

**HOLD UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE**

STATEMENT OF

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BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON AIR AND LAND FORCES

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Air Force Modernization Programs
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Good afternoon Mr. Chairman, Congressman Bartlett, and Members of the Committee. Thank you for the opportunity to appear before you today to discuss the Fiscal Year 2010 President's Budget request as it affects Air Force acquisition programs.

On April 6, 2009, Secretary Gates announced key decisions he recommended to the President with regard to the Fiscal Year 2010 defense budget. In his statement, the Secretary said his recommendations were the product of a holistic assessment of capabilities, requirements, risks and needs for the purpose of shifting the Department in a different strategic direction. Further, he made clear that virtually all of his decisions and recommendations were made regardless of the Department's top line budget number.

Secretary Gates' decisions and recommendations were structured to attain three principal objectives:

- First, to reaffirm our commitment to take care of the all-volunteer force, America's greatest strategic asset;
- Second, to rebalance the Department's programs in order to institutionalize and enhance our capabilities to fight the wars we are in today and the scenarios we are most likely to face in the years ahead, while at the same time providing a hedge against other risks and contingencies;

- Third, to reform how and what the Department buys, meaning a fundamental overhaul of our approach to procurement, acquisition, and contracting.

The sections that follow address the specific topic areas in your invitation letter. As you will see, the Department of Defense budget for Fiscal Year 2010 as it pertains to Air Force acquisition programs generally, and the specific programs you asked us to address, are focused on that second objective. Specific programs may have been increased or decreased; restructured, accelerated, or cancelled. But the budget, taken holistically, rebalances programs to enhance our capabilities today and the scenarios we are likely to face in the future, consistent with the Secretary's objective.

Fighter Force Structure and F-22 Production Termination

The programmed Air Force tactical air force structure meets requirements for the National Military Strategy, prudently balancing security needs and fiscal realities. The program addresses the threats we face now and expect to face in the future and reflects a key emphasis on unconventional warfare and homeland defense, while maintaining the capability to defeat any opponent in a major regional conflict. The capabilities contained within the Air Force and across the Services combine to form a robust program, prepared to deter and defeat a wide range of threats to our security. The Fiscal Year 2010 President's Budget provides an array of warfighting capabilities across the air combat portfolio, to include strike fighter aircraft, unmanned aircraft systems, aerial refueling tankers, intelligence, surveillance, and reconnaissance assets, and munitions.

The Department believes a programmed force of 187 F-22A aircraft, combined with a larger force of F-35 aircraft; provide the necessary mix of 5th generation strike fighter aircraft to meet the future requirements of the National Military Strategy. The Department has conducted extensive analysis on this issue including the Joint Air Dominance study provided to Professional Staff Members of this subcommittee in 2008. We considered various fleet sizes of F-22 in combination with various mixes of JSF variants. Detailed modeling indicated that the programmed buy of F-22 aircraft was appropriate for dealing with an advanced opponent in scenarios requiring significant air-to-air capabilities. Analysis also showed that while we will have adequate air-to-air capability, we also need a significant amount of 5th generation air-to-ground capability. To counter highly advanced surface-to-air missile systems, the JSF brings the world's most advanced sensor suite that allows it to find, fix, and target these threats. We concluded that 187 F-22s are sufficient and that the key factor in the analysis was the balance afforded by providing the Air Force, Navy, and Marine Corps with 5th generation capabilities – in the form of JSF – rather than concentrating 5th generation capabilities in any one Military Service.

The determination of force structure requirements involves an element of risk, qualified by assessing factors such as threat projections, force structure capability, warfighting requirements, and the projected fiscal environment. One key area of risk in regard to the F-22 that the Department had to address was in making sure that the programmed F-22 force can prevail against an advanced threat. The Fiscal Years 2010-2015 Future Years Defense Program (FYDP) allocates approximately \$7 billion to

provide crucial improvements for the F-22. Included in this investment is funding for the next-generation data link, improved Small Diameter Bomb employment capability, improved targeting, and capability to employ enhanced air-to-air weapons. There is also funding to study the feasibility and cost of upgrading Block 30 F-22s to the most capable Block 35 configuration. The Department also believes that the F-35 offers an excellent hedge against any risk by providing a lower cost 5th generation strike fighter aircraft that will possess similar, and in some cases better capability, to meet the National Military Strategy.

The Department is retiring 250 of the oldest legacy tactical aircraft in the Air Force inventory, and while the Air Force will have fewer manned tactical aircraft in the future than it has today, it will not have a capability shortfall. The overall capability of the Air Force will increase and be more suited to our future needs. The 5th generation aircraft we are procuring are significantly more capable than the legacy aircraft they replace and far superior to anything any projected future threats are looking to field. By 2025 the Air Force will have over 1000 5th generation manned fighters. This compares to the relative handful any potential adversaries will have fielded by then. The Air Force is also investing heavily in unmanned MQ-9 Reapers, ramping up to 44 vehicles per year. By 2016 the Air Force will have procured sufficient MQ-9s to provide at least 50 continuous Combat Air Patrols. These unmanned, high-endurance platforms are well suited in important and unique ways for irregular warfare operations. Finally, the Department will review the size and mix of the Air Force TACAIR inventory in the upcoming Quadrennial Defense Review.

Joint Strike Fighter and Alternate Engine

The F-35 acquisition strategy contains provisions for a competitive engine program, provided funds are available to execute that strategy. Currently, the F135 engine is completing the development phase and beginning initial low rate production to support the F-35 aircraft production and test schedule. The F135 experienced two separate low pressure turbine blade failures, the first in the September 2007 and the second in February 2008. Root cause analysis determined the problem. The appropriate fixes were identified and are being incorporated into the remaining test and all future production engines. The engines were certified for Short Take-Off and Vertical Landing testing in January 2009, and the program recently completed hover pit testing as it prepares for full vertical landing flight tests later this year.

The Department did not include funding in the Fiscal Year 2010 President's Budget for the F136 competitive engine. The decision to not include funding for the F136 is consistent with the Department's position on this issue for the prior three budget submissions. The decision this year was reviewed by the Department's leadership as well as the Administration. The determination of whether to fund the competitive engine, as it has in the past, was weighed against the budget priorities of the Department as a whole, the optimum use of taxpayer's dollars in executing and preparing for the National defense, and the benefits to the F-35 program. The Department continues to execute appropriated development funding to ensure that a competitive engine program remains viable while there is funding is available. Since there is no follow-on procurement funding in Fiscal Year 2010, the Department has delayed execution of advance procurement funding appropriated in the Fiscal Year 2009 Appropriations Act. The

Department's policy is to execute advance procurement funds only when associated follow-on procurement funding or a programmed plan that contains full procurement funding is available.

The decision to increase the six-year F-35 production profile by 28 aircraft was driven by the need to create a more efficient ramp-rate from year to year as we prepare to enter full-rate production in the 2015 timeframe. Accelerating the 28 aircraft deliveries into the Fiscal Years 2010-2015 FYDP lowers the unit cost, expedites delivery of aircraft to the warfighter, and has the added benefit of saving approximately \$500 million over the life of the program. More importantly, appropriately managing the investments in this ramp-rate is critical to meeting our warfighter requirements at the lowest possible cost to the taxpayer. The current state of the flight test schedule was considered in making this decision. The developmental flight testing begins in earnest this year, with operational testing not scheduled to begin until 2012. While flight testing is an important part of the program, it is not the only indicator of performance verification. Design maturity, manufacturing quality metrics, and software stability are providing confidence through initial structural testing, limited flight envelope testing, and predicted versus actual performance in the large number of labs and simulators. The Department believes that the investment now, to achieve a more efficient production ramp, will yield savings over the long term and ensure the Services receive the warfighting assets they need to execute their operational requirements.

Cancellation of the CSAR-X Program

The Secretary of Defense, in consultation with the Joint Staff, Military Services, and combatant commanders, examined the pre-existing CSAR-X program of record, its

requirements, and its recent acquisition history. During the review, the Department considered either continuing the program or terminating. As a result of that review, the decision was made to terminate the program. CSAR-X was to provide an enhanced capability to conduct long-range penetration missions for personnel recovery in combat scenarios. All Services and the U. S. Special Operations Command currently possess a wide spectrum of overlapping and complementary personnel recovery capabilities. This overlay provides a robust national combat search and rescue capability which serves the combatant commanders well. A deep penetration mission to recover downed crews in a complex threat environment requires a joint solution. Since this mission drives many of the CSAR-X requirements, it is imperative we reassess the mission in the context of joint force capabilities. Development of single-service solutions with single-purpose aircraft, especially considering joint force capability needs for personnel recovery, is not a sustainable approach.

During the Secretary of Defense's recent review of the pre-existing CSAR-X program of record, the Air Force was a full participant and was fully engaged in the decision-making process for CSAR-X.

The Department will reassess this important mission in the context of joint force capabilities. The assessment will provide the basis to affirm or adjust current DoD policy with regard to personnel recovery; will inform the Department regarding what capabilities are essential to a follow-on program for Air Force combat search and rescue aircraft; and will provide a basis from which to ensure that the national combat search

and rescue capability provides for recovery of any downed, injured, or isolated Service member, including combat environments.

The CSAR-X performance requirements, taken in aggregate, establish demands for a significantly larger payload to be transported a significantly longer distance in significantly more challenging environmental conditions with critical improvements in several others aspects, such as survivability. The program would have required a lengthy and costly engineering and manufacturing development, to be repeated in a second capability increment, to deliver the full capability. The program strategy relied on extensive redesign of an already-existing aircraft design, including new drive systems, new cockpit avionics, extensive armament and survivability improvements, and very robust mission avionics and equipment.

The Fiscal Year 2010 President's Budget includes, in appropriate Air Force accounts, a \$90 million increase in funding to address the risk of sustaining the aging HH-60G Pave Hawk fleet, which provides our current search and rescue capabilities. The Air Force is completing HH-60G Pave Hawk planning that will be reviewed soon by the Department.

Joint Cargo Aircraft

The Joint Cargo Aircraft (JCA) program is an important Department acquisition program to help address the aging force structure supporting the Army's Time Sensitive/Mission Critical (TS/MC) airlift mission. The changes reflected in the Fiscal Year 2010 President's Budget and accompanying policy changes will maximize the robust capabilities of our existing C-130 fleet and ensure that we meet all our intra-

theater airlift requirements. The decision to transfer the Army JCA mission to the Air Force was based on an agreement between the two services that the Air Force would accept responsibility for direct delivery of Army Time Sensitive/Mission Critical cargo via JCAs and the Air Force's existing fleet of over 400 airlift C-130s. Adjusting roles and missions and assigning the Air Force greater responsibility for delivering Army time sensitive, mission critical cargo will reduce the burden on other Army platforms that currently support TS/MC cargo missions (such as the CH-47). The reduction in the total quantity of JCA aircraft is an acknowledgement that the Department can meet all of its warfighter requirements through better management of all intra-theater airlift assets.

The decision to reduce JCA procurement from 78 to 38 aircraft was made after considering a full range of options that included procuring as many as 92 JCAs and as few as zero. The Fiscal Year 2010 President's Budget codifies a real breakthrough in jointness whereby the Army and the Air Force agreed to transfer the mission of delivering Army TS/MC cargo to the Air Force. General Casey, the Army Chief of Staff has stated that the Army needs the capability to re-supply its forces, saying, "We do not have to fly the planes to get that." Flying fixed-wing aircraft "is not our [the Army's] core competency."

The Department understands there will be an impact to the National Guard and to the states that would have received JCA aircraft. We will continue to work with the National Guard Bureau on how to best minimize the impact to basing and personnel. The Department will provide an updated basing plan for the JCA once this analysis has been completed.

Strategic Airlift

Preliminary results from the Department's ongoing mobility study are due in June 2009. While important, the Mobility Capability and Requirements Study (MCRS) represents but one input to the decision process. The Department's decision to end C-17 procurement was based on comprehensive assessments of the strategic airlift fleet capacity, mix, and viability.

From a fleet capacity perspective, there is no indication, either from prior studies, or the ongoing mobility study, that the Department needs additional strategic airlift capacity above that which is already programmed (205 C-17s and 111 C-5s). An early indication from MCRS analysis—which has been in progress for nearly a year—supports the conclusion that additional strategic airlift is not necessary to meet the mobility demands of the defense strategy into the next decade.

Additionally, the Department's analysis of C-5 fleet viability does not support the need to retire C-5s and replace them with other aircraft (e.g., C-17s) within the next 15 to 30 years. The Department has determined that the C-5 fleet will remain viable through 2025 to 2040.

Finally, additional procurement will not be needed to replace existing C-17s for many years. C-17s have been designed to remain operational for twice their estimated service life of 30 years or 30,000 flight hours. The current average age of the C-17 fleet is between 9 and 10 years and 8,000 to 9,000 hours. Additionally, at current use rates, the oldest C-17 is not expected to reach 30,000 flight hours before Fiscal Year 2019.

Before a decision is made concerning additional procurement, the Department will likely consider Service Life Extension Programs, which could add 15,000 to 30,000 hours of service life to existing aircraft.

KC-X

Now that the Deputy Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology, and Logistics have been confirmed, the Secretary of Defense will meet with these two senior leaders together with the Secretary of the Air Force and the Chief of Staff of the Air Force to finalize the appropriate course of action with regard to the KC-X acquisition strategy. The Department intends to consult with Congress and brief them before finalizing our approach. Once the Secretary makes his decision, we anticipate being able to solicit proposals from industry this summer with award of a contract by late spring 2010.

Conclusion

The Secretary said that this a reform budget, reflecting lessons learned in Iraq and Afghanistan yet also addressing the range of other potential threats around the world, now and in the future. It reflects the tough choices the Department has made about specific systems and defense priorities based solely on the national interest. Certainly you can see the implications of that reform and those tough choices in the budget request for Air Force acquisition programs.

We are grateful for the continued support of Congress which has been critical to ensuring our airmen are the best trained and best equipped Air Force in the world. Thank you for this opportunity to testify on the Department's plans to continue to equip them for

today's wars and tomorrow's challenges. I look forward to answering any questions you may have.