

**DEPARTMENT OF THE AIR FORCE
PRESENTATION TO THE COMMITTEE
ON
ARMED SERVICES
UNITED STATES SENATE**

SUBJECT: AIR FORCE BUDGET POSTURE

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The Future of Air and Space Power
Air Force Posture Statement
Fiscal Year 2018 President's Budget Request

Air and space power are vital to our nation's security. Any objective evaluation of today's U.S. Air Force reaches stark conclusions.

- First, the Air Force is too small for the missions demanded of it and it is unlikely that the need for air and space power will diminish significantly in the coming decade.
- Second, adversaries are modernizing and innovating faster than we are, putting at risk America's technological advantage in air and space.

The resources provided in Fiscal Year 2017 have begun to arrest the readiness decline. The Fiscal Year 2018 President's Budget request begins to restore readiness and increase the lethality of the force. Future budgets must focus on modernization and continued readiness recovery so that we can defend the homeland, own the high ground, and project power in conjunction with allies.

An Air Force in Demand

Today's Air Force is growing after a period of significant decline and we must continue to increase the size of the force. Currently, the Air Force includes 660,000 active, guard, reserve and civilian Airmen, compared to 946,000 just 26 years ago when we fought in Operation Desert Storm -- a 30% reduction.

The Air Force also reduced its aircraft inventory over this same period from 8,600 to 5,500 aircraft. We have 55 combat-coded fighter squadrons across the active duty, guard, and reserve, compared to 134 squadrons during Desert Storm.

Before 1991, the Air Force bought approximately 510 aircraft per year. In the past 20 years, we have averaged only 96 per year. Today, the average age of our aircraft is over 27 years.

And, unlike during the Cold War, Air Force aircraft have been flying in combat for 26 straight years. When the Islamic State of Iraq and Syria (ISIS) sought to consolidate power in Syria and northern Iraq in 2014, the U.S. Air Force surged to the fight. Since then, Airmen have executed over 70 sorties daily against ISIS targets. Coalition air forces have put over 80,000 weapons against enemy targets in over 26,000 airstrikes in Iraq and Syria since the campaign began. Over 70% of those strikes have been conducted by the U.S. Air Force.

Last year alone, MQ-1 and MQ-9 remotely piloted aircraft crews flew more than 351,000 hours and employed more than 3,000 weapons, removing thousands of enemy combatants from the battlefield and protecting U.S. and coalition forces.

Air Force intelligence, surveillance and reconnaissance provides warfighters over 6,000 intelligence products per day that are used to identify enemy targets and initiate 70% of Special Operations Forces assaults on terrorists.

Air Force-operated space-based sensors provide around-the-clock global coverage for missile warning, nuclear detonations and other threats.

And Air Force cyber operators blocked more than 1.3 billion malicious connections in 2016 alone, an average of more than 40 malicious connections per second.

While we continue to extend the life of old aircraft, materials suffer fatigue and maintaining old equipment is time consuming and expensive.

We are short of maintainers and pilots. While flying hours to defeat ISIS overseas is a priority, training to confront near peer adversaries has suffered. We are at our lowest state of full spectrum readiness in our history. Only 50% of our squadrons are ready to conduct all of the missions assigned to them.

The decisive warfighting advantages we hold over our near peer adversaries are diminishing.

Air and space superiority -- owning the high ground -- is not America's ordained right. We cannot take it for granted. We must plan for it, equip for it, train for it and fight for it.

The Changing Security Environment

Adversaries are rapidly developing new capabilities to control air and space. They seek to undermine the credibility of our alliances, contest our freedom of maneuver, and neutralize our ability to project power. Over the past several years, their targeted investments in critical capabilities have outpaced our own.

Russia continues its aggression and malign influence in Ukraine and Syria while seeking to return to great power parity with the U.S. by modernizing its military.

China is fielding new defense platforms at a startling pace and continues to expand its regional influence in the East and South China Seas.

North Korea is accelerating nuclear and missile testing. Their actions in the Pacific increase risk of miscalculation and threaten the security of our allies and the homeland.

Iran continues to support international terrorist organizations and extend its negative influence throughout the Middle East while modernizing an array of military capabilities.

Each of these state actors possesses or is pursuing advanced long-range capabilities with the potential to strike American soil.

At the same time, violent extremist organizations and individuals inspired by them are threatening America and our allies.

Potential adversaries are quickly closing the gap in the decisive warfighting advantages we have held for decades. As their capabilities become stronger, the international order will grow more unstable and the strategic risks to American security and our global interests will increase. Staying ahead of these trends will require a concerted, coordinated effort.

Stopping the Decline

The Consolidated Appropriations Act of 2017 begins to arrest the decline and focuses on starting to restore the readiness of the force. The funds for Fiscal Year 2017 address critical capability shortfalls, and enable us to start to address delayed procurement and modernization of our force. This is a critical first step in restoring the Air Force's capabilities to meet future threats. We must have stable, predictable budgets that include strategy-driven funding.

We also add our voice to the chorus of concern that budget instability is itself a significant problem. Continuing resolutions, or worse, sequestration, puts at risk our ability to successfully accomplish what our nation asks of us.

A failure to provide relief from the current Budget Control Act caps would cut \$15 billion from the Air Force budget – a reduction that would further hollow out the force and set us back years.

Restoring the Force

Looking ahead, we are focused on restoring readiness, cost-effective modernization, innovation for the future, and developing exceptional leaders. These areas of focus will allow us to defend the homeland, own the high ground, and project power in concert with our allies.

Of course, there is an assumption behind our plans. As a nation, since the end of World War II, America has chosen to be a global power, capable not only of defending the homeland, but gaining and maintaining dominance over areas of operation abroad. We have an Air Force that provides global mobility, global intelligence surveillance and reconnaissance, global strike, and global command and control to protect our vital national interests in concert with allies.

Threat drives strategy; strategy drives force posture. America's national security interests continue to be global in scope, requiring an Air Force which goes beyond homeland defense or regional power projection.

Restoring Readiness

The Air Force budget recognizes that we cannot restore our readiness in a single year. When we lose an F-22 avionics specialist with 10 years of experience, we cannot hire another person with 10 years of experience on the F-22. We have to recruit them, train them, mentor them and, most importantly, retain them.

For the Air Force, readiness is first and foremost about people.

Personnel – Restoring Readiness

The Fiscal Year 2017 budget increased active duty manpower to 321,000 Airmen. The Fiscal Year 2018 President’s Budget request continues to rebuild the force to 325,100 active duty Airmen, while also adding 800 reservists, 900 guardsmen, and 3,000 civilians. The Total Force will increase to 669,611 people from 660,707 in Fiscal Year 2017. The additional personnel are focused on increasing maintainers—particularly for the F-16 and F-35A, increasing remotely piloted aircraft crews, and increasing pilot training capacity by adding two new F-16 formal training squadrons. It also allows us to reduce critical gaps in our space, nuclear, cyber, and intelligence career fields.

Pilot retention continues to be a significant concern. We project a deficit of approximately 1,500 total active, guard, and reserve pilots at the end of Fiscal Year 2017 and trending further negative in the near term. Our fighter pilot shortage has already reached crisis levels and we will be approximately 1,300 Total Force fighter pilots below the requirement at the end of this fiscal year. There will be no single solution and no quick fix for the pilot shortage. This budget expands pilot training, continues incentive pay and bonuses, increases administrative support at the squadron level, improves readiness, and funds flying hours.

This budget request also includes 1,168 military and civilian positions to support squadron commanders so that “additional duties,” which were shifted to operators, aircrew, and maintainers over years of personnel cuts and most recently in the wake of sequestration and the Budget Control Act, can be performed by dedicated support staff.

Squadrons are where readiness is generated and sustained, and where Airmen and families thrive. It is also where leadership matters the most. We are working to revitalize squadrons as the most essential level of command and the heart of our Air Force. Over the coming year, the Air Force will be reviewing leadership development, particularly at the squadron level.

In order to restore readiness, the budget request includes \$6.2 billion to fund flying hours at maximum executable levels and \$11.9B to fund weapons system sustainment (parts, maintenance and logistics support) to near the maximum executable level. While the budget for flying hours decreases slightly from Fiscal Year 2017, this reduction is largely because of a decline in fuel costs.

Further, the Fiscal Year 2018 President's Budget request funds a continuation of 641 active, guard, reserve, and civilian positions dedicated to Sexual Assault Prevention and Response (SAPR).

Finally, this budget request is vital for the quality of life for our Airmen and their families – funding a 2.1% increase in military pay, a 3.2% increase in basic allowance for housing, and a 3.4% increase in subsistence.

Munitions – Restoring Readiness

In addition to adding people and training, this budget request also addresses munitions. In the fight against ISIS in Iraq and Syria, the Air Force has delivered more than 56,000 direct attack munitions from the air. That is more than we used in all of Operation Iraqi Freedom.

Our use of munitions in operations is out-pacing production. Working with industry, the Fiscal Year 2018 President's Budget request funds maximum factory production of the most critical munitions, including the Joint Direct Attack Munition, the Hellfire missile, and the Small Diameter Bomb.

Cost-Effective Modernization

While restoring readiness is primarily about the size of the force, quality training, and munitions, for the long term the Air Force must modernize its weapon systems and equipment to defeat emerging threats.

The Fiscal Year 2018 President's Budget request budget prioritizes our top three acquisition programs to modernize the force: the F-35A fighter, the KC-46 tanker, and the B-21 bomber.

The F-35A is essential to our national security — a stealthy multi-role fighter needed to own the high ground and project power against increasingly capable adversaries. This budget request funds the purchase of the next 46 F-35A fighters with a goal of reaching 60 per year in the future. The budget also focuses on restoring readiness and modernizing our 55 combat-coded fighter squadrons.

We have enhanced our air refueling capability by entering initial production of the KC-46 Pegasus tanker. The KC-46 program modernizes our aerial refueling fleet, providing global mobility for the joint force and our allies. The Fiscal Year 2018 President's Budget request buys 15 more KC-46 aircraft. The Air Force expects to sustain steady state production of 15 KC-46 aircraft a year throughout the Future Years Defense Program (FYDP).

We are rapidly developing the B-21 Raider long-range strike bomber. The B-21 will form the backbone of our future bomber force, ensuring the ability of our nation's leaders to hold targets at risk around the world with both conventional and nuclear weapons.

While the F-35 fighter, the KC-46 tanker and the B-21 bomber are our top modernization priorities, there are a number of other modernization efforts supported in the Fiscal Year 2018 President's Budget request. These include the modernization of F-22A, F-15, and F-16 aircraft so that they remain viable, along with B-52, B-1, and B-2 bombers for strategic delivery of advanced munitions.

In the realm of intelligence, surveillance and reconnaissance, the Air Force continues to support the MQ-9 Reaper, RQ-4 Global Hawk, and RC-135 Rivet Joint upgrade strategies.

The Fiscal Year 2018 President's Budget request supports special operations and combat search and rescue with the purchase of two HC-130J and five MC-130J aircraft. We also sustain our

commitment to command and control by funding several upgrades to the E-3 Airborne Warning and Control System (AWACS).

Modernizing the Nuclear Deterrent

All legs of our nuclear triad need to be modernized. The last major recapitalization of U.S. nuclear forces occurred in the 1980s. In the case of the Air Force, maintaining our aging nuclear weapons systems is becoming more expensive and less practical.

Nuclear deterrence underpins national security for the United States and our allies. The Air Force stewards two legs of the nation's strategic nuclear deterrent and operates 75% of the nuclear command, control, and communications for the President and the military chain of command. Additionally, forward-based nuclear capable aircraft are a key component of the U.S. commitment to deter attack on our NATO allies.

The intercontinental ballistic missile (ICBM) force represents the most responsive leg of the nuclear triad. The dispersed basing of our land-based deterrent enhances strategic stability by creating an extraordinarily high threshold for a large-scale conventional or nuclear attack on the U.S. homeland. The air-delivered leg of the triad and dual-capable fighters provide a recallable, and highly visible force to extend deterrence, demonstrate resolve, and signal U.S. strategic commitment to our allies. In addition to the B-21 bomber, the Air Force is committed to modernizing the nuclear enterprise by replacing Air-Launched Cruise Missiles with the Long Range Stand-Off munition, modernizing ICBMs with the Ground Based Strategic Deterrent (GBSD), replacing the UH-1N helicopter, and making targeted investments in nuclear command, control and communication.

Meeting the Space Threat

For decades, the United States enjoyed unimpeded freedom of action in space. This benign environment allowed us to operate satellites for intelligence collection, missile warning, weather monitoring, communications, and precision positioning, navigation, and timing without considering how to protect these systems. That environment no longer exists. Our adversaries understand the

advantages we derive from space and are actively pursuing capabilities to diminish them. In future conflict, space will be contested.

The Air Force has been the leading military service responsible for space systems for 54 years, and the Secretary of the Air Force is the principal advisor to the Secretary of Defense on space.

Over the last several years, the U.S. Air Force has been developing operational concepts to ensure freedom of action in space, changing the way we train our space force, and integrating space with the joint force.

The Fiscal Year 2018 President's Budget request increases the Air Force's space investment funding from \$6.5 billion in Fiscal Year 2017 to \$7.8 billion, a 20% increase. This increase represents a 27% increase in research, development, testing and evaluation (RDT&E) for space systems and a 12% increase in space procurement.

The budget request includes a fixed price block buy of Space Based Infrared Systems (SBIRS) 5 and 6 satellites. The budget funds purchase of terminals, ground control systems, and related communications security for satellites and funds three launches as part of the Evolved Expendable Launch Vehicles (EELV) program.

To fill a gap in weather coverage, the budget request funds a weather satellite through the Operationally Responsive Space (ORS) office.

While our existing Global Positioning System (GPS) satellites remain healthy, we face increasing risk from potential adversary advances, and will improve anti-jamming and secure access to military GPS.

The Air Force budget also funds the continuation of the Space Security and Defense Program and the National Space Defense Center where we are experimenting with concepts to ensure freedom of action in space and resilience in an integrated center that includes all sister-services, as well as the intelligence community. It also funds improvements in space situational awareness, which is foundational for space control, integrated ground systems and improved training of space forces.

Our budget supports the continued integration and normalization of space in the joint warfighting environment and places a high priority on space to ensure that our space systems continue to operate

in a contested environment. We would prefer that war not extend into the space domain, but must be prepared to win if it does.

Modernizing Cyber

The Fiscal Year 2018 President's Budget request funds 39 offensive and defensive cyber teams that are on track to be fully operational in Fiscal Year 2018. The budget anticipates an increased reliance on contractors for basic information technology and cloud services so that military members can focus on advanced threats and warfighter missions as part of the joint force.

Innovation for the Future

Research, development, test and evaluation are critically important for a technically oriented service. The Fiscal Year 2018 President's Budget request includes a significant increase in funding for systems development and testing for the B-21, the Global Positioning System Operational Control System (OCX) and the Long Range Standoff weapon. Funding is also included for engineering and risk reduction for the Presidential Aircraft (PAR), Joint Surveillance and Target Attack Radar System (JSTARS) replacement, and the new Combat Rescue Helicopter.

Funding for basic and applied research related to longer-term national security challenges remains flat in this budget request, although funding for long term research on air dominance is increased significantly. Over the next several years, the Air Force will seek to increase basic and applied research in areas where we must maintain the competitive advantage over potential adversaries, including game-changing technologies like hypersonic vehicles, directed-energy, unmanned and autonomous systems, and nanotechnology.

Accelerating Procurement

To prevail against a rapidly innovating adversary, the Air Force must get capability from the lab bench to the warfighter faster than ever before.

In the Fiscal Year 2017 National Defense Authorization Act, Congress expanded acquisition authorities for the services. Taking advantage of this flexibility, the Air Force is sponsoring an experiment in August 2017 to evaluate low-cost, permissive environment attack aircraft. While this is an experiment, not a procurement, the project has gone from approval by the Chief of Staff of the Air Force to an operational capabilities assessment in five short months.

The Air Force is also testing new procurement methods with early stage, highly innovative companies who do not normally do business with the Department of Defense. If successful, we will seek to replicate this approach. While not appropriate for large system development, these kinds of projects can open the pathway to rapid innovation for air and space dominance.

Infrastructure and Military Construction

Constrained by the Budget Control Act, the Air Force has prioritized combat and not infrastructure. The Fiscal Year 2018 President's Budget request includes \$2 billion for military construction. The beddown of new missions, combatant commander needs, and strengthening the nuclear security enterprise have been given priority for the limited funding available.

In addition, the Fiscal Year 2018 President's Budget request funds construction of improved ranges at the Utah Test and Training Range and Red Flag in Nevada so that we can train using the full range of capabilities available to our aircrews in the F-35A. The budget also funds additional virtual and constructive, or "synthetic", Operational Training Infrastructure (OTI). Synthetic capability provides opportunities to test and train against the world's most significant threats at reduced cost.

The Air Force supports the Department of Defense request for authorization to conduct a Base Realignment and Closure (BRAC) round in Fiscal Year 2021. Completing the more detailed analysis once a BRAC is authorized will have value, and may highlight opportunities for some savings. Enduring savings from BRAC recommendations will leave more DoD resources available for future force structure or readiness requirements. BRAC also allows us, if the analysis supports it, to reposition forces or station new forces in locations that optimize their military value.

Conclusion

The Fiscal Year 2018 President's Budget request begins to restore Air Force readiness with a focus on people, high quality training, squadron support, and critical munitions.

The budget request also invests in top priority procurement to increase the lethality of the force with the F-35A fighter, KC-46 tanker, and the B-21 bomber while also making significant investments in space, the nuclear deterrent, and special operations.

As we enter our 70th year as a separate service and our 26th year of continuous combat operations, we have presented a budget that starts to turn the corner by building on the FY17 budget that arrested years of decline.

As important as program funding is, we also need budget certainty. A return to the current Budget Control Act caps will pose unmanageable -- and unacceptable -- risks to our ability to protect America's vital national interests.

We request that Congress support this budget and provide fiscal predictability for the Air Force so that we can support the National Military Strategy by defending the homeland, owning the high ground, and projecting power in conjunction with allies.