

United States Air Force



Presentation

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National Guard and Reserve Component Acquisition and Modernization Posture

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Introduction

The 21st Century security environment requires military services that are flexible -- capable of surging, refocusing, and continuously engaging without exhausting their resources and people. The United States Air Force continues to present capabilities in support of joint operations, and the Reserve Component has evolved to the point that we are critical to those operations. In an increasingly limited fiscal environment, Reservists remain efficient and cost-effective solutions to our Nation's challenges.

It is in this dynamic environment that the Air Force Reserve excels. Reserve Airmen are supporting our Nation's needs; providing operational capabilities around the globe. Today, Air Force Reservists are serving in every Area of Responsibility (AOR); there are approximately 4,300 Air Force Reservists activated to support operational missions worldwide. Not only are Reservists serving in the more commonly known conflicts such as Afghanistan, Iraq and Libya, but they are also serving in lesser publicized locations such as Austin where Air Force Reserve crews are fighting fires with C-130 aircraft equipped with the Modular Firefighting System from the intense wildfires continuing to burn in Texas.

Primarily volunteers, Citizen Airmen are ready and willing to answer the call—wherever and whenever that call might be. The Air Force Reserve has never had a more combat-ready, seasoned force. It is crucial we continue to provide them with the equipment, the training, and the resources they need to accomplish the mission. The Air Force Reserve has sustained our operational capabilities for nearly twenty years—at a high operations tempo for the past ten. We accomplish this while continuing to provide a cost-effective and combat ready force available for strategic surge or on-going operations.

Overview

The Fiscal Year 2012 President's Budget Request would fund Air Force Reserve requirements of approximately \$5 billion. It provides for the operation and training of 34 wings, funds 117,769 flying hours, maintains 344 aircraft, and provides for the readiness of 71,400 Reservists and 4,157 civilian employees. Our budget request is about 4% of the total Air Force budget, and includes \$2.27 billion for operations and maintenance for air operations, service support and civilian pay; \$1.7 billion for military personnel; and \$34 million for military construction.

Not only does our FY12 budget request ensure Air Force Reservists are trained and prepared to support Air Force and Combatant Command requirements, but it also demonstrates our commitment to the DOD's focus on efficiencies. Through better business practices, by leveraging new technology, and by streamlining our force management efforts, we identified \$195 million in efficiencies for FY12 alone. With your continued support, we have focused our efforts this year on rebalancing our force, recapitalizing our equipment and infrastructure, and supporting our Reservists and the balance between their civilian and military lives.

Air Force Reserve Rebalancing the Force

The Air Force leverages the value of its Reserve Components through association constructs in which units of the three components share equipment and facilities around a common mission. To ensure our integrated units achieve maximum capability, the Air Force Reserve must be interoperable not only with the Guard and Active Component, but with Joint and Coalition forces as well.

Properly training and equipping the Reserve Components to train and fight in concert with their active duty counterparts will ensure the Nation continues to have the "Strategic Depth" necessary to meet existing and future challenges. After years of continuous combat operations and development of the association construct, the Air Force Reserve has become seamlessly integrated with its Guard and Active Component counterparts--we cannot afford to be placed "back on the shelf".

From a financial perspective, our Airmen are a cost-effective force provider, comprising nearly 14 percent of the total Air Force authorized end-strength at only 5.3 percent of the military personnel budget. The Air Force Reserve Airmen cost per capita is 27.7 percent of Regular Air Force Airmen, or roughly 3.5 Reserve Airmen for the cost of one Active Component Airman.¹ It's important to emphasize when traditional Air Force Reserve Airmen are not training or performing an operational mission – they are not being paid; yet they remain ready to

¹ FY 2010 Budget, figures derived from ABIDES (Automated Budget Interactive Data Environment System), the budget system currently in use by the Air Force and recognized as the official Air Force position with respect to the Planning, Programming and Budget Execution (PPBE) system. Inflation data used for any constant dollar calculations were based on average Consumer Price Index for All Urban Consumers (CPI-U) rates for the past ten years: roughly 2.6% average annual rate of inflation. Medicare Eligible Retirement Health Care (MERHC) is an accrual account used to pay for health care of Medicare-eligible retirees (age 65 and beyond). Cost per capita figures were derived dividing cost of Selected Reserve program by Selected Reserve end-strength. When MERHC figures are included, the cost of Air Force Reserve Airmen to Regular Air Force Airmen increases to 30.4%.

respond to crises world-wide within 72 hours if and when they are called upon. Given the resource challenges affecting our Nations' security, this fulltime readiness/part-time cost is the most cost efficient model for doing business.

Reserve Airmen are among the most experienced Airmen in the Air Force. Air Force Reserve officers average roughly 15 years of experience, and enlisted members average 14 years of experience, compared to 11 years and 9 years for Regular Air Force officers and enlisted members, respectively. Sixty-four percent of Air Force Reserve Airmen have prior military experience that crosses all Services and Components--further demonstrating the economic benefit of the Reserve components. This experience translates into additional cost efficiencies, such as reduced aircrew training costs for experienced aviators, who require fewer flying hours for training. By enabling Airmen to continue serving, we also retain the significant training investment made by the Active Component in these professionals.

Last month, the Air Force Reserve announced the re-missioning of its three Numbered Air Forces (NAF), along with their three Regional Support Groups, to better focus on their primary roles of command and readiness. All three NAFs are charged to ensure their subordinate units are trained and ready to deploy. This modernization initiative reorganizes the administrative functions of the higher headquarters resulting from a 13-month analytical effort intended to ensure we are operating as effectively and efficiently as possible—in short, we are reducing manpower and redirecting resources to the war-fighter.

While restructuring our NAFs we established a Force Generation Center (FGC) that provides a single point of entry for accessing all Air Force Reserve forces. The FGC's intent further modernizes our force management practices; providing a unified picture of our combat capability to our Combatant Commanders while providing our customers with a single point of entry with a consistent set of business rules. In addition to improving our services to the Combatant Commanders, the FGC allows the Air Force Reserve to be more responsive to the needs of individual Reservists, providing them greater predictability. Collectively, these actions contribute to the overall health of the Air Force—making us a leaner organization while improving the lives of the men and women who serve with us.

Air Force Reserve Modernization

The Air Force Reserve's modernization strategy has consistently focused on providing our force with modern systems (Precision Engagement), protecting our force while they defend our nation (Defensive Systems), and equipping our force for Irregular War Operations (Personal Protective Equipment). The National Guard and Reserve Equipment Account (NGREA) is the funding engine that allows us to do this on a cost-efficient basis. It is our primary means of ensuring the Air Force Reserve is equipped with the most relevant, modern and compatible fielded technologies, thereby increasing our combat capability. Since 1981, NGREA has allowed the Air Force Reserve to upgrade our equipment with better targeting, self protection and communication capabilities; and it has proven critical in support of combat operations in Afghanistan and Iraq.²

Our modernization and equipping strategy intends, first and foremost, to alleviate critical mission capability shortfalls. Critical shortfalls are those whereby the mission cannot be accomplished without modernization or where mission failure or loss of life could occur to lack of the capability. Upgrade of defensive system capabilities, communications equipment and data links, situational awareness enhancements, precision engagement to include target identification, safety-related enhancements and replacement of obsolescent mission equipment are currently the typical drivers of our critical shortfalls.

We are also participating in a cooperative effort with the Air National Guard, Air Force Materiel Command and Air Staff to review Air Force obligation processes and develop improvements. While improvements should begin to manifest themselves during FY12, meeting the 80% first-year obligation goal will always be a challenge for NGREA. As an unprogrammed

² NGREA made possible state-of-the art avionics upgrades to the F-16 Block 30 weapons system. As a result, the Air Force Reserve was asked to remain in Afghanistan to support the air campaign against the Taliban as this upgrade was not available to the active component at that time. Litening Pods purchased with NGREA funds allow for an availability of training that the active component does not get. ARC F-16 and A-10 pilots are the most experienced targeting pod users in the Combat Air Force. The BLOS (Beyond Line of Sight) SATCOM and SLOS (Secure Line of Sight) radios installed on our F-16s and A-10s were also purchased using NGREA dollars. Communication has traditionally been one of our largest obstacles in the AOR and these systems have immensely improved communication necessary to respond to rapidly changing situations on the ground allowing us to protect our ground forces. These systems were so successful that our active duty component has followed our successful lead and installed the systems on their aircraft.

appropriation, NGREA execution is hindered as it has no obligation authority under continuing resolutions and contractual solicitations cannot be issued prior to appropriation of funds.

I am happy to report to you that NGREA dollars are at work today in the AOR, saving lives. For example, a tool called the Smart Multi-Function Color Display (SMFCD) provides our combat search and rescue (CSAR) helicopter, the HH-60G Pave Hawk, with enhanced datalink and situational awareness capabilities. This SMFCD has been priceless in the overall situational awareness enhancement for pilots, allowing the aircrew to receive survivor information while airborne without using precious satellite communications assets that need to be used elsewhere in theater. The SMFCD clarifies critical information on patient location and medical condition, resulting in more accurate and expeditious treatment of our wounded. Furthermore, the SMFCD has allowed the Flight Engineer and Pararescuemen to see all available mission and flight data reducing crew workload, increasing crew safety and ensuring mission success. The SMFCD allows all HH-60G crew members to monitor aircraft performance, the ground order of battle and threats surrounding Landing Zones. Most importantly, time spent on the ground waiting for patient data is eliminated, enabling rescue aircrews to launch in only 5-7 minutes of notification. While enroute to the patient, critical mission information is sent directly into the cockpit. With use of the SMFCD equipment, rescue crews have optimized the time within the golden hour to provide trauma care, rather than in transport.

In 2006, we identified the need for this capacity at an annual Weapons and Tactics conference. Air Combat Command granted our request to pursue our own SMFCD program in June 2009. Just three months later, a contract was awarded. In May 2010, the Air National Guard Air Force Reserve Command Test Center (AATC) started to test the SMFCD. On September 7, 2010 the first production kit was installed on a Reserve Component HH-60G. From start to finish, our acquisition and integration process through NGREA funding took only 15 months.

In total, 15 Air Force Reserve and 17 Air National Guard aircraft were subsequently modified. In less than 20 months from contract award, the SMFCD was in use by tactical units in Afghanistan. It's important to note that the Active Component does not have this capacity and won't for another two to three years. This upgrade satisfies a Combatant Commander directed requirement for units to arrive in theater with datalink capability. Most importantly, this

NGREA effort directly contributed to saving 331 lives and 268 assists during OPERATION ENDURING FREEDOM.

Additionally, using FY09, FY10 and FY11 NGREA funds, the Air Force Reserve responded to a Combatant Commander Urgent Operation Need (UON) related to the capabilities of our A-10 and F-16 fleet. Through acquisition of the Helmet Mounted Integrated Targeting (HMIT) system we were able to enhance our pilots' capability to cue aircraft sensors and weapons well outside the Heads-Up Display (HUD) field of view of their aircraft. This commercial-off-the-shelf (COTS) system is a common solution for both the A-10 and F-16 aircraft. Additionally, HMIT incorporates color displays in its system and is compatible with current night vision goggle systems to enhance night time flying capabilities. These capabilities increase the situational awareness of our A-10 and F-16 pilots by 400% and decrease incidents of friendly fire deaths caused when pilots move their heads away from their controls to see targets on the ground. We have completed purchasing and expect delivery of this upgrade in FY12.

In addition to improving our combat capabilities, it is important to note that NGREA has enabled us to upgrade equipment associated with Homeland Defense and those missions that are specific solely to the Air Force Reserve. For example, recent NGREA funding has enabled us to begin replacing the unique aerial spray systems maintained by the 910th Airlift Wing, the only unit within the Department of Defense with this capability. This system has been used recently in response to mosquito control in the Midwest and during last year's BP Deep Water Horizon Oil Spill clean-up. We have allocated \$4.5M of FY11 funds to initiate the Modular Aerial Spray System, with contract award anticipated no earlier than September 2012.

Modernization is not just about equipment and weapons systems. It includes force structure, such as our NAF reorganization. It also includes Military Construction (MILCON) and Infrastructure Modernization. The Air Force Reserve continues to face significant challenges in modernizing our facilities and infrastructure.

During budget formulation this year, all three components applied asset management principles to our programs and attempted to ensure maximum efficiency without compromising the effectiveness of our installation weapon systems-- the platforms from which we fly and fight.

The Total Force MILCON request ensures construction is closely aligned with weapon system deliveries and strategic basing initiatives—spending money in the right place, at the right

time. Despite the Air Force Reserve's best efforts to efficiently allocate our facility funding, the challenges inherent in today's budget environment has resulted in a backlog of infrastructure requirements exceeding a billion dollars.

The Air Force Reserve MILCON budget request for Fiscal Year 2012 is \$33.6 million. This request funds our highest priority current mission project, the construction of a Control Tower and Base Operations facility for the 452nd Airlift Wing at March Air Reserve Base, California. It also includes one new mission project to construct a Readiness and Training facility at Charleston Air Force Base, South Carolina for a new RED HORSE Squadron. It provides Planning and Design funds needed to prepare for the FY13 and FY14 programs along with Minor Construction funds that will be used to accomplish urgent and compelling projects which cost less than two million dollars.

As we continue to work within a fiscally constrained environment, we will pursue further optimization of space allocation with increased facility consolidation and demolition, and mitigate risk where possible. But, we must be mindful that our Airmen deserve a safe and adequate working environment.

Conclusion

The Air Force Reserve would expect negative impacts in inventory of aircraft as well as a reduction in training should funding reductions occur in FY12. Any reduction in funding will translate in a decrease in readiness.

Orderly completion of on-going programs has first call on appropriated NGREA funds, barring emergence of a significant new requirement, such as an Urgent Operational Need. Failure to fund on-going programs causes significant disruption in acquisition programs and fielding plans which can propagate into deployment plans, depending on deferred or lost operational capabilities. Deferred procurements incur increased costs and may incur risks associated with diminishing manufacturing source issues.

While it is impossible to say what possible industrial base impacts may result from potential funding reductions, I would ask this committee to consider that Citizen Airmen live and work in communities across America. When local economies are negatively impacted, unit readiness may suffer as members leave their communities in search of civilian employment.

We take pride in the fact that when our nation calls on the Air Force Reserve, we are trained and ready for the fight. As an operational force over 70,000 strong, we are mission-ready and serving operationally throughout the world every day.

In a time of constrained budgets and higher costs, it's important that processes exist to effectively prioritize our needs. We must understand the vital role we play in supporting our nation's defense and concentrate our resources in areas that will give us the most return on our investment. Optimizing the capabilities we present is a top priority, but we must simultaneously support our Airmen, giving them the opportunity to have a predictable service schedule that meets the needs of Reservists, their families and their employers.

The Air Force Reserve must also remain flexible, capable of surging, refocusing, and continuously engaging without exhausting resources and people. Looking beyond FY12, it is imperative that we preserve the health of our strategic reserve and improve our ability to sustain our operational capability. Going forward, we need to continuously balance capabilities and capacity against both near-term and long-term requirements. These actions we continue to advance in 2011 will preserve the health of our force.