPCS	1977–10–31
7. Personnel Budget and Analysis System Web	PBASWeb	1980–06–30
8. MISTR Requirements Scheduling and Analysis System	MISTR	1981–11–01
9. Logistics Management Data Bank	LMDB	1982–01–31
10. Comprehensive Engine Management System	CEMS	1983–01–01

ILS-S, IMCS, ASIMIS, and LMDB are systems scheduled to be replaced under the Logistics IT (Log IT) initiative in 2020. ADIS will migrate to the Contracting Information Technology (ConIT) system in 2016. There are currently no plans to replace or terminate RFM, DMWPCS, PBASWeb, MISTR, and CEMS.

Question. How does the Air Force's IT governance process allow for the Air Force to terminate or "off ramp" IT investments that are critically over budget, over schedule, or failing to meet performance goals? Similarly, how does the Air Force's IT governance process allow for the Air Force to replace or "on-ramp" new solutions after terminating a failing IT investment?

Answer. There are several key activities where the Assistant Secretary of the Air Force for Information Dominance & Chief Information Officer (SAF/CIO A6) executes authority and oversight of information technology (IT) investments. For example, the SAF/CIO A6 has a mature process to review business systems for compliance in coordination with the Director, Business Transformation and Deputy Chief Management Officer (SAF/US(M)), who manages Defense Business Systems IT certification of organizational execution plans.

SAF/CIO A6 participation in the Enterprise Senior Working Group increases CIO visibility into IT investment compliance status across the Air Force IT Portfolio. Air Force CIO also participates in program management decisions and milestone reviews with the Assistant Secretary of the Air Force for Acquisition (SAF/AQ). These reviews can result in recommendations to the milestone decision authority to continue or terminate an IT program.

Additionally, SAF/CIO A6 in conjunction with SAF/AQ conducts assessments annually of AF Exhibit 300 systems against cost, schedule and performance goals along with alignment to mission needs and strategies. The results of these reviews provide senior leadership with visibility into the status of IT investments on the Federal IT Dashboard.

Finally, the Air Force IT Governance directive outlines the Service Acquisition Executive's role for overseeing Air Force IT program execution and providing acquisition policy, cost, risk, schedule, and performance inputs to the Information Technology Governance Executive Board.

Question. What IT projects has the Air Force decommissioned in the last year? What are the Air Force's plans to decommission IT projects this year?

Answer. The Air Force decommissioned 28 systems in calendar year 2014. The Air Force plans to decommission 15 systems in calendar year 2015.

The Air Force is implementing strategies consistent with the Office of Management and Budget direction for streamlining IT investments. On-going initiatives include application rationalization and data center consolidation. Furthermore, SAF/CIO A6 is developing a capital planning and investment control process to improve the CIO's involvement in IT investment oversight.

28 Systems decommissioned in 2014:

Acronym	Investment Name
AFRISS–R	Air Force Recruiting Information Support System—Reserve
AFTC–GIS	AFTC—Geographic Information System
ARIR	Administrative Record Information Repository Database
AV	Asset Visibility
BAS	Bowling Automation System
BuyIT	Buy Information Technology
CARS	Consolidated Analysis and Reporting System
DDC	DDC (Niagra) Systems
DDWG	DLA Customer Concerns
DMSMS	Diminishing Manufacturing Sources and Material Shortages Help Desk
eCOMET	Energy Condition Management Estimation Technology
EDITT	Environmental Decision Information Tracking Tool
FHATS	Funded Hours Allocation Tracking System
GVISION	Geospatial Visual Information System Integrated on the Network
ILDPA	Intermediate Leader Development Program Alexsys
JCALS	Joint Computer-aided Acquisition and Logistics Support
LASS	Logistics Automated Support System
LGFNOTES1	LGF Lotus Notes Client Access
LWT	LGF Web Tools
PHOENIX–RAFB	Phoenix-RAFB
PR Tracker	PR Tracking App V2
RES	Recreation Enterprise System
SISS	Sports Injury Surveillance System
STES	Scientific and Technical Enterprise System
WR–CEEMS	WR–Civil Engineer and Environmental Management System
WR–PETS	WR–Program Execution Tracking System
WR–SIP Tool	WR–Self Inspection Process Tool
WRS–MIS	AFRL Wright Research Site-Management Information System

15 Systems planned for decommissioning in 2015:

Acronym	Investment Name
309ITS	309 SMXG Information Technology System
AEIS	AFSC Enterprise Information System
APOSD	Automated Point of Sale Device
APWS	AFCEE Public Web Server
ASHS	Assessment System for Hazard Surveys
DSUR	Data System User Repository
EONet/FAMNet	Equal Opportunity Network/Family Net
EVTAT	Earned Value Time and Tracking
HMMS	Depot Maintenance Hazardous Material Management System
IMPS	Integrated Military Personnel System
IOMS—PIMS	IOMS Program Information Management System
JSF WISE	Joint Strike Fighter Web-based Information System for the Enterprise
OLVIMS Legacy	On Line Vehicle Interactive Management System Legacy
SITE	Single Interface for Timing Entry
TAS	Tool Accountability System

Question. The newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) directs CIOs to conduct annual reviews of their Air Force's IT portfolio. Please describe the Air Force's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. The Air Force is implementing strategies consistent with Office of Management and Budget direction for streamlining IT investments. On-going initiatives include application rationalization and data center consolidation. Furthermore, the Assistant Secretary of the Air Force for Information Dominance & Chief Information Officer (SAF/CIO A6) is developing a capital planning and investment control proc-

ess to improve the CIO's involvement in IT investment oversight. In support of its statutory authority, SAF/CIO A6 conducts IT investment reviews in areas such as the Federal IT Dashboard initiative, Clinger Cohen Act compliance, and IT budget reporting. SAF/CIO A6 also partners with Director, Business Transformation and Deputy Chief Management Officer (SAF/US(M)) to conduct annual reviews of defense business systems.

Question. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the Air Force's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the Air Force's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. As we move toward cloud-base services, we are maturing our metrics to capture Air Force investments in this area. We estimate that less than 5 percent of our overall IT investments are currently cloud-based. In 2011, the Air Force had no cloud presence. At this time, the Air Force has some programs in the MilCloud, including Doctrine Next and the System Metric & Reporting Tool (SMART). We are also fielding major enterprise resource planning systems such as the Maintenance, Repair, and Overhaul Initiative in the MilCloud. Moving forward, the Air Force has embraced a commodity vs. ownership mindset, looking to field in the cloud whenever possible. Working with the Program Executive Officer for Command, Control, Communications and Information Networks, the Air Force has laid out a roadmap for greater use of the MilCloud, developing repeatable processes and data standards allowing for wide-scale adoption of the cloud across the Air Force. Following successful testing of these processes and as data security and privacy requirements are met, the Air Force plans to begin its move to the commercial cloud as quickly as possible. The Air Force is also partnering with the Department of Defense CIO and the Defense Information Systems Agency to develop the acquisitions and contract language necessary to purchase commercial cloud offerings.

Question. Provide short summaries of three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does the Air Force define "success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?

Answer. Three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user are:

(1) Base Information Transport Infrastructure (BITI):

BITI delivers the Air Force cyberspace network and integrated infrastructure for 178 Total Force (active duty, Reserve, and Guard) bases. Air Force installations did not have the organic expertise inherent to the BITI program office to realize tech refresh economies of scale. The BITI program office saved $6 million by establishing a predictable, prioritized servicing list and steering Air Force installations to less expensive, non-backbone cyber equipment. Focusing bases on less expensive, non-backbone cyber equipment resulted in substantial savings by averting duplicate spending.

(2) Defense Enterprise Accounting & Management System (DEAMS):

DEAMS is a financial management initiative transforming business and financial management processes and systems to provide accurate, reliable, and timely business information to support fiscal year 2017 Financial Improvement Audit Readiness (FIAR) deadline specified in the fiscal year 2010 National Defense Authorization Act , effective business decisionmaking for U.S. Transportation Command (USTRANSCOM), Defense Finance and Accounting Service (DFAS) and the U.S. Air Force. DEAMS achieved Milestone C on February 23, 2015 by the Milestone Decision Authority, Office of the Undersecretary of Defense for Acquisition, Technology, and Logistics (OUSD(AT&L)). DEAMS is successfully being used today by over 7,000 users at over 40 Air Force, DFAS, and USTRANSCOM locations with additional deployments to another 2,300 users and 40 locations scheduled for June 2015. DEAMS is also aggressively pursuing completion of Initial Operational Test and Evaluation prior to a Full Deployment Decision by the Milestone Decision Authority in August 2015.

(3) Enhanced Technical Information System (ETIMS):

ETIMS is a technical order (TO) management system that provides an Air Force TO repository enabling electronic viewing of documents for over 137,000 users Air Force-wide. ETIMS overhauled an antiquated process of managing paper documents with an improved architecture using digital data enhancements delivering major re-

ductions in space and personnel requirements, improved TO accuracy with quicker access, and improved aircraft maintenance turn-time.

Question. How does the Air Force define "success" in IT program management?

Answer. The Air Force defines success for all acquisition programs as delivering effective and suitable capability to the warfighter.

Question. What "best practices" have emerged and been adopted from these recent IT program successes?

Answer. (BITI): Product support was included in the main BITI contract allowing competition among all offers. Fostering competition for product support activities drove license and support costs down 30 percent over the previous year.

(DEAMS): "Should Cost" initiatives developed within the DEAMS program cited by the OUSD (AT&L) as examples of what the Department should be doing as part of Better Buying Power 3.0. Developed "Should Cost" software metrics requirements to track contractor productivity; estimated potential savings of $15 million.

(ETIMS): The program management office focused on the best integration strategy that would meet immediate user needs and be successful under tight time and budget constraints. The effort ultimately completed under budget and met all major milestones on time. Additionally, shutting down a geographically distributed client-server system saved the Air Force $4 million per year in sustainment costs. Interface partners were tightly coupled throughout development and test activities providing programmatic and cost efficiencies.

Question. What have proven to be the most significant barriers encountered to more common or frequent IT program successes?

Answer. Frequently changing/overlapping, and in some cases, conflicting guidance, over the past 10 years, for IT acquisition has caused confusion, rework and unnecessary duplication. Examples include Title 10 USC Code 2222, OUSD(AT&L) Business Capability Lifecycle, OSD(DCMO) Business Enterprise Architecture (BEA), DOD 5000 and the Air Force's System and Development and Delivery Plan. Each guidance mechanism could and was employed during several IT program's lifecycle, forcing the program office to comply with all above directives in concert with each other.

Question. Terry Halverson, the DOD Chief Information Officer (CIO), has outlined a vision for DOD use of cloud computing that empowers the military departments and components to procure their own cloud computing solutions. How will the implementation of this transition to cloud computing be rationalized across the Air Force to ensure that common standards, data portability and other enterprise-wide issues are properly managed and addressed?

Answer. The Air Force is focused on implementing standards for the cloud through the adoption of a common architecture for our systems. The target baseline specifies the standards, protocols, guidelines and implementation constraints for the future state of the Air Force global information grid (AF–GIG) infrastructure. The target baseline informs the development of the implementation baseline, which is the baseline of acquisition selected products and their informed/allowed configurations that implement the architecture, standards, protocols, and guidelines specified in the target baseline.

Following this architecture, the Air Force currently has some programs in the MilCloud, including Doctrine Next and System Metric & Reporting Tool (SMART). The Air Force is fielding the Common Computing Environment (CCE), a collection of common application services (e.g., PKI authentication). Having a CCE allows developers to modify their systems to one standard, regardless of the hosting location. The Air Force is partnering with the Department of Defense CIO and the Defense Information Systems Agency to develop the acquisition and contract language necessary to purchase commercial cloud offerings. At the same time, we have stood up a Managed Services Office as the Air Force's technical broker, facilitating the effort to move Air Force applications to the cloud.

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

ASIA-PACIFIC

Question. The Quadrennial Defense Review emphasized the importance of theatre security cooperation in the Asia Pacific to support the Defense Strategic Guidance. For our partners and allies, training exercises are an indicator of our commitment to the region.

Could you please explain the Air Force's priorities for theatre engagement and how you plan to develop those relationships with our partners and allies in the Asia Pacific?

Answer. The Air Force supports the U.S. Pacific Command (USPACOM) Commander's security cooperation priorities. The Air Force has a prioritized list of desired long-term partner air force capabilities that, if developed, will assist the Air Force's ability to support combatant commander mission requirements. The priority capabilities are mobility; intelligence, surveillance and reconnaissance; air superiority; command & control; and space superiority. The Assistant Secretary of the Air Force for International Affairs (SAF/IA) works closely with USPACOM, Pacific Air Forces (PACAF), U.S. Embassy country teams, and international partners in the day-to-day planning and execution of the security cooperation activities that sustain the relationships and build the partner's capacity. The deliberate planning and resourcing of these activities is accomplished during annual meetings between SAF/IA, USPACOM, PACAF, and country teams at PACAF's Capability Development working group meeting and USPACOM's Security Cooperation working group.

Question. The Quadrennial Defense Review emphasized the importance of theatre security cooperation in the Asia Pacific to support the Defense Strategic Guidance. For our partners and allies, training exercises are an indicator of our commitment to the region.

Are there any interoperability challenges when it comes to training with our partners and allies, including any risks to straining their capabilities?

Answer. We have not identified any major interoperability challenges with our partners and allies in the Pacific. Fiscal realities, manpower/capability constraints, and sometimes divergent capability development plans continue to be the key challenges that we face. Pacific Air Forces goes to great lengths to mitigate any strain our exercises or bi-/multi-lateral training activities might place on our partners' and allies' capabilities.

When we identify "engagement fatigue" caused by multiple events sponsored by different U.S. service components at different times, we take action to alleviate any perceived pressure. Historically, we have shifted event execution dates, gone to biennial versus annual execution plans, reduced the scale and scope of the event(s), and/or combined combatant command and/or Service component exercises to reduce engagement fatigue. Disclosure restrictions sometimes limit us from maximizing training opportunities with our partners. While perhaps not an "interoperability issue," non-English speaking partners sometimes have limited English language skills, which has also impacted our training effectiveness.

Question. The Quadrennial Defense Review emphasized the importance of theatre security cooperation in the Asia Pacific to support the Defense Strategic Guidance. For our partners and allies, training exercises are an indicator of our commitment to the region.

If so, are there other opportunities to support regional engagement goals through the Air National Guard to support our partners and allies without stressing their current capabilities?

Answer. There are a number of ways in which the Air National Guard is able to support regional engagement in the Asia-Pacific region without stressing our partner's capabilities. The following are examples as to how Building Partnerships and the State Partnership Program contributes to the eight partnerships we currently retain in the Asia-Pacific region and how we are able to enhance security cooperation around the world without stressing our partners resources via these programs.

Military Training Teams are conventional forces used to train and mentor foreign forces for a short period of time, usually a week. These teams mentor command and staff at various levels during overseas deployment training and deployment. Mobile Support Advisory Squadrons are a key component of the Air Force support to the Department of Defense building partner capacity efforts. Through mentoring, advising and instructing, partner nation's air forces, Mobile Support Advisory Squadrons help achieve the goal set by the Secretary of Defense to enable partners to share "the costs and responsibilities of global leadership. Senior leader engagement provides general officer level engagement with partner nation military and civic leaders.

Military Reserve Exchange Program focuses on exchanges between the United States and the nations of Germany, Denmark, Estonia and the United Kingdom. The program entails a one for one exchange of individuals between a U.S. military unit and a unit from one of the participating countries. This is funded in the U.S. by the unit which the Soldier or Airman belongs to. The exchanges are two weeks in length and directly expose individuals from both the U.S. and foreign nation to the others' culture and military. This program could be expanded to the Asia-Pacific region as well.

The Air National Guard Building Partnerships program is an excellent way of supporting regional engagement in the Asia-Pacific region without stressing our partner's capabilities. Exchanges usually happen when a nation purchases defense

products made in the United States and opens a foreign military sales case through the U.S. Government. For example, if a nation purchases aircraft through this program, the training of pilots from that nation is typically included in the cost of the product and often the Air National Guard provides that training.

Question. The Budget Control Act and sequestration have constrained our ability to adequately resource the Asia-Pacific rebalance and meet our regional security commitments. And while we work to permanently remove the threat of sequester in fiscal year 2016, it is still a looming challenge to our ability to adequately resource the rebalance to Asia where we face some medium and long-term risks to our national security.

Admiral Locklear has said that due to budget setbacks, the ability of the services to provide air coverage and maritime coverage of the type we have traditionally needed in the Asia Pacific for crisis response has not been available to the level that he considers "acceptable risk."

Under sequestration, what risks might the Air Force be forced to assume in the Asia-Pacific region and how could this affect your force posture in the region?

Answer. Sequestration negatively impacts force posture decisions across the globe, including the Asia-Pacific region. Budget Control Act or sequestration-level funding would reduce the availability of ready forces to meet combatant commander requirements, augment host nation defense capabilities, and react to requests for humanitarian assistance and disaster relief. The Air Force's reduced capability, capacity, and readiness due to sequestration would increase risk to mission and prematurely shift the burden of maintaining security and stability in the Asia-Pacific region to our allies and partners, further eroding their confidence in the U.S. commitment to the Asia-Pacific region.

The Air Force fully supports funding as requested in the President's Budget. A return to BCA/sequestration would have enormous negative ramifications on readiness, people, and modernization. We would be happy to discuss those impacts in additional detail, if that would be helpful.

QUESTIONS SUBMITTED TO GENERAL MARK A. WELSH III

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

F–15 RADAR MODERNIZATION

Question. General Welsh, we have previously discussed the need to focus on modernizing your air superiority fleet, including the F–15 aircraft. It is my understanding that modernizing the F–15 fleet with the new Active Electronically Scanned Array radar provides improved performance and generates savings due to the high support costs associated with maintaining the current 25 year-old mechanically-scanned radar.

Could you describe the operational benefits the F–15 radar modernization program and tell us where the Air Force is in upgrading these radars in an effort to achieve savings? How do the fluctuations across the fiscal years in buys impact the program efficiencies and the industrial base?

Answer. The two F–15 radar modernization programs, the F–15C APG–63(V)3 and the F–15E APG–82(V)1, procure and install active electronically scanned array (AESA) radars. AESA radars provide longer range detection and tracking, improved accuracy, improved reliability, increased inherent capabilities and, for aircraft with a ground attack mission, significant improvements in ground mapping and ground target detection. F–15E APG–82(V)1 installations are being accomplished at the three operational F–15E bases: Mountain Home AFB, ID; Seymour-Johnson AFB, NC; and RAF Lakenheath, UK. The locations were selected to minimize operational impact, and the phasing is based on the availability of suitable hangar space. Mountain Home AFB will be conducting modifications through fiscal year 2018, Seymour-Johnson AFB from fiscal year 2016 through fiscal year 2025, and RAF Lakenheath from fiscal year 2019 until fiscal year 2024.

Active duty F–15C APG–63(V)3 installations are currently being performed at RAF Lakenheath for USAFE aircraft through fiscal year 2016. Modifications will be performed at Nellis AFB, NV for all Nellis AFB and Eglin AFB, FL, based active aircraft through fiscal year 2018 and at Kadena Air Base, JP, for PACAF aircraft from fiscal year 2018 through fiscal year 2020. Contractor field teams are performing at these installations.

Air National Guard (ANG) F–15C APG–63(V)3 installations are being performed at New Orleans, LA, through fiscal year 2019 by contractor field teams. Performing

ANG installations at one location is expected to save funds by reducing set-up/shut-down costs and by reduced lodging and per diem expenditures.

The currently programmed procurement profile may have minor impacts on program efficiencies, but is necessary as the Air Force balances the need to maintain and upgrade existing aircraft with the need to procure other, higher priority systems. These fluctuations do not impact the industrial base.

A–10 DIVESTITURE AND F–35 PROGRAM IMPACTS

Question. General Welsh, last year the Congress opposed the action to retire the A–10 fleet but I understand the proposal is again in this year's budget request. However this year's budget request includes a re-phasing of retirements to better align with the introduction of the F–35 program. We were recently informed that the Pentagon's Office of Cost Assessment and Program Evaluation completed its analysis of this request. Could you provide us insight into that review and how the retirement impacts the F–35 program?

Answer. The National Defense Authorization Act for fiscal year 2015 (Public Law 113–291) directed an independent assessment by the Director of Cost Assessment and Program Evaluation (CAPE) regarding alternative ways to provide fighter maintenance manpower in fiscal year 2015. CAPE provided its report to the Secretary of Defense at the end of January, 2015.

CAPE's assessment confirmed that a limited supply of experienced fighter maintenance specialists is constraining both the readiness recovery of the fighter fleet and the fielding of the F–35A. In fact, the shortage of experienced enlisted personnel already has degraded fighter readiness and disrupted the original plans for manning F–35A squadrons. CAPE assessed eight alternatives for sourcing fighter maintenance personnel in fiscal year 2015 and found that many options were limited due to the immediate need for experienced personnel, not just additional billets.

The planned early retirement of A–10 aircraft, which would allow experienced maintenance personnel to be distributed across the reduced fighter force, will yield the greatest number of experienced maintenance personnel to support the planned fielding schedule for the F–35A and reduce the strain on the fighter maintenance community. Other force management options are also being either considered or implemented to some degree, but they fail to provide the large numbers of experienced maintenance personnel required to support both the fielding of the F–35A and the fighter fleet at its current size.

KC–135 SIMULATORS

Question. General Welsh, it is my understanding that the Air Force, Air Mobility Command (AMC) will soon publish the results of a Business Case Analysis on the placement of excess KC–135 simulators, which help ensure our aerial refueling pilots and boom operators are properly trained in a cost-effective manner. Can you discuss the criteria used to analyze which bases are best suited to immediately house the available simulators to ensure that current pilot training requirements are fulfilled and that it is done in the most cost effective manner? When do you expect the results of this analysis will be released?

Answer. The business case analysis (BCA) for the KC–135 simulators includes both recurring (e.g. operations, maintenance, device modification, courseware maintenance, travel, per-diem, and flying hours) and non-recurring (e.g. new construction or minor facility modifications) criteria. A review of the analysis was just completed and is now with AMC headquarters for action. We expect the final product to be ready for publication by the end of this summer. We will be happy to brief you and your staff in person on the results and answer any questions you may have.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

AFCENT COMMANDER TO SHAW AFB

Question. In April 2014, we discussed the importance of the eventual return of the USAF 3-star (AFCENT) Commander to Shaw AFB. While I understand that the current situation in the Middle East does not support his return in CY15, can you tell me when you think you will be in a position to better estimate when the billet will return to Shaw AFB?

Answer. As you point out, return of the U.S. Air Forces Central Command (AFCENT) commander to Shaw Air Force Base must be based on the situation in the U. S. Central Command (CENTCOM) area of responsibility (AOR). Given the prevailing conditions in the region, we do not anticipate relocation in the foreseeable future. However, as with other key force structure decisions, we will continue to

evaluate the relative utility of having this commander forward versus in garrison and will make adjustments as needed.

To an even greater extent than in 2014, the changing security environment across the CENTCOM AOR necessitates a force posture to quickly respond to current and emerging situations. We continually assess the situation to achieve a balance between risk mitigation, cost, and the effectiveness of forward deployed assets—to include location of the AFCENT commander. As issues within Iraq, Syria, Afghanistan and other locations in the region evolve, we will be able to assess the future positioning of the AFCENT commander.

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

ASIA-PACIFIC

Question. I am concerned about the Air Force's commitment to the Asia-Pacific rebalance. A case and point concerns its refueling capability in the Pacific theatre. We have 12 KC–135 refueling tankers permanently assigned to Joint Base Pearl-Harbor Hickam to support PACOM's and PACAF's theatre requirements. Obviously, we cannot get into those requirements in an unclassified session, but they are significant and I would bet that they are not shrinking.

Yet despite those requirements, your budget request proposes to reassign four of those KC–135 tankers from Hawaii and move them back to CONUS. That request essentially ignores the business case analysis that Congress directed the Air Force to complete in last year's NDAA before it can move those aircraft. It was Congress' hope that that business case analysis would, at least in part, inform the Air Force's decision about the potential tradeoffs.

Could you please offer an explanation for why, given the existing and likely future requirements for air refueling capability in the Asia–Pacific theatre, the Air Force is moving forward with plans to remove refueling capability from the region?

Answer. Our analysis determined that the change in force structure at Joint Base Pearl Harbor-Hickam has no operational impact on providing air refueling capability in the Asia-Pacific theatre. A net decrease in availability of one Pacific Air Forces-based tanker per day does not necessarily equate to a loss of air refueling capability. U.S. Transportation Command will remain fully capable of delivering air refueling capability to the region as necessary.

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Are you concerned at all that removing KC–135 tankers from the theater will constrain the Air Force's ability to providing tanker support to PACOM's area of responsibility?

Answer. No. Although this is a net decrease in Pacific Air Forces-based tankers, U.S. Transportation Command will remain fully capable of delivering required forces and capacity to the region.

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Your strategy should ultimately drive decisionmaking, but the budget plays a role in execution so it has to be a consideration. Considering that, to what extent will

you take into account the business case analysis and reevaluate your decision regarding the reassignment of KC–135s?

Answer. The Air Force conducted a cost benefit analysis of transferring the four Joint Base Pearl Harbor-Hickam KC–135s prior to including the movement in the fiscal year 2015 President's Budget request. The 2015 National Defense Authorization Act directed report is in coordination and outlines the factors, risks, and savings associated with the decision. We expect the report will be delivered by the end of June, 2015, to help inform the fiscal year 2016 President's Budget enactment.

SUBCOMMITTEE RECESS

Senator COCHRAN. The Defense Subcommittee will reconvene on Wednesday, March 4, at 10:30 a.m. to receive testimony from the United States Navy and Marine Corps.

The subcommittee stands in recess.

[Whereupon, at 12:04 p.m., Wednesday, February 25, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 4.]