

STATEMENT OF
MAJOR GENERAL LARRY D. NORTINGTON
DEUPTY ASSISTANT SECRETARY (BUDGET)
UNITED STATES AIR FORCE

BEFORE THE SENATE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

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Mr. Chairman and distinguished members of the subcommittee, I am honored to appear before you today, on behalf of the men and women of the United States Air Force, to offer my assessment of readiness and the funding that supports it. I want to begin by thanking this committee and the Congress for the outstanding support you provided over the years to our Air Force, its airmen and their families. Your positive action in last year's National Defense Authorization Act was an especially important step. Our Airmen received the largest pay and benefits increase in 18 years. We also made important strides in the FY00 budget in addressing unmet readiness funding needs of the Air Force which, as you recall, General Ryan identified at roughly \$5 billion a year across the FYDP. The progress made has been extremely helpful but the continuing stress on Air Force people and equipment highlight the need for a sustained focus on critical readiness requirements.

We have addressed readiness in this budget as part of a carefully balanced and integrated overall Air Force program that responds to both the needs of today and the needs of tomorrow. This budget and the program it supports clearly recognize the evolving demands on aerospace power we have

experienced since the end of the cold war. Our emphasis on a rapid, tailored, and effective response to a broad range of contingencies is driving a transition which assures that the Air Force capability is relevant to the challenges of the new millennium. In support of this, our FY01 Air Force budget request totals \$71.2B. This amount represents very modest growth in buying power, seven tenths of one percent, over the amount appropriated to us in the FY00 budget. Within this total are several accounts and programs which focus resources on near term readiness needs. An important piece is found in our investment accounts. For example, this budget funds a significant number of upgrade programs which not only improve capability but which enhance reliability and maintainability of Air Force weapon systems. We continue to procure quantities of key precision weapons systems so that we have on hand the inventories to support operational needs. The heart of readiness funding, however, remains the O&M and military personnel accounts. Our FY01 budget request for O&M is just over \$28 billion. O&M supports 539,000 ends strengths, 128,000 civilians, 5000 aircraft, 2.1 million flying hours, as well as other training and the critical support functions which underlie day-to-day operations. While we have added dollars to O&M in FY01, most of this is required to cover higher costs such as fuel and pay increases. When pricing and various transfers are considered, O&M growth in real buying power is consistent with the modest growth overall for the Air Force budget, at less than one percent increase.

As a result of the commitment we've made to readiness funding, the Air Force remains prepared to respond to calls for action anywhere in the world. We offer the nation an unmatched capability to deploy aerospace power to a wide array of major combat and contingency operations. We are and have been heavily engaged worldwide since the end of the Cold War. As you are well aware, I appear before you today just a few months after a successful, sustained combat operation involving 500 aircraft and 44,000 airmen which, in scope and intensity, equaled a major theater war. Air Force participation in

Operation Allied Force involved execution of a majority of the 38,000 Allied sorties as well as delivery of over 70 percent of the munitions expended in that effort. All of this was accomplished without a single Air Force combat loss of life. Meanwhile, we were also involved in other regions of the world, including northern and southern Iraq, Operation Shining Hope, 84 international exercises in 95 world-wide locations, and 40 search and rescue missions which saved 200 lives from the floods associated with Hurricane Floyd. These and other activities illustrate the breadth and the depth of the Air Force capability and commitments in today's world. We are very proud of what we accomplished but we are also aware that the pace of operations has strained our people, our weapon systems and our infrastructure. Those operational pressures and a number of other factors have combined to produce a decline in some key readiness indicators that have been apparent to us since the mid-1990s. To explain further, let me address several of the major components of readiness where we have issues of particular concern.

Recruiting and retaining a quality force is an immediate and significant readiness challenge. The operational tempo of today's globally engaged Air Force is extraordinary considering that our force structure is 40 percent smaller and our overseas bases are two-thirds fewer than just a decade ago. We now have the smallest number of uniformed personnel in our history, and roughly 40 percent of the deployable active force operate outside the US on any given day. The recent Kosovo operation added further stress to an already serious situation. When people face a 400% increase in operating tempo, they and their families are going to recognize in an economy such as we enjoy today that other opportunities are available in the private sector. There is no question that the environment in which we seek to attract quality people and retain those people is increasingly difficult. For example, pilot retention and reenlistment rates remain important issues. We have failed to meet our enlisted retention goal in any category in both FY98 and FY99. The Air Force

must respond to both the pressures of high demand for its capabilities and to the competition for quality provided by an exceptionally strong job market.

Air Force initiatives which should help meet the personnel readiness challenge include implementation of the Expeditionary Aerospace Force, investments in recruiting, targeted re-enlistment bonuses, and competitive compensation. We are transitioning to an expeditionary force concept in clear contrast to the garrison force that characterized our posture during the days of the Cold War. The budget we have just submitted to you focuses on ensuring our squadrons have the manpower, equipment and spares to deploy independently as the expeditionary concept requires. The EAF provides the right capabilities to the warfighting CINCS and it helps the men and women of the Air Force who are feeling the strain of world-wide commitments. The EAF provides a rotational structure which adds an important measure of predictability and stability. Starting October 1, 1999, the rotational cycle was implemented, and we anticipate it being fully operational in a matter of weeks. To further ease operational pressures we have streamlined training exercises and inspections, implemented post deployment stand-down programs, and established video links for deployed members and their families.

This budget directs additional resources to the recruiting and retention problem. Since 1998 we have nearly doubled our overall investment in recruiting. Our FY01 budget targets specific increases to add recruiters, to enhance advertising, and to offer further financial incentives to enlistees. We recognize the need to retain those we recruit. The nature of our mission and the tools we employ put a premium on both quality and experience throughout our force. It takes a long time and a major expenditure to develop a good flight-line crew chief--and this is just one of hundreds of skills that require the depth and breadth only years of experience can provide. For this reason we are watching retention levels of our airmen very closely. We are developing and implementing financial incentive programs to better compensate airmen for

their service. Compared to just five years ago, over twice the number of specialties are eligible for Selective Reenlistment Bonuses. For the flying force, we are executing an improved pilot bonus plan made possible by the authorities and funding you provided.

Given the need to maintain near-term readiness, we have not been able to modernize weapon systems as fast as desired. As we live with older weapon systems, we experience higher costs, increased workload, excessive cannibalization, greater demand for spares, and a loss of flexibility to apply resources to other problems. We are working to address the decline in mission capable rates across the aircraft fleet. There are a variety of circumstances which contributed to this decline: increased deployments, aging of the aircraft fleet, a period of spares shortfalls, and declining retention among critical maintenance personnel. With your help, we have taken action to address the spares shortfalls. In FY99, Congress supported an additional \$194 million for spares recovery plus an additional \$85 million for the same purpose in FY00. The Kosovo Supplemental added \$387 million for surge in support of the contingency and subsequent reconstitution efforts afterward. We have dedicated \$382 million to resolve inventory shortfalls that have accumulated in recent years. Our FY00 and FY01 budgets fund 100 percent of flying hour spares. We are also reviewing the lessons of Kosovo to determine if we have the right levels of spares in Readiness Spares Packages. Recent evidence suggests spares related mission-capable rates may be stabilizing. However, we must recognize that the average age of our aircraft will continue to increase for the foreseeable future, even with planned modernization of the fleet. We must therefore expect significant spares investments for a long time to come. We also need to understand that mission capable rates are not a product of spares funding alone. It requires dollars, deliveries of the right parts, trained and experienced technicians, and, over time, a sustained effort to upgrade the fleet to achieve higher levels of reliability and maintainability.

Our third area of principal concern pertains to deteriorating infrastructure. Our physical plant is important to readiness because it provides the working and living environment for our people. It has been difficult for us to maintain the quality environment our people expect due limited resources. Our investment in base operating support, real property maintenance, family housing and military construction is not sufficient to prevent continued deterioration of the physical plant. The replacement cycle for all facilities is much too long and repair backlogs (BMAR) are approaching \$4.4 billion. Currently, the Air Force funds only a minimum preventative maintenance level of one percent of plant replacement value. To freeze BMAR at current levels, and to adequately fund day-to-day repairs and critical projects, the Air Force would have to invest in a 1.3 percent plant replacement value. While some risk in the near-term is a choice we have made, we must insure that this pattern is not sustained for an extended period.

Readiness is our ability to go to war or respond to national taskings -- today. There can be no argument about its importance. However, it is also important that we not abandon the balance we must strike between today's needs and tomorrow's needs -- because tomorrow's national security challenges will be here soon enough. We've worked hard to achieve that balance, while recognizing General Ryan's point in his testimony on readiness last October, "Readiness is a fragile issue. Once lost, it takes resources, time and constant attention to regain". We are therefore giving this matter our focused attention within the Air Force and we are prepared to work with you to secure the resources needed to keep us on course to an improved readiness posture. That concludes my opening statement and I would be happy to take any questions you may have at this point.