

DEPARTMENT OF THE AIR FORCE
PRESENTATION TO THE SENATE ARMED SERVICES
COMMITTEE
THE IMPACT OF SEQUESTRATION ON NATIONAL
DEFENSE

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THE SENATE ARMED SERVICES COMMITTEE

Chairman McCain, Ranking Member Reed, and members of the committee, it is an honor to appear before you. Thank you for your continued support of our Air Force, our Airmen and their families.

In November of 2013, I spoke to this committee about sequestration and asked that you:

“...pass funding bills that give us stability, both in the near term and the long term. If not, we’ll have these same conversations year after year. Help us be ready now...and still able to win in 2023. Let us focus on combat capability, on our five core missions, and on Global Vigilance, Global Reach, and Global Power for America. Our Airmen deserve it, our joint team needs it, and our Nation expects it.”

My pride in our Airmen and the remarkable way they accomplish our five core missions of (1) air and space superiority, (2) intelligence, surveillance, and reconnaissance (ISR), (3) rapid global mobility, (4) global strike, and (5) command and control has not changed since my last testimony. Nor has my plea to this committee for the leadership, resources, funding stability, and decision flexibility required to keep America’s Air Force formidable.

What have changed are the global operational environment and the demand signals created for the Air Force and other services; the level of effort in Iraq and Syria that is much greater than planned; the continuing requirement for Air Force support in Afghanistan; a resurgent and aggressive Russia and the need for U.S. military presence to assure allies and deter further aggression; an unraveling Libya and Yemen; an increase in counterterrorism activity on the African continent; an increasing domestic terrorism concern that has already manifested itself

in Europe; and technological advances by both Russia and China that could dramatically narrow capability gaps between our Air Force and any air force using their new systems.

Sequestration imposed sudden and significant budget cuts and restrictions without any reduction in operational requirements while we were still fully engaged in combat operations. Since sequestration took effect, Air Force operations have not slowed down.

AIR FORCE OPERATIONS IN 2014

In calendar year 2014, our combat air forces flew 19,959 close air support sorties in Operations ENDURING FREEDOM and INHERENT RESOLVE. In support of United States Central Command alone, Airmen flew 35,163 Intelligence, Surveillance and Reconnaissance (ISR) missions, identified 1,700 improvised explosive devices, helped remove over 700 high value enemy combatants from the battlefield, responded to 1,500 troops-in-contact events, disseminated 18 million images, analyzed 4 million signals intelligence reports, and collected more than 1.6 million hours of full motion video. Over the last 7 months, 24 percent of those ISR missions directly supported Operation INHERENT RESOLVE against the Islamic State.

While Syria, Iraq, and Afghanistan dominated the headlines, Airmen never took their eyes off the rest of the globe. Since June, they've conducted 1,518 ISR missions in support of other Combatant Commands. Airmen launched 25 space missions, 9 of which were National Security Space missions. Their hard work this year brought the total number of consecutive successful Evolved Expendable Launch Vehicle space launches to 79. Air Mobility Airmen flew 79,445 airlift sorties supporting operations on every continent. As the linchpin to the U.S. military's ability to rapidly project power, Air Force tanker crews flew 29,892 sorties worldwide

and offloaded over 172 million gallons of fuel to joint and coalition air forces. Aeromedical evacuation crews airlifted 6,075 wounded Soldiers, Sailors, Airmen, Marines, and injured civilians around the globe.

IMPACT OF SEQUESTRATION

Many of the accomplishments of our Airmen in 2014 would not have been possible at sequestered levels of funding. As you will remember, when sequestration took effect in 2013 we grounded 31 flying squadrons (including 13 combat-coded squadrons), furloughed most of our 180,000 civilian Airmen, and made deep cuts to flying hours, weapon system sustainment, facility sustainment, training, and equipment. Our facilities and base infrastructure suffered, and we faced a \$12B back-log in much needed facility maintenance. We deferred maintenance, repair, and upgrades to our operational training ranges and decreased their ability to support high-end combat training. Sequestration caused months of aircraft maintenance backlog and reduced advanced pilot training, things that can only be corrected with time and additional resources. And we deferred critical long-term investment in nuclear infrastructure, black and white world test infrastructure, and space launch infrastructure.

The Bipartisan Budget Act (BBA), the limited, short-term budget relief that Congress provided for fiscal years (FY) 14 and 15, started the long process of readiness recovery after more than 20 years of overseas combat engagement. BBA did two things for us: first, it removed the threat of sequestration for those fiscal years which would have resulted in immediate across the board reductions, where we had no ability to prioritize the reductions based on mission needs. Second, the BBA provided funding levels higher than sequestration levels,

although it still left us with difficult choices to make. Because of BBA, we began to recover Airmen's individual readiness for the full spectrum of missions we provide the joint force; started to regain ground on aircraft and facility maintenance; invested in our nuclear Force Improvement Program; increased funding in our training ranges; and sustained our priority investments in the F-35, the KC-46, and the Long Range Strike Bomber; three programs that will be essential to joint mission success in 2025 and beyond. It was not enough, but it was a start. A return to sequestered levels of funding in FY16 will reverse any progress we made in addressing our infrastructure and facility maintenance and exacerbate our problems with readiness and modernization. It will also make it impossible for us to meet the operational requirements of the Defense Strategic Guidance.

IMPACT TO READINESS

Nuclear: Air Force nuclear forces remain safe, secure, and effective, but only sustained, significant investment in our nuclear infrastructure will prevent long-term readiness problems. The Air Force has investment plans for facilities and large military construction programs to address findings from the recent Nuclear Enterprise Reviews. All require resources over time to realize. Those resources will not be available at sequestered funding levels. Sequestration level funding would leave all nuclear enterprise military construction projects unfunded except a \$95M Weapon Storage Facility project at F. E. Warren Air Force Base. Sustainment and recapitalization of legacy facilities would also be crippled. In short, sequestration level funding counters our commitment to get healthier and threatens our ability to ensure nuclear readiness and unquestionable deterrence in the future.

Individual Readiness: We will work very hard to maintain the short-term individual readiness of our force by cutting only small percentages of our flying hour program and weapon system sustainment account. A 4 to 5 percent cut in Training and Exercise accounts will be unavoidable. That cut is the equivalent of one Weapons School and a 50 percent reduction in Red and Green Flag exercises. At our current pace of operations, we expect individual readiness to decrease only slightly in FY16. But in order to minimize impacts to individual readiness, we will be forced to cannibalize other accounts, and exacerbate other, long-term institutional readiness issues, such as the readiness of our Total Force for the high-end fight that Weapons School, Red Flag and Green Flag are designed to emulate.

Depots: Funding our Depot workforce at sequestered levels will result in over 1.8M fewer work hours and potentially impact over 2,000 jobs. The impact of that on unit/individual readiness is very difficult to measure, but it is certainly not insignificant.

Global Mobility: Sequestration level funding will further degrade global access and engagement. The majority of our mobility air forces, the backbone of our Nation's Global Reach and the Air Force's Rapid Global Mobility mission, reside in the air reserve components (ARC). A full 73 percent of our tactical airlift, and 66 percent of our tanker fleet, is assigned to either Air National Guard or Air Force Reserve units. The ARC still has not fully recovered from FY13 sequestration. If we return to sequestered funding levels, the ARC will absorb a large percentage of the mobility force's Flying Hour Program cuts in FY16, further delaying combat readiness and capacity to support national requirements. The ability of their aircrew members to regain/retain proficiency will also be challenged by reduced man-day funding levels.

Weapons: Sequestration funding levels will intensify significant weapons shortfalls. We are already thousands of weapons below our stockpile requirements. Direct attack munitions

remain well below acceptable inventory levels and the high demand of current operations, as well as Foreign Military Sales to our allies and coalition partners further depletes the remaining inventory. The industrial base has almost no capacity to “surge” in case of a new conflict and we cannot afford to have that industrial base atrophy. Weapons expenditures in support of Operation INHERENT RESOLVE since August of 2014 total more than \$215M. Since 2012, Hellfire expenditures in Operations INHERENT RESOLVE, ENDURING FREEDOM, and FREEDOM SENTINEL increased nearly 500 percent, and procurement has not kept pace. An additional \$180M added in FY15 (1700 missiles) helped, but only pushed the problem to the right by one year. Under sequestration funding levels, Hellfire and Joint Direct Attack Munition (JDAM) procurement would plummet 61 percent (3,197 weapons) and guidance kit procurement would fall 19 percent (24,474 kits). Sequestration level funding would delay the munition requirement recovery by an additional 5 to 15 years, and in the case of the JDAM, a preferred weapon, even longer.

Our overall readiness as a force is already significantly impacted by the size and age of our current aircraft fleet. It is now the smallest and oldest in the history of our service. It is also the least ready—less than half of our combat coded units are fully combat capable. As Secretary James and I testified a year ago, a return to sequestered levels of funding in FY16 will multiply the number of very tough choices we will be forced to make in our FY16 POM recommendations. All of them impact our ability to do the jobs the Nation, and the joint force, expect of us.

Possible FY16 sequestration level actions that directly impact readiness include:

- **Divest the KC-10 fleet** (cuts 13 percent of available refueling booms and 21 percent

- of fuel capacity)
- Airpower could be late to the fight. Sustaining operations would be difficult, especially in the Pacific.
 - **Divest the U-2 fleet** (reduces high-altitude ISR capacity by 50 percent)
 - Decreases high altitude airborne imagery collection by 70 percent; eliminates high-altitude multi-spectral capability; leaves a State Department critical treaty mission (OLIVE HARVEST) unsupported.
 - **Divest the RQ4 Block 40 fleet**
 - Reduces CENTCOM and PACOM intelligence collection on ground moving targets by 6,000 hours per year.
 - **Divest a portion of the E-3 AWACS aircraft fleet**
 - Further degrades our ability to meet Combatant Commander requirements for airborne command and control.
 - **Reduce the MQ1/MQ-9 fleet by 10 orbits**
 - Reduction is equivalent to the level of medium altitude ISR activity supporting air operations in Syria and Iraq today.

We cannot repair readiness without people and we do not plan to cut Airmen to pay a sequestration bill. We are fully engaged in operations around the world and simply cannot get smaller and still meet the demand of current and projected operations. Sequestration level funding would drive Total Force end strength down by nearly 10,000 personnel. The Air Force is at a Red Line for personnel strength now; further reductions will cause us to become too small to succeed. If we return to sequestered funding levels, we will choose to further reduce

modernization and recapitalization investment instead of cutting people.

IMPACT ON MODERNIZATION

For the Air Force, and the joint force, to be successful over time, we must very carefully balance readiness, capability, and capacity. Over the last 10 to 15 years, the Air Force chose to trade capacity (force structure) for both readiness and capability (modernization). But in the warfighting business, quantity has a quality all its own. The Air Force has downsized our force structure as far as we can go and in many areas must surge to do the jobs we have been asked to be ready to do. Because we have not been allowed to take any significant savings in personnel accounts, or to close installations, reductions to meet sequestered funding limits will continue to come from readiness, force structure or modernization accounts. Since cutting more capacity (force structure), beyond what is necessary to wisely build tomorrow's Air Force, is a bad idea, what sequestration level funding will do is drive a choice between "ready and capable now" and "ready and capable in the future." It is a false choice...we must be both for the joint force to be successful – sequestration may make that impossible. The following paragraphs contain examples of specific modernization program impacts at sequestered levels of funding.

Nuclear: A sequestration level budget would cut roughly 66 percent of currently planned funding intended to modernize nuclear systems and infrastructure. This would include weapons storage areas at two intercontinental ballistic missile (ICBM) bases; the UH-1N recapitalization; modernization programs for bombers and nuclear weapon components; and long-term risk reduction for future modernization programs. We will be prepared to discuss details during the FY16 Posture hearings, but these cuts would severely challenge legacy facility/system

sustainment, recapitalization for things like ICBM and cruise missile replacements, and F-35 Dual Capable Aircraft certification.

F-35: Sequestration level funding would likely require the Air Force to defer a number of aircraft from the FY16 buy (Low Rate Initial Production 10 – delivers in 2018). It could also delay development of Software Block 3F, with an accompanying possibility of a delay to Full Operational Capability and Dual Aircraft Capability efforts.

Science & Technology (S&T): Sequestration level funding will reduce Air Force S&T funding by an estimated \$223M in FY16 and by approximately \$1.08B over the FYDP. This will delay or terminate approximately 100 contracts across the following technology areas: air dominance; directed energy; manufacturing; human systems; munitions; propulsion; structures; cyber; sensors; and space technologies.

Adaptive Engine Transition Program: At sequestered funding levels, we will be hard pressed to continue this program. It has the potential to produce fuel savings of up to 25 percent on every aircraft we fly in the future, but we will likely not have the investment dollars we need to continue it in the near term. This may have a devastating impact on the industrial base.

RQ-4 Block 30: In addition to divestment of the RQ-4 Block 40 fleet, a sequestration level budget will delay approximately \$110M in investments for RQ-4 Block 30 reliability, viability, and sensor enhancements. These are the enhancements needed to replace current U-2 capabilities.

Facilities: In addition to the specific program impacts above, sequestration level will force us to cut 24 MILCON projects and 126 other facility restoration and modernization projects across the Air Force and at Combatant Commands.

The bottom line is that the sequestration level of funding will have a very clear impact on the Air Force's ability to develop the force required to train and operate efficiently and successfully execute our core missions against a capable, well-equipped adversary in 2025 and beyond.

IMPACT ON MISSION

There are three critical assumptions that underlie this assessment:

1. The Defense Strategic Guidance remains the same. Should it change, I would need to reassess the impacts of sequestration level funding against the new Defense Strategic Guidance tasking.
2. Current Combatant Command operational plans, force requirements, and response timelines remain unchanged. Again, should they change, I would need to reassess.
3. Budget Control Act caps and the mechanism of sequestration remain as currently stipulated in law.

With those assumptions, the mission risk is clear. The impacts on readiness and modernization outlined above would result in an Air Force that, at sequestered levels of funding, cannot successfully execute all Defense Strategic Guidance requirements. We will not have sufficient force structure to meet the fundamental requirement to simultaneously Defeat an adversary, Deny a second adversary, and Defend the Homeland. I would be happy to discuss this in more depth in a classified forum.

IN CLOSING

The United States Air Force is still the best in the world. When the bugle calls, we will answer, and we will win. But the vulnerabilities sequestration introduces into our force will encourage our adversaries, worry our allies, limit the number of concurrent operations we can conduct, and increase risk to the men and women who fight America's next war.

Thanks to the members of this committee for your persistent support of our military. We need your continued help to be ready for today's operations...and still able to win in 2025. Please give us the stable funding profiles we need to focus on combat capability, on our five core missions, and on *Global Vigilance*, *Global Reach*, and *Global Power* for America. Our Airmen deserve it, our joint team needs it, and our Nation still expects it.