

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

TUESDAY, APRIL 29, 2014

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

**THE NATIONAL COMMISSION ON THE STRUCTURE OF
THE AIR FORCE**

The committee met, pursuant to notice, at 9:38 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Manchin, Shaheen, Donnelly, Kaine, Inhofe, McCain, Chambliss, Wicker, Ayotte, Graham, and Blunt.

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

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, general counsel; and Mariah K. McNamara, assistant to the staff director.

Minority staff members present: John A. Bonsell, minority staff director; Daniel C. Adams, minority associate counsel; Steven M. Barney, minority counsel; William S. Castle, minority general counsel; and Anthony J. Lazarski, professional staff member.

Staff assistants present: Lauren M. Gillis, Brendan J. Sawyer, and Alexandra M. Hathaway.

Committee members' assistants present: Cathy Haverstock, assistant to Senator Nelson; Patrick T. Day, assistant to Senator Shaheen; Paul C. Hutton IV, assistant to Senator Manchin; Karen E. Courington, assistant to Senator Kaine; Stephen M. Smith, assistant to Senator King; Brian J. Rogers, assistant to Senator McCain; Lenwood A. Landrum, assistant to Senator Sessions; Joseph G. Lai, assistant to Senator Wicker; Bradley L. Bowman, assistant to Senator Ayotte; and Jeremy H. Hayes, assistant to Senator Cruz.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

First, I want to welcome our first panel of witnesses. Secretary James and General Welsh, welcome back to the committee this

morning. We look forward to your testimony on the recommendations of the National Commission on the Structure of the Air Force.

And then during the second panel, we are going to hear from most of the commissioners themselves.

First, both of you please convey our thanks to the men and women of the Air Force, their families for their valiant service and the many sacrifices that they have made and continue to make for our Nation. And thanks to both of you for your long careers of leadership and service.

We are here this morning to consider the recommendations of the National Commission on the Structure of the Air Force. Congress established the commission in the National Defense Authorization Act for Fiscal Year 2013, and this was a direct result of force structure proposals that were highly controversial, to say the least.

For example, the Air Force had proposed to eliminate the C-27 cargo aircraft fleet not long after senior Air Force officials told the committee that the Air Force could not complete the direct support mission for ground forces without the C-27.

Similarly, the Air Force had proposed to cancel the Global Hawk block 30 remotely piloted aircraft system soon after the Under Secretary of Defense for Acquisition, Technology and Logistics had certified that the Global Hawk block 30 program was essential to national security and that there was no other alternative that would provide acceptable capability to meet the joint military requirement at less cost.

In addition, the manpower and aircraft force structure changes, which had been proposed, would have fallen disproportionately on the Air National Guard. Governors, adjutants general, and other important stakeholders also complained that they had not been provided an opportunity for input in the process through which these proposals were developed.

So we established the commission to provide an independent view on the future structure of the Air Force. The committee was directed to give particular consideration to alternative force structures that would, first, meet current and anticipated requirements of the combatant commands; second, achieve an appropriate balance between the regular and Reserve components of the Air Force, taking advantage of the unique strengths and capabilities of each; third, ensure that the regular and Reserve components of the Air Force have the capacity needed to support current and anticipated homeland defense and disaster assistance missions in the United States, maintain a peacetime rotation force to support operational tempo goals of one to two for regular members of the Air Force and one to five for members of the Reserve components of the Air Force.

The commission submitted its report at the end of January. Among the report's major recommendations are that the Air Force should shift to a greater reliance on the Air Reserve components. The commission's report suggests that the Air Force could move to a 58 to 42 mix of Active Duty to Reserves as compared to the current 65 to 35 mix. The Air Force, it was recommended, should place greater reliance on the Air Reserve component contribution for specific missions such as cyberspace, global integrated intelligence, surveillance, and reconnaissance, special operations, and intercontinental ballistic missile forces.

This morning we are going to hear from our Air Force witnesses about their views on the commission's recommendations, including specifically which of the recommendations they support, which ones they do not, and what concrete plans the Air Force has for implementing recommendations with which they agree.

In the second panel, we will hear from the commissioners about their recommendations. We will offer them the opportunity to clarify any issues surrounding those recommendations, and of course, we will welcome the commissioners' views on steps that the Air Force is taking to implement their recommendations.

The commissioners who will be with us today are Dennis McCarthy, the chairman of the commission; Les Brownlee; General Raymond Johns, Jr., U.S. Air Force, retired; Dr. Janine Davidson; Dr. Margaret C. Harrell; and Lieutenant General Bud Wyatt, the Air Force National Guard, retired. On behalf of the committee, I want to thank all of you, all of our commissioners, whether you are here or you are not here, for the tireless efforts that you have made and the dedication which you have shown to producing a timely report and recommendations which will significantly aid Congress and—I am sure the Air Force agrees—will help the Air Force and the administration in charting a course for the Air Force to become even more effective and efficient.

My full statement will be made part of the record, and I now call on Senator Inhofe.

[The prepared statement of Chairman Levin follows:]
[COMMITTEE INSERT]

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. Let me say that I thank so much both of our witnesses, Secretary James and General Welsh, for all the individual attention they have had—you have given us. I know, General Welsh, you brought your greatest asset with you Betty out to Oklahoma when we received the Commander in Chief's Installation Excellence Award at Altus, and I appreciate both of you being there at that time. And of course, Madam Secretary, the thing that happened this last week—I just appreciate the fact that you are hands on and willing to do that and not just delegating things to other people. And so two great people at the helm that I appreciate very much.

We are forced to retire key assets, as the President said, such as the A-10, the AWACS, the U-2, JSTARS, the EC-130, and the delay in procurement of some of our F-35s. We are unable to increase the number of E/A-18s. I support funding on all these aircraft. We will continue to work with the chairman to find offsets to pay for these what I consider to be critical assets.

Since the attacks of September 11th, the Air Force has been called upon again and again to defend the Nation. Its Guard, Reserve, and Active components have proven that they are, indeed, the world's greatest air force. We are all indebted to you, Secretary James and General Welsh, and all of our airmen and civilians under your command for their service and sacrifice.

The Air Force, like all armed services, is being forced to make difficult decisions on how to maintain combat-ready while being as cost-effective as possible. With these problems in mind, our com-

mittee established a commission to determine what changes, if any, should be made to the force structure of the Air Force to strike its delicate balance.

As the commission outlined in its total force concept, each component must be an integral part of the future of the U.S. Air Force, and I could not agree more. I also believe that each component has its own critical role in the total force. Just as the active force could not perform all of its missions without the Reserve Force, neither can the Reserve Forces maintain combat effectiveness without the experience and institutional knowledge of its active forces.

So as we proceed with this hearing, look forward to seeing how you guys are going to make all this stuff work.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Let me now call upon Secretary James. Again, we thank you for your great work.

We are going to be in an unusual situation this morning at about 11 o'clock, we are going to begin six votes. Now, it is not totally extraordinary that we have a vote or two that we work around, but this morning apparently there are six votes that will begin at 11:00. We are going to try somehow or other to work around those votes, but it will be a huge challenge. And if possible, we would ask the witnesses to be as succinct as possible. This is an important issue and we obviously have to spend and want to spend time on it. But I just want to make you all aware that at 11 o'clock you will be seeing people come and go and come and go for whatever length of time it takes to finish this hearing.

Secretary James?

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

Ms. JAMES. Thank you, Mr. Chairman, Senator Inhofe, and other members of the committee. General Welsh and I very much appreciate the opportunity to come before you today.

And, Mr. Chairman, in light of your upcoming retirement, may I just take a moment to thank you and say how grateful all of us are for the work that you have done over the years for our entire military team but most especially for the U.S. Air Force. We will miss you a great deal.

Chairman LEVIN. Thank you very much. I really appreciate that, but I think I heard words here that I am not gone yet.

Ms. JAMES. Well, you are not gone yet. That is true. I just wanted to get my digs in. But we thank you.

Chairman LEVIN. No, no. I very much appreciate it.

Ms. JAMES. And may I also request, Mr. Chairman, that our prepared statement be included in the record.

Chairman LEVIN. And it will be.

Ms. JAMES. Mr. Chairman and members of the committee, I want to begin by stating loudly and clearly that I am a big believer in our total force and I have been for decades throughout my service in Government as well as my time in the private sector.

I have to admit, though, that before my confirmation I was concerned that one of my biggest challenges would be working on this active duty, National Guard, and Reserve relationship going for-

ward and on the total force in general because from what I had heard on the outside, including from some of you during courtesy calls, was that the relationship had become very, very fractured, which was a personally painful message to me, particularly dating back from my experience as Assistant Secretary of Defense for Reserve Affairs in the 1990s because, you see, during that period, I used to refer to our Air Reserve components as the super stars amongst all of our Reserve components. And so to hear that the relationship had become fractured was personally painful, and I very much wondered how we had gotten to this state of play but, more importantly, how were we going to repair it and take best advantage of the future of the talents and the capabilities of our National Guard and Reserve within the total force concept.

Well, if we flash forward, as it turns out, since my confirmation and since I have learned of all the work that has gone on since the fiscal year 2013 situation that you referenced, Mr. Chairman, I can tell you there has been tremendous progress moving forward towards transparency and inclusiveness across the board. And equally important, more important perhaps, there have been real results, real progress, and real results as reflected in the fiscal year 2015 proposal before you, as well as in our plans for fiscal year 2016 and through 2019, the so-called out-years. And we are not done yet, by the way.

So here is how it all happened. Prior to my coming on board, former Secretary Donnelly and General Welsh—and this was in the aftermath of the fiscal year 2013 experience. They commissioned a tiger team, I will say, and we called it the Total Force Task Force, or TF2 for short. This was a tiger team of three generals from each of the Reserve components and a team. And their charge was to conduct a comprehensive review of the total force requirements, recommend ideas for improving collaboration, and figure out a way to balance total force capabilities.

And as part of this, General Welsh's charge to the team was as you go through and analyze mission by mission, push as much as possible into the Reserve components for the future, of course, within operational capability parameters. So that was the charge from the top.

Now, as we mentioned a couple of weeks ago in our posture statement, leadership from all three components, including several adjutants general, teamed to figure out the right balance of force structure and personnel across the Air Force so that we were leveraging the right capabilities. So let me now give you some of the results. And again, I want to underscore we are not done yet.

While the whole Air Force is getting smaller and as we are divesting additional aircraft, we laid in force structure changes to take advantage of the Guard and Reserve's strengths. So, for example, in the area of ISR, we have increased Reserve components' presence in the MQ1 and 9 fleets of remotely piloted aircraft. So we are going from 17 percent to 24 percent representation in that arena. And in fiscal year 2016, we are adding three Air Force Reserve cyber units, approximately a 30 percent increase. So real results in the area of ISR and cyber.

In fiscal year 2015, we are decreasing Active component end strength by 17 percent but only decreasing the Air Force Reserve

and Air National Guard end strength by 3 percent and .4 percent, respectively. And in the future, we hope to garner enough savings by moving capability and capacity to the Reserve components so that future end strength cuts may not be necessary. So no proportionality in terms of reductions. It is, in fact, disproportional, meaning we are taking more out of the actives and relying more on the Guard and Reserve.

As we plan to rely more on the Guard and Reserve in the future, another piece of evidence is that we are budgeting better for the man-days of Guard and Reserve usage, a 70 percent increase in planned man-years over the next 2 years. This is so that we can plan and plug in National Guard and Reserve to operational missions on a day-to-day basis.

Another one of TF2's charters was to be the conduit to the National Commission that was, of course, standing up and doing its work, providing results of our internal reviews, as well as offering expertise and personnel to support in a variety of ways. And let me take this moment to add the thanks that you offered to the commission. I would like to do the same for the expertise and the efforts that they have accomplished on our behalf. We have been working very closely with them throughout the process, and we find that we are in agreement with the vast majority of their recommendations. Overall in my opinion, the body of work that they have produced will really help us advance the ball tremendously, and I thank them for it.

In fact, the Air Force agrees with 86 percent of the recommendations, with another 11 percent that we need to do a little bit more analysis before we can take an initial position. And that means, when you add it all up, we may well end up agreeing with upwards of 90 percent of the entire commission's recommendations.

Last week, we did provide a comprehensive list to your team on each of these recommendations, our associated efforts, and what we think about it, and we expect to have a way forward on each of them or a reason why we feel we cannot accomplish those recommendations by next year, essentially the budget submission of next year. We will know more along the line. It is not all due at the end of next year, but certainly we will have a position by February 2015.

Now, there are two areas that I do want to call to your attention where we have a disagreement with the commission. The first was the assertion—not really a recommendation, but the assertion—that a 58/42 Active/Reserve ratio is the proper go-forward strategy or a workable go-forward strategy for our total force. General Welsh and I both feel that we have not done enough analysis to agree with that. It might be right. It might not be right. We need to do a mission-by-mission approach, and that is the path that we intend to take. So for now, certainly for fiscal year 2015, we would disagree with that ratio, not having enough information.

And the second one has to do with the disestablishment of the Air Force Reserve Command. We are all for integration and, of course, that is the basis of that recommendation. The commission wants to seek more integration. But we feel again in fiscal year 2015 we do not have a good alternative way to manage and provide for and take care of 70,000 members of the Air Force Reserve. So

we would disagree with that proposition, at least for now, at least for fiscal year 2015.

So let me now tell you the TF2 is no longer. That was a temporary organization, but we now have a new organization called the TF-C, the Total Force Continuum. And this is another group of generals who are going to lead the charge and help us drive the train forward to make sure that we keep this ball rolling.

There is a number of areas that we are working on, and I would just like to highlight a few of them for all of us.

One is called the Continuum of Service, and the commission talked a great deal about this. We totally agree that we need to make it easier for people to flow between active, guard, Reserve and back at different times in their career. And so we have a number of initiatives we have identified, including some of the same ones that the commission identified, to help get us there, to include: we have contracted for a new enterprise-wide total force personnel and pay system to facilitate the continuum of service. We are integrating at all levels increasingly from the senior staffs on high to unit levels. And in the last 6 months, I would like to tell you all that we have integrated three force support squadrons, one at Peterson in Colorado, one at March in California, and one at Pease in New Hampshire. And this is where one unit is essentially serving all of the three different components in the geographic area with respect to personnel systems, working well so far. That is 6 months' old.

Over the last 3 years, we have also increased our associations in the Air Force from 102 to 124, which is a 22 percent increase. An association is essentially where you have a squadron of aircraft and that squadron is shared by both active duty personnel, as well as Reserve component personnel. It is a form of integration and we are kicking it up a notch and doing more of these in the future.

We are also looking—and I am very interested in initiatives that will help us to retain talent within the total force. Again, as we flow back and forth between active, guard, and Reserve and particularly as the active duty downsize, how do we capture that talent into the Guard and Reserve. So, for example, we have opened up the Palace Chase Service Commitment Waiver Program and reduced the active duty service commitment payback from three Reserve years for every year of active commitment down to one for one and extended the program to include rated officers. The bottom line there is we are making it easier and more attractive to people to enter the Guard and Reserve.

I have also taken several initiatives that are within my authority. I have moved out on the use of aviator retention pay to be able to pay that pay to traditional reservists. So in other words, as an aviator leaves active duty and they are going into the Guard and Reserve, I want to be able to pay that incentive pay to aviators that are entering the Guard and Reserve. So I have moved out to seek authority from OSD to get that done.

And I just signed a letter delegating authority to the Director of the Air National Guard and the Chief of the Air Force Reserve to approve indispensability accessions at the grades of colonel and below. That should streamline the process from the time a person leaves active duty to the time they can actually enter the Guard

and Reserve. At the moment, the process is too long and we lose good people due to that lengthy process. So we want to streamline that going forward.

So there are other examples as well. I will not go into them unless we get into it during Q&A, Mr. Chairman. But the point that I want to leave you with is that we are pushing hard and we are leaning forward to make changes as quickly as possible when we think it makes sense to do so. But we do need time on a couple of these matters that I have mentioned that we have to study carefully the second and third order effects. So we must not rush.

The TF-C, the Total Force Continuum team, as I said will be helping us lead the charge, and I intend to meet with them regularly so that I am doing my part to push these things through the system as quickly as possible.

So now let me wrap, if I may, Mr. Chairman. I would just like to give you where I hope to see our Guard and Reserve 10 or 15 years from now. I will not still be in the seat, but I will be watching. So here is my vision of where I hope we are going and where we will be going.

Our Air Force will be smaller, but it will be more capable. It will be innovative. It will be more integrated and it will be ready. Our Air Force will be a good value for our taxpayers and able to respond when our Nation asks us to respond overseas, as well as when disaster strikes here at home. We will be led by a new chief, not this chief, because our time will be up—him and me—but we will be led by a new chief who has had, by that time, major Reserve component experience because they will have served jointly together. People will flow more easily between the components than they do today. Overall, we will be more reliant on our Guard and Reserve going forward, and we will have leaders at all levels that understand one another better because they will have served together more. And hopefully, we will not need to be debating these issues or talking so much about these issues of integration because it will just be the natural course. It will be the way that we just simply do business. So that is my vision of where I hope we will be in the next 10 to 15 years.

And I thank you very much for the opportunity to appear before you, and I would yield to General Welsh.

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

Chairman LEVIN. Thank you very much, Secretary James.

And now, General Welsh, welcome and we look forward to your testimony.

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

General WELSH. Thank you, Mr. Chairman, Ranking Member Inhofe, and sir, thank you for recognizing the fact that my wife Betty does rock. [Laughter.]

It is always an honor to be here with the distinguished members of the committee.

I would like to add my thanks to the Secretary's to the members of the national commission for what I believe is a tremendously useful report.

As Secretary James mentioned, the only recommendation with which we actually do not agree is the disestablishment of the Air Force Reserve Command. Today's reality is that we simply do not have the ability to properly oversee the individual readiness, force management of part-time airmen, personnel development, and force support issues related to the Air Force Reserve without the structure that that command currently gives us. Clearly, as the commission suggests, we should be working toward developing the integrating capabilities that will allow us to at least consider such an initiative at some point in the future.

But there are so many other great initiatives in this report that we do support. I believe that cooperation, transparency, and viability of our total force construct will have more impact on the combat capability of our Air Force in the future than any other factor except the budget. The Secretary and I, along with Lieutenant General JJ Jackson, Chief of the Air Force Reserve, and Lieutenant General Sid Clarke, Director of the Air National Guard, both of whom join us here today, are all in on ensuring we operate as one Air Force. But the hurdles we face in that effort are not easy. If they were, we would not be sitting here today. At the heart of the challenge is how to balance the cost-effectiveness that taxpayers deserve with the operational capability that the Nation demands.

As the boss mentioned in early 2013, we stood up the Total Force Task Force to look at the proper balance of force structure between active and Reserve components. The intent was to make our Air Force more efficient without losing operational capability or responsiveness in a crisis. We asked the task force to look at each of our mission areas, platform by platform, and develop a plan to push as much force structure as possible into the Reserve component without going past those operational breaking points that would keep us from being able to accomplish the mission or to manage and sustain the force effectively over time. There is no doubt that Reserve component airmen are more cost-effective if used properly.

But we have learned that the optimal component ratio for each mission area and each aircraft in that mission area is different. For example, the mobility mission is perfectly suited for a component mix weighted toward the Reserve component. In fact, 56 percent of our mobility mission is already in the Reserve component. In contrast, the steady, longer-term deployment requirements of our airborne command and control platforms makes them much more difficult for Reserve airmen and their employers to support in a much broader way than they already do today.

We have been working very hard for over a year to better understand the many significant factors that impact this analysis. We have done this side by side with the Air National Guard, the Air Force Reserve, the National Guard Bureau, two great State adjutants general, and a team of outstanding research analysts. We agreed on a decision support tool and a common cost model and have looked together at options for the best balance between active and Reserve Force structure. We expect to have the force mix option for 80 percent of our mission forces, both aircraft and people, complete by the end of 2014, and we will include as many of these solutions as possible in the fiscal year 2016 POM. There is nothing

simple about this analysis and there are no shortcuts to getting it right.

In their report, the commission suggests that we should pursue an Active/Reserve aggregate ratio of 58 percent to 42 percent. This number was the output of financial analysis aimed at saving a set amount of money over time. To be fair, the report calls the 58/42 ratio an estimate, but I am not comfortable with an estimate for something that is this important. The proper force ratio should be an output of detailed financial, operational, and force sustainment analysis. When we have completed the detailed mission area analysis currently in progress, we will be able to present and defend a plan with specific active/reserve ratios for each mission and for each aircraft within that mission. By putting those together, we will be able to show you the best overall force mix. To pursue an overall 58/42 ratio today without that analysis risks being penny wise and pound foolish.

So what I ask of you today is a little time and trust. Our total force has been working this really hard side by side for the last year. We have made great strides and will continue to improve. But hasty decisions without thorough analysis could literally break our Air Force, and I do not think you want that any more we do.

Your Air Force is the finest in the world, and the evolution of our total force over the years is a tremendous success story. But there are a lot of chapters yet to be written in that book. We need to be as good at the headquarters level as our airmen are at the operational and tactical levels. Those airmen, who have been fighting side by side for years, do not see the difference between an active duty member, a guardsman, or a reservist. And those who benefit from American air power really do not care. They just know that without it, you lose.

The boss and I look forward to your questions.

Chairman LEVIN. Thank you both.

Because of the votes coming up at 11:00, let us try a 6-minute round here to start off.

Both of you have basically said that you cannot really conclude that a 58/42 mix as a goal for the ratio of Active Duty to Reserves is the right mix. As I understand it, this is a goal which the commission has set.

Madam Secretary, you have given us some daylight today on some of the assessments, the analysis that you have made. It was not in your written statement, but in your oral statement, you gave us two or three examples. How far along are you in this analysis? Are you within a month, 2 months, 4 months? Where are you?

Ms. JAMES. So, Mr. Chairman, the plan is to have 80 percent of the Air Force fully analyzed by the end of this year. So I will yield to General Welsh to try to give an assessment of how far we have come to date, but some of the things that are high on the list to review in the upcoming months are bombers, civil engineers, space, tankers, fighters. So there are additional reviews done but we do project 80 percent of it can be done by the end of this year.

Chairman LEVIN. And how much has been done now? What percent would you estimate?

General WELSH. Chairman, I would estimate 40 to 50 percent is complete, and some of that is reflected in the manpower numbers

that the Secretary mentioned in this particular budget as we shift more manpower and cut it from the active force as opposed to the Reserve component.

Chairman LEVIN. Okay. Now, is it fair to say then that most of the analysis will be completed in time for the fiscal year 2016 budget?

Ms. JAMES. Yes.

General WELSH. Mr. Chairman, that has been the intent since we began this effort.

Chairman LEVIN. But some of it is available now, 40 to 50 percent, whatever it is.

Ms. JAMES. Yes, and that has been folded into the fiscal year 2015 plan before you, as well as the out-years of 2016 through 2019.

Chairman LEVIN. Well, that is what we cannot identify as to where your current analysis that you have completed has been folded into the 2015 budget request. So what we will need you to do is, for our record and as promptly as you can, to give us the impact of whatever analysis you have completed on budget so that we can see how it has been, quote, folded into the 2015 budget request. All right?

Ms. JAMES. We will do that, Mr. Chairman.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman LEVIN. If you can do that within the next few weeks because we, obviously, are going to be marking up the budget.

I mean, there are obviously some recommendations here on weapons systems which are major recommendations, and we do not know whether or not that is a result of a completion of your analysis on this force balance or not. So we need to know that. I mean, you have made recommendations here on some really critical weapons systems. Is that a result of the analysis or is that a prediction of the analysis or what is it? So it is very important to us that we have your analysis in front of us in the next couple weeks. I am not saying finish the 80 percent. If you cannot finish it, you cannot finish it in time, but if it is 40 or 50 percent, we have to see how it directly impacts that budget request.

General WELSH. Chairman, to be clear, though, the divestiture recommendations we are making are not due to this analysis. The divestiture recommendations are intended to create the best Air Force we can possibly have 10 years from now based on sequestered funding levels while maintaining capability and readiness in the interim.

Chairman LEVIN. Are they not affected by the analysis?

General WELSH. Sir, the analysis then follows up with how do you best posture that force over time. So, for example, we know—

Chairman LEVIN. Why would it not affect that analysis, though? Why would the analysis, in terms of the relationship between active duty and guard, not have an effect on some of this budget that is in front of us?

General WELSH. Sir, it does have an effect, but I am saying all the divestitures are not based on our analysis. That is all I am saying.

Chairman LEVIN. Are any of them?

General WELSH. All of them are affected—all the divestitures will affect the analysis we are doing, but the divestitures are based on total force capability today and 10 years from now. That is what that is intended to address. And now we are looking at how do we best posture the total force to provide that. If there are ways that we can identify in the analysis that we complete through December of this year that allow us to do that more efficiently, then we will be able to do that. That is what the total force analysis is doing.

Chairman LEVIN. If you are going to be saving billions of dollars, which is what the plan is I think from this analysis, you would not need as many, I presume, divestitures. You might not need as many divestitures. Is that not true?

General WELSH. Sir, if we went today to a 58/42 percent mix, as the commission recommendations, we would save about \$2 billion a year. That does not get anywhere near the \$20 billion delta between our plan 3 years ago that is currently in our force structure projection and the \$20 billion less we have in fiscal year 2015, actually available, to move toward that projection. So the corrections are much larger than just the adjustment we can make by moving even 36,000 active airmen into the Reserve component, as the suggestion to go to 58/42 percent means. Force structure has got to go.

Chairman LEVIN. Yes, but it could affect some of the divestitures even if it is only \$2 billion out of \$20 billion. Would that not be true?

General WELSH. Yes, but if we do not make divestitures now, the problem gets worse each year. That is the difficulty with this.

Chairman LEVIN. Got you. Thank you. My time is up. Thank you very much.

Senator Inhofe?

Senator INHOFE. Thank you, Mr. Chairman.

I do not think anyone is going to argue with the great contributions of the Guard and Reserve component in Iraq, Afghanistan, and it has really been great. But a lot of the effectiveness is due partly to the fact that they got their training and the experience—the pilots—while serving in the Active component. I assume that this is something that was taken into consideration in this whole mix thing, that you still have to have a source of this training and that has historically come from the Active component. Has that been considered?

Ms. JAMES. So, yes, Senator Inofe, that is very much the case, and any time that we can have well experienced people who have active duty service as part of our Guard and Reserve, that makes all of us better. So, yes, that is an important factor, that we have a healthy active duty that can feed the Guard and Reserve.

Senator INHOFE. Well, that is true, but there are also external factors, and I have not heard anyone say anything about these. I recall 5 years or so ago I was active in extending the mandatory retirement of airlines from 60 to 65. Now that may be coming back to haunt us now because there is going to be a surge of retirements. That means there is going to be a surge of recruitments drawing from the Guard and Reserve and the Active component. Has that been considered? Do you consider that to be a problem?

Ms. JAMES. So we are monitoring that closely, and yes, we are projecting. And one of the reasons why I was interested in that avi-

ator incentive pay in the Guard and Reserve that I referenced was so that even as those aviators that leave us off of active duty, that we have an extra incentive to hopefully keep them in the Guard and Reserve to retain the talent.

Senator INHOFE. Well, that is good. That is something that occurred to me. I even commented about that 5 years ago that this was going to happen. I did not know it would happen in the environment that we are in today, but nonetheless, it is there.

On all the missions that I mentioned in my opening statement, I look at these different vehicles that we have, the assets that we have and I can find justification for all of them from the A-10 to AWACS and everything else. And I know that the chairman and I have looked to see where can we find funding to retain as much of this as possible. And so I look at this and I think we really cannot cut a lot of these. However, I am aware of the fact, General Welsh, of the negative impact if Congress does not allow you to retire these assets.

Give us a little of your insight having to do with what happens if you are not able to retire some of the assets that you think you should be able to retire.

General WELSH. Sir, wherever we are not able to take savings from those divestitures, we will have to take reductions somewhere else in areas that we do not think are as significant a capability in terms of what the combatant commanders expect us to provide.

We also have a game plan that allows divestiture of assets and cross-training of people and transition of those people into different roles in our Air Force. That plan would have to be relooked. We have units that are affected who are scheduled to divest aircraft and transition to new mission areas. If they do not transition, that transition plan will have to be relooked because we might not have a new mission capability to fill in behind them when they eventually do retire because we will put the capabilities available someplace when it is available.

Senator INHOFE. And you always keep in mind the risk that is increasing as these decisions are made.

General WELSH. Yes, sir. We believe the least risk from an operational perspective is clearly with the divestiture plan we put forward, and that is what our operational analysis shows.

Senator INHOFE. A minute ago, you said in your statement what I am asking for is a little more time. I know the chairman mentioned that. Do you feel that is pretty much under control now in terms of the changes that are going to have to be made, that there should be adequate time to do this?

General WELSH. Sir, I firmly believe and have for the last year that by the 2016 budget, we will have the great majority of the long-range plan fully analyzed and discussed with the entire total force arena.

Senator INHOFE. Is there anything either one of you wanted to add? Because it was my understanding that one of the recommendations that you did not agree with was the disestablishment of the Air Force Reserve. You covered that. Is there anything in addition to that that you would like to—any comments to make?

Ms. JAMES. So I would just underscore that I think the underlying reason why the commission made that recommendation has

to do with integration. They are trying to, of course, reduce excess infrastructure, and we are all for that, but also to encourage better integration. I just wanted to say we wholeheartedly agree with the thrust of integration, and we are doing a variety of things to get us to that ultimate destination.

But again, I would come back to the point that to do a disestablishment particularly in fiscal year 2015, say, an immediate disestablishment, before we are in any way capable of doing that further integration, I think it could do harm to the 70,000 strong Air Force Reserve. And so that is why, again, we said give us some more time to work on the thrust of integration. I think we are making good progress but do not agree that that can be done through the immediate future.

Senator INHOFE. Well, and I appreciate that. I think as difficult as the assignment is, I cannot think of two people I would rather have at the helm making those decisions than the two of you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman. I feel kind of isolated out on a wing. I hope I get out of the penalty box sometime.

And thank you to the witnesses for your testimony today.

Just a feedback. I have been very impressed in Virginia in my visits to Langley in watching the degree of integration between the Reserve and Active components. The 1st and the 192nd fighter wings are there and they fly and maintain F-22s. And as a layperson coming in, it is hard to distinguish between the actives and the Reserve components, they work so well together. And I gather in the commission report, there is also references to some Langley examples dealing with the intelligence reservists who serve in that function there. So I have seen some great work already in progress.

Sort of just a technical question first. Is the fiscal year 2015 budget request already trying to implement some of these commission recommendations? I gather you agree with most. The 58/42 we get and you are still studying and the issue about the command structure. But does the fiscal year 2015 budget already take into account some of these recommendations, or was that budget prepared before the commission report was finalized?

Ms. JAMES. So maybe I could start, but then General Welsh could also elaborate.

So my answer to that question would be that we have been supporting and working with the commission all along. So we have been sharing ideas all along, even as the fiscal year 2015 budget was being put together. So there are, I will say, examples of commission ideas and so forth which we agreed with and it was maybe call it a mutual idea. I gave a couple of examples in the cyber world, in the ISR world. Just the very fact that we are bringing the active duty down more, substantially more, than we are the Guard and Reserve, that reflects the agreement that we need to rely more on our Guard and Reserve in the future.

General WELSH. Sir, there are also some other initiatives that the commission recommends that we fully support and have been engaged on for a while, some of the service continuum issues that

the Secretary mentioned in her opening comments to allow officers to move more freely between components over time and to develop kind of integrated career planning over time. We have a three-in-one initiative which is basically a way to manage the total Active component and Reserve component airmen through one personnel system and process. We have a ways to go on this, but we are actually beta testing it at three bases today: one Active, one Guard, and one Reserve. We have already integrated senior Reserve component officers onto the air staff in key positions. We will do much more of that. We have put active duty officers in as wing commanders in Guard units. We have Reserve component officers as vice commanders in active units. We need to do more and more of that going forward, which is something the commission strongly supports, and we began that over this last year.

Senator KAINE. Great.

Secretary James, you testified in your verbal testimony about the cyber and ISR work. There is, obviously, a huge need. And in Virginia, we have a lot of cyber and IT workforce, and many are in the Reserve or National Guard. I am concerned just generally about our ability to attract and retain, whether it guard or Active or Reserve, the right cyber workforce, given the challenges that we have. If you could talk a little bit about how the integration between Guard and Reserve works in the cyber field and how we might use things like the continuum to try to attract and retain that workforce that we will need for the future, that would be great.

Ms. JAMES. So once again, let me make a couple comments and then yield to General Welsh.

So I agree with you, and I too am sort of interested in peeling back the onion more in terms of how is it that we will attract and retain not only to the Guard and Reserve but also to our civilian workforce. So we have growing cyber needs across the board. And I am particularly interested in exploring more what types of incentives that we may need because I am convinced that probably this is a specialized workforce. What may be sorts of promotion opportunities? Do we need to break it out separately. So this is something that I would be very interested in and will be exploring more in the months to come.

General WELSH. Senator, I would just tell you that there is a very rich recruiting pool for a cyber workforce that the Guard and Reserve can actually take advantage much easier than the Active component can take advantage of in some parts of the country especially. And so we are trying very hard to figure out where the Air National Guard and the TAGs, where those places are. We have already begun with new units in those areas to do cyber targeting, cyber intelligence, et cetera. And we will continue to do that.

Senator KAINE. It is also a recruiting pool, though, that has a lot of other people interested in that talent. So it is a very competitive one.

Last thing just quickly on the continuum of service. Your description of it in your written and verbal testimony today is interesting as an approach to manage the careers of those who want to remain active or remain in the mission and potentially move back and

forth between Active, Guard, and Reserve. Is it also, done correctly, potentially a cost-saver?

We are spending time talking about things like compensation reductions. If we are trying to save money, one way is to look at benefits, but another way is to look at just the personnel structure itself, less the benefits issues than the structure. Does this continuum of service model offer us some potential ways to deal with our cost issues that are not benefit reduction but a different strategy that might be effective?

General WELSH. Yes, Senator, clearly it does. The most difficult issue probably over time will be the ability of the Reserve component to manage officers to develop them for senior executive positions, if you will, in the Air Force, the total force, in a way that is different than they have been able to in the past. This is going to require a huge commitment from the Guard and Reserve. They understand that and they are committing to it, but you cannot take someone at the one-, two-, three-star level, put them into a senior position who is not current well qualified and experienced enough to do the work. So it is easy to say we should identify positions to fill. The hard part is going to be training people over time who have other jobs, who have families that are stable and do not move routinely to prepare them for those jobs. We can do it. We have the officers capable of it, but we have to commit to this as an institution. That is where we are trying to go.

Senator KAIN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Kaine.

Senator McCain.

Senator MCCAIN. Thank you.

I thank the witnesses for being here today.

Madam Secretary, according—in the commission report—I quote—if, as expected, the Air Force proposes to divest entire fleets such as A-10 and the KC-10 aircraft, such retirements would likely project substantial savings. However, the units that operate those aircraft reflect decades of investment in those men and women who fly and maintain them, as well as in the facilities the Air Force likely will need for emerging missions and a new way of using the total force. Because any such divestitures would be subject to congressional approval, the commission recommends that the Air Force develop and provide Congress a detailed, complete, and comprehensive plan explaining how the Air Force will achieve missions undertaken by such platforms in the future and how it will retain the highly trained personnel from these fleets.

Secretary James, so far this committee has not received anything like a complete and comprehensive or detailed plan while a major capability of the U.S. Air Force, which is the close air support role, is being either contemplated or proposed to be eliminated. I would ask for your thoughts as to what would replace the A-10 aircraft in its close air support role.

Ms. JAMES. So, Senator McCain, we will always strive to do better in terms of the communications. This year, I believe on day one when the budget rolled out, we offered an operational laydown in greater detail for committees, the staffs, and whatnot. We will always endeavor to do better and take the lessons learned from this year.

In terms of the A-10, what is intended to replace the percentage that the A-10 was doing in terms of close air support in the immediate future would be the other aircraft, such as F-16, F-15E, and so forth that are capable—

Senator MCCAIN. What is “so forth”? Tell me again the “so forth” here.

Ms. JAMES. F-15E, F-16, B-1 bombers, some of our unmanned—

Senator MCCAIN. The B-1 bomber will now be used for close air support?

Ms. JAMES. So it is my belief that the B-1 bomber has done some close air support in Afghanistan. So we would cover it with existing aircraft, and of course, down the line—

Senator MCCAIN. That is a remarkable statement. That does not comport with any experience I have ever had nor anyone I know has ever had.

See, this is an example. You are throwing in the B-1 bomber as a close air support weapon to replace the A-10. This is the reason why there is such incredible skepticism here in the Congress, believe me. Under the present environment, I cannot speak for the committee. I can only speak for myself and several others. You will not pursue the elimination of the finest close air support weapon system in the world with answers like that. So I hope you will come up with something that is credible to those of us who have been engaged in this business for a long, long time.

General WELSH. Senator, may I offer some additional data?

Senator MCCAIN. Sure.

General WELSH. Sir, the B-1 has been executing close air support missions in Afghanistan for some time now, for a number of years.

Senator MCCAIN. And it has been able to perform a very extremely limited number of missions of close air support, General. Please do not insult my intelligence.

General WELSH. Sir, may I finish my answer?

Senator MCCAIN. Yes.

General WELSH. The F-16 has flown 40,000 CAS sorties in Afghanistan since 2006, which is about 16,000 more than the A-10 itself has flown. We have flown a number of close air support missions with multiple airplanes, including all the ones the Secretary mentioned, in Afghanistan and performed them successfully.

I think the issue here, though, is that all of our fleets of aircraft represent an incredible investment of resources over time by the Congress. But the Nation and the laws that govern us have decided to spend less on DOD funding. We are cutting capability and capacity in every single mission area in our U.S. Air Force with the 2015 budget. We will not be able to fully replace that mission capacity in any mission area, and we will not be able to save all the people in those mission areas and still meet the budget.

Senator MCCAIN. I have yet to meet, General, an Army commander with responsibility for troops on the ground that believes that a B-1 or an F-16 replaces the capability of the A-10. And if you know of someone, I would be glad to meet and talk to them. Those are the ones whose judgment I rely on because they are the ones whose people are in harm's way.

Secretary James, the EELV was consolidated between Boeing and Lockheed Martin. Since that time, with no competition understandably, predictably the EELV cost growth has been the highest of any system in the Air Force, 166 percent. Secretary Kendall said that—Under Secretary of Defense Frank Kendall directed that the Air Force, quote, aggressively introduce a competitive procurement environment in the EELV program. Kendall elaborated the Air Force wanted to obtain the positive effects of competition as quickly as possible. And at that time, Secretary Kendall authorized the Air Force to purchase up to 36 rocket cores from ULA on a sole source basis and up to 14 through a competitive process.

So you came forward by cutting the 14 EELV down to 7, and one of the reasons given by Major General Robert Murray was, quote, in order to honor the long-term commitment buy that the Air Force has with ULA. ULA has had 166 percent inflation associated with their program.

I have asked for an Inspector General investigation of this whole process. We need competition. And I will not go into all where you gave me a response before. Your responses do not hold water. We do not know what the payload is, and you are saying that because they cannot make the payload.

And by the way, the rocket motors are made in Russia. Right? Rocket motors are made in Russia, and we want to continue reliance on a program that the Russians are key elements in providing this capability?

Ms. JAMES. So, Senator, I will be answering the two letters that you sent me, I promise, by the deadline that you have requested. I welcome the DOD IG investigation that you have requested because getting a new set of eyes and ears on this competition question will be of help to me. Of course, this entire acquisition strategy and contract was put in place before I became Secretary. So I welcome some advice from the DOD IG as to whether it is anti-competitive or not. I want competition and I am going to be working toward that.

And as far as the RD-180, that of course is worrying. It is under review, and we expect to have more to say from that review on the way ahead within the next month.

Senator MCCAIN. It seems to me that we should be encouraging the capability to manufacture rocket motors here in the United States of America rather than being dependent upon Vladimir Putin.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator DONNELLY.

Senator DONNELLY. Thank you, Mr. Chairman.

Thank you, witnesses.

What is your overall feeling on the utility of having this independent commission review and make recommendations on the future structure of the Air Force? Has it been beneficial in making appropriate and solid decisions?

Ms. JAMES. So I think so, yes, in my opinion. I was saying earlier I think it is a very fine body of work, and there is a huge amount of symmetry already that we have together. There is a little bit more that we need to explore, as we said, and we feel particularly

in these two areas that to go too quickly could actually be harmful. But overall, it has been a good experience.

Of course, we have to go back. The reason why the commission was put in place in the first place was because there was such dissatisfaction and a fracturing between the components and so forth, and that is not good. Hopefully we will never go back to that. But the overall body of work I think has been excellent.

Senator DONNELLY. General?

General WELSH. Yes, sir. I completely agree. I think it has been tremendous to look at. The first time I read the report, I was struck by the different perspective on the same problem that the report presented to the way we looked at the problem. I think that is always helpful. And I think there is information in there, there is analysis in there that will help us be a better Air Force down the road, and that is the whole purpose.

Senator DONNELLY. So if this commission route were to be used for some of our other service branches, what are the recommendations you would make to us in the learning curve, in how it was done? What are the things that you have found to be really beneficial and what are some of the bumps in the road that maybe we could avoid if we use this process again for one of the other services in the future?

Ms. JAMES. So, first of all, we are certainly not recommending that you do that.

Senator DONNELLY. Oh, no, I understand that.

Ms. JAMES. If you were to do that, certainly the close coordination has been essential. I mentioned the TFT, the Total Task Force. Having a body within the Air Force, which was the liaison which was supplying certain expertise which was receiving requests for information, getting it staffed out so that the commission could get answers to its questions, that sort of association has proven to be excellent.

General WELSH. Senator, there is an annex in this report. I believe it was authored by Secretary Brownlee and Dr. Davidson that highlights the fact that the services are different and that the findings of this commission should not be transferred clearly to another service.

Senator DONNELLY. There is no guilt by association here. Do not worry.

General WELSH. Oh, no, I do not mean that at all.

What I mean is that the dynamic is completely different in the two services in the way we communicate, the way we integrate, the way the total force operates today before the commission's work. And I think that facilitated a lot of the effort that was put into this. We had a lot of active duty members who were excited about talking to the commission. We had an all component forces who were talking to our Total Force Task Force. So we were working in the same direction in parallel channels which I think made this better for everyone.

Senator DONNELLY. Well, what I was wondering is what are the most beneficial parts of this, having another set of eyes looking at the same thing maybe coming from a different perspective and coming up with some other ideas on these things.

General WELSH. Sir, I believe the operational work that our Total Force Task Force has done, the analysis that focuses on operational future is well supported by the predominance of the work the commission did, which is looking at force management and development of an integrated force over time. And the two working together are very helpful.

Senator DONNELLY. Well, I want to ask you a question that is specific to a fighter wing in Indiana, the 122nd. They are going to be transitioning from A-10s to F-16s in 2019, and we have been working collaboratively with the Air Force on that. Eventually the F-35 is planned to take the place of the F-16s. And as you look at this and as you go into full-rate production on the F-35s, have you begun to look at how you intend to field that aircraft in a balanced way to take advantage of the skills and cost-effectiveness of guard units as well?

General WELSH. Yes, sir, we have. Our original plan was the same force bed-down approach that we used for both the KC-46 and the F-35. We started with a flying training first and then an active base and then a guard base. And the intent was to continue to alternate that way over time and mix the Air Force Reserve into the Reserve component bed-down. I think that for a bed-down on all these things, as force structure changes we have to reassess how we are doing bed-down planning. And so I think as the total force integrates, if we move more force structure in the Reserve component, which is completely our intent, then the way that the bed-down proceeds will have to be assessed and evolved over time. But there is clearly an intent to bed down across all three components.

Senator DONNELLY. Well, as we look at the commission reports and as we look forward in changing the Active component and Reserve mixes, what are the training and responsiveness and dwell time issues that you are going to have to take into consideration as the mix may change from like 60-something/30-something to maybe 60/40, 58/42, that kind of thing?

General WELSH. Sir, the one benefit the Air Force has is that for an individual airman, we measure readiness the same way. And so our Reserve component units are equally ready to do the mission when they are fully trained as their active duty units are, and we try to keep individuals fully trained all the time. One of the hidden success stories in our Air Force is the ability of the Guard and Reserve to keep those aircrews and the people who support are trained to the same level as the Active-Duty Force. It is not easy. They do phenomenally well at this. It is why for the last 14 years we have been able to support an incredible rotational presence with volunteers and from the Reserve component.

Going forward, we have to make sure we are able to continue to do that. Some of that is based on the fact that we have experienced people in the Reserve component who are grown in the Active component and then migrate to the Reserve component. So that strong Active component has to be a focus, as does the transition into the Reserve component planning. All of those are things that the commission addresses in their report and are areas that we fully agree with.

Senator DONNELLY. Thank you both. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Donnelly.
Senator WICKER.

Senator WICKER. Thank you very much, and thank you both for returning to testify so soon after your previous visit to this committee.

Before we get to the topic of this hearing today, I want to briefly mention that I visited mainland Japan and also Okinawa during the break to review our security posture in Asia. My trip included a visit to the 18th wing at Kadena Air Base on Okinawa, which is located, as you know, a few hundred miles from North Korea and from China and Taiwan.

During my visit, I met with our frontline fighter pilots, special operators, combat search and rescue crews, and intelligence professionals. Without a doubt, I can say that air superiority is a vital element of our pivot to Asia, and all Americans should be proud of these troops working in the region.

Now, let me return to a subject that we visited about earlier, and it has everything to do with this topic of this hearing, and that is Keesler Air Force Base. Madam Secretary, you will be visiting Keesler on May 29th. Of course, we in Mississippi are proud of Keesler and the fact that they won the 2013 Air Force Installation Excellence Award, and we look forward to hosting you in Mississippi and on the Gulf Coast.

I want to restate my belief that the Air Force total force plans, proposal to relocate C-130J aircraft from Keesler Air Force Base to Little Rock is shortsighted. This move will adversely impact our intra-theater airlift capability at a time when our services are evolving toward a more rotational deployment model. I believe the Air Force must make force structure decisions based on long-term global force requirements, as well as concrete and defensible data.

And I am sticking to my script because I am choosing my words carefully this morning.

I am convinced that the transfer of C-130Js from Keesler will not actually produce promised financial savings since a new airlift group would have to be physically established at Little Rock. It seems to me that establishing a new group at Little Rock would, in fact, cost additional dollars because it would require the costly relocation of military and civilian full-time employees. The numbers just do not add up to savings.

Now, during our Air Force posture hearing on April 10, I asked the Air Force to provide this committee and my office with written answers to specific questions about the proposed Keesler C-130J move. Our committee has not received these answers. So I hope you will commit to getting answers back to me perhaps before the end of the week.

On March 11, General Selva provided a question for the record to this committee that states, quote, there is no cost to move 10 C-130Js from Keesler to Little Rock. In fact, there are savings associated with this move, with the largest coming from the merger of real power.

However, following a meeting with Lieutenant General Jackson of the Air Force Reserve and the Air Force Reserve Command provided a written response to Congressman Steven Palazzo of Mississippi. That said—and I quote—keeping the 10 C-130Js at

Keesler would save 209 positions. Unquote. I understand that these positions are new overhead positions composed of medical personnel support and group staff.

Now, who is this committee to believe? And who is Congressman Palazzo's committee to believe? General Selva who said during his nomination hearing on March 11 that moving the C-130Js to Little Rock would save jobs or the written response from the Air Force Reserve Command saying that keeping the aircraft at Keesler will save 209 jobs?

I hope you can see why Senators would be confused by these conflicting statements. I would also hope you would go back and relook this entire proposal that appears not to be rooted in any financial savings at all.

Finally, I would point out to members of this committee, Mr. Chairman and Mr. Ranking Member, that the National Commission on the Structure of the Air Force's recommendations do not specifically endorse or recommend the transfer of C-130Js based at Keesler. In fact, the C-130Js at Keesler are already part—already part—of one of the most successful total force installations in the country with Active and Reserve component airmen working seamlessly together. All of the efficiencies and synergies the Air Force would hope to obtain at Little Rock are already in place at Keesler. As such, I do not buy the Air Force total force justification for moving the C-130s to Little Rock.

Now, I do not expect to resolve this issue this morning at this hearing, but I strongly suggest, General and Madam Secretary, that it would be prudent for the Air Force to consider keeping these aircraft at Keesler in order to provide the best value to the warfighter and the taxpayer.

So in summary, from either a total force consideration or the consideration of taxpayer dollars, this move from Keesler to Little Rock simply does not add up.

And I thank the committee for their indulgence in this respect. Chairman LEVIN. Thank you very much, Senator Wicker.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

I want to thank the witnesses for their testimony before the committee today. Your leadership has demonstrated success in both self-evaluation as a service to find improvements and in enhancing the partnership between all of your Service components.

And with that, General, if I may, I am very impressed by the Air Force and the Air Guard partnership that you all have been able to work a little bit better than some of our other branches, and I appreciate that very much, both domestic and international missions.

General Alexander, former head of the U.S. Cyber Command, the Director of the National Intelligence James Clapper, and Defense Intelligence Agency Director General Michael Flynn have all stated that the Guard could play a huge role in the Nation's cybersecurity mission.

The commission recommended extensive use of Air Force Reserve component airmen for the cyber mission.

I understand the Air Force requested \$40 million as part of an unfunded priority list of five Air Guard cyber protection teams.

How many Air National Guard cyber units are there currently, sir?

General WELSH. Senator, we have six currently, and we are looking at how do we expand that capability over time. I was recently in Washington State. For example, just to highlight the way this can work, a number of the members of the cyber squadron there work at places like Google, and so they bring incredible expertise onto the job every day. And that is what we are looking to take advantage of.

Senator MANCHIN. That is what we were looking at, how would these units best be able to participate as part of the front line of the defense in cyber on the homeland. And you are trying to integrate that, I would say, with using the expertise we have in the field.

Also, General, the Army's Special Operations Guard units in West Virginia have in the testimony of Admiral McRaven performed magnificently, and I am interested in the special operations units of the Air Guard and Reserve. One commission recommendation was to increase Guard and Reserve presence through greater integration. The downsizing of the Army, however, is projected to affect the training and readiness of the National Guard. As the Air Force downsizes, will training and readiness also be affected for units of Air Force Special Operations?

General WELSH. Yes, sir. The Special Ops community and the platforms and people inside it are part of the current total force analysis that we have ongoing right now to determine would it benefit from a greater shift in the Reserve component or would it not. The problem is we cannot shift everything more and more and more in the Reserve component. We have to decide where the best places are. That is what our analysis is focused on. But the Special Ops community has performed superbly in both the active and the Reserve component, and we are looking right now whether we can move more into the Reserve component.

Senator MANCHIN. Maybe this is for either one of you. I keep looking at cost-effectiveness and just as a private citizen, as a business person looking at would the Guard not be the best bang for our buck basically in support of our regular Air Force and other departments? I am just saying that for some reason the cuts seem to be disproportionate, and it does not make any sense if they are more cost effective.

Ms. JAMES. So the National Guard and Reserve, without question, though people might debate the preciseness of it—they are without question less expensive than the active duty provided they are not being used all the time. If they are being used all the time, essentially that equates to two things. And we are going to be studying additional areas, and cyber is front and square in that. We have stood up—we are preparing to stand up some new cyber units as an immediate impact in fiscal year 2015, but we are not done yet with cyber. That is an additional area that we think will bear fruit going forward.

But I do want to also say that cost is an important element, but it is not the only element as we look at this total equation. And maybe, General Welsh, you could elaborate on that.

General WELSH. Sir, I think one of the things the commission's report even highlights is that the Active component is not a secondary consideration here. If you are looking at Active versus Reserve component, the idea that a Reserve component squadron of any type is more available, more prepared, more ready to walk out the door to do the Nation's business than an Active squadron is simply not true. That is not why they are in the Reserve component. They are extremely capable, but you have to have a model that balances that cost efficiency with the responsiveness that the Nation and the missions we do demand. We can build that. We are just trying to figure out exactly how does that model look.

Senator MANCHIN. And my last question would be basically on contractors, private contractors, within the Air Force. And I have been trying to get answers on how many contractors you have branch by branch. Do you all know how many private contractors that you are actually working or have within the Air Force?

Ms. JAMES. So I will say I do not know that off the top of my head, so if I could come back to you for the record.

[The information referred to follows:]

[COMMITTEE INSERT]

Ms. JAMES. I will also say this, though. We, of course, have a challenge from the Secretary of Defense to reduce headquarters 20 percent in terms of the money over 5 years. So what we are doing in the Air Force is not over 5 years. We are going to get it done basically over 1 year, and we are going to do better than 20 percent. And contractors will be a piece of that. It will be more than contractors, but we are sort of aggressively going over headquarters reductions to include contractors.

Senator MANCHIN. My concern was that basically men and women in uniform perform the same function, can do it I think much more cost-effective and better than anybody else can do it. And I have seen a lot of the cutbacks in the military as far as men and women in uniform. Contractors have not been cut back proportionately. In fact, in some areas they have grown. I am very much concerned about that. So if you all could let me know where you stand on that and what your plans are and how it works into your budget. Thank you.

Chairman LEVIN. Thank you very much, Senator Manchin.

Senator Chambliss.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Madam Secretary, General Welsh, thanks for your commitment and your service.

You know, we are going through some very difficult times, obviously. As we talked about during your posture hearing, you have got some tough decisions you are having to make while we are trying not to be too much of a problem on this side of the dais. Obviously, it is incumbent on us to ask those tough questions about the tough decisions that you made. I want to focus a little bit more, though, on basically just a comment on what I have heard you say here today because you are so focused on the Reserve component.

I see you got General Jackson with you, General Welsh. He is a great asset to the Air Force, as well as to specifically the Reserve. I had the opportunity to meet with him briefly, but a very focused meeting last week relative to what is going on specifically at Rob-

ins, as well as specifically in the Reserve today, and the direction in which he and the two of you together are taking the Reserve.

I also had a chance to meet with our Joint STARS folks. We had the TAG down, and General Butterworth is obviously very focused on that issue. Another difficult decision that you had to make. And as I told the folks at JSTARS, I mean, we knew that we were buying an old platform when we bought the 707s. I just wish that we had made the decision that you are making today 5 years ago. I know we were being called upon then. The demand on Joint STARS was really very strong, but that demand is not going to weaken. Whether it is another conflict we ultimately are engaged in or whether it is the drug wars, there are just so many uses for that weapons system. I think the decision is probably the right decision. I just wish we had made it 5 years ago. That does not help us today.

But the fact of the matter is I remain concerned, General, as I expressed to you during the posture hearing, that as we transition to the biz jet platform, I am really concerned that this \$73 million that we have got in the budget today is not going to be sufficient to move us in the direction which you outlined that we need to go. I.e., by 2021, we are back up to the full component of platforms that we have today.

So while I am going to be gone by the time we start considering this again, I do know your concern and your belief that this is one of the more important platforms that we have. Obviously, it was one of the top programs in your priority list. So I simply say that I urge you to remain focused on that. And as we move forward in this budget cycle, I want to make sure we do everything we can to provide you with the right number of resources to get us to that ultimate goal in 2021.

But it is not a part of this, as I said to you also before the hearing. A great meeting with General Litchfield. He is doing a terrific job on the depot side. And while there was a lot of anxiety at Hill and Robins about the movement of a three-star to Tinker and downgrading, the feeling was the downgrading from a two-star to a one-star—this thing is working like I envisioned it would work. And General Litchfield is providing the right kind of leadership at exactly the right time for the three depots. And I am confident they are all going to get just stronger over the years. Particularly with the lack of funding that we are going to have to buy new weapons systems, it just means that we are going to have to maintain a lot of old systems for a long time to come. With his leadership, particularly his vision for making sure that our depots do it the right way, we are going to position the Air Force depots for the long term to be the strongest depots across the system. I was very pleased to hear his comments and his vision, Madam Secretary and General Welsh, about the future of the maintenance of Air Force weapons systems.

I am pleased to hear, Madam Secretary, you particularly alluding to the fact of this integration of idea. We have proven with a blended wing of Joint STARS that it can work. There was a lot of angst on both sides, the Active Air Force, as well as the Guard, when we put that wing together, but it has worked. And we have proven through that process, as well as through the activation of reservists

in Iraq and Afghanistan, that we do have a blended force today that can carry out any mission that is given to either the Reserve, the Guard, or the active duty folks. The active duty now understands that those Guard and Reserve folks can come in and immediately pick up the banner.

What I particularly like about what you said is that you are going to take more advantage of the private sector and particularly in the area of cybersecurity, which is our next battlefield. I think we all agree that that is the most likely, although usually we are always wrong about that. But we have got to be so focused on cyber now, and there is so much talent in the private sector that if you do take advantage of it and bring them in for what you need, let them go back to the private sector, and continue to have that free flow, that just makes all the sense in the world to me. So I am pleased to hear you are thinking that way about the future of the Guard and Reserve and their relationship with the active duty.

You covered this, but just to make sure we are on the record, General Jackson and I looked at the MILCON project that we are going to have in the next budget. It is going to be a splendid building that we are going to be moving the Reserve to. Just to make sure there is no doubt in the minds of anybody, Madam Secretary, General Welsh, it is my understanding from what you have said publicly and privately that the one portion of the commission's report you disagree with is basically the disestablishment of the Reserve over any period of time. Maybe reconfiguration. I understand that. But I want to make sure there is no doubt about your clarity on that point. Madam Secretary?

Ms. JAMES. So I absolutely do not agree with the disestablishment of the Reserve Command until and unless such time perhaps in the future that we had really totally cracked the integration nut so well that we would no longer need a team of people who currently are at that command who are specialized in taking care of 70,000 reservists. It is a big job and it is something that we have to continue at least for the immediate future. I keep saying in the distance because integration is the name of the game, and if there would be a way to evolve to such a point in the future, we should at least be open to that.

Senator CHAMBLISS. General, any additional comment?

General WELSH. No, sir. I agree with that.

If the question is about the Air Force Reserve at large, I absolutely would not ever support getting rid of the Air Force Reserve.

Senator CHAMBLISS. And the other question. Is there any question in the mind of either one of you about the reception of the active-duty force of guard and reservists coming in and standing side by side with them with the training and the preparation that they now get for the mission that they are being assigned and integrating with the active force?

General WELSH. Senator, I do not think so. I think the training is good. I think one of the things that the commission recommends in terms of better integration that we wholeheartedly support is the idea that we have to look hard at should we have multiple commissioning sources, for example, or commissioning programs. Should we have different NCO professional military education programs, or should we integrate that to create this continuum of

service across the components and train and develop our people in more similar and integrated ways? So that is the way we think we should have it.

Senator CHAMBLISS. Thank you.

Thanks, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

Let me just say that I appreciate both of you being here. And, Secretary James, we are very much looking forward to you coming to New Hampshire on Friday. So I look forward to joining you there.

I fully agree with the comments that have been made not only by Senator Chambliss but others around the table that we have a great opportunity in the Reserve component when it comes to enhancing our cyber capabilities. And so if we can harness those resources in the private sector, I think we have an opportunity to really enhance the workforce of the Air Force on this incredibly important issue and certain threat to our Nation that I know all of us want to work toward.

I also wanted to say for both of you and also to the members of the commission that I thought that this commission report was very well done, and I think that the work that you are both doing and the thoughts you have on implementing the commission are important. And I think it also highlights the coordination and importance of the relationship between the active duty, guard, and Reserve.

Let me just say that we are glad you are not going to eliminate the Air Force Reserve anytime soon because I know that Colonel Graham appreciates that as well.

But in any event, the thing about the report that really struck me, of course, is that in the report itself, the work of the Pease Air National Guard 157th Air Refueling Squadron was highlighted, and it was highlighted in a way that I think demonstrates some of the coordination that has been happening between the active duty and the Guard and Reserve. As you know, in the actual report, there was a farewell speech by a former commander of the active associate unit to the 64th Air Refueling Wing talking about what he had learned from his time at the New Hampshire Air National Guard and how much he—in that experience of being an active duty commander who was associated with the Guard unit at the 157th Air Refueling Wing, that he really came to appreciate the importance of—not only the importance but the ethic of the Guard and Reserve and the amount of organization and coordination. So it was, I thought, very inspiring and also an example of what we can accomplish—not only have accomplished but will continue to accomplish to a greater extent in some of the recommendations that have been made by this commission.

So as you know, Secretary James and General Welsh, we are very proud of the work being done by the 157th and looking forward, when you come on Friday, to highlighting what is happening at Pease and also the preparedness that they have put into being named as the Guard unit that will receive the KC-46A. So I look

forward to seeing you in New Hampshire, and just would ask, everything on track for the KC-46A?

Ms. JAMES. Yes.

Senator AYOTTE. Fantastic. Well, that was an easy answer.

General WELSH. We will actually start flying in June the first test sortie for the first test aircraft. There are four on the production line now. Everything is on schedule.

Senator AYOTTE. Terrific. Thanks.

Chairman LEVIN. They are entitled to one easy answer at least. [Laughter.]

Senator AYOTTE. Usually I am asking all the easy questions too.

Chairman LEVIN. I do not mean from you. I mean, overall, one.

Senator AYOTTE. It could probably be said so for me too.

But I thank you both. This commission report is important. I appreciate your testimony today and look forward to seeing you in New Hampshire.

Chairman LEVIN. Thank you very much, Senator Ayotte.

And Senator Graham?

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

Do both of you agree that the commission process has probably been more helpful than harmful?

Ms. JAMES. So it is too bad that there was the friction that caused the need to stand up a commission, but the actual commission report, the commissioners, the work was very helpful.

General WELSH. Yes, sir.

Senator GRAHAM. General Welsh, I have a parochial interest here since I am in the Air Force. I just really think you have been a good commander for the Air Force. I just want you to know that, that we have had our problems and you have been a very good, "speaking truth to power" Chief of Staff.

Secretary James, I have nothing but high marks for you.

Sequestration. As we talk about how to rearrange the Air Force, regardless of funding problems—I think that is part of what the commission did. Right? Most of this has nothing to do with money. Is that true? Structural changes. How much of this is driven by money, the lack of money, in terms of the commission's report?

General WELSH. Well, sir, the commission's report I think could have been done when we had plenty of money. Those inputs would have been great—

Senator GRAHAM. So I want to put that in one bucket, that this is really about structural changes.

And I think you get it about the Air Force Reserve. We just put the Chief of the Guard Bureau on the Joint Chiefs of Staff to have a stronger voice for the Guard when it comes to national security matters. And I think the idea of trying to take the chain of command and absorb the Air Force Reserve and not have its own structure would probably deny you some information you might need otherwise, or at least some control over the force. But you are on top of that.

Now, let us talk about the Air Force in terms of budgets. I do not want to lose sight of this. Maybe we should have a commission to look at what kind of Air Force we would have if sequestration went into effect, but we do not really need that commission. Tell

us, General, if we do not fix sequestration beyond the 2 years, what kind of Air Force will we have.

General WELSH. Senator, the decisions that we have reached and the recommendations we made in the 2015 budget are intended to prepare the Air Force for returning, as the law directs, to sequestered funding levels in 2016. If we cannot make the reductions and divestitures that we talked about in both people and hardware over the next 2 years, we will have an Air Force in fiscal year 2016 that we cannot afford to train or operate. It will look like it did last year with 33 squadrons sitting on the ramp or worse for the entire year. We have got to balance this Air Force to a size that we can afford to train, operate, and we have got to modernize over time or we become basically irrelevant against the threat 10 years from now.

Senator GRAHAM. So the 2-year adjustments that you need better prepare you, but if you got everything you wanted in the next 2 years, you would still have a major problem if sequestration kicks back in. Right?

General WELSH. Yes, sir.

Senator GRAHAM. I mean, over time, pretty devastating to the Air Force as we know it today?

General WELSH. Sir, as you can hear from the discussions on every issue, it changes the Air Force.

Senator GRAHAM. There is a parochial nature of Congress which is, I am sure, frustrating for managers, but it is part of democracy. You know, the airframes that we have in our State we tend to know better. We tend to know the people. So we push back. I understand that. That is part of democracy.

But what I want to focus the committee on is if we implemented everything in this recommendation, that is no substitute for fixing sequestration. Is that correct, Secretary James?

Ms. JAMES. No. That is correct.

Senator GRAHAM. From your point of view, what would we be doing to the Air Force if we kick back in sequestration in 2016?

Ms. JAMES. To sum it up, I fear we would be a far less capable Air Force of meeting the national strategy requirements that we have, and I fear that we would be a less ready Air Force to the point where we would still step up to the plate, do our best, but we would put more people's lives at risk, we would put more aircraft at risk, and so forth because we would be less ready and less capable.

Senator GRAHAM. Let us say, General Welsh, if for some reason the negotiations with the Iranians broke down and we had to use military force, no boots on the ground but air power and sea power, to stop the nuclear program in Iran from maturing, if that situation arose 10 years from now, what capability would we lose to deal with an Iran because of sequestration?

General WELSH. Sir, all the things that have been negatively impacted over the last 10 years of our activity in the Middle East, which have basically been the high-end part of the Air Force, the ability to operate against a very capable, more technically proficient threat, the capability to operate integrated air defense networks against more advanced fighter aircraft to actually drop weapons on a broader scale than a few targets a day, all the things

that make an Air Force capable of fighting an air campaign, those are the things we have not been doing.

Senator GRAHAM. We would have less stealth capability over time, not more. Is that correct?

General WELSH. Sir, we would have less capability and capacity in every mission area.

Senator GRAHAM. Do you see a static nature of the enemies of the country over the next 10 years, or do you think they are going to improve their offense and defensive capabilities?

General WELSH. Sir, I believe it is undeniable that they will improve. That is why we must modernize. Not modernizing an air force for a super power is not an option if you want to be successful.

Senator GRAHAM. If you had to sum up the effect of sequestration on the ability of the Air Force to fly, fight, and win, would you agree with me it would be the biggest blow to the Air Force in peacetime in the history of the country?

General WELSH. Sir, it would certainly be the biggest blow in the history of the Air Force. My concern is that we would still fly, fight, and win, but it would be more costly, and the costs would come in terms of the men and women who—

Senator GRAHAM. Do we put winning at risk?

General WELSH. Sir, I think winning is at risk now in some scenarios. That is what sequester does to us.

Senator GRAHAM. Secretary James, do you agree with the statement of General Welsh that if we go forward with sequestration, we will be doing the most damage, far beyond what any enemy has been able to do to the U.S. Air Force in terms of capability?

Ms. JAMES. So I do.

Senator GRAHAM. So the Congress will have shot down more planes than any enemy of the Nation. Congress would reduce capability beyond anything that our adversaries possess. Would that be a fair statement?

Ms. JAMES. Sequestration will compromise our National security too much. I hate to put it all on the side of one part of Government, but you can hear us. We do not want sequestration.

Senator GRAHAM. I will just close out. In my view, the Congress would be doing more damage to the Air Force than any enemy, present or future. Thank you.

Chairman LEVIN. Thank you very much, Senator Graham.

Now, I am going to call on Senator Shaheen. The votes have started, and as soon as she is done, if there is no one else back, she would then excuse the two of you. I just want to add my thanks to you.

Congress has passed a law which makes no sense called sequestration. You have got to live with it. That is a different issue in a way for the structural changes that have been recommended by our commission, but nonetheless, you have addressed them this morning because of questions. You have done the very best job you could with sequestration. You have used your best judgment. We may not agree with all your judgment, but now it is thrown in our lap for the next couple months to try to pass a bill.

But I just want to thank you both for the way in which you have tried to deal with the menu that has been delivered to you by this restaurant.

We will stand adjourned if no one is back as soon as Senator Shaheen is done with her statement, and then at that point, she can excuse the two of you. But thank you both.

Senator Shaheen.

Senator SHAHEEN. Thank you very much, Chairman Levin.

And thank you both, Secretary James and General Welsh, for being here and for all of the good work that you are doing. And I have to say I share Senator Levin's comments about the need to address sequestration and hopefully this committee can help lead the way with the Senate and we can roll back those automatic cuts and put in place something that makes more sense.

Chairman LEVIN. Forgive the interruption. Apparently I did not make it clear that we will be getting to the second panel the best we can. I guess I did not make that clear. So thank you.

Senator SHAHEEN. The commission discusses receiving feedback from a variety of outlets regarding the potential of the Reserve component of the Air Force. Obviously, I know Senator Ayotte has already raised our pride in New Hampshire with the Air Guard and the 157th Air Refueling Wing. So this is something that we pay close attention to.

In fact, the report states—and I quote—these assertions were so unanimous and came from so many disparate sources that the commission could not discount them.

I wonder, Secretary James, if you could talk a little bit more about the untapped potential of the Air Force's Reserve component and what you might see in the future to better utilize this capacity.

Ms. JAMES. So I do in the aggregate still see that there is untapped potential, and we have a process which, by the end of this year in time for the next budget submission, we will have methodologically gone through mission by mission many more categories and have a more complete plan, I will say, to tap that potential of the National Guard, the Reserve, but still having a healthy active. Right? It is always getting that right balance and right mix.

But as the Chief said earlier, we have probably reviewed 40 to 50 percent already. A good deal of that or some of that at least is reflected in our fiscal year 2015 plan which is before you, as well as the 2016 to 2019 5-year plan that you also have access to.

But there is more to go. We are going to be looking at everything from additional cyber to security police to bombers and fighters. There is a whole panoply of work that is yet ahead, and we have this core team which is called the Total Force Continuum. It is a follow-on to that initial tiger team of generals, active, guard, and Reserve, that we stood up. We now have a new group of active, guard, and Reserve generals who are helping sort of lead the charge helping us study it and helping us staff the ideas.

I mentioned I am going to be getting together with this group regularly. I have already started, but I want to keep that up. The Chief is going to be doing the same thing. And that way we will be continuing to drive the train and bring a sense of urgency to the table.

Senator SHAHEEN. That is great.

Did you have anything to add, General Welsh?

General WELSH. No, ma'am.

One quick thing maybe. The Total Force Continuum is just an indication that we are continuing it before we make it permanent. We had to free up some active duty one-star positions so that we could legally put people full-time onto the air staff as general officers. There are some laws that limit us there in how many general officers we can have working on the air staff. And so we have found those positions. The next group of people in this job will be there on a PCS type of assignment so we can have a little more continuity over time in those three positions that are driving this train.

Senator SHAHEEN. Thank you.

Secretary James, I know you are going to be in New Hampshire on Friday to see firsthand the 157th Refueling Squadron. But one of the things that I thought was impressive in the commission's report was how favorably it talks to the value of active associations and the integration that has happened at Pease with respect to the Active and Reserve. So I wonder if you can talk a little bit more about that and about the Air Force's plans for moving them forward.

Ms. JAMES. So having associations in which we have essentially a squadron-worth of aircraft which is then shared by some combination of Active, Guard, and Reserve has been a great advancement for us in the area of integration. I mentioned earlier that we are going from, I think it is, 102 to 124—well, we have gone over time. So currently we have 124 separate associations of one type or another across the country. So we are learning the lessons and tweaking all of the time, studying what we have done, and hoping to do more in the future. And, of course, as you mentioned, we have committed, in terms of bedding down new aircraft, so the KC-46, the F-35, and so forth. We want to continue this forward in very much a total force spirit.

Senator SHAHEEN. Good. Thank you very much.

The report also notes that the Air Force generally does not incorporate homeland security demands from governors. So sometimes it struggles to meet day-to-day requirements both at home and abroad. I wonder, General Welsh, if you can talk about to what extent the Air Force incorporates homeland demands into its force structure planning.

General WELSH. Senator, one of the things that General Frank Grass has been trying to do at the National Guard Bureau is help us with the issue of not having a set of defined requirements for title 32 support. If we had those, whether they were by State, regional, whatever they were, we could ensure that the right force structure is available to meet those needs. Right now, we do not have those defined requirements. A lot of work is being done within the Guard Bureau and with the States to produce that, and we are looking forward to seeing it.

Clearly, it is our job to support the governors with Air Force force structure in some component whenever it is necessary. Everyone in the Active component lives in a State somewhere, and I want my family in that State to have great support when the

Guard or Reserve are called up to assist the Governor as well. This is in all of our best interests.

Senator SHAHEEN. So is this something that you think this committee ought to look at better defining in statute?

General WELSH. Senator, I think you would need to check with General Grass. I do not know the current status of this, but I know that this effort has been underway for a year at least and probably longer than that. But if they can identify those requirements, I think everyone would have a little more clarity into what is actually required to support the governors? needs because they vary, as you well know, by State and by region.

Senator SHAHEEN [presiding]. Well, my time is up, and thank you both very much for your panel.

I think we will recess until the chairman comes back. Then we will take up the second panel. Thank you all. [Recess.]

Chairman LEVIN. We are going to come to order without certainty as to how many of us are going to get back at what point. Many of you are already familiar, for better or worse, with the way in which we sometimes have to operate. So I will apologize for it, but I think you all are probably familiar with the way this place operates or does not operate.

So I know that Senator Inhofe is on his way back. I believe he wanted us to soldier on here, so we will.

And so, General McCarthy, we are going to call on you as chairman to kick this off, and then we will see if others want to contribute. Thank you all again for your service. I made some comments about this commitment you made and the document you delivered was very, very positive, and I think the Air Force also, from testimony this morning and from other meetings, has indicated they find that this work is very helpful to them. So, General, please begin.

STATEMENT OF LT. GEN. DENNIS M. MCCARTHY, USMCR, RETIRED, CHAIR, NATIONAL COMMISSION ON THE STRUCTURE OF THE AIR FORCE; HON. ERIN C. CONATON, VICE CHAIR; HON. R.L. LES BROWNLEE, MEMBER; DR. JANINE A. DAVIDSON, MEMBER; DR. MARGARET C. HARRELL, MEMBER; GEN. RAYMOND E. JOHNS, JR., USAF, RETIRED; AND LTG HARRY M. WYATT III, ANG, RETIRED

Mr. MCCARTHY. Thank you, Mr. Chairman. On behalf of all of my colleagues, thanks to you and the members of the committee for allowing us to testify today. I would ask that our written testimony be included in the record.

Chairman LEVIN. It will be.

Mr. MCCARTHY. Mr. Chairman, as you pointed out earlier this morning, the statute that created the commission set forth six specific issues that we were to consider. We did our utmost to address each of them directly and to provide actionable recommendations.

In briefest summary, our recommendations flow from three main findings.

First, that today's Air Reserve components—and I stress today's Air Reserve components—with the full concurrence of the great Americans who serve in those components comprise an operational reserve, not the strategic reserve of former years.

Second, that the three components of the Air Force all meet a single standard of readiness and capability.

And third, that many of the laws, regulations, and personnel management systems in effect today were designed for the strategic Reserve era of a previous century.

These findings led us to 42 separate but we believe mutually supporting recommendations that revolve around 2 central themes: integration and rebalancing. Greater integration of the three components will lower risk to the Nation, will give all airmen more flexible opportunities to serve, and we believe will save money. Rebalancing the Air Force or changing the mix of full-time and part-time personnel will allow more efficient use of the total force, will provide a better mix of experience within units, and will create more opportunities to leverage the unique skills and talents that are found in all three Air Force components.

The integration and rebalancing that we recommend will require a number of enabling actions. These enabling actions are needed to change laws, regulations, and policies that worked when members of the Air Force Reserve and Air National Guard met one weekend a month and for 2 weeks of summer training. But today's operational reserve, especially as it becomes more integrated with the Active component, needs new regulations and controls. Areas such as duty and pay status rules, higher tenure limits, and unnecessarily rigid barriers between title 10 and title 32 forces all should be reexamined.

Not all the enabling actions will come in law. Air Force regulations must be reexamined and revised where necessary to reflect the one Air Force envisioned by Secretary James and General Welsh.

Mr. Chairman, I am proud of the work done by the commission and our staff. We are all anxious to respond to your questions and to those of your colleagues. Thank you.

[The prepared statement of the National Commission on the Structure of the Air Force follows:]

Chairman LEVIN. Thank you very much, General.

Other members of the commission want to add a comment before I start off with some questions?

Thank you again, all, for your service here.

We have how many missing commissioners who are not here this morning?

Mr. MCCARTHY. We have two who were not able to be here today.

Chairman LEVIN. If you would pass along our thanks to them, we would appreciate it.

Mr. MCCARTHY. I will do that, sir,

Chairman LEVIN. I think almost all or all of your recommendations were unanimous. For instance, you agreed that the Air Force Reserve Command should be disestablished. Why has that generated such a negative reaction from our Air Force leaders?

Mr. MCCARTHY. I would say that that is the recommendation that has produced the greatest amount of pushback, and I think that speaking for myself—and I will allow my colleagues to join in, but part of the pushback has come from not fully understanding the recommendation. We never intended—and as I told Secretary James and General Welsh just a couple of months ago, it was not

intended that the disestablishment of the Air Force Reserve Command would be a current-year action. It is intended as the finish line after this process of integration has moved Air Force Reserve units into a position where an Air Force Reserve Command is no longer necessary. We also stressed that the role of the Chief of the Air Force Reserve, a three-star Chief of the Air Force Reserve, would probably be more important going forward. And although we did not mention it, I think we have all come to understand that perhaps some of the things that are done today in the staff of the Air Force Reserve Command might need to transfer to the staff of the Chief of the Air Force Reserve. There is nothing in our recommendation that changes that.

I know General Johns has some views on this. I would ask him to add them.

Mr. JOHNS. Mr. Chairman, if I could start at the lowest level, the unit. So let us take a C-17 unit right now that has a mix at Charleston Air Force Base of active and Reserve. And right now, the mix of aircrews is more active than it is Reserve. So as the war draws down, we may not need that many people who are active duty crews. So we can change the mix from being a preponderance of Active Duty to Reserve. So, say, we go to three Reserve and just two active duties, switching it around. So that is great. So now as we talk about continuum of service, let us let those airmen who are at Charleston, let us say, stay there for their families, let them use their GI Bill, and let them become reservists, full-time or part-time based on the needs of the Air Force and the needs of those individual families.

Now let us look at the squadrons. Do we really need to have a separate active duty squadron and Reserve squadron or can we actually let them combine to have one squadron? So we reduce two chains of command, flight commanders, ops officers, squadron commanders. And then the command should be open to Reserve or Active Duty in this case. And so we reduce the opportunity for both Active and Reserve by getting rid of two squadrons and making one that is combined.

One of the synergies is the active duty is much more aware of what it means to be a reservist and have to have that traditional role. The reservist also, maybe the commander, is very aware of the active duty. So we want to grow the synergy at the unit level. And from that squadron level, you move up to the operations group or to the wing. Do you need two wing commanders, or can the wings be combined and be open to Reserve, guard, or active duty? And so you reduce opportunities both sides—but again, the need allows us to do that. And then eventually, if that is all working and you have these pilot programs, you could then move it up to the higher, to the numbered Air Force. You need a separate Reserve numbered Air Force or Active Duty. Can they be combined?

The 18th Air Force, for example, at Scott Air Force Base—it is the numbered Air Force for Mobility Command, but yet, some of the forces come from the Reserve and the Guard. Why could the 18th Air Force not be a reservist or a guardsman, he or she best qualified, and open that up?

So if this eventually allows to have the integration at the unit level among our airmen who work together so very well, over time

it could actually allow further integration up the chain up to the air staff where those people who have those independent chains of command can come together, and we can allow those airmen to go from administrative and developmental and mentoring roles back to functional roles.

So it has to be evolutionary, and I think that is where we are trying to go, that it is not about tomorrow. It is about a future opportunity, as the Secretary of the Air Force said, a possibility.

Chairman LEVIN. How long would that evolution take? A reasonable estimate.

Mr. JOHNS. Sir, I think to put a time—

Chairman LEVIN. Or a range. Can you even tell us—

Mr. JOHNS. Years. I will say 10 years. Maybe look where the Air Force has come with the integration of the total force units over the 102 that we have. Probably since about 2006 or so we started. So that has been 8 years of doing that now, and some have worked better than others. So I think it is into the future.

Chairman LEVIN. Anyone else want to comment on that question? [No response.]

We had some discussion with the first panel about this current ratio of 65 to 35 and the recommendation that it make a significant change in that.

We had some real question as to how far along in their analysis they have gone and what the effect of that analysis might be on the current budget. And General Welsh basically said that we have got—I think he talked about a \$20 billion challenge and that this is a \$2 billion perhaps savings in the recommendations, if my memory is correct. But the \$10 billion—it is \$2 billion per year. \$2 billion a year would be \$10 billion over the FYDP. The \$20 billion that he mentioned was also over the FYDP. So rather than being 10 percent of the financial or budget challenge \$2 billion of \$20 billion, it is really \$10 billion of \$20 billion, as I understand the report and the numbers.

Any of you want to comment on that conversation? I think you were all here to hear it. General, do you want to kick off or anybody else on that particular question, whether or not implementing your recommendations would solve a significant part of the budget problem, at least more than 10 percent of it?

Mr. MCCARTHY. We were obviously limited, Senator, in both the amount of time and the ability to analyze intricate budget details, but we had some good people on our staff. And so we started with what the Air Force had originally proposed at the time we were thinking about this and working on it. We attempted to demonstrate that as a matter of principle we thought it was better that if you reduced the size of the Active component end strength and proportionally increased the size of the Reserve component end strength, you could maintain the overall capability of the Air Force, at least the overall end strength of the Air Force, and save money. And since the Air Force had kind of put a bogie in their plan of \$2 billion, we demonstrated that a 36,000-person shift of the type I have described would save the same \$2 billion.

We never and did not recommend—first of all, that is not one of our recommendations. But second of all, we did not think of it as a first-year or an initial-year action but rather that the principle

of preserving talent by increasing the Reserve component end strength as you decrease the Active component end strength was a principle that the Air Force should follow.

My other commissioners may have some thoughts.

Mr. BROWNLEE. Mr. Chairman, if I understand your question and if I can recall what General Welsh said, I think he referred to a \$20 billion—

Chairman LEVIN. Divestiture.

Mr. BROWNLEE.—amount that would come as a result of divestiture. I thought he said over 10 years. Did he say 5?

Chairman LEVIN. No. I think he said over—apparently he did not specify.

Mr. BROWNLEE. I am sorry?

Chairman LEVIN. Apparently he did not specify.

Mr. BROWNLEE. Okay. Well, the \$2 billion—whether the transition would occur over 1 year or 2 years or 3 years to finally transition 36,000 from the Active to the Reserve component, the \$2 billion that would be saved would be saved \$2 billion per year for each year thereafter. So I do not know how the divestiture—

Chairman LEVIN. Well, let us assume the divestiture is divided by 10 instead of by 5. Either way, a few billion is a big chunk.

Mr. BROWNLEE. Sure. So eventually the transition of the force structure would catch up with the divestiture—

Chairman LEVIN. Right, but even in the first year, if it was \$2 billion savings even in—

Mr. BROWNLEE. And I do not think they are going to divest of all these airplanes in 1 year, nor would we propose to transition everything in 1 year.

Chairman LEVIN. Right. How long a transition is it?

Mr. BROWNLEE. How long should the transition be?

Chairman LEVIN. What do you estimate the length of the transition?

Mr. BROWNLEE. My personal view is, sir, it would take probably several years. You cannot simply move the force structure and the people with it. The people are people in the Active components. Some might be lost through attrition or other ways, or you can eventually board people out.

But I think what we had in mind was first you have to—the Air Force insisted that the Reserve component flying units had the same levels of readiness as their Active component. So given that and given that part-time forces generally cost less than full-time forces, we suggested that the Air Force should study the missions that the Active component is performing and transition all those missions it can over time to the Reserve component and, therefore, as the chairman indicated, save money because you can perform those missions with forces that cost you less. So that was the rationale behind what we recommended.

And we did not really address whether that should happen in 1 year or 2. Some of those missions we believe could probably be transitioned faster than others, but over time, that kind of underlying principle should yield savings over time, and it would yield a larger Reserve component than Active component.

Chairman LEVIN. Right, and the savings, when they are fully achieved, could be \$2 billion a year, but it takes a number of years to get to that point.

Mr. BROWNLIE. The savings is there every year after that.

Chairman LEVIN. Right and continue after that. So we do not know what divestiture could be avoided this year, for instance, because we do not know what part of the \$2 billion would be available this year.

Mr. BROWNLIE. Yes, sir.

If I can make one other point from the Air Force point of view. It is that anything they do in this budget year—of course, if the Congress says do not do what you proposed, do what the commission proposed—they probably have a money issue right now. They have got to go find money from somewhere else because their budget is up here. They have to stick with the President's budget, as you know, unless they send up a budget amendment and change it. And so they would have a shortfall. I can understand why they kind of stick with that, and so anything that the committee might do that changes their budget is going have to take into account where they make up the shortfall from what they have proposed.

Chairman LEVIN. I think we follow that.

I missed that vote, and I am going to try to catch the beginning of the next vote. I will make sure that we check with others to see if they are coming back.

General Welsh said that command and control units are not particularly well-suited for Reserve Forces, Reserve components. First of all, do you agree with that assessment? I guess I will ask it directly. Or do you have a comment about that?

Mr. MCCARTHY. I guess I would say first and foremost that we recognize that when you talk about a mix between Active components and Reserve components, that it will be different in each of the mission areas and that clearly some areas are probably much better suited for a preponderance in the Active component or a preponderance in the Reserve component.

As to command and control, I recall some testimony that we received that there was a very successful Reserve component command and control augmentation force. Ray perhaps or Bud, perhaps you could comment on that.

Mr. WYATT. If I could. Maybe in my mind, the way I like to look at it is to draw a distinction between readiness and responsiveness. It is one of the findings of the commission. I think the Chief and the Secretary agree that one of the strengths of the Air Force is that as far as readiness is concerned, all of the components are trained to the same level of readiness.

When you talk about command and control, the issue of responsiveness, how quick can you be ready to go, and especially in the command and control function, two issues. One is the responsiveness and the other is the volume of the work that needs to be done in a particular command and control environment. And so while I agree with the Chief and the Secretary that maybe initially for those instantaneous responses in command and control, that might weight more heavily toward the Active component—for example, if a Libya pops up and you need some additional command and con-

trol experience, the readiness levels of the Guard and Reserve then are very appropriate to kick in and augment the Active component.

So I think that there is room for participation in this core function by all three components. That may be one of those core functions and mission areas that would be weighted more heavily toward that Active component when we talk about that 58/42 percent. The airlift is already more heavily comprised by the Reserve component percentage-wise, but that may be one of the core functions—I think that is where the Chief was going, was that maybe it should be more heavily weighted toward the Active component. But it is a core function that all the components can and should participate in.

Chairman LEVIN. Anyone else want to comment on that question? [No response.]

Okay. I hate to inconvenience you, but if you do not mind, I would like to go over and vote, check with colleagues that I can collar on the floor to see if they are coming back. And then I will come back in any event, if for no other reason than to adjourn the hearing. But there may be others that want to get back, and so I am going to try to check that out while I vote.

So we will recess for, it could be, 10 or 15 minutes. Thank you for your understanding. [Recess.]

Thank you again. The committee will come back to order.

And I just have one additional question, and then we will adjourn.

In your prepared testimony, General, I believe that you directed commission staff to draft an implementation strategy that could be the basis for the Air Force to execute a total force continuum implementation plan. And I would wonder whether you could provide the committee with a copy of that implementation plan for our record.

Mr. MCCARTHY. Certainly, Mr. Chairman, we can provide everything that we have.

I would say that one of the things that we did in writing the report was, as you note, we first listed the recommendations in the order in which they appeared in the report, and then we grouped them by the agency or department who we thought would be responsible for implementation. What we probably should have done and what we have done since then is to provide another grouping of the recommendations that tend to relate directly to one another, and we think there is about six of those groupings. And that became the basis of the staff thinking about the implementation. We were asked a lot about that. I would say that the commission itself has taken no action on an implementation plan, but there is certainly some staff work that might be useful to the committee staff, and we would be happy to provide that.

And I would ask my of my colleagues if they want to comment on that further.

[The information referred to follows:]

[COMMITTEE INSERT]

Chairman LEVIN. Well, that would be helpful because even though we understand the limitation, it will not have had a formal commission approval. Nonetheless, it would be very helpful to us and would appreciate that, if you can do that.

Anyone want to add a comment before we adjourn? [No response.]

Thank you again for your tremendous work.

Mr. BROWNLEE. Chairman, I might want to say one thing because of what the chairman said. I think we had excellent leadership on this committee from the chairman. I tell you he was focused on that due date like a laser and made sure that we all met that. And we also benefited greatly from a very, very capable staff.

Chairman LEVIN. Well, we thank you all. We thank your staff. We will stand adjourned.

[Whereupon, at 2:24 p.m., the committee adjourned.]