

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

**STATEMENT OF: LIEUTENANT GENERAL DONALD HOFFMAN**  
**MILITARY DEPUTY, OFFICE OF THE ASSISTANT**  
**SECRETARY OF THE AIR FORCE (ACQUISITION)**

**28 MARCH 2006**

**NOT FOR PUBLICATION UNTIL RELEASED**  
**BY THE COMMITTEE ON ARMED SERVICES**  
**UNITED STATES HOUSE OF REPRESENTATIVES**

Mr. Chairman and distinguished members of the committee, thank you for the opportunity to appear before you today to discuss Air Force Acquisition and the modernization and recapitalization plan in the FY07 President's Budget request. Our Joint warriors are the best in the world. However, they can only be as effective as the tools we give them. Within today's fiscal constraints, we must fight the Global War on Terror (GWOT) and protect the homeland while transforming the force and maintaining an appropriate level of risk. The Air Force is committed to balancing the health of today's force with the modernization and recapitalization necessary for the capabilities of the future. The Air Force appreciates all the support this committee has provided to the warfighter and ongoing operations around the world.

The Air Force has three priorities: winning the war on terror, developing and caring for our Airmen, and maintaining, modernizing, and recapitalizing our aircraft and equipment to meet the nation's requirements. Our Air Force has been at combat for 15 consecutive years - from the initial Desert Shield deployments in 1990 to our ongoing operations in Iraq and Afghanistan. We have learned a great deal from these operations about our capabilities: Global Strike, Global Intelligence Surveillance and Reconnaissance, Global Mobility, and Information Operations and Cyberspace. Based on our lessons learned, we must adjust our force structure and recapitalize our Air Force to continue to meet our obligations under the U.S. National Security Strategy. We are operating the oldest inventory of aircraft in our history, while maintaining the intense operations tempo (OPSTEMPO) required by the GWOT, humanitarian crises, and routine requirements. As part of the Air Force transformation roadmap, we need to divest some of our older, less capable, and most costly aircraft to free up funding to acquire newer aircraft with greater capability, increased availability, and lower maintenance requirements/costs.

## Aircraft

Our primary fighter modernization and recapitalization program is the F-22A Raptor. The F-22A is a 5<sup>th</sup> generation fighter aircraft that delivers Joint Air Dominance to counter persistent and emerging national security challenges. Given its vast improvements in every aspect—air-to-air, air-to-ground, all-aspect stealth, and an adaptable architecture—the F-22A is an insurance policy against future threats to Joint Air Dominance and represents a best value capability for the American taxpayer. The F-22A is the only fighter in production that will defeat evolving threats to Joint Air Dominance in anti-access environments over the next 20-30 years. The F-22A is flying today and is in full rate production with 63 aircraft delivered and 44 in production. Its performance continues to meet or exceed key performance parameters and spiral modernization will further enhance its air-to-air and air-to-ground target engagement capability.

In the FY07 President's Budget (PB), \$1.05B was added to the Future Year Defense Plan (FYDP) for a total of 183 aircraft. To reduce unit cost, the PB requests multi-year procurement authority from Congress to procure the next 60 aircraft (Lots 7-9) and requests Economic Order Quantity funding of \$200M to achieve the projected Lot 8 and 9 savings. In addition to procuring more F-22s, the multi-year procurement strategy will extend the production to FY12 and allow the Department to keep this fifth generation fighter line “hot” in the event there are delays to the Joint Strike Fighter (JSF) program.

The F-35 JSF, also a 5<sup>th</sup> generation fighter aircraft, will complement the tremendous capabilities of the F-22A. The JSF will recapitalize combat capabilities currently provided by the F-16 and A-10. Optimized for all-weather performance, JSF will provide affordable

precision engagement. The JSF program will develop and produce a family of affordable, stealthy, multi-role strike fighter aircraft meeting the operational needs of the USAF, USN, USMC, and Allies.

The FY07 PB recommends termination of the F-136 engine development program to provide cost savings of \$1.8B through FY11. The Department concluded a single engine supplier provides the best balance of risk and cost based upon recent experience with engine development for the F-22 and F/A-18 E/F which indicates sole-source risks were modest and acceptable. The Pratt and Whitney F135 engine continues to meet or exceed stringent JSF performance requirements.

The C-17 continues to be a success story for the Joint warfighter, deploying troops and cargo to Iraq and Afghanistan, as well as numerous locations around the world. The Air Force is on schedule for delivery of the next 40 aircraft through 2008—for a total of 180. During the past year, C-17s flew over 63,000 sorties, bringing the total number of OEF and OIF missions to over 109,000. Additionally, the C-17 flew over 100 humanitarian and disaster relief missions following Hurricanes Katrina and Rita, as well as the October 2005 earthquake in Pakistan. Since 9/11, C-17s have over flown projected service life hours by 30% (approximately 190,000 hours). The C-17, in concert with C-5 modernization programs, is critical to meeting our U.S. inter-theater airlift requirements.

The C-5 fleet is a strategic airlift force multiplier as it enables the C-17 to exploit its unique multi-role mission. Born in the 60s, our 112 C-5s have served us well; however, the size and complexity of the aircraft have always been a challenge to maintainers. The typical C-5 mission capable rate is around 55%. To improve the rate, the Air Force plans a two-phase technical refresh, the first is the C-5 Avionics Modernization Program. This program will

replace legacy equipment with a glass cockpit and updated avionics that allow navigation through increasingly restrictive airspace as well as modern communications to allow connectivity with the global grid. We are installing this modification now and will complete operational testing next year. The second phase is the C-5 Reliability Enhancement and Re-engineing Program. This program will improve reliability by replacing over 70 high failure items, to include the engines. With these two efforts combined, we expect to raise our wartime mission capable rate to at least 75% and lower our operating cost significantly, allowing our C-5 fleet to continue service for decades to come.

Today, the current KC-135 fleet of 531 aircraft has an average age of 45 years. The KC-135 was developed during the Eisenhower era with the primary purpose of refueling the B-52 in support of the Single Integrated Operations Plan. The KC-135 role expanded during the Vietnam War to support tactical combat and combat support missions. Now, in the post-Cold War and GWOT environment, the KC-135 serves as a critical joint force enabler...it is key to this nation's ability to project joint power globally. The aircraft's primary role still supports tactical combat and combat support missions; however, the environment in which it operates and the extent of its mission has changed dramatically with the evolution of technology, both that of our enemies and ours. This change calls for a tanker with greater capabilities.

The tanker replacement program and FY07 budget request were based on a notional contract award in FY07 with first delivery in FY10. This program builds upon FY05 and FY06 legislation regarding tanker replacement and the stated congressional intent to procure 100 aircraft within 10 years. Presently, the Air Force tanker recapitalization efforts are on pause until the Under Secretary of Defense for Acquisition Technology and Logistics (USD (AT&L)) provides the Air Force direction to resume. When we receive this direction, we will work with

the USD (AT&L) to develop the appropriate acquisition strategy and timing. This acquisition strategy will take into account the warfighters' requirements, the recent KC-135 Recapitalization Analysis of Alternatives, the Mobility Capability Study, affordability concerns, and the material condition of the KC-135 fleet. We recognize the funding profile will then need to be refined to reflect this strategy, particularly in light of the current program pause. We remain dedicated to ensuring our warfighters, both present and future, continue to have this critical capability.

To meet continuing intra-theater airlift demands, we have a two-pronged approach to modernize our C-130s. First, we are striving to replace our oldest aircraft with new C-130Js. Second, the remaining C-130s are being standardized and modernized via the C-130 Avionics Modernization Program and center-wing box replacement programs. C-130s have been the workhorse for intra-theater airlift during numerous contingencies. The new C-130Js have supported GWOT and humanitarian operations since December 2004 and have proven to be a force enhancer as they deliver more cargo in a shorter time than older C-130s. C-130 modernization, coupled with the wing-box modification, reduces operation and sustainment costs and improves combat capability.

The third strategy for intra-theater airlift is direction from the Office of the Secretary of Defense to establish an Army/Air Force Joint Program Office (JPO) for a future cargo aircraft and light cargo aircraft to meet the intra-theater airlift capability to reach remote areas with small, unimproved runways. . The Air Force is working with the Army to ensure a joint strategy for this program which is now called the Joint Cargo Aircraft (JCA). The Army and Air Force are also developing a Memorandum of Agreement for the JCA program.

From our heritage to horizon, the Air Force understands that the challenges of the 21<sup>st</sup> century must be met by continued exploitation of our nation's technological leadership and by

the ability to respond quickly to the demands of a rapidly changing world. Our goal is to field today's technology today, not yesterday's technology tomorrow. Air Force Smart Operations 21 (AFSO 21) will enact process re-engineering throughout the Air Force. Use of commercially-proven methodologies such as Lean, Six Sigma, Continuous Process Improvement and business process re-engineering can yield not only savings for our tight modernization budgets, but also reduce cycle time and provide a better product for the warfighter. The acquisition and sustainment communities have been actively pursuing process change over the past two years while emphasizing a “back to the basics” approach in how we do acquisition. We are developing and prototyping flexible management methodologies to more effectively allocate resources and oversight across the acquisition domain. Additionally, there are on-going efforts to recruit, develop and retain the right mix of military, civilian and support contractors with the right skill sets to get the job done. Given that the acquisition community will continue to operate in an environment of constrained resources and high operational activity, we are refining our processes to be more responsive to warfighter needs and operate more efficiently. Our intent is to bring back stability and credibility to our recapitalization and modernization efforts.

Again, I appreciate the support provided by Congress and look forward to working with this Committee to best satisfy our warfighter needs in the future.